Date: 31.05.2023

To,	To,
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	The Manager, Department of Corporate Services, The National Stock Exchange of India Limited BKC Complex, Bandra (East), Mumbai
Scrip Code: 590041	NSE Symbol: KAVVERITEL

Subject **: Outcome of Board Meeting.**

Ref **: Disclosure under Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sirs,

This is to inform you that the Board of Directors of the Company at its meeting concluded today, approved the standalone and consolidated audited financial results of the Company for the fourth quarter and year ended on March 31, 2023, based on the recommendation of the Audit Committee.

Further, we here by inform you that, due to some un-avoidable circumstances the board could not be able to conclude the meeting on the same day.

The meeting commenced at 04:30 PM on 30th May 2023, due to some un-avoidable circumstances the Board Meeting adjourned to 04.30 PM on 31st May 2023 and concluded at 10:45 PM on 31st May 2023.

The said one day delay is un-intentional and without any *mens rea*. We kindly request your good office to consider our submission and oblige.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For Kavveri Telecom Products Limited

CHENNAREDDY SHIVAKUMAR REDDY
Digitally signed by CHENNAREDDY SHIVAKUMAR REDDY
Date: 2023.05.31 22:45:35 +05'30'

CHENNAREDDY SHIVAKUMARREDDY

Managing Director

DIN: 01189348

Plot No. 31 to 36, 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore-560 076, Karnataka, India.
Tel: +91-80-41215999, 41215960 / 61 / 62 / 64 / 65 / 67 Fax: +91-80-41215966 www.kaveritelecoms.com

INDEPENDENT AUDITOR'S REPORT

To the Members

Kavveri Telecom Products Limited

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. Kavveri Telecom Products Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, ***except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph***, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and loss, and its cash flows for the year ended on that date.

Basis of Qualified Opinion

i. ***Material uncertainty related to Going Concern:*** *During the year the company has incurred a Net profit of Rs. 3,216.70 Lakhs resulting into accumulated losses of Rs. 9,023.38 Lakhs, which is after recording all the necessary entries based on the write back of One Time Settlement order received from Edelweiss ARC Ltd for the settlement of cash credit and term loan settlement which were availed from State Bank of India, write back of Trade Payables, write back of provision of Gratuity, write back of provision of Leave encashment, write back of provision of warranty, write back of Salaries and employee advances. There is significant decrease in revenue over the past few years. These conditions indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as going concern and therefore 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.*

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ii. *In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value and thus, we are unable to comment whether any provision for impairment in the value of investments is required.*

Emphasis of Matter

Without qualifying our opinion, we draw attention to the below

i. **Branch Balance** : We draw attention to Note 3 in the financial statements, which describes the write-off of certain branch balances. As disclosed in Note 3, during the current year, the company has recognized a write-off of balances associated with its branches due to their unrecoverable nature. The total value of branch balance written off during the financial year is Rs. 182.58 Lakhs.
The write-off of branch balances has resulted in a decrease in the assets or liabilities associated with these balances in the financial statements. Consequently, the financial statements reflect a reduction in the company's assets or liabilities and an impact on its financial position.

ii. **Deposits** : We draw attention to Note 3 in the financial statements, which describes the write-off of certain deposits. As disclosed in Note 3, during the current year, the company has recognized a write-off of deposits due to their unrecoverable nature. The total value of Deposits written off during the financial year is Rs. 4.76 Lakhs.
The write-off of deposits represents a significant event that has affected the company's financial position. It reflects management's revised assessment of the recoverability of these deposits based on the current information, contractual status, or disputes.

iii. **Deferred Tax Asset :** We draw attention to Note 5 in the financial statements, which describes the reversal of a deferred tax asset. As disclosed in Note 5, during the current year, the company has recognized a reversal of a previously recognized deferred tax asset due to the lack of future virtual certainty to earn future taxable income. The total value of Deferred Tax Assets written off during the financial year is Rs. 1,722.29 Lakhs.
The reversal of the deferred tax asset has resulted in a decrease in the income tax benefit and an increase in the income tax expense for the current year. Consequently, the financial statements reflect a lower net profit and an adjustment to the carrying value of the deferred tax asset.

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M.No. 237068
BANGALORE

iv. **Interest Receivable from Subsidiary and Third Parties :** We draw attention to Note 9 in the financial statements, which describes the write-back of interest receivable from subsidiaries. As disclosed in Note 9, during the current year, the company has recognized a write-back of previously recognized interest receivable from its subsidiaries. The total value of Interest receivable from subsidiary written off during the financial year is Rs. 249.59 Lakhs.

We draw attention to Note X in the financial statements, which describes the write-back of interest receivable from subsidiaries. As disclosed in Note X, during the current year, the company has recognized a write-back of previously recognized interest receivable from its subsidiaries.

v. **Investments :** We draw attention to Note 2 in the financial statements, which describes the write-off of investments in domestic and overseas subsidiaries. As disclosed in Note 2, during the current year, the company has recognized a loss and fully written off its investments in certain domestic and overseas subsidiaries. The total value of Investments written off during the financial year is Rs. 2548.43/- Lakhs. Further, we have not received the balance confirmation for the closing balance of Investments as on 31st March 2023.

