

KAVVERI TELECOM PRODUCTS LIMITED

 Registered Office: Plot No. 31-36, 1st Floor, 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore, Karnataka - 560076
 STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR QUARTER and HALF YEAR ENDED 30th September, 2019

(Rs. In Lacs)

S. No	Particulars	Quarter ended			Half year ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue From Operations						
	a) Net Sales / Revenue from Operations	42.92	49.93	47.15	92.85	66.93	173.09
	b) Other Operating Income	-	0.53	1.03	0.53	1.03	7.20
	Total Revenue from Operations (Net)	42.92	50.46	48.18	93.38	67.96	180.29
2	Other Income						
	Total Income (1+2)	42.92	50.46	48.18	93.38	67.96	180.29
3	Expenses						
	a) Cost of materials consumed	10.73	31.17	17.21	41.90	19.19	70.75
	b) Purchases of Stock - in - trade				-	-	
	c) Changes in inventories of finished goods , work-in-progress and stock-in-trade				-	-	
	d) Employee benefits expenses	8.17	16.07	11.10	24.24	21.32	58.74
	e) Depreciation and amortisation expenses	74.48	94.56	95.13	169.04	190.79	389.54
	f) Other expenditure						
	- Operating Expenses	7.24	37.27	34.97	44.51	44.21	480.02
	- Finance Costs	331.29	331.54	331.24	662.83	662.39	1,344.21
	Total Expenses	431.91	510.61	489.65	942.52	937.90	2,343.26
4	Profit / (Loss) before tax (1+2-3)	(388.99)	(460.16)	(441.47)	(849.14)	(869.94)	(2,162.97)
5	Tax Expenses.	(18.62)	47.04	(86.51)	28.42	(93.96)	2137.74
6	Net Profit (+) / Loss (-) from ordinary activities after tax (4-5)	(407.61)	(413.12)	(527.98)	(820.72)	(775.98)	(25.23)
7	Extraordinary items (net of tax expenses)						
8	Net Profit (+) / Loss (-) for the period (6-7)	(407.61)	(413.12)	(527.98)	(820.72)	(775.98)	(25.23)
9	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss						
	(ii) Income tax relating to items that will not be reclassified to profit or loss						
	B (i) Items that will be reclassified to profit or loss						
	(ii) Income tax relating to items that will be reclassified to profit or loss						
10	Total Comprehensive Income for the period (8+9)	(407.61)	(413.12)	(527.98)	(820.72)	(775.98)	(25.23)
	Earnings Per Equity Share - (for Continuing operation)						
	Basic (Rs.)	(2.03)	(2.05)	(1.76)	(4.08)	(3.86)	(0.13)
	Diluted (Rs.)	(2.03)	(2.05)	(1.76)	(4.08)	(3.86)	(0.13)
11	Earnings Per Equity Share - (for Discontinued operation)						
	Basic (Rs.)						
	Diluted (Rs.)						
12	Earnings Per Equity Share - (for Continuing & Discontinued operation)						
	Basic (Rs.)	(2.03)	(2.05)	(2.62)	(4.08)	(3.86)	(0.13)
	Diluted (Rs.)	(2.03)	(2.05)	(1.76)	(4.08)	(3.86)	(0.13)

Notes

- The Company has adopted Indian Accounting Standards (IND AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under. The date of transition of the Ind As is 1st April 2016 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly.
- The above unaudited financial results for the quarter and half year ended 30th September, 2019 were taken on record at the meeting of the Board of Directors held on 14th November, 2019 after being reviewed and recommended by the Audit committee.
- There is no segment wise income, only we are having single segment of income i.e telecom products services
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

