



VISION

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

DECADE AT A GLANCE:

(Rs. in lacs)

Particulars	1996-97	1997-98	1998-99	Jun-00	Jun-01	2001-02	2002-03	2003-04	2004-05	2005-06
					15 months	12 months	9 months			
Total Revenue	561.85	919.98	744.61	962.05	1516.90	1848.62	2211.84	1120.45	1934.86	3568.13
Operating Profit (PBDIT)	100.67	141.98	-31.90	118.54	271.06	312.86	246.30	120.59	215.54	405.32
Profit after tax	49.13	77.03	-	36.15	180.96	97.90	51.49	25.07	108.66	264.71
EPS (Rs.)	1.28	1.84	-	0.72	3.55	2.19	1.00	0.25	1.08	2.63
Particulars	1996-97	1997-98	1998-99	Jun-00	Jun-01	2001-02	2002-03	2003-04	2004-05	2005-06
					15 months	12 months	9 months			
Share Capital	405.93	417.62	438.29	548.63	546.61	512.58	512.58	1006.08	1006.08	1006.08
Reserves & Surplus	61.48	99.27	35.11	6.52	133.44	183.81	137.85	1124.48	1175.79	1325.78
Fixed Assets (Gross Block & CWIP)	150.97	225.94	282.99	334.79	340.71	356.56	441.39	506.09	509.41	578.029
Current Assets	793.54	1107.52	650.26	1017.22	1271.09	1404.29	2240.49	1855.23	1494.78	2517.20
Dividend declared	-	10%	-	-	10%	12%	12%	-	5%	10%





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THE BOARD OF DIRECTORS

Mr. C Shivakumar Reddy
Mrs R H Kasturi
Ms C Uma Reddy
Mr L Nicholas
Mr L R Venugopal
Mr P C Krishnamachary
Mr B S Shankarnarayan
Mr Arun N Avadhani

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

Mr D Venkateswarlu

AUDITORS

M/s M S S V & Co.
Chartered Accountants

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

**SHAREHOLDERS' AND INVESTORS'
GRIEVANCE COMMITTEE**

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

BANKERS

Bank of India, Corporate Banking Br, Bangalore
UTI Bank Ltd., Jayanagar Br., Bangalore

REGISTERED OFFICE

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

**REGISTRAR &
SHARE TRANSFER AGENTS**

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





NOTICE

Notice is hereby given that the Eleventh Annual General Meeting (AGM) of Kavveri Telecom Products Limited will be held on Friday, 29th September 2006 at 10.00 a.m. at Plot No. 31-36, I Main, II Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore 560 076

To transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2006 and Profit and Loss Account for the year ended on that date and the Reports of Directors' and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March 2006.
3. To appoint a Director in place of Mr L Nicholas, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr L R Venugopal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"RESOLVED THAT M/s. M S S V & Co., Chartered Accountants be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors thereon."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr B S Shankarnarayan, who was appointed as an additional director holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Articles of Association and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr Arun N Avadhani, who was appointed as an additional director holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Articles of Association and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as director of the Company, liable to retire by rotation."

- 8 (a) To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in supersession of the resolutions passed earlier and pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby granted to the Board to create mortgage(s) / charge(s) on any one or more of the undertakings of the Company including the movable and/or immovable properties and assets of all kinds, present and future, in the form of first and/or second and/or subservient mortgage/charge and/or floating charge to secure by one or more documents, and from time to time in favour of financial institutions/banks/other lenders to secure repayment of such term loans/financial assistance obtained for the purpose of Company's business, of an amount not exceeding **Rs. 60,00,00,000/- (Rupees Sixty Crores Only)** at any one time together with interest thereon, further interest, if any, costs, charges, expenses and all other monies payable to the financial institutions/banks/other lenders and conditions of term loan/financial assistance obtained as aforesaid."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and / or alter the terms and conditions of the security aforesaid in consultation with the financial institutions / banks / Government Agencies or other lenders and mortgagees as may be necessary."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to prepare, finalise and execute in favour





of the financial institutions/banks/Government Agencies or other lenders the documents, writings and such other agreements, as may be necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary and or expedient in that behalf.”

- 8 (b) To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT in supersession of the resolutions passed earlier and pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, the approval of the Company be and is hereby granted to the Board of Directors of the Company to raise and borrow from time to time at its own discretion either from the financial institutions/ banks/ Government Agencies or other lenders including from Directors, on such terms and conditions as to repayment, interest or otherwise as it thinks fit, such sums as it may consider necessary for the purpose of the company's business, upto a limit of **Rs. 60,00,00,000/- (Rupees Sixty Crores Only)** at any given point of time and that such borrowing shall be exclusive of temporary loans obtained/or to be obtained by the Company's Bankers in the ordinary course of their business.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to prepare, finalise and execute in favour of the said financial institutions/banks/ Government Agencies or other lenders the documents, writings and such other agreements, as may be necessary for raising or borrowing as aforesaid and to do all such acts, deeds, matters and things as may be necessary and expedient in this behalf.”

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

“RESOLVED THAT pursuant to Section 16 and 94 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000/- (One Crore Twenty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores only)

divided into 2,00,00,000/- (Two Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of 80,00,000 (Eighty Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each and that Clause V of the Memorandum of Association of the Company be altered accordingly.”

“RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company as to the Share Capital be and is hereby deleted and in its place the following clause V be substituted:

The Authorized Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000/- (Two Crores only) Equity Shares of Rs. 10/- (Rupees Ten only). The Company has powers from time to time to increase or reduce the capital and to issue any shares in the original or new capital as equity or preference and attach to any clause or clause on such shares by preference rights, privilege of priorities on payment of dividend or distribution of assets or otherwise over any other shares or subject to the same to any restrictions, limitations or conditions and to vary the regulation of the Company as far as necessary to apportion the right to participate in profits in any manner.”

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

“RESOLVED THAT in supersession of the earlier special resolution passed at the Annual General Meeting held on 30th September 2005 and subject to such approvals as may be necessary, the approval of the Company be and is hereby accorded for voluntary delisting of Equity Shares of the Company, in terms of Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 from the Hyderabad Stock Exchange Ltd., Madras Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd. without giving an exit option to the shareholders of the region where the concerned Stock Exchanges are situated, from which delisting is sought.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting of the Equity Shares of the Company in the said Exchanges at such time as the Board may in its absolute discretion, consider appropriate and do such acts, deeds, matters and things as may be necessary and delegate such power to any Director or Company Secretary of the Company to sign and execute such deeds, documents and writings etc, as may be considered necessary to give effect to the said resolution.”





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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals, consents, permissions and sanctions as may be necessary, the Articles of Association of the Company be and is hereby altered by inserting a new Article 13A after Article 13 as follows:

13A. Issue of warrants:

The Company may issue warrants subject to, and in accordance with the Guidelines for Preferential Issues under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended from time to time and in compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, if applicable, to any select group of persons under Section 81(1A) of the Companies Act, 1956 on private placement basis.”

12 (a) To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force and SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee of Directors duly authorized in this behalf), to issue or earmark new equity shares, which shall rank pari passu in all respects with the existing equity shares of the company, not exceeding 5,00,000 equity shares in aggregate to the eligible employees of the Company including directors other than promoter directors, whether in India or abroad, whether shareholders of the Company or not, as may be decided by the Board from time to time at such price and other terms and conditions as the Board may in their absolute discretion think fit, in compliance of regulations/guidelines issued by Securities and Exchange Board of India, to the Trust set up or directly to the Employees for the purpose of implementing the Employees Stock Option Plan – 2006.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for

listing of the securities/shares allotted under the Employees Stock Option Plan – 2006, on the stock exchanges where the company’s shares are listed, as per the terms and conditions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Senior Executive(s)/Officer(s) of the Company to give effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things and take such actions as may it may think necessary or expedient to formulate or amend or alter or adopt any modifications or re-define the proposal or scheme or plan of Stock Options based on the guidelines issued by the Securities and Exchange Board of India or any other statutory authority from time to time.”

12 (b) To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force and SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee of Directors duly authorized in this behalf), to issue or earmark new equity shares, which shall rank pari passu in all respects with the existing equity shares of the company out of such approved limits, whether present or future earmarked for the employees of the Company under Employee Stock Option Plan - 2006 to the Employees of Subsidiary Companies whether Indian Subsidiary or Foreign Subsidiary (hereinafter referred to as “subsidiaries”) of the Company, whether shareholders of the Company or not, as may be decided by the Board from time to time at such price and other terms and conditions as the Board may in their absolute discretion think fit, in compliance of regulations/guidelines issued by Securities and Exchange Board of India to the Trust set up or directly to the Employees for the purpose of implementing the Employees Stock





Option Plan – 2006.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities/shares allotted under the Employees Stock Option Plan – 2006, on the stock exchanges where the company's shares are listed, as per the terms and conditions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Senior Executive(s)/Officer(s) of the Company to give effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things and take such actions as may it may think necessary or expedient to formulate or amend or alter or adopt any modifications or re-define the proposal or scheme or plan of Stock Options based on the guidelines issued by the Securities and Exchange Board of India or any other statutory authority from time to time.”

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

“RESOLVED that in partial modification of the earlier resolutions passed by the Members of the Company and Board, approving the appointment and terms of remuneration of Mr L Nicholas as Whole Time Director and in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the variation in the terms of remuneration of Mr L Nicholas, Director (R & D) for the remaining period of his tenure of office, effective 1st July 2006 as agreed between Company and Mr L Nicholas and as set out in the explanatory statement.”

“RESOLVED FURTHER THAT save and except the above variations, all other terms and conditions of appointment of Mr L Nicholas, Director (R & D) as approved earlier by the Members, shall remain unchanged.”

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company. The instrument appointing a proxy should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 to 13 of the Notice is annexed hereto.
3. Documents relating to any of the items mentioned in the Notice are open for inspection at the Registered Office of the Company on any working day during the business hours.
4. The Register of Members and share transfer books will remain closed from 20th September 2006 to 29th September 2006 both days inclusive.
5. Dividend if declared shall be payable to those members whose name appear in the Register of Members as on 20th September 2006 and to the beneficial owners as per the records of NSDL and CDSL on day ending 20th September 2006.
6. Pursuant to the provisions of Section 205 A and Section 205 C of the Companies Act, 1956 the amount of dividend unpaid or unclaimed belonging for the year ended 31st March 1998 is transferred to the Investor Education and Protection Fund. Members who have not received / en-cashed dividend for the subsequent years are requested to make their claim immediately to the Company.
7. Members are requested to notify any change in their address, transfer of shares, and request for demat of shares to our Registrar and Share Transfer Agents.
8. The trading in the Company's equity shares on the Stock Exchanges is permitted only in dematerialized form for all classes of investors. In view of numerous advantages offered by the depository system, members are requested to avail of the facility of dematerialization of the Company's equity shares held by them.
9. Members are requested to bring duly filled in Attendance Slip for attending the meeting.

Bangalore
02-09-2006

By Order of the Board
D Venkateswarlu
Company Secretary

Bangalore
02-09-2006

By Order of the Board
D Venkateswarlu
Company Secretary



EXPLANATORY STATEMENT**PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6**

Mr B S Shankarnarayan, was appointed as an additional director of the Company by the Board of Directors in their meeting held on 8th October 2005. He holds office up to the date of ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, being eligible offers himself for appointment as Director, liable to retire by rotation. The Company has received a notice in writing along with requisite deposit from a member pursuant to Section 257 of the Companies Act, 1956, proposing the candidature of Mr B S Shankarnarayan for the Office of Director.

Mr B S Shankarnarayan is a Law Graduate and practicing since 1971. He worked as a Law Officer for Canara Bank for 14 Years and headed the Industrial Relations Section as Credit Manager.

He is a Legal Advisor to several Companies like Wipro and 10 Nationalised Banks.

Companies in which Mr B S Shankarnarayan holds Directorship:

- Wipro Finance Private Ltd.
- Shimoga Steels Ltd.
- Padmavathi Software Solutions Private Ltd.
- SVR Properties Private Ltd.

Mr B S Shankarnarayan does not hold any equity shares of the Company.

The Board felt that the experience, expertise and knowledge of Mr B S Shankarnarayan will be of immense benefit and value addition to the Company and therefore recommends the resolution for the approval of the members.

None of the Directors of the Company except Mr B S Shankarnarayan is in any way concerned or interested in this resolution.

ITEM NO. 7

Mr Arun N Avadhani, was appointed as an additional director of the Company by the Board of Directors in their meeting held on 8th October 2005. He holds office up to the date of ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and the Articles

of Association of the Company, being eligible offers himself for appointment as Director, liable to retire by rotation. The Company has received a notice in writing along with requisite deposit from a member pursuant to Section 257 of the Companies Act, 1956, proposing the candidature of Mr Arun N Avadhani for the Office of Director.

Mr Arun N Avadhani is a B.E. graduate from Bangalore University and completed MBA in United Kingdom. He has worked as a Management consultant in Wipro, UK and presently working for British Telecom, UK.

Mr Arun N Avadhani does not hold any equity shares of the Company.

The Board felt that the appointment of Mr Arun N Avadhani will be advantageous to the Company and therefore recommends the above resolution for the approval of the members.

None of the Directors of the Company except Mr Arun N Avadhani is in any way concerned or interested in this resolution.

ITEM NO. 8 (a):

Section 293(1)(a) of the Companies Act, 1956 stipulates that the Board of Directors of the Company cannot mortgage or charge properties of the Company, whether movable or immovable, or create any encumbrance in order to secure any borrowing made or that may be made for the purposes of business of the Company without the consent of the members of the Company.

This resolution put forth for the members consideration as an ordinary resolution, if passed, will enable the Board to borrow money under security by providing mortgage and/ or creating a charge or any other encumbrances on the properties of the Company for the limits specified in Item No. 8(a) mentioned above.

The Board recommends the resolutions set out in Item No. 8 (a) for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM NO. 8 (b):

Section 293(1)(d) of the Companies Act, 1956 stipulates that the Board of Directors of the Company cannot borrow money (apart from temporary loan obtained from



the bankers of the Company in the ordinary course of business) in excess of the Company's Paid-up capital and free reserves (reserves not set apart for any specific purpose) without the consent of the Shareholders. Members of the Company has resolved in their Extra General Meeting held on 27th April 2000 and empowered the Board of Directors of the Company to borrow up to a limit of Rs. 15 Crores (Rupees Fifteen Crores only) under Section 293(1)(d) of the Companies Act, 1956.

Hence this enabling resolution empowering the Board to borrow upto a limit of Rs. 60 Crores (Rupees Sixty Crores Only) from the Financial Institutions/Banks/ Government Agencies or other lenders keeping in view of the expansion programmes and other business requirements of the Company. Thus this resolution is put forth for the consideration of the members of the company as an Ordinary resolution.

The Board recommends the resolutions set out in Item No. 8 (b) for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM NO. 9

The present Authorized Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores) only. In view of the expansion of the business activities of the company the Board considered it necessary to increase the Authorised Share Capital of the Company to Rs. 20,00,00,000/- (Rupees Twenty Crores).

The increase in the Authorised Share Capital and consequent alterations to capital clause in the Company's Memorandum of Association requires approval of members in the General Meeting pursuant to the provisions of Section 16 and 94 of the Companies Act, 1956.