The write-off of the investments in domestic and overseas subsidiaries has resulted in a recognition of loss in the financial statements. Consequently, the financial statements reflect a reduced net profit and an adjustment to the carrying value of the investments.

vi. **Trade Payable, Advances Received and Confirmation :** We draw attention to Note 15 & 16 in the financial statements, which describes the write-back of certain trade payables and advances received. As disclosed in Note 15 & 16, during the current year, the company has recognized a reversal of previously recognized trade payables and advances received due to their no longer being payable or refundable. The total value of trade payables and advances write-back during the financial year is Rs. 578.74 Lakhs.

The write-back of trade payables and advances received has resulted in a decrease in the accounts payable and advances balances in the financial statements. Consequently, the financial statements reflect a reduction in the company's liabilities and an impact on its financial position.

Further, we draw attention to Note 15 & 16 in the financial statements, which describes the absence of confirmation of Trade Payable and Advances as on 31st March 2023. However, the Company is in the process of obtaining the same, based on that we are unable to comment on the extent to which such balances are payable. The total value of Trade Payable as on 31st March 2023 is Rs.48.10 Lakhs.

vii. **Capital Work-in-Progress :** We draw attention to Note 1 in the financial statements, which describes the write-back of previously recognized Capital Work-in-Progress (CWIP). As disclosed in Note 1, during the current year, the company has recognized a reversal of the previously

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M.No. 237068
BANGALORE

capitalized CWIP due to changes in the project's status or abandonment. The total value of Capital Working in Progress written off during the financial year is Rs. 54.17 Lakhs.

The write-back of CWIP has resulted in a decrease in the value of assets and an adjustment to the carrying value of CWIP in the financial statements. Consequently, the financial statements reflect a reduction in the company's total assets and an impact on its financial position.

viii. **One Time Settlement (OTS) Scheme for Bank Loan and Interest Payable :** The Company (KTPL) has defaulted in repayment of cash credit and term loan which were availed from State Bank of India. The Bank has issued notice U/s. 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 to recover the amount which includes outstanding interest towards cash credit and term loan availed by the Company. Later on the bank has transferred the outstanding due to Edelweiss Asset Reconstruction Company (EARC) for the purpose of recovery of dues from the Company on 27th June, 2014. Also all securities provided by the company to Bank against Term loan and cash credit are also transferred to the Asset Reconstruction Company as informed by Bank to the Company. The Company has approached Edelweiss ARC Ltd for One Time Settlement (OTS) Proposal in 21st November, 2021 for settlement of loans availed by the company, the settlement proposal had been accepted by the EARC vide it's letter dated 8th December, 2021. As per terms of aforesaid settlement, KTPL was required to pay EARC a sum of Rs. 2.5 Crores on or before 25th March, 2022. The company has paid the Rs. 2.5 Crores to EARC in consonance with the timeline detailed under the acceptance letter. Later, the EARC has issued No Dues Certificate to KTPL on 24th March, 2022 and released the personal guarantees of Mr. C Shivakumar Reddy and Mrs. R.H. Kasturi. The total value of loan and interest waived off as per books of accounts and credit to profit and loss account as on 31st March 2023 is Rs.20,503.62 Lakhs.

On Similar line, the total value of assets settled against the secured loan, the total value of Inventory and Written down value of Plant and Machinery settled during OTS as on 31st March 2023 is Rs.5,609.63 Lakhs and Rs.190.44 Lakhs respectively.

ix. **Loans and Advances :** We draw attention to Note 3 in the financial statements, which describes the write-back of certain loans and advances. As disclosed in Note 3, during the current year, the company has recognized a reversal of previously recognized loans and advances due to their no longer being recoverable. The total value of Loans and Advances written off during the financial year is Rs. 1.80 Lakhs. Further, we have not received the balance confirmation for the closing balance of Loans and Advances as on 31st March 2023.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

We draw attention to Note 3 in the financial statements, which describes the write-back of certain loans and advances. As disclosed in Note 3, during the current year, the company has recognized a reversal of previously recognized loans and advances due to their no longer being recoverable.

x. **Provision for Gratuity and Leave encashment :** We draw attention to Note 12 in the financial statements, which describes the write-back of provision for gratuity and leave encashment. As stated in Note 12, during the current year, the company has reversed the previously recognized provision for gratuity and leave encashment due to a reassessment of the estimated liability. The total value of Gratuity and Leave Encashment write-back during the financial year is Rs. 92.33 Lakhs.

The write-back of the provision for gratuity and leave encashment has resulted in a decrease in the liability and an increase in profit for the current year. As a result, the financial statements reflect a higher net profit and a reduced liability for employee benefits.

xi. **Provision for Warranty, Retention Money and Other Provisions** : We draw attention to Note 12 & 16 in the financial statements, which describes the write-back of the provision for warranty, retention money and other outstanding liabilities. As disclosed in Note 12 & 16, during the current year, the company has recognized a reversal of previously recognized provisions for warranty, retention money and other outstanding liabilities due to changes in estimates or settlements. The total value of Warranty, Retention Money and Outstanding Liabilities write-back during the financial year is Rs. 2,169.62 Lakhs.