 Place : Hyderabad
 Date : 14.11.2019

For Kavveri Telecom Products Limited

 C Shiva Kumar Reddy
 Whole Time Director


Standalone Balance Sheet as at 30th Sept, 2019

PARTICULARS	Note No.	As at 30 Sept 2019	As at 31 Mar 2019
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	1	90,218,143	101,928,023
Intangible Assets	1	20,810,820	26,005,928
Capital Work in Progress		5,416,969	5,416,969
(i) Financial Assets			
(a) Investments	2	538,250,215	538,250,215
(b) Loans and advances	3	31,625,662	31,626,862
Other Non Current Assets	4	850,389,083	928,912,099
Deferred Tax Asset	5	210,218,693	207,376,465
Subtotal		1,746,929,585	1,839,516,561
Current Assets			
Inventories	6	574,814,889	574,814,889
(i) Financial Assets			
(a) Trade Receivables	7	394,980,495	386,075,117
(b) Cash and cash Equivalents	8	2,843,100	2,798,282
Other Current Assets	9	49,184,807	45,185,066
Subtotal		1,021,823,291	1,008,873,356
Total		2,768,752,875	2,848,389,917

PARTICULARS	Note No.	As at 30 Sept 2019	As at 31 Mar 2019
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	201,242,600	201,242,600
Other equity	11	508,245,124	590,319,133
Subtotal		709,487,724	791,561,733
LIABILITIES			
Non- Current liabilities			
(i) Financial liabilities			
Provisions	12	224,857,647	224,857,647
Deferred tax liabilities (Net)	13	-	-
Subtotal		224,857,647	224,857,648
Current liabilities			
(i) Financial liabilities			
(a) Borrowings	14	767,341,281	764,993,440
(a) Trade Payables	15	50,764,204	117,778,682
Other Current Liabilities	16	983,239,612	916,122,515
Provisions	17	33,062,407	33,075,899
Subtotal		1,834,407,504	1,831,970,536
Total		2,768,752,875	2,848,389,917

For Kavveri Telecom Products Ltd

C Shivakumar Reddy
Managing Director

KAVVERI TELECOM PRODUCTS LIMITED

Statement of Cash flow for the Half year ended 30st Sep 2019

Particulars	For the Half Year Ended	For the Year Ended
	30th sep 2019	31st mar 2019
A. Cash flow from operating activities		
Profit / (Loss) before tax	(84,916,237)	(216,295,891)
Adjustments to reconcile profit before tax to net cash from / (used in) operating activities.		
Depreciation on property, plant and equipment	11,709,880	28,563,787
Amortisation and impairment of intangible assets	5,195,109	10,390,217
(Gain)/loss on sale of property, plant and equipment		35,070,472
Finance income (including fair value change in financial instruments)		(719,782)
Finance costs (including fair value change in financial instruments)		134,420,666
Deferred Tax Adjustment		451,355
Operating Profit before working capital changes	(68,011,248)	(8,119,176)
Working capital adjustments		
Decrease/ (increase) in Inventory	-	(6,522,689)
Increase/ (decrease) in Trade Payables	(67,014,478)	104,799,439
(Increase) / decrease in Trade Receivables	(8,905,378)	42,521,533
Increase/ (decrease) in short term provisions		2,857,866
Increase/ (decrease) in long term provisions	(13,492)	(1,346,260)
Decrease/ (increase) in other Current assets	(3,999,740)	(12,212,580)
(Increase) /Decrease in Short term loans and advances		
(Increase) /Decrease in long term loans and advances		
Increase/ (decrease) Other Current Liabilities	67,117,097	138,696,343
Sub Total	(12,815,991)	268,793,652
Income tax paid	-	-
Net cash flows from operating activities (A)	(80,827,240)	260,674,476
B. Cash flow from investing activities		
(Increase)/ decrease in Capital-work-in-progress	-	(50,050,000)
(Increase)/ decrease in Non-current assets	78,523,015	(95,747,184)
Proceeds from sale of assets		75,000,001
Interest received		719,782
purchase of intangible assets		(11,100,000)
(Increase)/ decrease in Long term loans and advances	1,200	(14,872,563)
Net cash flows from / (used in) investing activities (B)	78,524,215	(46,050,014)
C. Cash flow from financing activities		
Proceeds from long term loans and borrowings	2,347,841	(80,365,000)
Interest payment		(134,420,666)
Net Cash flows from / (used in) Financing activities (C)	2,347,841	(214,785,666)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	44,815	(161,205)
Opening Balance of Cash	2,798,281	2,959,487
Closing Balance	2,843,099	2,798,281
Components of Cash and Cash Equivalents		
Cash on Hand	356,217	342,716
Balances with bank in current account	2,486,882	2,455,567
Balance at the end of the year	2,843,099	2,798,282