The Board recommends the resolution set forth in Item No. 9 for the approval of the members.

None of the Directors of the Company is in any way concerned or interested in the resolution, except to the extent of shareholding held by them.

ITEM NO. 10:

The Equity shares of the Company presently listed on Bangalore Stock Exchange, Hyderabad Stock Exchange, Madras Stock Exchange, Ahmedabad Stock Exchange and also in the Stock Exchange, Mumbai through Indonext segment under S category.

The trading volumes of the Company shares in Hyderabad Stock Exchange, Madras Stock Exchange and Ahmedabad Stock Exchange in the last few years is either negligible or nil and no particular benefit is available either to the shareholders or to the Company by continuing the listing of the Equity shares on these three Exchanges. Moreover with online trading available and accessible throughout the country on the Bombay Stock Exchange, the need for listing on all said three exchanges is no longer necessary and the interests of shareholders/investors are not adversely affected if the Shares of the Company are de-listed from these Exchanges. Also, the company's shares shall continue its listing of equity shares in the regional stock exchange i.e. Bangalore Stock Exchange.

The Company is therefore desirous of delisting of its shares voluntarily from Hyderabad Stock Exchange, Madras Stock Exchange and Ahmedabad Stock Exchange and it is accordingly proposed to give authority to the Board of Directors of the Company to delist the Equity Shares from the said Exchanges.

The Board recommends the resolution set forth in Item No. 10 for the approval of the members. The shareholders have already approved de-listing of shares from all the three Stock Exchanges in their meeting held on 30th September 2005. The present resolution is adopted specifically without giving exit option to the shareholders of the region where the concerned Exchanges are situated, from which the delisting is sought in terms of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003.

Except to the extent of the individual shareholding, none of the directors of the Company is concerned and/or interested in this resolution.

ITEM NO. 11:

Pursuant to the SEBI Guidelines for Preferential Issues under Chapter XIII of SEBI (Disclosure and Investor Protection), 2000, a company can issue warrants to any select group of persons under Section 81(1A) of the Companies Act, 1956 on private placement basis if it is authorized by the Articles of Association of the Company.

Since the present Articles of Association of the Company does not permit issue of warrants to any select group of persons under the said provisions, the Board of Directors of the Company has decided to alter the Articles of Association of the Company by inserting a new Article





13A after Article 13 and seek the approval of the members of the Company for alteration of the Alteration of Articles of Association by a Special Resolution in compliance of the provisions of Section 31 of the Companies Act, 1956.

The Board recommends the resolution set forth in Item No. 11 for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM NO. 12 (a) & (b):

Employees Stock Option Scheme is an important and widely used tool to motivate, retain the qualified, talented and competent personnel and reward the employees and Directors of the Company as well as its subsidiaries, who are one of the most valuable resources of the Company. An Employees Stock Option Plan will directly contribute to the growth and profitability of the organization and thereby reward the shareholders also. Realizing this, your company has decided to implement Employee Stock Option Plan-2006 by issuing equity shares of the Company in compliance of regulations/ guidelines issued by Securities and Exchange Board of India, to the Trust set up or directly to the Employees.

The consent of the Shareholders is therefore sought under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 to authorize Board of Directors to implement Employee Stock Option Plan – 2006 in such manner as may be decided by the Board in accordance with the SEBI guidelines/regulations.

As per SEBI Guidelines, a separate resolution is required to be passed, if the benefits of the Employee Stock

Option Scheme are to be extended to the employees of the Subsidiary company.

The Board recommends the resolution set forth in Item No. 12 (a) & (b) for the approval of the members.

None of the Directors of the Company is in any way concerned or interested in the resolution, except to the extent of shareholding held by them.

ITEM NOS. 13:

Considering the all-round improvement in the operational and financial performance of the Company since then, the Board of Directors deemed it necessary to revise the remuneration payable Mr L Nicholas, Director (R & D) as follows:

The Board of Directors, as per the recommendations of the Remuneration Committee of the Board, in their meeting held on 17th June 2006 considered the increase in the remuneration payable to Mr L Nicholas, Director (R & D) and revised the same from Rs. 10.00 lacs p.a. to Rs. 12.00 p.a. for the remaining period of his tenure w.e.f. 1st July 2006 subject to the approval of the members.

All other terms and conditions of appointment of Mr L Nicholas, Director (R & D), approved earlier by the Members, shall remain unchanged.

Your Directors, therefore, recommend the resolutions for your approval.

Except Mr L Nicholas, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Bangalore
02-09-2006

By Order of the Board
D Venkateswarlu
Company Secretary



DIRECTORS REPORT

To the members

The Board of Directors take pleasure in presenting their Eleventh Annual Report of your Company for the year ended 31st March 2006 (the year under review) together with the Audited Accounts of the Company for the year ended 31st March 2006.

FINANCIAL RESULTS:

	(Rs. in Millions)	
	As at 31.3.2006	As at 31.3.2005
Sales & other income	356.81	193.48
Operating Profit	40.53	21.55
Interest	7.35	6.25
Profit before Depreciation	33.19	15.29
Depreciation	3.11	2.99
Profit before Tax	30.07	12.30
Provision for Tax		
- Current Tax	2.10	0.40
- Deferred Tax	1.50	0.90
Profit after Tax	26.47	10.87
Balance brought forward	21.29	16.16
Amount available for appropriation	47.76	27.03
Dividend @ 10% per equity share	10.06	5.03
Dividend Tax	1.41	0.71
Amount Transferred to General Reserve	36.29	21.29
Basic Earnings per share (Rs.)	2.63	1.08

RESULTS OF OPERATION:

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

- Total Revenue grew to Rs. 3568.13 lacs as against Rs. 1934.86 lacs in the corresponding previous financial year, which is an increase of 84%.
- Operating profit grew to Rs. 405.32 lacs as against Rs. 215.54 lacs in the corresponding previous financial year, which is an increase of 88%.
- Significant growth was achieved in Net Profit by

earning Rs. 264.71 lacs as against Rs. 108.66 lacs in the corresponding previous financial year, which is an increase of 144%.

- The Board has recommended a dividend of 10% per equity share of Rs. 10/- each as against 5% per equity share of Rs. 10/- each in the previous financial year.
- Earnings per shares of Rs. 2.63 for the year against Rs. 1.08 in the corresponding previous financial year.

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

FIXED DEPOSITS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- In preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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



EMPLOYEE RELATIONS

The Company continues to maintain a good employee relationship and their morale is high.

DISCLOSURES

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

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

PARTICULARS OF THE SUBSIDIARY

The Company has two wholly owned subsidiaries namely M/s Eaicom India Private Limited, Mumbai and M/s Kavveri Technologies Inc., ONTARIO, Canada. The Company has in compliance with Accounting Standard 21 and the disclosure requirements contained in Section 212 of the Companies Act, 1956 annexed the consolidated financial statements and Audited Statement of Accounts, Directors Report and Auditors Report for the Year ended 31st March 2006 of its Subsidiaries.

PARTICULARS OF THE DIRECTORS SEEKING RE-APPOINTMENT

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

Further, the Board has inducted Mr B S Shankarnarayan and Mr Arun N Avadhani as additional directors of the company. Their appointments require approval of the members at the ensuing Annual General Meeting.

AUDITORS

The Auditors M/s M S S V & Co., Chartered Accountants retire after the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

SEPARATION OF OWNERSHIP FROM MANAGEMENT

The Chairman being executive, 4 out of 8 Directors on the Board of Kavveri is non-executive and independent, as per the requirements of Listing Agreement.

ACKNOWLEDGEMENTS

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

Bangalore
02-09-2006

For and on behalf of the Board
C. Shivakumar Reddy
Chairman and Managing Director

ANNEXURE TO DIRECTORS REPORT

Annexure - I

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

A. Conservation of Energy

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

B. Technology Absorption

Efforts made in Technology absorption : Form – B Enclosed

C. Particulars of Foreign Exchange Earnings and Outgo (2005-06)

CIF Value of imports : Rs. 2,80,90,594/-
Expenditure in foreign currency (travel) : Rs. 8,98,809/-
Foreign Exchange earned : Rs. 5,21,53,240/-

FORM B

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

The Company has In-house Research and Development Centre which has been recognized by the Ministry of Science & Technology, Government of India since 1994. They will carry out R&D in specific areas, design and development of various RF products and antennas for Telecom, Defense and Space applications.

R & D also carried out, continuous improvements on the existing products and achieving better productivity by design improvements and working with alternative input materials to reduce the cost without sacrificing the quality of the product and new product development.

New Products developed:

The Company's R & D has developed various RF Products and Antennas for telecom, defense and space applications during the year under review and some of the new products are listed below:

For Telecom Applications, Yagi Antenna - Dual Band, CDMA Duplexer for Base stations, Yagi Antenna with Magnetic Base and C/L Band Feed were designed and developed during the year.

For Defense Applications, GPS Antenna for Airborne applications, Cylindrical Beam Switching Antenna for tactical operations, Vehicle Mounted VHF & UHF Sleeve Monopole Antennas were designed and developed during the year.

For Satellite Applications, VHF & UHF Antenna Systems for satellite and VHF & UHF Filters

Benefits derived as a result of above research and Development:

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

Future plan of action:

The Company's R & D is working on innovative designs & development of the following:

For Defense Applications, Air-borne Antennas, Chanalliser, Digital Instantaneous Frequency Measurement Receivers, Specialised filters and Radomes, wideband Antennas for early warning system, Power Amplifiers and LNA's.

For Telecommunication, Base Station Antennas for 3G and Multi Band Antennas for in-building solutions.

Expenditure on Research and Development

	2005-06	2004-05
a. Capital	66,14,716	31,08,490
b. Recurring	2,05,51,610	27,34,146
Total	2,17,32,313	58,42,636
c. Total R & D expenditure as a percentage of sales and services	6.09%	3.10%

Your company's Research and Development Team continued to develop new products, innovate new processes for the existing ones and improve production facilities and process.

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

For and on behalf of the Board

Bangalore
02-09-2006

C. SHIVA KUMAR REDDY
Chairman and Managing Director



ANNEXURE-II

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

TO

THE MEMBERS OF KAVVERI TELECOM PRODUCTS LTD.

We have reviewed the compliance of conditions of corporate governance by Kavveri Telecom Products Limited ("the Company"), for the year ended 31st March 2006 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India with the relevant records and documents mentioned by the Company and furnished to us.

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

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

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

for M S S V & Co.
Chartered Accountants

D R VENKATESH
Partner
Membership No.25087

Bangalore
17-06-2006



REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

I. BOARD OF DIRECTORS

A. Composition of Board:

The Board of Directors of the Company has an optimum combination of executive and non-

executive directors. The Chairman and Managing Director with three whole-time Directors are managing the day-to-day operations of the Company. There are four executive directors and four non-executive directors. The Chairman of the Board is an Executive Director.

For the Financial Year ended 31st March 2006 there was **Seven** Board Meetings held and the dates of which are 22nd April 2005; 07th July 2005; 03rd September 2005; 08th October 2005; 30th November 2005; 06th January 2006; 09th March 2006.

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

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

* Ceased to be Directors w.e.f. 30th September 2005

** Appointed as additional directors w.e.f. 8th October 2005

B. There were no pecuniary relations or transactions between the non-executive Directors and the Company during the financial year 2005-06.

II. COMMITTEES OF THE BOARD:

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

The Committees constituted by the Board as on date are:

1. AUDIT COMMITTEE:

The Board has set up an Audit Committee as per the

provisions of part II of clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Members of the committee are as follows:

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

* Ceased to be a Director w.e.f. 30th September 2005

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

TERMS OF REFERENCE:

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

The Audit Committee of the Board had met four times during the period under review and the meetings were held on 20th April 2005; 6th July 2005; 6th October 2005 and 5th January 2006. The details of attendance of members of the Audit Committee are as follows:

Name of the Member	Status	No. of Meetings attended
Mr L R Venugopal	Chairman	4
Mr P C Krishnamachary	Member	4
Mr Anjan Dutta *	Member	2
Mr B S Shankarnarayan **	Member	1

* Ceased to be a Director w.e.f. 30th September 2005

** Appointed as Director w.e.f. 8th October 2005

2. REMUNERATION COMMITTEE

Members of the committee are as follows:

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

TERMS OF REFERENCE:

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

The Committee has met once during the year under review on 1st April 2005 to consider the increase in the remuneration payable to Mr L Nicholas, Director (R & D) in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

The details of attendance of members of the Remuneration Committee is as follows:

Name of the Member	Status	No. of Meetings attended
Mr L R Venugopal	Chairman	1
Mr P C Krishnamachary	Member	1
Mr Anjan Dutta *	Member	1
Mr B S Shankarnarayan **	Member	-

* Ceased to be a Director w.e.f. 30th September 2005

** Appointed as Director w.e.f. 8th October 2005

3. SHAREHOLDERS /INVESTORS GRIEVANCE COMMITTEE:

Members of the committee are as follows:

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

TERMS OF REFERENCE:

- Allotment, transfer, transmission and issue of share certificates including duplicate, split, sub-divide or consolidated certificates and to deal with all related matters.
- To look into and redress shareholders/ investors grievances relating to transfer of shares, non-receipt of balance sheets, dividend warrants and such other matters that may be considered necessary in relation to shareholders and investors of the Company.

The Company during the period under review has received and transferred 57 Nos. of Transfers involving 34,000 transfers.

The Shareholders / Investors Grievance Committee of the Board had met **Nineteen** times during the period under review and the meetings were held on 4th April 2005, 5th May 2005; 25th May 2005; 15th June 2005; 18th June 2005; 24th June 2005; 9th July 2005; 16th August 2005; 1st September 2005; 16th September 2005; 20th September 2005; 22nd September 2005; 3rd November 2005; 1st December 2005; 14th December 2005; 31st December 2005; 17th January 2006; 10th February 2006 and 1st March 2006.



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

Name of the Member	Status	No. of Meetings attended
Mr L R Venugopal	Chairman	19
Mr P C Krishnamachary	Member	19
Mr Anjan Dutta *	Member	12
Mr B S Shankarnarayan **	Member	07

* Ceased to be a Director w.e.f. 30th September 2005

** Appointed as Director w.e.f. 8th October 2005

DEPOSITORY SYSTEM:

The Shares of the your Company can be dematerialized through either of the two Depositories in India - **ISIN Code-** INE 641C01019

The Company has signed agreements with both the Depositories in India namely M/s National Securities Depository Ltd. and M/s Central Depository Services (India) Ltd. As on 31st March 2006 around 50.36 % of the shares of the Company were dematerialized.

Mode of Shareholding	No. of shares	% of total equity shares
Physical Mode	48,76,753	49.64
Electronic Mode	49,46,697	50.36

POSTAL BALLOT

There was no Postal Ballot conducted during the year.

DIRECTORS

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

ANNUAL GENERAL MEETINGS:

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

Year	Venue	Date & Time
2003	31-36, 1 st Main, 2 nd Stage Arakere MICO Layout Bannerghatta Road Bangalore 560 076.	30-09-2003 & 10.00 a.m.
2004	31-36, 1 st Main, 2 nd Stage Arakere MICO Layout Bannerghatta Road Bangalore 560 076.	29-12-2004 & 10.00 a.m.
2005	31-36, 1 st Main, 2 nd Stage Arakere MICO Layout Bannerghatta Road Bangalore 560 076.	30-09-2005 & 10.00 a.m.