The write-back of the provision for warranty and retention money has resulted in a decrease in the liabilities and an adjustment to the provision balances in the financial statements. Consequently, the financial statements reflect a reduction in the company's liabilities and an impact on its financial position.

xii. **Salaries Payable and Staff Advance :** We draw attention to Note 9 & 17 in the financial statements, which describes the write-back of the provision for salary payable and employee advances. As disclosed in Note 9 & 17, during the current year, the company has reversed a portion of the previously recognized provision for salary payable and employee advances due to a reassessment of the estimated liability. The management retained the claims of respective employees for a period beyond 8 years and post that based on the law of limitations the management took a call to write back the salaries payable and employee advances to employees in the current financial year. The total value of Salaries and employee advances write-back during the financial year is Rs. 115.02 Lakhs.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

xiii. **Trade Receivables, Advances and Balance Confirmation** : We draw attention to Note 7 & 9 in the financial statements, which describes the write-off of trade receivables and advances paid. As disclosed in Note 7 & 9, during the current year, the company has recognized a write-off of certain trade receivables and advances paid due to their irrecoverable nature. The total value of trade receivables and advances written off during the financial year is Rs. 10,015.05 Lakhs.

The write-off of trade receivables and advances paid has resulted in a decrease in the accounts receivable and advances balances in the financial statements. Consequently, the financial statements reflect a reduction in the company's assets and an impact on its financial position.

Further, we draw attention to Note 7 in the financial statements, which describes the absence of confirmation of Trade Receivables and Advances as on 31st March 2023. However, the Company is in the process of obtaining the same, based on that we are unable to comment on the extent to which such balances are recoverable. The total value of Trade Receivable as on 31st March 2023 is Rs.239.18 Lakhs.

xiv. **Unsecured Loans :** We draw attention to Note 3 in the financial statements, which describes the write-back of unsecured loans. As disclosed in Note 3, during the current year, the company has reversed a portion of the previously recognized provision for unsecured loans due to a reassessment of their recoverability. The total value of Unsecured loans write-back during the financial year is Rs. 19.03 Lakhs.

The write-back of the provision for unsecured loans has resulted in a decrease in the loss/provision and an increase in profit for the current year. Consequently, the financial statements reflect a higher net profit and an adjustment to the carrying value of the unsecured loans.

xv. **Overseas Investment Audit Report :** In our opinion and according to the information and explanations given to us, the Company did not provide the audit reports of the group companies Hence we are unable to ascertain the details of the same.

xvi. **Inventory :** We draw attention to Note 6 in the financial statements, which describes the write-off of inventories that have been taken over by the banks under the One Time Settlement (OTS) scheme. As disclosed in Note 6, during the current year, the company has recognized a loss and written off the carrying value of inventories that have been transferred to the banks as part of the settlement agreement. The total value of Inventory write-back on One Time Settlement Scheme of Cash Credit and Term Loan along with interest due during the financial year is Rs. 5,609.63 Lakhs.

We draw attention to Note 6 in the financial statements, which describes the write-off of inventories that have been taken over by the banks under the One Time Settlement (OTS) scheme. As disclosed

J.K. CHOPRA & ASSOCIATES M.No. 237068 BANGALORE

in Note 6, during the current year, the company has recognized a loss and written off the carrying value of inventories that have been transferred to the banks as part of the settlement agreement.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a

J.K. CHOPRA & ASSOCIATES M.No. 237068 BANGALORE

true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

J.K. CHOPRA & ASSOCIATES M.No. 237068 BANGALORE

a) We have sought and obtained, ***except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph and Emphasis of matter paragraph above,*** all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) ***Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph and Emphasis of matter paragraph above,*** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) ***Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph and Emphasis of matter paragraph above,*** In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure II"**. Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
In our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided any managerial remuneration during the year under Audit.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has not made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (Refer Note No.16).

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year which is in contravention of the provisions of section 123 of the Companies Act, 2013.

For **J K Chopra & Associates,**
Chartered Accountants
ICAI Firm's Registration No. 016071S

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

Jitendra Kumar Chopra
Proprietor
Membership No: 237068
UDIN: 23237068BGXHMA2243

Place: Bangalore
Date: 30th May 2023

Annexure I referred to in paragraph [1] under Report on Other Legal and Regulatory Requirements of our report of even date

Annexure to the Independent Auditor's Report of even date to the members of **M/s Kavveri Telecom Products Limited**, on the financial statements for the year ended 31st March 2023.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of Fixed Assets:

a) (A) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Hence, we are unable to ascertain the details of quantity and situation of Property, Plant and Equipment.

(B) The Company has not maintained proper records showing full particulars of Intangible Assets.

b) The major Property, Plant and Equipment of the company have not been physically verified by the management at reasonable intervals during the year, however they are in the process of doing the physical verification in the current financial year. We are unable to comment on discrepancies that might be arose on such physical verification of PPE that are lying on all locations where physical verification could not be performed.

c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023 and accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(ii) In respect of Inventories:

a) There are no inventory in the company in order to perform physically verification during the year by the management.

b) The company has not been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets; quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

(iii) According to the information and explanation given to us, the Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of companies act, 2013 have been complied with.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed by the Central Government under section 148(1) of the Act. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, value added tax, cess and any other statutory dues applicable are not regularly in deposited by the Company with the appropriate authorities in India, (b) There were disputed amounts payable in respect of Provident Fund, Professional Tax and TDS dues in arrears as at 31st March 2023 for a period of more than 6 months from the date they became payable:

Particulars	**Amount is Rs.**
Tax Deducted at Source	1,56,58,429
Provident Fund	41,520
Professional Tax	32,150
Total	**1,57,32,099**

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, and cess were in arrears as at the balance sheet date for a period of more than six months from the date they became payable apart from amounts mentioned above. ***However, in respect of Provident Fund, Sales Tax and TDS the company has dues payable for more than 6 months outstanding as on the date of balance sheet, the details of the same are as under:***