For Kavveri Telecom Products Ltd

C Shivakumar Reddy
Managing Director





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
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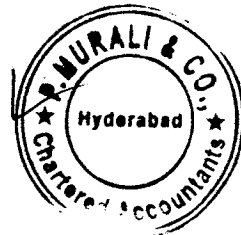
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Limited Review Report- Standalone Financial Results

To
The Board of Directors,
M/s. Kavveri Telecom Products Limited,
Bangalore.

Limited Review Report for the quarter and half year ended 30th September 2019

1. We have reviewed the accompanying statement of unaudited standalone financial results (the statement) of **M/s. Kavveri Telecom Products Limited**, ("the Company") for the quarter ended and Half year ended 30th September, 2019. This statement which is the responsibility of the Company's management and approved by the Board of Directors of the company at their meeting held on 14th November, 2019, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim financial reporting" ("Ind AS 34") prescribed under Section 133 of the companies Act, 2013 and other Accounting Principles generally accepted in India and which has been initiated by us for identification purposes. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





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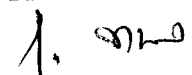
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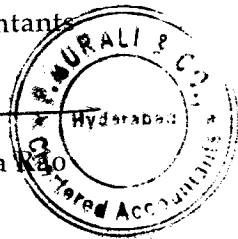
Further we would like to bring to your attention for below points:

- (a) The company incurred losses during previous year, for the half year ending 30th September, 2019, the company has incurred a Net Loss (after tax) of Rs. 820.74 Lakhs resulting into accumulated losses of Rs. 7823.22 Lakhs. The Company has obligations towards fund based borrowings and significant decrease in revenue over the years. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.
 - (b) The Company has defaulted in payment of interest and repayment of loan instalments in the case of Term loans and outstanding dues have been classified as NPA by the banks.
 - (c) The Company has made provision for interest amounting to Rs. 662.23 Lakhs for the half year ended 30th September, 2019 on its Term Loan with State Bank of India but it has not paid any.
 - (d) The Company is not regular in payment of undisputed statutory dues towards ESI, PF, GST and TDS for the quarter and half year ended 30th September, 2019.
3. Based on our review conducted as above except as mentioned in the above points, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation, read with Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P. Murali & Co.
Chartered Accountants
FRN: 007257S



P. Murali Mohana Rao
Partner
M.No. 023412
UDIN: 19023412AAAAGF4860



Place: Hyderabad.
Date: 14.11.2019

**KAVVERI**

KAVVERI TELECOM PRODUCTS LIMITED

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

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR QUARTER and HALF YEAR ENDED 30th September, 2019

(Rs. In Lacs)