DISCLOSURES:

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

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

MEANS OF COMMUNICATION

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

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

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

GENERAL SHAREHOLDERS INFORMATION

AGM : Eleventh Annual General Meeting

Date, time & Venue : 29th Sep' 2006, 10.00 a.m. at Regd. Office

Financial year : 1st April to 31st March

Book Closure : 20th Sep' 2006 to 29th Sep' 2006

LISTING ON STOCK EXCHANGES:

Sl. No.	Name & Address of the Stock Exchange	Stock Code
1.	Bombay Stock Exchange Ltd. 25 th Floor, P J Towers, Dalal Street Mumbai 400 001	590041 (Group S) BSE Indo-next
2.	Bangalore Stock Exchange Ltd. Stock Exchange Towers, No. 51, 1 st Cross, J C Road, Bangalore 560 027	KAVERITELE
3.	Madras Stock Exchange Ltd. Exchange Building, Post Box No. 183 11, Second Line Beach, Chennai 600 001	KTM
4.	The Hyderabad Stock Exchange Ltd. 6-3-654, Adjacent to Erramanjil Bus stop Somaji Guda, Hyderabad 500 082.	KVT
5.	Ahmedabad Stock Exchange Ltd. Kamadheni Complex, Opp. Samjanand College, Ahmedabad 380 015	30055





The listing fee for the year 2006-07 has been paid to all the Stock Exchanges where the Company's shares are listed.

SHARE TRANSFER SYSTEM

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

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

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

MARKET PRICE DATA:

Monthly High, Low and Trading volumes for the F.Y. 2005-06 in Bombay Stock Exchanges is as follows:

Month	High	Low	No. of shares	No. of Trades	Net T/O Rs.
April 2005	72.75	51.05	1165369	6705	71,285,445.00
May 2005	80.00	55.20	5167750	24419	362,672,156.00
June 2005	96.50	72.20	6263226	37834	528,358,367.00
July 2005	123.70	76.00	5037907	31426	496,669,297.00
August 2005	149.35	103.50	5382036	41259	688,413,876.00
September 2005	176.95	98.10	4469982	41645	654,947,743.00
October 2005	126.50	80.15	2899294	31120	302,626,225.00
November 2005	117.00	83.00	2400457	22836	246,191,190.00
December 2005	115.95	98.10	2895558	24925	307,375,622.00
January 2006	128.90	83.55	3581680	31960	388,778,229.00
February 2006	90.00	61.20	1742014	14938	130,066,292.00
March 2006	75.00	60.75	1825264	12141	121,403,415.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2006

S No	Category (No. of shares)	No. of Holders	% of Holders	Holding in Rs.	% of Holding
1	1-500	6125	82.21	1,08,93,230	11.09
2	501-1000	679	9.11	56,30,430	5.73
3	1001-2000	318	4.27	48,43,240	4.93
4	2001-3000	133	1.79	33,43,560	3.40
5	3001-4000	41	0.55	14,61,690	1.49
6	4001-5000	44	0.59	20,83,170	2.12
7	5001-10000	58	0.78	41,96,000	4.27
8	10001 & above	52	0.70	6,57,83,180	66.97



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SHAREHOLDING PATTERN AS ON 31ST MARCH 2006

Category	No. of Share held	Percentage of Shareholding
A Promoter's holding		
1 Promoters:		
-Indian Promoters	1035799	10.54
-Foreign Promoters	N I L	-
2 Persons acting in Concert	N I L	-
Sub-Total	1035799	10.54
B Non-promoters holding		
3 a Mutual Funds and UTI	N I L	N I L
b Banks, Financial Institutions, Insurance Companies (Central/State Govt., Institutions/Non-government Institutions)	N I L	N I L
c FII's	15000	0.15
Sub-Total	15000	0.15
4 Others		
a Private Corporate Bodies	1156767	11.78
b Indian Public	7572256	77.08
c NRI's/OCB's	43628	0.44
d Any other - Director	N I L	-
Sub-Total	8772651	89.30
Grand Total	9823450	100.00

Name and Designation of the Compliance Officer:

Mr D Venkateswarlu : Company Secretary
Telephone No. : 080-41215999/60/61
Fax : 080-41215966
E-mail : companysecretary@kaveritelecoms.com

Registrar and Share Transfer Agents

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

Plant Locations:

Kaveri Telecom Products Ltd.
Plot No. 31-36, 1st Main, 2nd Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore 560 076.
Kaveri Telecom Products Ltd.
Plot No. 104, Suragajakkanahalli, Kasaba Hobli, near Jigani, Anekal Road, Bangalore 560 106.

Non-mandatory Requirements

No office has been provided for the Chairman of the Board of Directors.
The announcement of half-yearly results does carry information on important developments for the benefit of the Shareholders.



MANAGING DIRECTOR CERTIFICATION ON CORPORATE GOVERNANCE

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

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

17th June 2006
Bangalore

C SHIVA KUMAR REDDY
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

PROFILE:

Kavveri Telecom Products Ltd. formerly Kaveri Telecoms Ltd. (Kavveri) was incorporated in 1996 and is engaged in the manufacture of RF Products and Antennas for Telecom, Defence and Space Applications in India and abroad. Also, Kavveri enjoys the stature of being the largest manufacturer of Antennas & R F Products in India with 40,000 Sq. Ft. area for design, development and production with a capacity of manufacturing over 200,000 high quality Antennas & 10,000 R F Products per month. Kavveri provides total Turnkey solutions for coverage and capacity enhancement requirements for GSM & CDMA carriers in India. Also, Kavveri manufactures Solar Modules & solar systems for various applications.

The Customers of Kavveri comprise of leading wireless equipment manufacturers like BEL, ITI, Motorola, Alcatel, Ericsson, Nokia, Siemens, ZTE, Worldspace etc. and GSM & CDMA carriers like Reliance, Tate Tele, Airtel, Hutch, Idea, Spice, Aircel, MTNL, BSNL etc.

All the products that are manufactured by the Company are designed and developed by the In-house Research & Development Centre of the Company.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Kavveri Products are mainly used in Telecom, Defence and Space Equipments. Kavveri has been dominant in the Telecom Segment since inception and has also started to concentrate on defence and space business during the year.

TELECOM APPLICATIONS:

India has been witnessing the largest growth in the

subscriber base for Cellular connections surpassing even the growth rate of China. The Indian Cellular subscriber base has recently crossed the 100 million mark and the Government and the cellular industry have set a target of 250 Million and 500 Million subscriber base by 2007 & 2010 respectively. This augurs well for your company as the company's products viz. RF products, Antennas and In-building solutions are required in huge quantities as more and more net work roll outs take place. Your Company is aggressively pursuing with all the GSM & CDMA Carriers to get the business.

New Technologies in the Cellular industry like 3G & WiMax for the real time data applications are being talked about for implementation in India. Your Company's R & D is designing & developing various products for 3G.

DEFENCE AND SPACE APPLICATIONS:

Your Company during the year started pursuing various opportunities in defence and space segments. Most of the RF products & Antennas used in defence & space are still imported with some minor portion of RF Products being presently supplied by a local company in India. Your Company has received very good encouragement from the defence and space segments and has been entrusted with the design and development of various RF products and Antennas for defence and space applications. Your Company has designed and developed some of these products and delivered to the defence and space establishments. One such example is the RF Products & Antennas for Indian Space Research Organisation (ISRO) for their Satellite applications, which was successfully flown during the year.

FINANCIAL PERFORMANCE:

(Rs. in Millions)

	As at 31.3.2006	As at 31.3.2005	As at 31.3.2004	As at 31.3.2003
Sales & other income	356.81	193.48	112.04	221.18
Operating Profit	40.53	21.55	12.05	20.11
Interest	7.35	6.25	5.24	3.95
Profit before Depreciation	33.19	15.29	6.81	20.68
Depreciation	3.11	2.99	2.79	2.86
Profit before Tax	30.07	12.30	4.02	17.81
Provision for Tax				
- Current Tax	2.10	0.40	0.25	5.00
- Deferred Tax	1.50	0.90	1.27	0.84
Profit after Tax	26.47	10.87	2.50	5.15
Share Capital	100.60	100.60	100.60	51.26
Reserves & Surplus	132.58	117.57	112.44	13.79
Total Debt	145.39	62.64	57.77	28.31
Net Worth	233.18	218.17	213.04	65.04
Secured Loans	100.00	42.99	33.78	18.11



- Total Revenue for the year ended 31st March 2006 grew to Rs. 3568.13 lacs as against Rs. 1934.86 lacs in the corresponding previous financial year, which is an increase of 84%. Total Revenue includes incomes from domestic sales of Rs. 3,033.90 lacs as compared to 1795.02 lacs recorded last year, export sales of Rs. 521.53 lacs, against 62.27 lacs last year and other income of Rs. 12.70 lacs compared to Rs. 77.56 lacs last year.
- Operating profit grew to Rs. 405.32 lacs against Rs. 215.54 lacs in the corresponding previous financial year, which is an increase of 88%.
- The Corporate tax liability for the year was Rs. 21.00 lacs against Rs. 4.00 lacs during the previous last financial year and there was a deferred tax charge of Rs. 15.03 lacs for the year. There is a cash profit of Rs. 331.87 lacs when compared to Rs. 152.95 lacs for the previous financial year.
- Significant growth was achieved in Net Profit by earning Rs. 264.71 lacs compared to Rs. 108.66 lacs in the corresponding previous financial year, which is an increase of 144%.
- Pursuant to the Scheme of amalgamation of the erstwhile Megasonic Telecoms Private Limited (MTPL), with the approval of the Hon'ble High Courts of Bombay and Karnataka, the Company has received In-principal approval for the allotment of shares to the shareholders of the erstwhile MTPL during the year from all the Stock Exchanges and allotted and the same on 14th December 2006. Hence, the Equity Paid-up Capital of the Company has increased from Rs. 5.13 Crores to 9.82 Crores.
- Total fixed assets of the Company is increased from Rs. 509.42 lacs to Rs. 578.02 lacs, which is mainly due to purchase of Plant and Machinery during the year under review.
- The total Equity Dividend payout @ 10% per equity share of Rs. 10/- during the year is of Rs. 1,00,60,800/- and the dividend tax on the above is Rs. 14,11,027/-.
- Earnings per shares of Rs. 2.63 for the year against Rs. 1.08 in the corresponding previous financial year.

PRODUCT WISE PERFORMANCE:

Antennas & RF Products:

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

digital Satellite Audio Broadcasting Company called Worldspace. The RF Products supplied during the year were filters, combiners, splitters, couplers etc. The Antennas supplied were Yagi Antenna, Omni Antenna, Patch Panel Antenna. Your Company has manufactured largest No. of Antennas ever produced in a single year in this country aggregating 6,00,000 Antennas. RF Products & Antennas are having reasonable margins.

In-building Solutions:

Your Company during the year has been able to establish itself as a major player in in-building solutions with GSM & CDMA Carriers like Hutch, Airtel, Idea, Reliance & Tata Tele Services. Your Company sees growing opportunities going forward in In-building solutions with reasonable margins.

Solar Products:

Your Company during the year has been chosen as a sole supplier to BEL for its requirement of Solar modules. Your Company has also exported reasonable quantities of modules to Germany during the year. Your Company has an outstanding order book of Rs. 45 Crores as on 31st March 2006 from Germany. World over there is an acute shortage of solar wafers which is affecting your company's ability in executing these orders. Solar products have very low margin.

Outlook:

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

Opportunities and Threats:

Your Company has designed and developed various RF Products and Antennas for 3G Technology. Some of them are approved and some of them are in the process of approval. Your Company sees great opportunities for these products once the Govt. policy is clear on the 3G Spectrum allocation. Your Company is also tapping the



opportunities for its products in defence and space applications. Also, your company is pursuing the opportunities for its products in the North American Market.

Risks and Concern:

Your Company sees the Government Policy of additional Spectrum allocation for 2G and delay in finalizing spectrum policy for 3G as a risk and concern that could impact your company's growth.

Internal Control Systems and their adequacy:

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

The internal control system is designed to ensure that

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

Major Developments in Human Resources/Industrial Relations Front:

Human Resources are the center of focus at Kavveri. They are the driving force behind the accelerated growth of the Company. Kavveri provides constant training and development to ensure both personnel and technical enhancement. The employee relationship has been cordial and the directors wish to place on record their appreciation for the contribution of all the employees towards the growth of the company.



REPORT OF THE AUDITORS

To,

The Members of Kavveri Telecom Products Limited,

1. We have audited the attached Balance Sheet of M/s KAVVERI TELECOM PRODUCTS LIMITED (formerly Kaveri Telecoms Limited) as at 31st March 2006 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 4.2 In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - 4.5 On the basis of written representations received from the directors, as at 31st March 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and Notes to Accounts thereon give the information required by the Companies Act 1956, in the manner so required, and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - 5.1 In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006;
 - 5.2 In the case of the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date; and
 - 5.3 In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

for MSSV & Co,
Chartered Accountants

D.R.Venkatesh
Partner
Membership No. 25087

Place: Bangalore
Date: 17.06.2006



ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our report of even date

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

- 1 In respect of its Fixed Assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
 - 2 In respect of its inventories:
 - a. As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
 - 3 In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The company has not granted any loans to parties covered in the register maintained under section 301 of the Act.
 - b. As the company has not given any loans to the parties specified under section 301 of the Act commenting on the rate of interest does not arise.
 - c. As the company has not given any loans to the parties specified under section 301 of the Act commenting on the receipt of interest and principal does not arise.
 - d. As the company has not given any loans to the parties specified under section 301 of the Act, commenting on the overdue amount exceeding Rs. One lakh and steps taken by the company for the recovery of amounts due does not arise.
 - e. The Company has taken loans from three parties covered in the register maintained under section 301 of the Act. The aggregate amount due as on 31.03.2006 is Rs. 363.06 lakhs.
 - f. In our opinion and according to the information and explanations given to us, these loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - g. In respect of loans taken by the company, the payment of principal amount wherever applicable is regular.
 - 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
 - 5 In respect of transactions covered under section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that required to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 - 6 The Company has not accepted any deposits from the public.
 7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
-



However, the area, scope and coverage of the audit have to be extended to strengthen its internal audit system.