Particulars	**FY 2021-22**
Provident Fund	5,29,117
Central Sales Tax (FY 2010-11)	57,69,004
Tax Deducted at Source	1,10,562
Employee State Insurance Corporation	184
Total	**64,07,657**

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and CESS which have not been deposited as on 31st March 2023 on account of disputes are given below:

Direct Taxes

Name of the Statue	Nature of Dues	Amount (Rs. in Lakhs)	Period	Forum where dispute pending
Income Tax Act, 1961	Income Tax	19.09	A.Y 2005-06	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	133.37	A.Y 2006-07	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	826.14	A.Y 2008-09	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	430.80	A.Y 2009-10	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	346.85	A.Y 2010-11	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	5474.02	A.Y 2011-12	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	4677.90	A.Y 2012-13	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	NIL	A.Y 2013-14	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	607.58	A.Y 2014-15	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	584.85	A.Y 2015-16	CIT (A), Bangalore
Income Tax Act, 1961	Income Tax	8624.55	A.Y 2017-18	CIT (A), Bangalore

Indirect Taxes

Name of the Statue	Nature of Dues	Amount (Rs. in Lakhs)	Period	Forum where dispute pending
Central Excise	Availment of CENVAT Credit (Including Penalty)	5424.26	February 2007 to 2009	CESTAT Bangalore
Central Excise	Irregular availiment of CENVAT Credit(Including penalty)	33.2	2010-2011	Commissioner of customs and central excise (Appeals) Bangalore
Central Excise	Irregular availment of CENVAT Credit(Including penalty)	1.27	2012-2013	CESTAT Bangalore
Central Excise	Irregular availment of CENVAT Credit(Including penalty)	2.58	2007-2008	Commissioner of customs and central excise (Appeals) Bangalore
Central Excise	Irregular availment of CENVAT Credit(Including penalty)	10.36	2007-2008 & 2008-2009	CESTAT Bangalore

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not taken term loans from Banks and Financial institutions during the financial year. The company has defaulted in payment of dues of interest and principal of cash credit and term loans, however, the Company had submitted a Settlement Proposal on 21st November 2021,

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

the same was accepted and One Time Settlement was finalised on 24th March 2022 . (Refer "Basis for Qualified Opinion Paragraph" in Audit Report).

(x) (a) During the year the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).

(b) The Company has complied with provisions of sections 42 of the Act in respect of the private placement of Compulsory Convertible preference shares respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act, 2013 has been filed by the secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year

(xii) In our opinion, the Company is not a nidhi company as per the provisions of the Act. Therefore, the provisions of clause 3(xii)(a) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Ind AS Financial Statement as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.

(xiv) The Company is in the process of having an internal audit system commensurate with the size and nature of its business for the financial year 2022-23.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year of Rs.126.80 Lakhs. The Company has incurred cash losses in the immediately preceding financial year of Rs.1,264.85/- Lakhs.

(xviii) There has been resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 51 to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For **J K Chopra & Associates**
Chartered Accountants
ICAI Firm's Registration No. 016071S

J.K. CHOPRA & ASSOCIATES M.No. 237068 BANGALORE

Jitendra Kumar Chopra
Proprietor
Membership No.237068
UDIN: 23237068BGXHMA2243

Place: Bangalore
Date: 30th May 2023

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting **of M/s. Kavveri Telecom Products Limited ('the company')** as of 31st March 2023 in conjunction with our audit of IND AS Financial Statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

J.K. CHOPRA & ASSOCIATES M.No. 237068 BANGALORE

procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the IND AS Financial Statements, whether due to fraud or error

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion:

1. The company did not have appropriate internal controls for confirmation and reconciliation of Trade Receivables, Trade Payables, Other Current Assets and Current Liabilities.
2. The company did not have fixed asset register as on 31.03.2023.

As a result of above matters, we have not been able to obtain sufficient and appropriate audit evidence in relation to Internal Financial Controls over Financial Reporting and consequently, we are unable to determine whether the company has established adequate internal financial controls over Financial Reporting and also whether such internal financial controls were operating effectively as at March 31st, 2023.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

Qualified Opinion

In our opinion, as a result of the matters given in the Basis of Qualified opinion paragraph in the Audit report of the company, we have not obtained sufficient appropriate audit evidence in respect of those matters specified in the Basis of Qualified opinion paragraph. We are unable to determine whether the company has established adequate internal financial controls over Financial Reporting and also whether such internal financial controls were operating effectively as at 31st March 2023 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For **J K Chopra & Associates**
Chartered Accountants
ICAI Firm's Registration No. 016071S

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

Jitendra Kumar Chopra
Proprietor
Membership No.237068
UDIN: 23237068BGXHMA2243

Place: Bangalore
Date: 30th May 2023

KAVVERI telecom products limited

KAVVERI TELECOM PRODUCTS LIMITED

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

Statement Of Standalone Audited Financial Results For Quarter And Year Ended 31st March 2023

(Amount in lakhs except EPS)