S. No	Particulars	Quarter ended			Half year ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue From Operations						
	a) Net Sales / Revenue from Operations	108.78	92.42	341.81	201.20	700.97	558.81
	b) Other Operating Income	0.01	16.82	54.92	16.83	65.12	88.50
	Total Revenue from Operations (Net)	108.79	109.24	396.73	218.03	766.09	647.31
2	Other Income	-	-	-	-	-	-
	Total Income	108.79	109.24	396.73	218.03	766.09	647.31
3	Expenses						
	a) Cost of materials consumed	(41.06)	61.73	51.80	20.67	166.02	194.08
	b) Purchases of Stock - in - trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods , work-in-progress and stock-in-trade	-	(3.40)	-	(3.40)	1.03	-
	d) Employee benefits expenses	8.18	36.67	49.46	44.85	92.21	132.92
	e) Depreciation and amortisation expenses	77.18	94.98	410.44	172.16	820.66	393.96
	f) Other expenditure						
	- Operating Expenses	15.15	76.20	218.83	91.35	268.88	684.54
	- Finance Costs	328.38	334.45	481.96	662.83	961.96	1,302.85
	Total Expenses	387.83	600.63	1,212.49	988.46	2,310.76	2,708.35
4	Profit / (Loss) before exceptional items and tax	(279.04)	(491.39)	(815.76)	(770.43)	(1,544.67)	(2,061.04)
5	Exceptional items	-	-	860.64	-	860.64	-
	Profit / (Loss) before tax	(279.04)	(491.39)	44.88	(770.43)	(684.03)	(2,061.04)
6	Tax Expenses.	(1,159.50)	(132.90)	(2,027.24)	(1,292.40)	(2,015.47)	2,137.74
7	Net Profit (+) / Loss (-) from ordinary activities after tax (4-5)	(1,438.54)	(624.29)	(1,982.36)	(2,062.83)	(2,699.50)	76.70
8	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
9	Net Profit (+) / Loss (-) for the period (6-7)	(1,438.54)	(624.29)	(1,982.36)	(2,062.83)	(2,699.50)	76.70
10	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or	-	-	-	-	-	-
11	Total Comprehensive Income for the period (8+9)	(1,438.54)	(624.29)	(1,982.36)	(2,062.83)	(2,699.50)	76.70
	Earnings Per Equity Share - (for Continuing operation)						
	Basic (Rs.)	(7.15)	(3.10)	(9.85)	(10.25)	(13.41)	0.38
	Diluted (Rs.)	(7.15)	(3.10)	(9.85)	(10.25)	(13.41)	0.38
12	Earnings Per Equity Share - (for Discontinued operation)						
	Basic (Rs.)	-	-	-	-	-	-
	Diluted (Rs.)	-	-	-	-	-	-
13	Earnings Per Equity Share - (for Continuing & Discontinued operation)						
	Basic (Rs.)	(7.15)	(3.10)	(9.85)	(10.25)	(13.41)	0.38
	Diluted (Rs.)	(7.15)	(3.10)	(9.85)	(10.25)	(13.41)	0.38

Notes

- The Company has adopted Indian Accounting Standards (IND AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under. The date of transition of the Ind As is 1st April 2016 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated
- Kavveri Telecom Infrastructure Private Limited, Which is a Subsidiary to the company, the Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Kavveri Telecom Infrastructure Limited and appointed Sri R. Bhuvaneshwari to act as resolution professional (RP) with direction to initiate appropriate action contemplated with extent provisions of the insolvency and Bankruptcy Code, 2016 and other related rules. We didn't get the financial statements or financial information from the Interim resolution professional for the quarter ended 30th September, 2019. Hence we are unable to consolidate Kavveri Telecom Infrastructure Private Limited financials into consolidation results. In view of the above 30th September, 2018 quarter consolidated financial results are not comparable with current quarter consolidated financial results
- The above unaudited financial results for the quarter and half year ended 30th September, 2019 were taken on record at the meeting of the Board of Directors held on 14th November, 2019 after being reviewed and recommended by the Audit committee.
- There is no segment wise income, only we are having single segment of income i.e. telecom products services
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

For Kavveri Telecom Products Limited

Place : Hyderabad

Date : 14-11-2019

C Shiva Kumar Reddy

Whole Time Director

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

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KAVVERI TELECOM PRODUCTS LIMITED

Consolidated Balance Sheet as at 30 th september , 2019

(Amounts in Rs.)