8. As explained to us maintenance of Cost Records has not been prescribed by the Central Government to this company under Section 209 (1)(d) of the Companies Act, 1956.
- 9 In respect of statutory dues:
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales –tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. However we have observed in few cases there has been delay in remittances of Provident Fund, Employees' State Insurance, Sales Tax and Tax Deducted at Source (TDS) dues to Appropriate Authorities. According to information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2006 for a period of more than six months from the date of becoming payable.
 - b. According to the information and explanations given to us, details of disputed statutory dues which have not been deposited as on 31st March 2006 on account of any dispute are given below:

Name of the Statute	Nature of dues	Amount (Rs.)	Assessment Year	Forum where dispute is pending
Income tax Act 1961	Income tax & interest on additions made.	1,30,07,191	2003-04	CIT (Appeals), Bangalore

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

For MSSV& Co
Chartered Accountants

Place: Bangalore
Date: 17.06.2006

D.R.Venkatesh
Partner
Membership No. 25087



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Preparation of Financial Statements:**

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

Accounting Policies are consistent and are in consonance with the Generally Accepted Accounting Principles.
 3. **Fixed Assets:**
 - Fixed Assets are stated at cost of acquisition plus subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation.
 - Capital Work in Progress comprises of the cost of fixed assets that are not put to use as at the Balance Sheet date and advance paid towards acquisition of Fixed Assets.
 4. **Depreciation:**

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

Raw Materials, Work in progress and Finished Goods are stated at lower of cost or net realizable value on first in first out basis and are net of provision.
 6. **Investments:**
 - (a) Long-Term Investments taken over on amalgamation is recognized in the Accounts at its fair value as determined by an independent firm of Chartered Accountants.
 - (b) The investment in Kaveri Technologies Inc., is stated at cost.
 7. **Research and Development:**

Expenditure on Research and Development other than capital items is expensed.
 8. **Revenue Recognition:**
 - Sales are recognized when the significant risks attached to the goods are passed on to the seller and are recorded net of trade discounts, rebates.
 - Sales Returns are recognized as and when ascertained and are reduced from the sales turnover of the year.
 - Interest on fixed deposit is recognized based on the interest rates, using the time proportion method.
 9. **Foreign Exchange Transactions:**

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction. All foreign currency assets and liabilities as at the Balance Sheet date, except those covered under forward contracts are translated into rupees at the rate prevailing on that date. All exchange differences are dealt with in the Profit and Loss account.
 10. **Retirement Benefits:**
 - Liability to Gratuity payable to employees is calculated as per the provisions of the Payment of Gratuity Act and Leave Encashment to employees is determined on the basis of company's leave encashment rules.
 - Fixed contribution to Provident Fund and Superannuation fund and Cost of other benefits are recognized in the accounts on actual cost to the company.
 11. **Income Tax:**
 - The current charge for Income Tax is based on the tax liability computed after considering tax allowances and exemptions.
 - Deferred tax asset or liability is recognized for timing differences between the profit as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.
 12. **Miscellaneous Expenditure:**
 - Preliminary Expenses are being amortized over a period of 10 years.
 - Technology Fees are being amortized over a period of 6 years.
 13. **Contingent Liability:**

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



BALANCE SHEET AS AT MARCH 31, 2006

	Sch No.	As at March 31, 2006 Rs.	As at March 31, 2005 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	100608000	100608000
Reserves & Surplus	2	132577581	117578845
LOAN FUNDS			
Secured Loans	3	100000000	42998702
Unsecured Loans		45385820	19644156
DEFERRED TAX LIABILITY (Net)		8082385	6579709
Total		<u>386653786</u>	<u>287409412</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	57801757	50941945
Less : Depreciation		19701979	16718477
Net Block		<u>38099778</u>	<u>34223468</u>
INVESTMENTS			
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	157157300	145718000
Sundry Debtors	6	51998370	31171425
Cash & Bank Balances		145582406	53472072
Loans & Advances		30118759	13753639
		24020930	51081735
		<u>251720465</u>	<u>149478871</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	7	53059753	38196987
Provisions		7323220	4110009
NET CURRENT ASSETS		<u>191337492</u>	<u>107171875</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)	8	59215	296069
Total		<u>386653786</u>	<u>287409412</u>
Notes on Accounts	15		

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

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

For and Behalf of the Board

for **M S S V & Co.,**
Chartered Accountants
D.R. Venkatesh
Partner
Membership No: 25087

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary

Place:Bangalore
Date:17th June 2006



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	Sch No.	For the Year Ended March 31, 2006 Rs.	For the Year Ended March 31, 2005 Rs.
INCOME			
Gross Receipts from Sales and Services	9	367771549	188486979
Less: Excise Duty		12228288	2757157
Net Sales		<u>355543261</u>	<u>185729822</u>
Other Income	10	1270800	7756555
Accretion/(Decretion to Stock)	11	33496685	11777311
Total		<u>390310746</u>	<u>205263688</u>
Expenditure			
Operating Expenses	12	290137170	158952114
Administrative, Selling & Other Expenses	13	59640376	24757329
Depreciation	4	3113415	2991850
Interest & Financial Expenses	14	7346546	6258921
Total		<u>360237507</u>	<u>192960214</u>
Profit before Taxation		<u>30073239</u>	<u>12303474</u>
Less: Provision for Taxation			
Current Tax		2100000	400000
Deferred Tax charge / (credit)		1502676	900400
Profit after Taxation and before Prior Period and Extraordinary Items		<u>26470563</u>	<u>11003074</u>
Less: Prior Period Adjustments		0	136591
Profit for the Year		<u>26470563</u>	<u>10866483</u>
Surplus Brought forward from Previous Year		21294347	16163778
Amount available for Appropriations		<u>47764910</u>	<u>27030261</u>
Proposed Dividend		10060800	5030400
Tax on Proposed Dividend		1411027	705514
Balance carried to Balance Sheet		<u>36293083</u>	<u>21294347</u>
Notes on Accounts	15		
Basic Earnings Per Share		<u>2.63</u>	<u>1.08</u>
No. of Equity shares used in computing Earnings Per share		<u>10060800</u>	<u>10060800</u>

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

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

For and Behalf of the Board

for **M S S V & Co.,**
Chartered Accountants
D.R. Venkatesh
Partner
Membership No: 25087

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary

Place:Bangalore
Date:17th June 2006

**SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2006**

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
SCHEDULE - 1 SHARE CAPITAL		
Authorised Share Capital 120,00,000 Equity Shares of Rs.10/-	120000000	120000000
Issued, Subscribed & Paid-up 98,23,450 Equity Shares of Rs.10/- (5,125,800 Equity Shares of Rs.10/-)	98234500	51258000
Share Capital Suspense Account [Refer Note 1(a) of Schedule 15]	2373500	49350000
Total	100608000	100608000
SCHEDULE - 2 RESERVES AND SURPLUS		
Capital Reserves	7325779	7325779
Arising from Amalgamation [Refer Note 1 (b) of Schedule 15]		
Securities Premium(arising from amalgamataion)	84557700	Nil
Securities Premium Suspense Account		
Arising from Amalgamation [Refer Note 1(a) of Schedule 15]	4272300	88830000
General Reserve	128719	128719
Profit and Loss Account Balance	36293083	21294347
TOTAL	132577581	117578845
SCHEDULE - 3 SECURED LOANS		
Term Loan from Bank	100000000*	6956835**
Cash Credit Account	Nil	36041867
TOTAL - A	100000000	42998702
UNSECURED LOANS		
Loan from Directors	36305880	10564216
Sales tax Deferred Liability ***	9079940	9079940
TOTAL - B	45385820	19644156
Grand Total of Loan Funds (A+B)	145385820	62642858
*** Includes amount payable within one year		
Sales Tax Deferred liability	2684948	1342474

* Term Loan is secured by exclusive first charge on all the current and fixed assets of the company.

** Term Loan is secured by a first charge on the Fixed Assets at Jigani Plant and second charge on the fixed assets of the existing plant ranked pari pasu. Cash Credit Facility from Bank of Baroda is secured by a charge on the Fixed Assets and hypothecation of Raw Materials, componenets and Book Debts, ranked paripasu.

SCHEDULE - 4 FIXED ASSETS

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2005 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2006 Rs.	Up to 31.03.2005 Rs.	for the year Rs.	Adjustments on disposal Rs.	Up to 31.03.2006 Rs.	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
Land	562500	-	-	562500	0	0	-	0	562500	562500
Building	8539778	-	-	8539778	1636730	285229	-	1921959	6617820	6903048
Plant & Machinery	26215965	5,299,206	-	31515171	8268225	1435372	-	9703597	21811574	17947740
Jigs & Moulds	579734	14,625	-	594359	274387	94995	-	369382	224977	305347
Furniture & Fixtures	4189767	20,000	-	4209767	1852860	265649	-	2118509	2091258	2336907
Computers	2133804	1,325,885	-	3459689	1556191	438404	-	1994595	1465094	577613
Electrical Installation	2275891	288,648	-	2564539	355959	112988	-	468947	2095592	1919932
Office Equipments	2473039	338,786	-	2811825	779079	123732	-	902811	1909014	1693960
Vehicles	3971468	-	427,339	3544129	1995047	357046	129,914	2222179	1321950	1976421
Total	50941946	7287150	427339	57801757	16718478	3113415	129914	19701979	38099778	34223468
Previous Year	48,109,118	34,35,283	602,455	50,941,946	13,884,370	2,991,851	157,743	16,718,478	34,223,468	34,224,748

**SCHEDULES FORMING PART OF ACCOUNTS**

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
SCHEDULE - 5 INVESTMENTS : LONG TERM, UNQUOTED TRADE		
Investments in Subsidiary Company		
M/s.Eaicom India Pvt Ltd	145718000	145718000
[Refer Note 2(a) of Schedule 15]		
Investments in Subsidiary Company	11439300	Nil
M/s.Kavveri Technologies Inc (Refer Note 2(b) of Schedule 15)		
TOTAL	157157300	145718000
SCHEDULE - 6 CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Raw Materials	6724374	19394114
Finished Goods	45183021	10008525
Work-in-Progress	90975	1768786
TOTAL	51998370	31171425
Sundry Debtors		
(Unsecured)		
Debt outstanding for a period of more than 6 months		
Considered Good **	27458333	35954498
Considered Doubtful	457463	457463
	27915796	36411961
Other Debts - Considered Good	118124073	17517574
	146039869	53929535
Less: Provision	457463	457463
TOTAL	145582406	53472072
Cash and Bank Balances		
Cash on hand	18355	75981
Balance with Scheduled Banks		
In Current Account	13836858	3790580
In Deposit Account	15343307	9154014
In Unclaimed Dividend Account	913924	726749
Balance with Other Banks		
In Current Account - ICICI Bank	6315	6315
TOTAL	30118759	13753639
Loans & Advances		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or value to be received	22165830	42487074
Deposits with Others	1846420	8580936
Balances with Customs, Excise Authorities	8680	13725
TOTAL	24020930	51081735



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Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
SCHEDULE - 7 CURRENT LIABILITIES		
Acceptances	Nil	Nil
Due to Subsidiary	13000750	8955612
Sundry Creditors		
Due to S S I undertakings (Note 15 of Schedule 15)	Nil	Nil
Others	27083592	4550597
Other Liability	12061830	23964785
Unclaimed Dividends (Note 13 of Schedule 15)	913581	725993
	53059753	38196987
Provisions		
Taxation	4328505	2228505
Less: Advance Tax	0	84816
	4328505	2143689
Gratuity	1097317	886975
Leave Encashment	486371	373831
Tax on Proposed Dividend	1411027	705514
	7323220	4110009
SCHEDULE - 8 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses		
Opening	Nil	310706
Less: 1/10 charged to Profit & Loss Account	Nil	310706
	Nil	Nil
Technology Fees		
Opening	296069	532923
Less: 1/6 charged to Profit & Loss Account	236854	236854
	59215	296069
Balance Carried to Balance Sheet	59215	296069
SCHEDULE - 9 SALES AND SERVICES		
Local Sales	237263714	175734202
Export Sales	52153241	6227162
Sale of traded goods/other services	78106769	6493626
Freight & Insurance Collected	247825	73814
Packing Charges Collected	0	5075
	367771549	188533879
Less: Returns		46900
Total	367771549	188486979



Particulars	For the year ended	For the year ended
	March 31,2006	March 31,2005
	Rs.	Rs.
SCHEDULE - 10 OTHER INCOME		
Interest on Fixed Deposit*	353954	966039
Miscellaneous Income	740284	5759048
Sundry Creditors Written back	176562	1031468
Total	1270800	7756555
* Tax Deducted at Source on Interest Income	92496	54984
SCHEDULE - 11 ACCRETION / DECRETION TO STOCK		
Opening Balance of Finished goods	10008525	0
opening Balance of Semi-finished goods	1768786	0
Total (A)	11777311	0
Less:		
closing balance of finished goods	45183021	10008525
closing balance of semi-finished goods	90975	1768786
Total (B)	45273996	11777311
(A)- (B)	33496685	11777311
Net Accretion/Decretion to stock	33496685	11777311
SCHEDULE - 12 OPERATING EXPENSES		
a. Raw Materials Consumed		
Opening Stock of Raw materials	19394114	6820658
Add : Purchase during the Year		
- Imported	23232372	23453184
- Indigenous	181492492	138181904
	224118978	168455746
Less : Closing Stock	6724374	19394114
(A)	217394604	149061632
b. Others		
Consumables	963221	471217
Packing Materials	665543	1369864
Job Work	2549715	1059021
Power Charges	155467	473577
Other Manufacturing Expenses	458786	6721
(B)	4792732	3380400
C. Purchase of Traded Goods (C)	67949834	6510082
Total-(A+B+C)	290137170	158952114



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Particulars	For the year ended March 31,2006 Rs.	For the year ended March 31,2005 Rs.
SCHEDULE - 13 ADMINSTRATIVE, SELLING & OTHER EXPENSES		
Salaries, Wages & Bonus	14792356	6890460
Contribution to :		
Provident Fund & Other Funds	592073	344798
Gratuity	239232	102664
Leave encashment	194554	0
Staff Welfare Expenses	810818	697983
Rent	719296	36000
Electricity, Water Charges	196301	125587
Telephone & Telex	376397	624576
Postage & Telegram	145610	209942
Rates & Taxes	147779	465268
Repairs & Maintenance		
- Office	797996	555899
- Generator	111189	113548
- Vehicles	265511	225712
Travelling & Conveyance Expenses	2526976	4342280
Foreign Exchange Loss	284872	93805
Security Charges	509720	278023
Printing & Stationery	348901	417085
Auditor's Remmuration	201770	202324
Professional Charges	1091295	635094
Research & Development Expenses	21732313	2734176
Business Promotion Expenses	310204	1206770
Bad debts written off	7626040	0
Carraige Outwards	2145949	2260962
Donations	16116	21000
PRELIMINARY EXPENSES W.OFF	0	310707
Technical Know How Fee Written Off	236854	236854
Loss on Sale of Assets	71463	384712
Miscellaneous Expenses	2896353	1241100
Fringe Benefit Tax	252439	0
Total	59640376	24757329

SCHEDULE - 14 FINANCIAL EXPENSES

Interest		
- Term Loan	1178307	1195127
- Cash Credit & Others	4261048	4269499
- Car Loans	14347	14899
Bank Charges	1892844	779396
Total	7346546	6258921


SCHEDULE 15: NOTES TO ACCOUNTS
1. Amalgamation of Megasonic Telecoms Private Limited

- a) Pursuant to the Scheme of Amalgamation of the erstwhile Megasonic Telecoms Private Limited (MTPL), with the Company sanctioned by the Hon'ble High Courts of Bombay and Karnataka vide their order dated January 15th, 2004 and September 17th, 2004 respectively, the assets and liabilities of the erstwhile MTPL stand transferred to and vested in the Company with effect from July 1st, 2003 and accordingly, 49,35,000 Equity Shares of Rs. 10/- each were to be issued at premium of Rs.18/- by the company in the ratio of 47 Equity Shares of the company for every 2 Equity shares held by the shareholders of erstwhile MTPL.

Pending allotment of these shares, Rs 4,93,50,000/- being the face value of Equity Shares to be issued was credited to Share Capital Suspense Account and Rs 8,88,30,000/- being the Securities Premium was credited to the Securities Premium Suspense Account.