Particulars	Quarter ended			Year to date	
	31.03.2023	31.12.2022	31.03.2022	31-03-2023	31-03-2022
	Audited	Unaudited	Audited	Audited	Audited
Continuing operations					
Income					
Revenue from Operations	-	11.00	80.50	11.00	112.91
Other income	11.27	0.23	-	11.50	12.60
Expenses write back					
Write Back-Bank Loan	20,484.23	-	-	20,484.23	-
Write Back-Provision	2,261.95	-	-	2,299.13	-
Write Back-Trade Payabled and Advances	1,062.82	-	-	1,062.82	-
Write back-Other Current Liabilities	126.33	-	-	126.33	-
Write Back-Unsecured Loans	19.03	-	-	19.03	-
Total revenue	**23,965.63**	**11.23**	**80.50**	**24,014.04**	**125.51**
Expenses					
Cost of Goods Sold	(0.00)	-	-	-	-
Cost of Material Consumed	-	-	-	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	-	-	-	-	-
Employee Benefit Expense	0.50	2.64	0.60	4.14	2.52
Administrative & Other Expenses	264.44	5.82	12.28	288.90	43.31
Expenses written off					
Write Off-Trade Receivable and Advances	10,015.43	-	-	10,015.43	-
Write Off-Inventory	5,609.63	-	-	5,609.63	-
Write Off-Deferred Tax Assets	1,722.29	-	-	1,722.29	-
Write Off-Investments	2,548.43	-	-	2,548.43	-
Write Off-Other Current Assets & Deposits	446.43	-	-	446.43	-
Write Off-WIP/CWIP	54.17	-	-	54.17	-
Total Expenses	**20,661.33**	**8.46**	**12.88**	**20,689.43**	**45.83**
Profit before interest, tax, depreciation and amortisation(PBITDA) (i)-(ii)	**3,304.30**	**2.77**	**67.62**	**3,324.62**	**79.68**
Finance costs	0.03	0.07	336.10	0.13	1,344.54
Depreciation and Amortization Expense	(135.07)	51.44	50.74	19.25	205.75
Total Expenses	**(135.04)**	**51.51**	**386.83**	**19.37**	**1,550.28**
Profit before Exceptional and Extraordinary Items and Tax	**3,439.34**	**(48.74)**	**(319.21)**	**3,305.24**	**(1,470.61)**
Prior Period Expenses	87.74	-	-	87.74	-
Exceptional Items	-	-	-	-	-
Profit before Extraordinary Items and Tax	3,351.59	(48.74)	(319.21)	3,217.50	(1,470.61)
Extraordinary Items	-	-	-	-	-
Profit before Tax	3,351.59	(48.74)	(319.21)	3,217.50	(1,470.61)
Tax expenses	-	-	-	-	-
Current tax	0.81			0.81	
MAT Credit Entitlement	-	-	-	-	-
Deferred tax	(16.88)	-	222.20	-	262.15
Profit/(loss) for the year from continuing operations (A)	**3,367.67**	**(48.74)**	**(541.41)**	**3,216.70**	**(1,732.75)**
Profit/(loss) before tax from discontinuing operations	-	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-	-
Profit/(loss) after tax from discontinuing operations (B)	-	-			
Profit/(loss) for the year (A+B)	**3,367.67**	**(48.74)**	**(541.41)**	**3,216.70**	**(1,732.75)**
Earnings per equity share					
Basic					
Computed on the basis of total profit for the year	16.73	(0.24)	(2.69)	15.98	(8.61)
Diluted					
Computed on the basis of total profit for the year	16.73	(0.24)	(2.69)	15.98	(8.61)

KAVVERI TELECOM PRODUCTS LTD BANGALORE-76

Notes :

1. The above audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunderand in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The Company (KTPL) has defaulted in repayment of cash credit and term loan which were availed from State Bank of India. The Bank has issued notice U/s. 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 to recover the amount which includes outstanding interest towards cash credit and term loan availed by the Company. Later on the bank has transferred the outstanding due to Edelweiss Asset Reconstruction Company (EARC) for the purpose of recovery of dues from the Company on 27th June, 2014. Also all securities provided by the company to Bank against Term loan and cash credit are also transferred to the Asset Reconstruction Company as informed by Bank to the Company. The Company has approached Edelweiss ARC Ltd for One Time Settlement (OTS) Proposal in 21st November, 2021 for settlement of loans availed by the company, the settlement proposal had been accepted by the EARC vide it's letter dated 8th December, 2021. As per terms of aforesaid settlement, KTPL was required to pay EARC a sum of Rs. 2.5 Crores on or before 25th March, 2022. The company has paid the Rs. 2.5 Crores to EARC in consonance with the timeline detailed under the acceptance letter. Later, the EARC has issued No Dues Certificate to KTPL on 24th March, 2022 and released the personal guarantees of Mr. C Shivakumar Reddy and Mrs. R.H. Kasturi and the company has filed the satisfaction of charge with Registrar of Companies (ROC). The Company has received a no due certificate from EARC dated 24th March 2022 post adjustment of Inventory, Land and building and Plant & Machinery.

3. The above audited financial results for the quarter ended 31st March 2023 were taken on record at the meeting of the Board of Directors held on 30th May 2023 after being reviewed and recommended by the Audit committee.