PARTICULARS	As at 30 september, 2019	As at 31 March, 2019
ASSETS		
Non - Current Assets		
Property, Plant, Equipment (including goodwill)	243,411,968	260,586,240
Capital Work in Progress	5,416,969	5,416,969
(i) Financial Assets		
(a) Security Deposits	-	-
Other Non Current Assets	895,346,756	733,705,184
Deffered Tax Asset	47,997,141	177,237,804
Investment	366,486,258	366,486,258
	1,558,659,093	1,543,432,455
Current Assets		
Inventories	736,298,155	734,223,949
(i) Financial Assets		
(a) Trade receivables	541,537,895	531,228,311
(b) Cash and Cash Equivalentts	40,340,274	38,276,195
Current Tax Assets (Net)	-	-
Other Current Assets	392,969,434	679,283,371
	1,711,145,758	1,983,011,826
Total	3,269,804,851	3,526,444,282

PARTICULARS	As at 30 sep, 2019	As at 31 March, 2019
EQUITY AND LIABILITIES		
Equity		
Equity share capital	201,242,600	201,242,600
Other equity	(30,517,576)	175,766,733
	170,725,024	377,009,333
Minority Interest		
	-	-
LIABILITIES		
Non- Current liabilities		
(i) Financial liabilities		
(a) Borrowings	858,478,979	858,478,979
(B) Provisions	224,857,647	224,857,647
Other Non Current Liabilities	-	-
	1,083,336,626	1,083,336,626
Current Liabilities		
(i) Financial Liabilities		
(a) Borrowings	1,349,255,687	1,442,955,700
(b) Trade Payables	261,727,546	324,536,391
(c) Other Financial Liabilities	66,223,116	44,331,163
Other Current Liabilities	310,223,084	221,128,115
Provisions	28,313,768	33,146,954
	2,015,743,201	2,066,098,323
Total	3,269,804,851	3,526,444,282

For Kavveri Telecom Products Ltd

C Shivakumar Reddy
Managing Director



KAVVERI TELECOM PRODUCTS LIMITED

Statement of Consolidated Cash flow for the period ended 30th September 2019

Particulars	For the Period Ended	For the Period Ended
	30.09.2019	31.03.2019
A. Cash flow from operating activities		
Profit / (Loss) before tax	(77,043,646)	(206,105,518)
Adjustments to reconcile profit before tax to net cash from / (used in) operating activities.		
Depreciation on property, plant and equipment	17,174,272	39,396,311
KTIL Property Plant & Equipment*		1,561,641,909
Finance income (including fair value change in financial instruments)		(699,791)
Finance costs (including fair value change in financial instruments)	21,891,953	130,285,111
Foreign Currency Translation adjustments		
Operating Profit before working capital changes	(37,977,421)	1,524,518,022
Working capital adjustments		
Decrease/ (increase) in Trade and Other Advances	-	155,914,419
Decrease/ (increase) in Inventory	(2,074,206)	16,909,619
Increase/ (decrease) in Trade Payables	(62,808,845)	(463,319,582)
(Increase) / decrease in Trade Receivables	(10,309,584)	526,174,664
Increase/(Decrease) in Long Term Liabilities		
Decrease/ (increase) in other Current assets	286,313,937	87,099,118
(Decrease)/ increase in Provisions		(6,530,785)
Decrease/ (increase) in other Non Current assets		(707,388,522)
Increase/ (decrease) Other Current Liabilities	84,261,784	(650,712,898)
Increase/ (decrease) in Short term borrowings	(93,700,013)	(743,298,959)
Sub Total	163,705,652	(260,634,905)
Income tax paid	-	-
Net cash flows from operating activities (A)	163,705,652	(260,634,905)
B. Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment		(11,383,509)
Decrease/ (increase) in Capitalwork-in-progress	-	(50,050)
Proceeds from sale of property, plant and equipment		
Interest received	-	699,791
Repayment of loans given	-	16,973,197
(Increase) / decrease in Investments		
Net cash flows from / (used in) investing activities (B)	-	6,239,429
C. Cash flow from financing activities		
Proceeds from long term loans and borrowings	-	-
Other Non Current Assets	(161,641,572)	373,397,848
Interest payment		(130,285,111)
Net Cash flows from / (used in) Financing activities (C)	(161,641,572)	243,112,737
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,064,079	(11,282,739)
Opening Balance of Cash	38,276,195	49,558,935
Closing Balance	40,340,274	38,276,196

For Kavveri Telecom Products Ltd

C Shivakumar Reddy
Managing Director



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Limited Review Report – Consolidated Financial Results

To

The Board of Directors,

M/s. Kavveri Telecom Products Limited,

Bangalore.