The company during the year received the "In- Principle" approval from all the stock exchanges and had allotted shares to the members of the erstwhile Megasonic Telecoms Private Limited except in respect of 10100 shares of the erstwhile company for want of members details.

Accordingly, based on the allotment made the share capital and share premium account had duly been transferred from the earlier respective suspense accounts.

- b) The Company has followed "Purchase Method" of accounting as specified in AS-14-

Accounting for amalgamation. For the purpose of this Amalgamation with erstwhile MTPL and accordingly, the values of assets and liabilities have been adopted at their fair values as determined by an independent valuation and in accordance with the scheme of Amalgamation sanctioned by the Hon'ble High courts of Bombay and Karnataka. The excess of net fair values of assets over the purchase consideration results in a Capital Reserve amounting to Rs.73,25,779 and has been recorded as such.

2. Investments

- a) Pursuant to the Scheme of Amalgamation as referred to in Note 1 above, Eaicom India Private Limited (EIPL) erstwhile 100% subsidiary company of Megasonic Telecoms Private Limited has become a wholly owned subsidiary of the Company. Consequently, the investment has been reflected at its fair value determined by an Independent Chartered Accountant. Taking into consideration the intrinsic value of the long-term investment, the management is of the opinion that the value as accounted reflects the fair value as at the Balance Sheet date.
- b) During the year the company has floated a 100% subsidiary(KAVVERI TECHNOLOGIES INC) of its own at Canada and an initial sum of 255 Thousand US Dollars had been invested in the said company towards its share capital.

3. Contingent Liabilities not provided for -

Particulars	March 31, 2006 Rs.	March 31, 2005 Rs.
i) Estimated amount of Contracts remaining to be executed on Capital Account.	Nil	Nil
ii) Claims against the Company not acknowledged as a debt :		
On account of Sales tax	NIL	57,59,836
On account of Bank Guarantee	32,32,200	32,32,200
On account of Income Tax #	1,30,07,191	NIL
iii) Guarantees issued on behalf of the company by Bankers	1,76,07,166	1,03,16,942
iv) Letter of Credit issued on behalf of the company by Bankers	NIL	NIL

#: The company had received an assessment Order in respect of assessment year 2003-04 disallowing sales return and certain deductions under Chapter VI A demanding an amount of Rs.1.3 Crores against which the company has filed an appeal with the CIT (appeals) and the company is confident of getting deleted the disallowances made by the department



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

5. Information regarding Capacity, Stock, Production and Sale

- a) Licensed Capacity : Not Applicable.
 b) Installed Capacity * : Company has an installed capacity of 20000 nos. of Microwave components. Since the company has manufactured components, systems during the year, quantification of capacity is not feasible.

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

c) Production, sales and stock:

ITEMS	Opening (Nos)	Production (Nos)	Sale (Nos)	Closing (Nos)
Antenna/Components/Accessories	1561 (NIL)	52160 (12073)	51660 (10512)	2061 (1561)
Solar Photo Voltaic Power Supply	115 (Nil)	25000 (16640)	25115 (16525)	NIL (115)

Figures with in the bracket indicate figures of previous year.

d) Raw Material Consumed

There are no individual items of purchases, which account for more than 10% of total consumption. Hence, quantitative details are not furnished.

ITEMS	Year ended 31.03.2006		Year ended 31.03.2005	
	Value Rs.	%	Value Rs.	%
a) Indigenous	19,41,62,232	89%	12,67,02,387	85%
b) Imported	2,32,32,372	11%	2,23,59,245	15%
	21,73,94,604		14,90,61,632	

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

Particulars	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
a) Raw Material	2,32,32,372	2,34,53,184
b) Traded goods	97,71,424	65,10,082
c) Capital Goods	1,85,166	6,07,993

7. Foreign Exchange Earnings/Expenses

a) Earnings

Particulars	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
On export of Goods (FOB)	5,21,53,240	62,27,163

**KAVVERI TELECOM PRODUCTS LIMITED**

b) Expenditure

Particulars	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
1. Raw Materials	1,81,34,004	2,02,25,268
2. Traded goods	97,71,424	90,56,187
3. Capital Goods	1,85,166	5,94,643
4. Foreign Travel	8,98,809	14,47,577

8. Segment Results

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

9. Related Party Disclosure

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

a) Names of the Related Parties and description of relationship:

(As identified and disclosed by the management)

Name	Relationship
1 Mr. C. Shivkumar Reddy	Key Management Personnel
2 Ms. R. H. Kasturi	Key Management Personnel
3 Ms. C. Uma Reddy	Key Management Personnel
4 M/s. Eaicom India Pvt Ltd	Subsidiary
5 M/s. Kavveri technologies Inc	Subsidiary

Particulars	Subsidiary (Rs.)	Key Management Personnel (Rs.)	Total (Rs.)
Purchases of goods	18,23,406 (20,72,088)	-	18,23,046 (20,72,088)
Sale of goods	53,22,809 (9,16,369)	-	53,22,809 (9,16,369)
Purchase of Capital Goods	43,02,500		43,02,500
Finance (including loans and equity contributions in cash or in kind)	11663600 (NIL)	3,63,05,880 (1,03,19,811)	4,79,69,480 (1,03,19,811)
Remuneration / Perquisite	-	52,27,860 (3,96,000)	52,27,680 (3,96,000)
Amounts due to as on 31.3.2006	1,30,00,751 (89,55,612)	3,63,05,880 (1,03,19,811)	4,93,06,631 (1,92,75,423)

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



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10. In accordance with the Accounting Standard 22, "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has debited during the Current year a sum of Rs.15,02,676/- as net liability in accordance with the present rates of Income Tax applicable for the companies

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

Particulars	Deferred Tax Liability as at 01.04.2005 (Rs.)	Current Year Charge/ (Credit) (Rs.)	Deferred Tax Asset/Liability as at 31.03.2006 (Rs.)
Depreciation	71,58,079	16,11,357	87,69,436
Other timing difference	(5,78,370)	(1,08,681)	(6,87,051)
Net	65,79,709	15,02,676	80,82,385

11. Auditors remuneration:-

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

Particulars	2006-07 (Rs.)	2005-06 (Rs.)
Audit Fees	1,55,000	1,95,000
Other Services	35,150	5,000
Expenses (Including Service Tax)	11,620	46,404

12. Managerial Remuneration

Remuneration paid to the Managing Director and Whole Time Directors

Particulars	31.03.2006 (Rs.)	31.03.2005 (Rs.)
Salary	51,90,420	3,96,000
Contribution to Provident and Superannuation Fund	37,440	37,440
Money Value of Perquisite	Nil	Nil

13. Unclaimed Dividend

The unclaimed dividend of Rs. 9,13,581- (Rs.7,25,993 /-) represents those relating to the years 1998 to 2005 and the dividend account pertaining to the year 1998, having a balance of Rs.15125/- has remained unpaid or unclaimed for a period of seven years from the date they became due for payment and the company has transferred the same to the Investors Education and Protection Fund as required by the Companies Act 1956.

14. Research & Development Expenditure includes:

Particulars	31.03.2006 (Rs.)	31.03.2005 (Rs.)
Salaries & Wages	31,89,618	9,35,512
Cost of materials and services	91,28,417	14,32,673
Overheads	94,48,278	3,65,990
Total	2,17,32,313	27,34,176



15. There are no amounts overdue and remaining unpaid to small scale/and or ancillary industrial supplier at the close of the year. However this disclosure is on the basis of information available with the company regarding the status of the suppliers, as defined under the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1933.
16. Letters requesting confirmation of balances and statement of accounts from Debtors, Creditors etc had been sent and in respect of the replies received from the parties the due adjustments/reconciliations have been done and in respect of those replies yet to be received from the parties necessary adjustments/reconciliations will be made wherever required.
17. In accordance with the Accounting Standard 20, "Earning Per Share" issued by the Institute of Chartered Accountants of India, the Company has calculated the EPS of Rs 2.63 by dividing the profit of Rs 2,64,70,563/- by 1,00,60,800 shares being the total outstanding number of shares including the shares not allotted as stated in Note 1 (a) above.
18. Previous year's figures have been regrouped wherever necessary to conform to current year groupings / classification.

Signature to Schedule 1 to 15

For and Behalf of the Board

for **M S S V & Co.,**
Chartered Accountants
D.R. Venkatesh
Partner
Membership No: 25087

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary

Place: Bangalore
Date: **17th June 2006**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006**

Particulars	Year ended 31.03.06 Amount in Rs.	Year ended 31.03.05 Amount in Rs.
A Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	30073239	12303474
Add: Adjustments for		
Depreciation	3113415	2991850
Interest paid	7346546	6258921
Preliminary Expenses expenses written off	0	310707
Technology Fees written off	236854	236854
Loss on sale of Assets	71463	384712
	<u>10768278</u>	<u>10183044</u>
Less: Adjustments for		
Excess Provision written Back		373730
Interest on FD / other deposits	353954	966039
	<u>353954</u>	<u>0</u>
	<u>40487563</u>	<u>21146749</u>
Operating Profit Before Working Capital Changes		
Adjustments for:		
Trade receivables	(92110334)	93554970
Loans and Advances	27060805	(35654404)
Inventories	(30887745)	(24350767)
Trade and other payables	14564950	(55760827)
Prior Period Items		(136591)
	<u>(81372324)</u>	<u>(22347619)</u>
Cash Generated from Operations	<u>(40884761)</u>	<u>(1200870)</u>
Deduct:		
Interest paid	7346546	6258921
	<u>7346546</u>	<u>6258921</u>
Cash Flow before Extraordinary items	<u>(48231307)</u>	<u>(7459790)</u>
Net Cash flow from Operating activities [A]	(48231307)	(7459790)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	7287150	(934793)
Investment in Kaveri Technologies Inc	11439300	0
	<u>18726450</u>	<u>(934793)</u>
Deduct Inflow		
Interest on FD/other deposits	353954	966039
Sale of Assets	225962	60000
	<u>579916</u>	<u>1026039</u>
Net Cash Flow from Investing Activities [B]	(18146534)	(91246)
C Cash Flow from Financing Activities		
Increase in Loans Liability	82742962	4874078
	<u>82742962</u>	<u>4874048</u>
Net cash flow from Financing activities [C]	82742962	4874048
Net increase in cash and cash equivalents [A + B + C]	16365120	(2494466)
Cash and Cash Equivalents as at 31st March 2006	30118759	13753639
Cash and Cash Equivalents as at 1st April 2005	13753639	16248106
	<u>16365120</u>	<u>(2494466)</u>

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of M/s "Kavveri Telecom Products Limited"(formerly Kaveri Telecoms Limited), for the year ended 31st March 2006. The statement has been prepared by the company in accordance with the requirement of Accounting Standard 3, (using indirect method) issued by the Institute of Chartered Accountants of India, and clause 32 of the Company's Listing Agreement with the Stock Exchange and is based on and agreement with the Balance Sheet and Profit and Loss Account of the company covered by our report dated 17th June 2006 to the members of the Company.

For M S S V & Co.,
Chartered Accountants

Place : Bangalore
Date : 17th June 2006

D R Venkatesh
Partner



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	08-019627	State Code	8
Balance Sheet Date	31/03/2006		

Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private placement	NIL

Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	38 66 53 786	Total Assets	38 66 53 786
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SOURCES OF FUNDS

Paid-up Capital	9 82 34 500	Res. & Surplus	132577581
Share Application Money	-		
Secured Loans	10 00 00 000	Unsecured Loans	4 53 85 820

APPLICATION OF FUNDS

Net Fixed Assets	3 80 99 778	Investments	15 71 57 300
C.W.I.P			
Net Current Assets	19 13 37 492	Misc. Expenditure (to the extent not written off)	59 215

Performance of Company (Amount in Rs.)

Turnover	35 68 14 061	Total Expenditure	32 67 40 822
Profit/Loss before tax	3 00 73 239	Profit/Loss after tax	2 64 70 563
Earning per share in Rs.	2.63	Dividend Rate %	10%

Generic Names of Three Principal Products/Services of Company (as monetary terms)

Item Code No.	
(ITC Code)	:
Product	: Telecommunication Equipments
Description	

As per our Report of even date
in our report of even date

For and Behalf of the Board

for **M S S V & Co.,**
Chartered Accountants

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary

D.R. Venkatesh
Partner
Membership No: 25087

Place:Bangalore
Date:17th June 2006



REPORT OF THE AUDITORS

To,
The Board of Directors
On the Consolidated Financial Statements of
Kavveri Telecom Products Limited & its Subsidiaries

1. We have audited the attached Consolidated Balance Sheet of M/s Kavveri Telecom Products Limited and its subsidiaries (M/s Eaicom India Private Limited and M/s Kavveri Technologies Inc) as at 31st March 2006 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Kavveri Telecom Products Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 40674141 as at March 31, 2006, the total revenue of Rs. 5931767 and cash flows amounting to Rs. 1934603 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion (in so far as it relates to the amounts included in respect of the subsidiary,) is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Kavveri Telecom Products Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated Balance Sheet, of the state of affairs of the Kavveri Telecom Products Limited and its subsidiaries as at March 31, 2006;
 - b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

for MSSV & Co.,
Chartered Accountants

D.R.Venkatesh
Partner
Membership No. 25087

Place: Bangalore
Date: 2nd September 2006

**KAVVERI TELECOM PRODUCTS LIMITED (CONSOLIDATED)****CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2006**

Particulars	Sch No.	As at March 31, 2006 Rs.	As at March 31, 2005 Rs.
SOURCES OF FUNDS			
Share Holders Funds			
Share Capital	1	100608000	100608000
Reserves & Surplus	2	136557268	120736794
Loan Funds			
Secured Loans	3	100000000	42998702
Unsecured Loans		46492390	20350726
Deferred Tax Liability (Net)		8082385	6579709
Total		391740043	291273931
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	58400013	52342702
Less : Depreciation		20121254	16986741
Net Block		38278759	35355961
Investments	5	0	0
Goodwill (arising out of Consolidation)		125821574	125821574
Current Assets, Loans and Advances			
Inventories	6	55362570	31171425
Sundry Debtors		136627056	60642672
Cash & Bank Balances		30189949	15759432
Loans & Advances		54389189	62029615
		276568764	169603144
Less: Current Liabilities and Provisions	7		
Current Liabilities		43737462	35720736
Provisions		7339136	4125925
Net Current Assets		225492167	129756483
Miscellaneous Expenditure (to the extent not written off or adjusted)	8	2147543	339914
Total		391740043	291273931
Notes on Accounts	15		

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

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

For and Behalf of the Board

for **MSSV & Co.,**
Chartered Accountants
D.R. Venkatesh
Partner
Membership No: 25087