4. The Figures for the 4th quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter of the financial year.

5. There is no segement wise income,only we are having single segment of income i.e telecom products services.

6. The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

For Kavveri Telecom Products Limited

KAVVERI TELECOM PRODUCTS LTD. BANGALORE-76

C Shiva Kumar Reddy
Whole Time Director

Place : Bangalore
Date : 30th May 2023

KAVVERI TELECOM PRODUCTS LIMITED

Standalone Balance Sheet as at

(Amount in lakhs)

PARTICULARS	31st Mar 2023	31st Mar 2022
ASSETS		
Non - Current Assets		
Property, Plant & Equipment	120.78	442.56
Intangible Assets	35.68	52.33
Capital Work in Progress	-	54.17
(i) Financial Assets		
(a) Investments	2,834.07	5,382.50
(b) Loans and advances	2,453.47	2,828.23
Other Non Current Assets	301.89	7,606.27
Deferred Tax Asset	-	1,722.29
Subtotal	**5,745.89**	**18,088.35**
Current Assets		
Inventories	-	5,609.63
(i) Financial Assets		
(a) Trade Receivables	239.18	3,909.62
(b) Cash and cash Equivalents	22.63	28.28
Other Current Assets	45.96	375.99
Subtotal	**307.77**	**9,923.72**
Total	**6,053.66**	**28,012.08**

PARTICULARS	As at 31 Mar 2023	As at 31 Mar 2022
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,012.43	2,012.43
Other equity	3,757.68	685.15
Subtotal	**5,770.11**	**2,697.58**
LIABILITIES		
Non- Current liabilities		
(i)Financial liabilities		
Provisions	-	2,241.42
Deferred tax liabiliies (Net)	-	-
Subtotal	-	**2,241.42**
Current liabilities		
(i)Financial liabilities		
(a)Borrowings	-	20,445.09
(a) Trade Payables	(808.04)	1,170.75
Other Current Liabilities	856.61	1,127.29
Provisions	234.98	329.75
Subtotal	**283.55**	**23,072.88**
Total	**6,053.66**	**28,012.08**

KAVERI TELECOM PRODUCTS LTD

KAVVERI TELECOM PRODUCTS LIMITED
Standalone Statement of Cash flow for the period ended

(Amount in lakhs)

Particulars	31st Mar 2023	31st March 2022
A. Cash flow from operating activities		
Profit / (Loss) before tax	3,217.50	(1,470.61)
Adjustments to reconcile profit before tax to net cash from / (used in) operating activities.		
Depreciation on property, plant and equipment	2.60	189.10
Amortisation and impairment of intangible assets	16.65	16.65
WIP Written Off	54.17	-
Inventory written off	5,609.63	-
Investments Written off	2,548.43	-
Write off of DTA	1,722.29	-
Interest receivable written off	249.59	-
Loans and advance written off	1.76	-
Write Off-Staff	7.74	-
Write Back-Staff Advance	(20.51)	-
Write back-Loans & Advances (Asset)	(3.56)	-
Write back- Bank Loans	(20,484.23)	-
Write Back-Salaries	(102.26)	-
Write Back-Provision	(2,299.13)	-
Write Off-Branch Balance	182.58	-
Write Off-Deposits	4.76	-
Write Off-Sundry Crs & Drs	10,015.43	-
Prior Period Expenses	87.74	-
Write Back-Sundry Crs & Drs	(1,062.82)	-
Write Back-Unsecured Loans	(19.03)	-
(Gain)/loss on sale of property, plant and equipment	175.03	-
Finance income (including fair value change in financial instruments)	(7.36)	-
Finance costs (including fair value change in financial instruments)	-	1,344.54
Operating Profit before working capital changes	**(103.00)**	**79.68**
Working capital adjustments		
Decrease/ (increase) in Inventory	-	-
(Increase) / decrease in Trade Receivables	(4,385.54)	(3.49)
Decrease/ (increase) in other Current assets	95.01	58.75
Increase/ (decrease) in Trade Payables	(3,446.86)	(4.66)
Increase/ (decrease) in short term provisions	491.20	(0.25)
(Increase) /Decrease in Short term loans and advances	-	-
Increase/ (decrease) Other Current Liabilities	(270.68)	234.40
Sub Total	(7,516.87)	284.75
Income tax paid	0.81	-
Net cash flows from operating activities (A)	**(7,620.68)**	**364.43**
B. Cash flow from investing activities		
(Increase)/ decrease in Capital-work-in-progress/Fixed Assets	-	(0.52)
(Increase)/ decrease in Non-current assets	7,304.38	(127.85)
Proceeds from sale of assets	-	-
Interest received	7.36	-
purchase of intangible assets	-	-
(Increase)/ decrease in Long term loans and advances	206.45	(227.45)
Net cash flows from / (used in) investing activities (B)	**7,518.19**	**(355.82)**
C. Cash flow from financing activities		
(Increase) /Decrease in long term loans and advances	-	-
Increase/ (decrease) in long term provisions	57.71	-
Proceeds from long term loans and borrowings	39.13	1,324.46
Interest payment	-	(1,344.54)
Net Cash flows from / (used in) Financing activities (C)	**96.85**	**(20.08)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(5.65)	(12.47)
Opening Balance of Cash	28.28	39.75
Closing Balance	**22.63**	**28.28**
Components of Cash and Cash Equivalents		
Cash on Hand	1.70	1.71
Balances with bank in current account	20.94	26.57
Balance at the end of the year	**22.63**	**28.28**

KAVVERI TELECOM PRODUCTS LTD BANGALORE-76

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Kavveri Telecom Products Limited

Report on Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated financial statements of **M/s. Kavveri Telecom Products Limited ("Holding company")** and its subsidiaries (holding company and its subsidiaries together referred to as **"the Group"**) for the quarter ended 31st March, 2023 and for the period from 1st April, 2022 To 31st March, 2023 (**"the Statement"**), being submitted by the "**Holding company**" pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, ***except for the possible effects of the matter described in the "Basis for Qualified Opinion paragraph"*** these Statements:

1. includes the Unaudited results of the following entities:
   a. Kaveri Realty 5 Inc.
   b. Til - Tek Antennae Inc.
   c. Kavveri Technologies Inc
   d. DCI- Digital Communications Ltd
2. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
3. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net loss and other comprehensive income) and other financial information of "The Group" for the quarter and Year ended 31st March, 2023 and for the period from 01-04-2022 to 31-03-2023.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of "The Group", in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to

J.K. CHOPRA & ASSOCIATES M.No. 237068 BANGALORE

our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

1. *In the consolidated financial statements, the financial statements/ financial information of the following subsidiaries are not included for the Year ended 31st March, 2023.*
   a. *Kavveri Telecom Infrastructure Limited*
   b. *EAICOM India Private Limited*
   c. *Kavveri Technologies Americans Inc.*
   d. *New England Communications Systems Inc.*
   e. *Quality Communications Systems Inc.*
   f. *Spotwave Wireless Ltd.*
   g. *Trackcon Systems International Inc.*

   As the results/ financial information of the above mentioned subsidiaries are not considered in consolidation for the year ended 31.03.2023, the current year figures are not comparable to previous year.

2. *In respect of preparation of financial statements of "**the group**" on going concern basis, during the Year ended, "**the group**" has incurred a Net Profit (after tax) of Rs. 3,148.76 Lakhs resulting into accumulated losses of Rs. 10,310.44 Lakhs. "**The group**" 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 group's**" ability to continue as going concern and "**the group**" may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements.*

3. We refer to **"Qualified Opinion and Emphasis of Matter"** in our Auditor's Report on Standalone financial statements of **M/s. Kavveri Telecom Products Limited** ("the Holding company") for the Year Ended 31st March 2023

   "Basis for Qualified Opinion"

i. ***Material uncertainty related to Going Concern:*** *During the year the company has incurred a Net profit of Rs. 3,216.70 Lakhs resulting into accumulated losses of Rs. 9,023.38 Lakhs, which is after recording all the necessary entries based on the write back of One Time Settlement order received from Edelweiss ARC Ltd for the settlement of cash credit and term loan settlement which were availed from State Bank of India, write back of Trade Payables, write back of provision of Gratuity, write*

J.K. CHOPRA & ASSOCIATES M.No. 237068 BANGALORE

back of provision of Leave encashment, write back of provision of warranty, write back of Salaries and employee advances. There is significant decrease in revenue over the past few years. These conditions indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as going concern and therefore may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.

ii. *In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value and thus, we are unable to comment whether any provision for impairment in the value of investments is required.*

"Emphasis of Matter"

Without qualifying our opinion, we draw attention to the below:

i. **Branch Balance** : We draw attention to Note 3 in the financial statements, which describes the write-off of certain branch balances. As disclosed in Note 3, during the current year, the company has recognized a write-off of balances associated with its branches due to their unrecoverable nature. The total value of branch balance written off during the financial year is Rs. 182.58 Lakhs. The write-off of branch balances has resulted in a decrease in the assets or liabilities associated with these balances in the financial statements. Consequently, the financial statements reflect a reduction in the company's assets or liabilities and an impact on its financial position.

ii. **Deposits** : We draw attention to Note 3 in the financial statements, which describes the write-off of certain deposits. As disclosed in Note 3, during the current year, the company has recognized a write-off of deposits due to their unrecoverable nature. The total value of Deposits written off during the financial year is Rs. 4.76 Lakhs.
The write-off of deposits represents a significant event that has affected the company's financial position. It reflects management's revised assessment of the recoverability of these deposits based on the current information, contractual status, or disputes.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

iii. **Deferred Tax Asset :** We draw attention to Note 5 in the financial statements, which describes the reversal of a deferred tax asset. As disclosed in Note 5, during the current year, the company has recognized a reversal of a previously recognized deferred tax asset due to the lack of future virtual certainty to earn future taxable income. The total value of Deferred Tax Assets written off during the financial year is Rs. 1,722.29 Lakhs.

The reversal of the deferred tax asset has resulted in a decrease in the income tax benefit and an increase in the income tax expense for the current year. Consequently, the financial statements reflect a lower net profit and an adjustment to the carrying value of the deferred tax asset.

iv. **Interest Receivable from Subsidiary and Third Parties :** We draw attention to Note 9 in the financial statements, which describes the write-back of interest receivable from subsidiaries. As disclosed in Note 9, during the current year, the company has recognized a write-back of previously recognized interest receivable from its subsidiaries. The total value of Interest receivable from subsidiary written off during the financial year is Rs. 249.59 Lakhs.

We draw attention to Note X in the financial statements, which describes the write-back of interest receivable from subsidiaries. As disclosed in Note X, during the current year, the company has recognized a write-back of previously recognized interest receivable from its subsidiaries.

v. **Investments :** We draw attention to Note 2 in the financial statements, which describes the write-off of investments in domestic and overseas subsidiaries. As disclosed in Note 2, during the current year, the company has recognized a loss and fully written off its investments in certain domestic and overseas subsidiaries. The total value of Investments written off during the financial year is Rs. 2548.43/- Lakhs. Further, we have not received the balance confirmation for the closing balance of Investments as on 31st March 2023.