Limited Review Report for the quarter ended and Half year ended 30th September 2019.

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the statement") of **M/s. Kavveri Telecom Products Limited Group** comprising **Kavveri Telecom Products Limited** (the 'Company') and its subsidiaries (together referred to as 'the Group') for the quarter and half year ended 30th September, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Circular No. CIR/CFD/CMD1/ 44/2019 dated March 29, 2019.
2. The preparation of "the Statement" in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on 14th November, 2019. Our responsibility is to express a conclusion on "the Statement" based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
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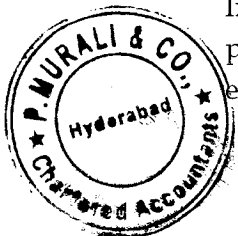
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4. The consolidated unaudited results include the results of the following entities:
- DCI- Digital Communications Ltd.
 - EAICOM India Private Limited.
 - Kaveri Realty 5 Inc.
 - Kavveri Technologies Americas Inc.
 - Til - Tek Antennae Inc.
 - New England Communications Systems Inc.
 - Quality Communications Systems Inc.
 - Kavveri Technologies Inc
 - Spotwave Wireless Ltd.
5. We did not review the financial information/ financial results of subsidiaries included in the consolidated unaudited financial results, whose financial information/ financial results reflect total revenue of Rs. 174.58 lakhs and total comprehensive income/ (loss) of Rs.(128.06) lakhs for the quarter ended 30th September, 2019. These financial information/ financial results of subsidiaries have not been reviewed by their auditors and are based solely on management certified accounts , our conclusion on statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the management certified accounts and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of the above matter

Further we would like to bring to your attention for below points:

- In respect of preparation of financial statements of the Company on going concern basis, during the half year ended, the company has incurred a Net Loss (after tax)of Rs. 2,062.84 Lakhs resulting into accumulated losses of Rs. 13,077.31 Lakhs. The Company has obligations towards fund based borrowings and significant decrease in revenue over the years. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.
- In the consolidated financial results, Kavveri Telecom Infrastructure Limited, which is a Subsidiary to the company are not included. The Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Kavveri Telecom Infrastructure Limited and appointed Sri R.Bhuvaneshwari to act as resolution professional (RP) with direction to initiate appropriate action contemplated with extent provisions of the insolvency and Bankruptcy Code,



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2016 and other related rules. As per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors have been suspended and these powers are now vested with Sri R.Bhuvaneshwari in her capacity as the RP as per the provisions of the Code. We didn't receive financial statements or financial information from the management or resolution professional for the quarter and half year ended 30th September, 2019. Hence we are unable consolidate Kavveri Telecom Infrastructure Limited financials into consolidation results. In view of the above 30th September, 2018 quarter consolidated financial results are not comparable with current quarter consolidated financial results.

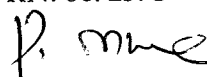
(c) The Company has defaulted in payment of interest and repayment of loan instalments in the case of Term loans and outstanding dues have been classified as NPA by banks.

(d) The Company has made provision for interest amounting to Rs. 662.23 Lakhs for the half year ended 30th September, 2019 on its Term Loan with State Bank of India but it has not paid any.

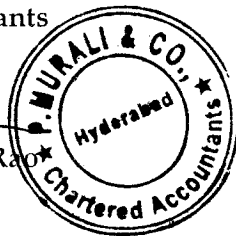
(e) The Company is not regular in payment of undisputed statutory dues towards ESI, PF, GST and TDS for the quarter and half year ended 30th September, 2019.

6. Based on our review conducted as above except as mentioned in the above points, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation, read with Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P. Murali & Co.
Chartered Accountants
FRN: 007257S


P Murali Mohana Rao
Partner

M.No. 023412
UDIN: 19023412AAAAGG4892



Place: Hyderabad
Date: 14.11.2019