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary

Place: Bangalore
Date: 2nd September 2006



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CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	Sch No.	For the Year Ended March 31, 2006 Rs.	For the Year Ended March 31, 2005 Rs.
INCOME			
Gross Receipts from Sales and Services	9	366655300	264011961
Less: Excise Duty		12543969	3326236
Net Sales		354111331	260685725
Other Income	10	1304299	7782204
Accretion/(Decretion to Stock)	11	36860885	11777311
Total		392276515	280245240
EXPENDITURE			
Operating Expenses	12	290615674	231989148
Administrative, Selling & Other Expenses	13	60088555	25392245
Depreciation	4	3264427	3094766
Interest & Financial Expenses	14	7361582	6304775
Total		361330238	266780934
Profit before Taxation		30946277	13464306
Less: Provision for Taxation			
Current Tax		2100000	400000
Deferred Tax charge / (credit)		1502676	900400
Profit after Taxation and before Prior Period and Extraordinary Items		27343601	12163906
Less: Prior Period Adjustments		0	136591
Profit for the Year		27343601	12027315
Surplus Brought forward from Previous Year		24452296	35928820
Amount available for Appropriations		51795897	47956135
Proposed Dividend		10060800	5030400
Tax on Proposed Dividend		1411027	705514
Balance carried to Balance Sheet		40324070	42220221
Notes on Accounts	15		
Basic Earnings Per Share		2.72	1.20
No. of Equity shares used in computing Earnings Per share		10060800	10060800

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

For and Behalf of the Board

for **MSSV & Co.,**
Chartered Accountants
D.R. Venkatesh
Partner
Membership No: 25087

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary

Place:Bangalore
Date:2nd September 2006

**KAVVERI TELECOM PRODUCTS LIMITED (CONSOLIDATED)****SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS 31ST MARCH 2006**

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
SCHEDULE - 1 SHARE CAPITAL		
Share Capital		
Authorised Share Capital 120,00,000 EQUITY SHARES OF RS.10/-	120000000	120000000
Issued, Subscribed & Paid-up 98,23,450 EQUITY SHARES OF RS.10/- (5,125,800 EQUITY SHARES OF RS.10/-)	98234500	51258000
Share Capital Suspense Account [Refer Note 1(a) of Schedule 15]	2373500	49350000
Total	100608000	100608000
SCHEDULE - 2 RESERVES AND SURPLUS		
Capital Reserves		
Arising from Amalgamation [Refer Note 1 (b) of Schedule 15]	7325779	7325779
Securities Premium(arising from amalgamataion)	84557700	0
Securities Premium Suspense Account		
Arising from Amalgamation [Refer Note 1(a) of Schedule 15]	4272300	88830000
General Reserve	128719	128719
Reserve arising on foreign exchange fluctuation	(51300)	0
Profit and Loss Account Balance	40324070	24452296
TOTAL	136557268	120736794
SCHEDULE - 3 SECURED LOANS		
Term Loan from Bank	100000000	6956835
Cash Credit Account	0	36041867
TOTAL - A	100000000	42998702
UNSECURED LOANS		
Loan from Directors	37012450	11270786
Sales tax Deferred Liability ***	9079940	9079940
others	400000	0
TOTAL - B	46492390	20350726
Grand Total of Loan Funds (A+B)	146492390	63349428

*** Includes amount payable within one year
Sales Tax Deferred liability

*Term Loan is secured by exclusive first charge on all the current and fixed assets of the company.

**Term Loan is secured by a first charge on the Fixed Assets at Jigani Plant and second charge on the fixed assets of the existing plant ranked pari pasu. Cash Credit Facility from Bank of Baroda is secured by a charge on the Fixed Assets and hypothecation of Raw Materials, componenets and Book Debts, ranked paripasu.

SCHEDULES TO THE BALANCE SHEET

SCHEDULE - 4 FIXED ASSETS

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2005 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2006 Rs.	Up to 31.03.2005 Rs.	for the year Rs.	Adjustments on disposal Rs.	Up to 31.03.2006 Rs.	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
Land	562500	-	-	562500	0	0	-	0	562500	562500
Building	8539778	-	-	8539778	1636730	285229	-	1921959	6617820	6903048
Plant & Machinery	27316387	4496706	-	31813093	8344550	1565952	-	9910502	21902591	18971837
Jigs & Moulds	579734	14,625	-	594359	274387	94995	-	369382	224977	305347
Furniture & Fixtures	4276267	20,000	-	4296267	1879752	276438	-	2156190	2140077	2396515
Computers	2277804	1,325,885	-	3603689	1689238	442785	-	2132023	1471666	588566
Electrical Installation	2275891	288,648	-	2564539	355959	112988	-	468947	2095592	1919932
Office Equipments	2542873	338,786	-	2881659	811078	128994	-	940072	1941587	1731795
Vehicles	3971468	-	427,339	3544129	1995047	357046	129,914	2222179	1321950	1976421
Total	52342702	6484650	427339	58400013	16986741	3264427	129914	20121254	38278759	35355961
Previous Year	48409452	4535705	602455	52342702	14049718	3094766	157743	16986741	35355961	

**KAVVERI TELECOM PRODUCTS LIMITED (CONSOLIDATED)****SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS 31ST MARCH 2006**

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs
SCHEDULE - 5 GOODWILL		
Goodwill arising on account of Consolidation	125821574	125821574
TOTAL	125821574	125821574
SCHEDULE - 6 CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Raw Materials	6724374	19394114
Finished Goods	48547221	10008525
Work-in-Progress	90975	1768786
TOTAL	55362570	31171425
Sundry Debtors (Unsecured)		
Debt outstanding for a period of more than 6 months		
Considered Good **	17586183	37763828
Considered Doubtful	457463	457463
	18043646	38221291
Other Debts - Considered Good	119040873	22878844
	137084519	61100135
Less: Provision	457463	457463
TOTAL	136627056	60642672
Cash and Bank Balances		
Cash on hand	20745	77121
Balance with Scheduled Banks		
In Current Account	13905658	5031514
In Deposit Account	15343307	9917733
In Unclaimed Dividend Account	913924	726749
Balance with Other Banks		
In Current Account - ICICI Bank	6315	6315
TOTAL	30189949	15759432
Loans & Advances		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or value to be received	52373447	53274312
Deposits with Others	2006420	8740936
Balances with Customs, Excise Authorities	9322	14367
TOTAL	54389189	62029615



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SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS 31ST MARCH 2006

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
SCHEDULE - 7 CURRENT LIABILITIES		
Acceptances		
Due to Subsidiary	0	8955612
Sundry Creditors		
Due to S S I undertakings (Note 15 of Schedule 15)	0	0
Others		2074346
Other Liability	42823881	23964785
Unclaimed Dividends (Note 13 of Schedule 15)	913581	725993
	43737462	35720736
Provisions		
Taxation	4344421	2244421
Less: Advance Tax	0	84816
	4344421	2159605
Gratuity	1097317	886975
Leave Encashment	486371	373831
Tax on Proposed Dividend	1411027	705514
	7339136	4125925
SCHEDULE - 8 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses		
Opening	2093643	359865
Less: 1/10 charged to Profit & Loss Account	5315	316021
	2088328	43844
Technology Fees		
Opening	296069	532923
Less: 1/6 charged to Profit & Loss Account	236854	236854
	59215	296069
Balance Carried to Balance Sheet	2147543	339913
SCHEDULE - 9 SALES AND SERVICES		
Local Sales	239885465	179027909
Export Sales	48415241	6227162
Sale of traded goods/other services	78106769	78724901
Freight & Insurance Collected	247825	73814
Packing Charges Collected	0	5075
	366655300	264058861
Less: Returns	0	46900
Total	366655300	264011961

**SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS 31ST MARCH 2006**

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs	
SCHEDULE - 10 OTHER INCOME			
Interest on Fixed Deposit*	364729	971688	
Miscellaneous Income	763008	5759048	
Sundry Creditors Written back	176562	1051468	
Total	1304299	7782204	
* Tax Deducted at Source on Interest Income	92496	Nil	
SCHEDULE - 11 ACCRETION/DECRETION TO STOCK			
Opening Balance of Finished goods	10008525	0	
opening Balance of Semi-finished goods	1768786	0	
Total (A)	11777311	0	
Less:			
closing balance of finished goods	48547221	10008525	
closing balance of semi-finished goods	90975	1768786	
Total (B)	48638196	11777311	
(A) - (B)	36860885	11777311	
Net Accretion/Decretion to stock	36860885	11777311	
SCHEDULE - 12 OPERATING EXPENSES			
a. Raw Materials Consumed			
Opening Stock of Raw materials	19394114	6926342	
Add : Purchase during the Year	0		
- Imported	24975137	23992841	
- Indigenous	180067836	138063144	
	224437087	168982327	
Less : Closing Stock	6724374	19394114	
(A)	217712713	149588213	
b. Others			
Consumables	963221	602811	
Packing Materials	665543	1369864	
Job Work	2549715	1059021	
Power Charges	155467	473577	
Other Manufacturing Expenses	619181	81470	
(B)	4953127	3586743	
c. Consumption of Traded Goods	(C)	67949834	78814192
Total	(A+B+C)	290615674	231989148



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SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS 31ST MARCH 2006

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs
SCHEDULE - 13 ADMINSTRATIVE, SELLING & OTHER EXPENSES		
Salaries, Wages & Bonus	15054596	7050737
Contribution to :	0	
Provident Fund & Other Funds	592073	344798
Gratuity	239232	102664
Leave encashment	194554	0
Staff Welfare Expenses	810818	784199
Rent	827296	144000
Electricity, Water Charges	208501	125587
Telephone & Telex	376397	624576
Postage & Telegram	145610	209942
Rates & Taxes	152807	465268
Repairs & Maintenance		
- Plant and Machinery		213854
- Office	797996	342045
- Generator	111189	113548
- Vehicles	265511	225712
Travelling & Conveyance Expenses	2537476	4398834
Foreign Exchange Loss	284872	93805
Security Charges	509720	278023
Printing & Stationery	348901	417085
Deposits written off		
Auditor's Remmuneration	246666	246404
Professional Charges	1091295	642174
Research & Development Expenses	21732313	2734176
Business Promotion Expenses	310204	1263667
Bad debts written off	7626040	
Carraige Outwards	2145949	2260962
Donations	16116	21000
Preliminary Expenses written off	5315	316022
Technical Know How Fee Written Off	236854	236854
Loss on Sale of Assets	71463	384712
Income tax paid		110497
Miscellaneous Expenses	3148792	1241100
Total	60088555	25392245
SCHEDULE - 14 FINANCIAL EXPENSES		
Interest		
- Term Loan	1178307	1195127
- Cash Credit & Others	4261048	4269499
- Car Loans	14347	14899
Bank Charges	1907880	825250
Total	7361582	6304775

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES
1. Basis of Preparation of Financial Statements:

The Financial Statements are prepared on Historical Cost convention based on Accrual Method of Accounting.

2. Accounting Policies:

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

3. Fixed Assets:

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

4. Depreciation:

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

5. Inventory Valuation:

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

6. Investments:

Long-Term Investments taken over on amalgamation is recognized in the Accounts at its fair value as determined by an independent firm of Chartered Accountants.

7. Research and Development:

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

8. Revenue Recognition:

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

9. Foreign Exchange Transactions:

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

10. Retirement Benefits:

- Liability to Gratuity payable to employees is calculated on actual basis and Leave Encashment to employees is determined on the basis of management's estimate of leave to the credit of employees and not funded.
- Fixed contribution to Provident Fund and Superannuation fund and Cost of other benefits are recognized in the accounts on actual cost to the company.

11. Borrowing Cost:

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

12. Income Tax:

- The current charge for Income Tax is based on the tax liability computed after considering tax allowances and exemptions.
- Deferred tax asset or liability is recognized for timing differences between the profit as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.
- In respect of the subsidiary Company, M/s Eaicom India Private Limited, deferred tax provision has not been made since the profit of the company is only from the unit located at Pondicherry which is a backward area as notified in section 80IB of the Income-tax Act, 1961 which prescribes 100% tax holiday benefits for such concerns.
- In respect of subsidiary company at Canada, M/s Kavveri Technologies Inc., deferred tax provision has not been made since the company has not started commercial operations till 31st March 2006.

13. Miscellaneous Expenditure:

- Preliminary Expenses are being amortized over a period of 10 years.
- Technology Fees are being amortized over a period of 6 years.

14. Contingent Liability:

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



SCHEDULE 15

NOTES TO ACCOUNTS

1. Amalgamation of Megasonic Telecoms Private Limited

a) Pursuant to the Scheme of Amalgamation of the erstwhile Megasonic Telecoms Private Limited (MTPL), with the Company sanctioned by the Hon'ble High Courts of Bombay and Karnataka vide their order dated January 15th, 2004 and September 17th, 2004 respectively, the assets and liabilities of the erstwhile MTPL stand transferred to and vested in the Company with effect from July 1st, 2003 and accordingly, 49,35,000 Equity Shares of Rs. 10/- each were to be issued at premium of Rs.18/- by the company in the ratio of 47 Equity Shares of the company for every 2 Equity shares held by the shareholders of erstwhile MTPL. Pending allotment of these shares, Rs 4,93,50,000/- being the face value of Equity Shares to be issued has been credited to Share Capital Suspense Account and Rs 8,88,30,000/- being the Securities Premium has been credited to the Securities Premium Suspense Account.

The company during the year received the "In- Principle" approval from all the stock exchanges and had allotted shares to the members of the erstwhile Megasonic Telecoms Private Limited except in respect of 10100 shares of the erstwhile company for want of members details.

Accordingly, based on the allotment made the share capital and share premium account had duly been transferred from the earlier respective suspense accounts.

b) The Company has followed " Purchase Method " of accounting as specified in AS-14- Accounting for amalgamation. For the purpose of this Amalgamation with erstwhile MTPL and accordingly, the values of assets and liabilities have been adopted at their fair values as determined by an independent valuation and in accordance with the scheme of Amalgamation sanctioned by the Hon'ble High courts of Bombay and Karnataka. The excess of net fair values of assets over the purchase consideration results in a Capital Reserve amounting to Rs.73,25,779 and has been recorded as such.

2. Investments

Pursuant to the Scheme of Amalgamation as referred to in Note 1 above, Eaicom India Private Limited (EIPL) erstwhile 100% subsidiary company of Megasonic Telecoms Private Limited has become a wholly owned subsidiary of the Company. Consequently, the investment has been reflected at its fair value determined by an Independent Chartered Accountant. Taking into consideration the intrinsic value of the long-term investment, the management is of the opinion that the value as accounted reflects the fair value as at the Balance Sheet date. .

During the year the company has floated a 100% subsidiary(KAVVERI TECHNOLOGIES INC) of its own at Canada and an initial sum of 255 Thousand US Dollars had been invested in the said company towards its share capital.

3. Contingent Liabilities not provided for -

Particulars	March 31, 2006 Rs.	March 31, 2005 Rs.
i) Estimated amount of Contracts remaining to be executed on Capital Account.	Nil	Nil
ii) Claims against the Company not acknowledged as a debt		
On account of Sales tax	NIL	57,59,836
On account of Bank Guarantee	1,79,88,166	32,32,200
On account of Income Tax #	1,30,07,191	NIL
iii) Guarantees issued on behalf of the company by Bankers	1,76,07,166	1,03,16,942
iv) Letter of Credit issued on behalf of the company by Bankers	NIL	NIL

#: The company had received an assessment Order in respect of assessment year 2003-04 disallowing sales return and certain deductions under Chapter VI A demanding an amount of Rs.1.3 Crores against which the company has filed an appeal with the CIT (appeals)

4. The M/s. Mahanagar Telephone Nigam Ltd, New Delhi, and Bharat Sanchar Nigam Ltd., New Delhi had invoked the Bank Guarantees against the company for Rs. 4.41 lakhs and 20.36 lakhs respectively. The company has obtained stay order against the same in High court of Karnataka. The Company is advised that matter will be restored. Hence, no provision is made in accounts.
5. Information regarding Capacity, Stock, Production and Sale
- a) Licensed Capacity : Not Applicable.
- b) Installed Capacity * : Company has an installed capacity of 20000 nos. of Microwave components. Since the company has manufactured components, systems during the year, quantification of capacity is not feasible.