The write-off of the investments in domestic and overseas subsidiaries has resulted in a recognition of loss in the financial statements. Consequently, the financial statements reflect a reduced net profit and an adjustment to the carrying value of the investments.

vi. **Trade Payable, Advances Received and Confirmation :** We draw attention to Note 15 & 16 in the financial statements, which describes the write-back of certain trade payables and advances received. As disclosed in Note 15 & 16, during the current year, the company has recognized a reversal of previously recognized trade payables and advances received due to their no longer being payable or refundable. The total value of trade payables and advances write-back during the financial year is Rs. 578.74 Lakhs.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

The write-back of trade payables and advances received has resulted in a decrease in the accounts payable and advances balances in the financial statements. Consequently, the financial statements reflect a reduction in the company's liabilities and an impact on its financial position.

Further, we draw attention to Note 15 & 16 in the financial statements, which describes the absence of confirmation of Trade Payable and Advances as on 31st March 2023. However, the Company is in the process of obtaining the same, based on that we are unable to comment on the extent to which such balances are payable. The total value of Trade Payable as on 31st March 2023 is Rs.48.10 Lakhs.

vii. **Capital Work-in-Progress :** We draw attention to Note 1 in the financial statements, which describes the write-back of previously recognized Capital Work-in-Progress (CWIP). As disclosed in Note 1, during the current year, the company has recognized a reversal of the previously capitalized CWIP due to changes in the project's status or abandonment. The total value of Capital Working in Progress written off during the financial year is Rs. 54.17 Lakhs.

The write-back of CWIP has resulted in a decrease in the value of assets and an adjustment to the carrying value of CWIP in the financial statements. Consequently, the financial statements reflect a reduction in the company's total assets and an impact on its financial position.

viii. **One Time Settlement (OTS) Scheme for Bank Loan and Interest Payable :** The Company (KTPL) has defaulted in repayment of cash credit and term loan which were availed from State Bank of India. The Bank has issued notice U/s. 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 to recover the amount which includes outstanding interest towards cash credit and term loan availed by the Company. Later on the bank has transferred the outstanding due to Edelweiss Asset Reconstruction Company (EARC) for the purpose of recovery of dues from the Company on 27th June, 2014. Also all securities provided by the company to Bank against Term loan and cash credit are also transferred to the Asset Reconstruction Company as informed by Bank to the Company. The Company has approached Edelweiss ARC Ltd for One Time Settlement (OTS) Proposal in 21st November, 2021 for settlement of loans availed by the company, the settlement proposal had been accepted by the EARC vide it's letter dated 8th December, 2021. As per terms of aforesaid settlement, KTPL was required to pay EARC a sum of Rs. 2.5 Crores on or before 25th March, 2022. The company has paid the Rs. 2.5 Crores to EARC in consonance with the timeline detailed under the acceptance letter. Later, the EARC has issued No Dues Certificate to KTPL on 24th March, 2022 and released the personal guarantees of Mr. C Shivakumar Reddy and Mrs. R.H. Kasturi. The total value of loan and interest waived off as per books of accounts and credit to profit and loss account as on 31st March 2023 is Rs.20,503.62 Lakhs.

J.K. CHOPRA & ASSOCIATES
M.No. 237068
BANGALORE

On Similar line, the total value of assets settled against the secured loan, the total value of Inventory and Written down value of Plant and Machinery settled during OTS as on 31st March 2023 is Rs.5,609.63 Lakhs and Rs.190.44 Lakhs respectively.

ix. **Loans and Advances :** We draw attention to Note 3 in the financial statements, which describes the write-back of certain loans and advances. As disclosed in Note 3, during the current year, the company has recognized a reversal of previously recognized loans and advances due to their no longer being recoverable. The total value of Loans and Advances written off during the financial year is Rs. 1.80 Lakhs. Further, we have not received the balance confirmation for the closing balance of Loans and Advances as on 31st March 2023.

We draw attention to Note 3 in the financial statements, which describes the write-back of certain loans and advances. As disclosed in Note 3, during the current year, the company has recognized a reversal of previously recognized loans and advances due to their no longer being recoverable.

x. **Provision for Gratuity and Leave encashment :** We draw attention to Note 12 in the financial statements, which describes the write-back of provision for gratuity and leave encashment. As stated in Note 12, during the current year, the company has reversed the previously recognized provision for gratuity and leave encashment due to a reassessment of the estimated liability. The total value of Gratuity and Leave Encashment write-back during the financial year is Rs. 92.33 Lakhs.

The write-back of the provision for gratuity and leave encashment has resulted in a decrease in the liability and an increase in profit for the current year. As a result, the financial statements reflect a higher net profit and a reduced liability for employee benefits.

xi. **Provision for Warranty, Retention Money and Other Provisions** : We draw attention to Note 12 & 16 in the financial statements, which describes the write-back of the provision for warranty, retention money and other outstanding liabilities. As disclosed in Note 12 & 16, during the current year, the company has recognized a reversal of previously recognized provisions for warranty, retention money and other outstanding liabilities due to changes in estimates or settlements. The total value of Warranty, Retention Money and Outstanding Liabilities write-back during the financial year is Rs. 2,169.62 Lakhs.

The write-back of the provision for warranty and retention money has resulted in a decrease in the liabilities and an adjustment to the provision balances in the financial statements. Consequently, the financial statements reflect a reduction in the company's liabilities and an impact on its financial position.

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M.No. 237068
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