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

- c) Production, sales and stock:

ITEMS	Opening (Nos)	Production (Nos)	Sale (Nos)	Closing (Nos)
Antenna/Components/Accessories	1561 (NIL)	52160 (12073)	51660 (10512)	2061 (1561)
Solar Photo Voltaic Power Supply	115 (Nil)	25000 (16640)	25115 (16525)	NIL (115)

Figures with in the bracket indicate figures of previous year.

- d) Raw Material Consumed

There are no individual items of purchases, which account for more than 10% of total consumption. Hence, quantitative details are not furnished.

ITEMS	Year ended 31.03.2006		Year ended 31.03.2005	
	Value Rs.	%	Value Rs.	%
a) Indigenous	19,62,42,801	89%	12,67,02,387	85%
b) Imported	2,42,54,728	11%	2,23,59,245	15%
	22,04,97,529		14,90,61,632	

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

Particulars	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
a) Raw Material	2,55,52,543	2,34,53,184
b) Traded goods	68,68,060	65,10,082
c) Capital Goods	NIL	6,07,993

7. Foreign Exchange Earnings/Expense

- a) Earnings

Particulars	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
On export of Goods (FOB)	5,21,53,240	62,27,163
b) Expenditure		
1. Raw Materials	2,12,36,930	2,02,25,268
2. Traded goods	66,68,499	90,56,187
3. Capital Goods	NIL	5,94,643
4. Foreign Travel	12,34,421	14,47,577



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8. Segment Results

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

9. Related Party Disclosure

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

a) Names of the Related Parties and description of relationship:

(As identified and disclosed by the management)

Name	Relationship		
1 Mr. C. Shivkumar Reddy	Key Management Personnel		
2 Ms. R. H. Kasturi	Key Management Personnel		
3 Ms. C. Uma Reddy	Key Management Personnel		
4 M/s. Eaicom India Pvt Ltd	Subsidiary		
5 M/s. Kavveri technologies Inc	Subsidiary		

Particulars	Subsidiary	Key Management Personnel	Total
	(Rs.)	(Rs.)	(Rs.)
Purchases of goods	18,23,406 (20,72,088)	-	18,23,046 (20,72,088)
Sale of goods	53,22,809 (9,16,369)	-	53,22,809 (9,16,369)
Finance (including loans and equity contributions in cash or in kind)	11663600 (NIL)	3,62,96,880 (1,03,19,811)	4,79,60,480 (1,03,19,811)
Remuneration / Perquisite	-	52,27,860 (3,96,000)	52,27,680 (3,96,000)
Amounts due to as on 31.3.2006	97,50,750 (89,55,612)	3,62,96,880 (1,03,19,811)	4,60,47,630 (1,92,75,423)

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

10. In accordance with the Accounting Standard 22, "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has debited during the Current year a sum of Rs.4,09,073/-as net liability in accordance with the present rates of Income Tax applicable for the companies.

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

Particulars	Deferred Tax Liability as at 01.04.2005 (Rs.)	Current Year Charge/ (Credit) (Rs.)	Deferred Tax Asset/Liability as at 31.03.2006 (Rs.)
Depreciation	71,58,079	76,75,833	5,17,754
Other timing difference	(5,78,370)	(6,87,051)	(1,08,681)
Net	65,79,709	69,88,780	4,09,073



KAVVERI TELECOM PRODUCTS LIMITED (CONSOLIDATED)

11. Auditors remuneration:-

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

Particulars	2006-07	2005-06
	(Rs.)	(Rs.)
Audit Fees	1,95,000	1,95,000
Other Services	32,500	5,000
Expenses (Including Service Tax)	9,270	46,404

12. Managerial Remuneration

Remuneration paid to the Managing Director and Whole Time Directors

Particulars	31.03.2006	31.03.2005
	(Rs.)	(Rs.)
Salary	51,90,420	3,96,000
Contribution to Provident and Superannuation Fund	37,440	37,440
Money Value of Perquisite	Nil	Nil

13. Unclaimed Dividend

The unclaimed dividend of Rs. 9,13,581- (Rs.7,25,93 /-) represents those relating to the years 1998 to 2005 and the dividend account pertaining to the year 1998, having a balance of Rs.15125/- has remained unpaid or unclaimed for a period of seven years from the date they became due for payment and the company has transferred the fund duly to the Investors Education and Protection Fund as required by the Companies Act 1956.

14. Research & Development Expenditure includes:

Particulars	31.03.2006	31.03.2005
	(Rs.)	(Rs.)
Salaries & Wages	3189618	9,35,512
Cost of materials and services	9424410	14,32,673
Overheads	9118285	3,65,990
Total	2,17,32,313	27,34,176

15. There are no amounts overdue and remaining unpaid to small scale/and or ancillary industrial supplier at the close of the year. However this disclosure is on the basis of information available with the company regarding the status of the suppliers, as defined under the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1933.

16. Debtors, Creditors, Loans and advances are subject to confirmation/reconciliation and adjustments if any.

17. Previous year's figures have been regrouped wherever necessary to conform to current year groupings / classification.

Signature to Schedule 1 to 15

for **M S S V & Co.,**
Chartered Accountants
D.R. Venkatesh
Partner
Membership No: 25087

Place:Bangalore
Date: 2nd September 2006

For and Behalf of the Board

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary



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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006

Particulars	Year ended 31.03.06 Amount in Rs.	Year ended 31.03.05 Amount in Rs.
A Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	30946277	13464307
Add: Adjustments for		
Depreciation	3264427	3094766
Interest paid	7361582	6304775
Preliminary Expenses expenses written off	5315	316022
Technology Fees written off	236854	236854
Loss on sale of Assets	71463	384712
	<u>10939641</u>	<u>10337128</u>
	41885918	23801435
Less: Adjustments for		
Excess Provision written Back	0	393730
Interest on FD / other deposits	364729	971688
	<u>364729</u>	<u>971688</u>
Operating Profit Before Working Capital Changes	41521189	22436017
Adjustments for		
Inventories	(24191145)	(19945083)
Trade receivables	(75984384)	163964644
Loans and Advances	7640426	(46240060)
Trade and other payables	(2341890)	(118272241)
Prior Period Items	0	(136591)
	<u>(94876993)</u>	<u>(136591)</u>
Cash Flow before Extraordinary items	(53355804)	1806686
Extra Ordinary Items	0	0
	<u>0</u>	<u>0</u>
Net Cash flow from Operating activities [A]	(53355804)	1806686
B Cash Flow from Investing Activities		
Cash outflow:		
Purchase of Fixed Assets	(6484650)	(2035215)
Investment in Subsidiary	(2049798)	0
exchange loss on investments	(51300)	
	<u>(8585748)</u>	<u>(2035215)</u>
Cash inflow:		
Interest on FD/other deposits	364729	991688
sale of fixed assets	225961	60000
	<u>590690</u>	<u>1051688</u>
Net Cash Flow from Investing Activities [B]	(7995058)	(983527)
C Cash Flow from Financing Activities		
Interest Expenses	(7361582)	(6304775)
Increase in Loans Liability	83142962	4975648
	<u>75781380</u>	<u>(1329127)</u>
Net cash flow from Financing activities [C]	75781380	(1329127)
Net increase in cash and cash equivalents [A + B + C]	14430517	(505968)
Cash and Cash Equivalents as at 31st March 2006	30189949	15759432
Cash and Cash Equivalents as at 1st April 2005	15759432	16265400
	<u>14430517</u>	<u>(505968)</u>

AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of M/s Kavveri Telecom Products Ltd. (formerly Kavveri Telecoms Ltd.) for the year ended 31st March 2006. The Statement has been prepared by the Company in accordance with the requirements of Accounting Standard 3, issued by the Institute of Chartered Accountants of India and Clause 32 of the Company's Listing Agreement with the Stock Exchange and is based on and in agreement with the Balance Sheet and Profit and Loss Account of the Company covered by our Report dated 2nd September 2006 to the Members of the Company.

For M S S V & Co.
Chartered Accountants

Place : Bangalore
Date : 2nd September 2006

D R Venkatesh
Partner



STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company Holding Company's Interest Extent of Holding	EACOM INDIA PVT LTD 212,800 ordinary shares of Rs.10 each. 100%	KAVVERI TECHNOLOGIES INC. 1143930 shares of Rs.10 each. 100%
The "financial year" of the subsidiary company ended on	March 31st 2006	March 31st 2006
Net aggregate amount of the subsidiary company's profits/(Losses) dealt with in the holding company's accounts * For the subsidiary's aforesaid financial year * For the previous financial years since it became subsidiary	NIL	NIL
Changes, if any, in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and that of the holding company.	NIL	NIL
Material changes, if any, between the end of the financial year of the subsidiary and that of the holding company	NIL	NIL

for and on behalf of Board

Place: Bangalore
Date:2nd September 2006

C.Shivakumar Reddy
Chairman and Managing Director

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their Annual Report for the year ended 31st March 2006.

RESULTS OF OPERATIONS:

The financial results of the Company for the year ended 31st March 2006 is as given below:

(in Rupees)

	31 st March 2006	31 st March 2005
Gross Revenue	57 14 285	7 88 02 353
Other Income	2 17 482	25 649
Profit before Depreciation	15 81 833	12 63 748
Depreciation	1 51 012	1 02 915
Profit before tax	14 30 821	11 60 833
Provision for Tax - Current Tax	-	-
Profit after Tax	14 30 821	11 60 833

PUBLIC DEPOSITS:

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

HOLDING COMPANY:

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

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

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

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

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

Particulars of Foreign Exchange Earnings and Outgo (2005-06):

Foreign Exchange Outgo : Rs. 17,42,675/-

Foreign Exchange earned : Rs. Nil

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

COMPLIANCE CERTIFICATE:

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

AUDITORS:

M/s. Elangovan & Natarajan, Chartered Accountants, the Statutory Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting. He has confirmed his eligibility and willingness to accept office, if appointed.

ACKNOWLEDGEMENTS:

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

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

Bangalore
30th August 2006

C SHIVA KUMAR REDDY
Director

P C KRISHNAMACHARY
Director



EAICOM INDIA PRIVATE LIMITED

REPORT OF THE AUDITORS

To,

The Members of **Eaicom India Private Limited**

1. We have audited the attached Balance Sheet of M/s **Eaicom India Private Limited** as at 31st March 2006 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, I report that:
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of my audit.
 - 4.2 In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;

4.3 The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;

4.4 The Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory accounting standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

4.5 On the basis of written representations received from the directors, as at 31st March 2006, and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and Notes to Accounts thereon give the information required by the Companies Act 1956, in the manner so required, and present a true and fair view in conformity with the Accounting Principles generally accepted in India:

5.1 In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2006;

5.2 In so far as it relates to the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date; and

for Elangovan & Natarajan
Chartered Accountants,

Place: Bangalore
Date: 30th August 2006

M.Venkatachalam
Partner
Membership No. 18831

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our report of even date

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

- 1 In respect of its Fixed Assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
 - 2 In respect of its inventories:
 - a. As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
 - 3 In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The company has not granted any loans to parties covered in the register maintained under section 301 of the Act.
 - b. As the company has not given any loans to the parties specified under section 301 of the Act commenting on the rate of interest does not arise.
 - c. As the company has not given any loans to the parties specified under section 301 of the Act commenting on the receipt of interest and principal does not arise.
 - d. As the company has not given any loans to the parties specified under section 301 of the Act, commenting on the overdue amount exceeding Rs. One lakh and steps taken by the company for the recovery of amounts due does not arise.
 - e. The Company has taken loans from three parties covered in the register maintained under section 301 of the Act. The aggregate amount due as on 31.03.2006 is Rs. 363.06 lakhs.
 - f. In our opinion and according to the information and explanations given to us, these loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - g. In respect of loans taken by the company, the payment of principal amount wherever applicable is regular.
 - 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
 - 5 In respect of transactions covered under section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that required to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
-

EAICOM INDIA PRIVATE LIMITED

- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business. **However, the area, scope and coverage of the audit have to be extended to strengthen its internal audit system.**
8. As explained to us maintenance of Cost Records has not been prescribed by the Central Government to this company under Section 209 (1)(d) of the Companies Act, 1956.
- 9 In respect of statutory dues:
- a. According to the records of the company, undisputed statutory dues Income Tax, Sales – tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. However in respect of remittances like Sales Tax, and TDS delays were noticed. According to information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2006 for a period of more than six months from the date of becoming payable.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our report or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, term loans availed by the Company during the year were, prima facie, applied by the company for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued Debentures.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

for Elangovan & Natarajan
Chartered Accountants,

Place: Bangalore
Date: 30th August 2006

M.Venkatachalam
Partner
Membership No. 18831

BALANCE SHEET AS AT MARCH 31, 2006

	Sch No.	As at March 31, 2006 Rs.	As at March 31, 2005 Rs.
I SOURCES OF FUNDS			
Shareholders' Fund:			
Share Capital	1	2128500	2,128,500
Reserves & Surplus	2	22356697	20,925,875
Loan Fund:	3		
Secured Loans		-	-
Unsecured Loans		1106570	706,570
		25591767	23,760,945
II APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		575,334	1,400,756
Less : Depreciation		212370	268,263
Net Block		362,964	1,132,493
Capital Work-in Progress		-	-
		362,964	1,132,493
INVESTMENTS		-	-
CURRENT ASSETS, LOANS & ADVANCES	5		
Sundry Debtors		7783400	16,126,213
Cash & Bank Balances		68848	2,005,793
Loans & Advances		20485464	10,947,880
		28337712	29,079,886
LESS : CURRENT LIABILITIES & PROVISIONS	6		
Current Liabilities		3131523	6,479,362
Provisions		15916	15,916
NET CURRENT ASSETS		25190273	22,584,608
MISCELLANEOUS EXPENDITURE <i>(to the extent not written off or adjusted)</i>	7	38530	43,844
		25,591,767	23,760,945
Significant Accounting Policies and Notes on Accounts	13		

As per our Report of Even Date

for **Elangovan & Natarajan**
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place: Bangalore
Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

EAICOM INDIA PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	Sch No.	For the Year Ended March 31, 2006 Rs.	For the Year Ended March 31, 2005 Rs.
I INCOME			
Gross Sales	8	6029966	79,371,439
Less: Excise Duty		<u>315681</u>	<u>569,086</u>
Net Sales		5714285	78,802,353
Other Income	9	<u>217482</u>	<u>25,649</u>
		<u>5931767</u>	<u>78,828,002</u>
II EXPENDITURE			
Manufacturing Expenses	10	3886719	76,883,484
Administrative, Selling & Other Expenses	11	448179	634,916
Depreciation	4	151012	102,915
Interest & Financial Expenses	12	15036	45,854
		<u>4500946</u>	<u>77,667,169</u>
Profit/(Loss) before Taxation		<u>1430821</u>	<u>1,160,833</u>
Less: Provision for Taxation			
Current Tax		-	-
Profit/(Loss) after Taxation		<u>1430821</u>	<u>1,160,833</u>
Profit/(Loss) carried forward		<u>1430821</u>	<u>1,160,833</u>
Profit/(Loss) for the Year		<u>1430821</u>	<u>1,160,833</u>
Surplus Brought forward from Previous Year		<u>20,925,875</u>	<u>19,765,042</u>
Amount available for Appropriations		<u>22,356,696</u>	<u>20,925,875</u>
Appropriations		0	-
Balance carried to Balance Sheet		<u>22,356,696</u>	<u>20,925,875</u>
		<u>22,356,696</u>	<u>20,925,875</u>

As per our Report of Even Date

for **Elangovan & Natarajan**
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place: Bangalore
Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

Eleventh Annual Report

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2006

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Share Capital		
250000 Equity Share of Rs.10/- each	<u>2,500,000</u>	<u>2,500,000</u>
Issued, Subscribed & Paid-up		
212850 Equity Share of Rs.10/- each	<u>2,128,500</u>	<u>2,128,500</u>
	<u>2,128,500</u>	<u>2,128,500</u>
 SCHEDULE - 2		
RESERVES & SURPLUS		
Profit Carried over from Profit & Loss A/c	<u>22,356,696</u>	<u>20925875</u>
	<u>22,356,696</u>	<u>20925875</u>
 SCHEDULE - 3		
UNSECURED LOANS		
Loan from Directors/Others	1,106,570	706570
Bills Payable	-	-
Sales tax Deferred Liability	-	-
	<u>1,106,570</u>	<u>706570</u>
 SCHEDULE-5		
CURRENT ASSETS AND LOANS AND ADVANCES		
Sundry Debtors		
(Unsecured)		
Debt outstanding for a period exceeding six months		
Considered Good	6,866,600	1809300
Considered Doubtful	-	-
	<u>6,866,600</u>	<u>1809300</u>
Other Debts - Considered Good	<u>916,800</u>	<u>14316883</u>
	7,783,400	16126183
Less: Provision	-	-
	<u>7,783,400</u>	<u>16126183</u>
 Cash and Bank Balances		
Cash on hand	2,390	1140
Balance with Scheduled Banks	-	-
On Current Account	66,458	1240934
On Deposit Account	-	763719
	<u>68,848</u>	<u>2,005,793</u>

SCHEDULE - 4 FIXED ASSETS

Description	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	As at 01.04.2005 Rs.	Additions Rs.	Deletions/ Adjustments Rs.	As at 31.03.2006 Rs.	As at 01.04.2005 Rs.	for the Period Rs.	Deletions/ Written back Rs.	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
Land	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-
Computers	144,000	-	-	144,000	133,047	4,381	-	6,572	10,953
Furniture & Fixtures	86,500	-	-	86,500	26,892	10,789	-	48,819	59,068
Fax Machine	21,634	-	-	21,634	15,713	823	-	5,098	-
Electrical Installation	-	-	-	-	-	-	-	-	-
Office Equipments	48,200	-	-	48,200	16,286	4,439	-	27,475	5,921
Plant and machinery	1,100,422	3,500,000	4,325,422	275,000	76,325	130,580	206,905	275,000	31,914
Total	1,400,756	3,500,000	4,325,422	575,334	268,263	151,012	206,905	362,964	1,024,097
PREVIOUS YEAR	300,334	1,100,422	-	1,400,756	165,348	102,915	-	1,132,493	1,132,493

EAICOM INDIA PRIVATE LIMITED

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2006

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
Loans & Advances		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or value to be received	20,324,822	10787238
Deposits Others	160,000	160000
Balances with Customs, Excise Authorities	642	642
	<u>20,485,464</u>	<u>10,947,880</u>
SCHEDULE - 6		
CURRENT LIABILITIES		
Acceptances	-	-
Sundry Creditors		
Due to S S I undertakings (Note 14)	-	-
Others	3,131,523	6479362
Other Liability	-	-
	<u>3,131,523</u>	<u>6,479,362</u>
PROVISIONS		
Taxation	15,916	15,916
Less Advance Tax	-	-
	15,916	15,916
Gratuity	-	-
Leave Encashment	-	-
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
	<u>15,916</u>	<u>15,916</u>
SCHEDULE - 7		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	43,844	49159
Less: w/off during the period	5,315	5315
	<u>38,530</u>	<u>43,844</u>

As per our Report of Even Date

for **Elangovan & Natarajan**
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place: Bangalore
Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

Eleventh Annual Report

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2006

Particulars	As at March 31,2006 Rs.	As at March 31,2005 Rs.
SCHEDULE - 8		
SALES		
SALES	6029966	79,371,439
Less: Returns	-	-
	<u>6029966</u>	<u>79,371,439</u>
 SCHEDULE - 9		
OTHER INCOME		
Other interest	10775	5,649
Foreign Exchange Gain	22724	-
others	0	20,000
Profit on sale of assets	183983	-
	<u>217482</u>	<u>25,649</u>
 SCHEDULE - 10		
MANUFACTURING EXPENSES		
a. Raw Materials Consumed		
Opening Stock of Raw materials	0	105,684
Add : Purchase during the Year/Period		
- Imported	1742765	539,657
- Indigenous	1983559	1,366,688
	<u>3726324</u>	<u>2,012,029</u>
Less : Closing Stock	-	-
Sub-total (A)	<u>3726324</u>	<u>2,012,029</u>
b. Others		
Customs duty	0	131,594
clearing charges	0	49,157
Freight Charges	160395	25,592
Sub-total (B)	<u>160395</u>	<u>206,343</u>
Grand Total (A+B)	<u>3886719</u>	<u>2,218,372</u>
 SCHEDULE - 11		
ADMINSTRATIVE, SELLING & OTHER EXPENSES		
Salaries, Wages & Bonus	262240	160,277
Conveyance	0	22,110
Staff Welfare Expenses	0	86,216
Rent	108000	108,000
Rates & Taxes	5028	-
Electricity and water charges	12200	-
Business promotion	0	56,897
Travelling Expenses	10500	34,444

EAICOM INDIA PRIVATE LIMITED

Professional Charges	0	7,080
Auditor's Remmuneration	44896	44,080
Premiminary Expenses w/off	5315	5,315
INCOME TAX PAID FOR F.Y-2002-03	0	110,497
Total	<u>448179</u>	<u>634,916</u>

SCHEDULE - 12

Financial Expenses

Bill Discounting Interest / Charges	12686	11,000
Bank Charges	2350	34,854
	<u>15036</u>	<u>45,854</u>

As per our Report of Even Date

Elangovan & Natarajan

Chartered Accountants

M. Venkatachalam

Partner

Membership No. 18831

Place: Bangalore

Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

SCHEDULE 13:

NOTES FORMING PART OF ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. The Financial Statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and provisions of the companies act.
2. The Fixed assets are carried forward at Cost less Depreciation. The Depreciation is provided on the assets under the WDV method as per the rates specified in the schedule XIV of the Companies act 1956.
3. The Inventories have been valued at cost or net realizable value whichever is less.
4. Preliminary Expenses are being amortized over a period of 10 years.
5. Since the Profit of the Company is only from the unit located at Pondicherry notified backward area given under section 80 IB of the Income Tax Act 1961 which prescribes for 100% Tax holiday benefits for such concerns no tax provisions has been made in books and so also the deferred tax workings for timing differences is not arrived at.
6. All known liabilities wherever material are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are contingent and disclosed by way of Notes on Accounts.

B. OTHER NOTES ON ACCOUNTS:

1. The Total value of imports (traded goods) made inclusive of freight and insurance during the year amounted to Rs.19,03,160/- as against an amount of Rs.43,66,822/- during the previous year.
2. The Company has not earned any foreign exchange during the year and the expenditure made in terms of foreign exchange is Rs.17,42,675/- as against an amount of Rs.40,50,788/- during the previous year.
3. Auditors Remuneration:

PARTICULARS	FOR THE YEAR 2005-06	FOR THE YEAR 2004-05
Statutory Audit	30000	30000
Tax Audit and others	14896	14080

4. Previous year figures have been regrouped wherever necessary.

As per our Report of Even Date

for **Elangovan & Natarajan**
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place: Bangalore
Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

EAICOM INDIA PRIVATE LIMITED

Balance Sheet Abstract and company's General business Profile

I Registration Details:

Registration No.	32386	State Code	11
Balance sheet Date	31-03-2006		

II Capital Raised during the year :

Public issue	NIL	Right issue	NIL
Bonus issue	NIL	Private Placement	NIL

III Position of Mobilization and deployment of funds (Amount Rs. In thousands):

Total Liabilities	25591.77	Total Assets	25591.77
Sources of Funds:			
Paid up Capital	2128.50	Reserves & Surplus	22356.70
Share application money	-	Unsecured Loans	1106.57
Secured Loans	-		
Application of Funds:			
Net Fixed Assets	362.96	Investments	-
Net Current Assets	25190.27	Misc. Expenses	38.53
Accumulated Losses	-		

IV Performance of Company (Amount Rs. In Lakhs) :

Turnover & Other Income	59.32	Total Expenditure	45.01
Profit / Loss before Tax	14.31	Profit after Tax	14.31
Earning per share	-	Dividend Rate	-

V Generic Names Principal Products/ Services of Company (As per Monetary terms):

Items Code No (ITC Code)	
Product Description	Electronic Equipments

As per our Report of Even Date

for **Elangovan & Natarajan**
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place: Bangalore
Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

AUDITORS REPORT

To,

The Members of
M/s. Kavveri Technologies Inc.,

- 1 We have audited the attached Balance Sheet of M/s. Kavveri Technologies Inc., as at 31st March 2006. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 The Companies (Auditors' report) Order, 2003 is not applicable to this company,
- 4 On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. Further to our comments in the Annexure referred to above, we report that:
 - 5.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 5.2 In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - 5.3 The Balance Sheet dealt with by this report is in agreement with the books of accounts;
 - 5.4 In our opinion, the Balance Sheet complies with the accounting standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except the accounting policy on depreciation, which is contrary to the relevant accounting standards issued by The Institute of Chartered Accountants of India.
 - 5.5 In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2006

for **ELANGO VAN AND NATARAJAN**

Chartered Accountants,

M.VENKATACHALAM

Partner.

Membership No. 18831

Place : Bangalore

Date : 30th August 2006

KAVVERI TECHNOLOGIES INC.

BALANCE SHEET AS AT MARCH 31, 2006

As at
March 31, 2006
Rs.

I SOURCES OF FUNDS

Shareholders' Fund:	
Share Capital	11439300
Reserves & Surplus	-
Loan Fund:	
Secured Loans	-
Unsecured Loans	-
	<u>11439300</u>

II APPLICATION OF FUNDS

FIXED ASSETS	
Gross Block	-
Less : Depreciation	-
Net Block	-
Capital Work-in Progress	-
INVESTMENTS	-
CURRENT ASSETS, LOANS & ADVANCES	
Sundry Debtors	-
Cash & Bank Balances	2342
Loans & Advances	<u>9882795</u>
	9885137
LESS : CURRENT LIABILITIES & PROVISIONS	
Current Liabilities	546936
Provisions	-
NET CURRENT ASSETS	<u>9338201</u>
MISCELLANEOUS EXPENDITURE:	
<i>(to the extent not written off or adjusted inclusive of Translation reserve)</i>	
Pre-operative Expenses	2101099
	<u>11439300</u>

Notes on Accounts

As per our Report of Even Date

for **Elangovan & Natarajan**
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place: Bangalore
Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

Willam Mc Bride
Director

**NOTES ON ACCOUNTS:-**

1. The Company is a 100% subsidiary of KAVVERI TELECOM PRODUCTS LIMITED and the accounts of the said company have been prepared and audited for the purpose of attachment and consolidation of accounts with that of the holding company accounts to comply with the provisions of the Companies Act 1956.
2. Since the said company is not listed company and the accounts are disclosed for consolidation, the Indian Accounting Standards have been followed in preparation of the financial statements.
3. The company has not started its commercial operations upto the year ending 31st March 2006. The expenses incurred upto the end of the year has been identified as preoperative expenses.
4. For the purpose of accounts, during the period all assets and liabilities are translated at the closing rate as on the Balance Sheet date. The Equity share capital of the company is carried forward at the rate of exchange prevailing on the transaction date. The difference arising out of the year end conversion are transferred to the Translation Reserve account and the said accounts are treated as Reserve and Surplus.
5. Since the company was incorporated only during the middle of the financial year there are no previous figures available for comparison.

As per our Report of Even Date

for **Elangovan & Natarajan**
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place: Bangalore
Date : 30th August 2006

for and on behalf of Board

C Shiva Kumar Reddy
Director

Willam Mc Bride
Director



KAVVERI TELECOM PRODUCTS LIMITED

(Formerly KAVVERI TELECOMS LIMITED)

Regd Office: No.31-36, 1st Main, II Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore-560 076

ELEVENTH ANNUAL GENERAL MEETING- 29TH SEPTEMBER 2006

ATTENDANCE SLIP

I hereby record my presence at the ELEVENTH ANNUAL GENERAL MEETING of the company at No.31-36, 1st Main, II Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore-560 076

Name of the Attending Member _____
(In block letters)

Members Folio No. / DP ID & Client ID _____

Name of Proxy _____
(In block letters to be filled in if the Proxy attends instead of Member)

No. of shares held _____

.....
Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the Hall

KAVVERI TELECOM PRODUCTS LIMITED

(Formerly KAVVERI TELECOMS LIMITED)

Regd Office: No.31-36, 1st Main, II Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore-560 076

ELEVENTH ANNUAL GENERAL MEETING- 29TH SEPTEMBER 2006

FORM OF PROXY

I/We _____

Of _____

In the district of _____ being a member/members

of the above named Company, hereby appoint _____

of _____

in the district of _____ as my /our proxy to vote for

me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on 29th September 2006 at No.31-36, 1st Main, II Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore-560 076 and at any adjournment thereof.

Signed this.....day.....2006

Folio No./ DP. ID & Client ID : _____

No. of Shares held _____

Signature(s) of Member (s) _____

Re. 1/-
Revenue
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



KAVVERI TELECOM PRODUCTS LIMITED

KAVVERI TELECOM PRODUCTS LTD.

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

2nd September 2006

Dear Shareholder(s),

Options for ECS Mandate / Bank Mandate

ECS Mandate:

As an added service to our shareholders, we are pleased to offer the facility of electronic credit of Dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). Shareholders in these locations who would like to avail of this facility are requested to fill up the mandate form provided on the reverse of this letter and submit the same to company's Registrar and Transfer Agents latest by 20th September 2006. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and corresponding relating to revalidation/issue of duplicate dividend warrants.

Kindly note that as per directives of Securities and Exchange Board of India (SEBI), in respect of shareholders holding shares in dematerialized form, dividend shall, be paid through ECS (where such facility is available) directly into the bank account furnished by the shareholders to their respective Depository Participant. Such shareholders may please inform the same to their respective Depository Participant immediately.

Bank Mandate:

Shareholders holding shares of the Company in physical form and who, for any reason, would not like to avail of the ECS facility being offered to such shareholders as mentioned above, are requested to furnish in the mandate form provided on the reverse of this letter, details of their bank account number and name of the bank and the Branch, which would be printed on the dividend warrants to avoid fraudulent encashment thereof.

Kindly note that the ECS/Bank Mandate instructions should be under the signature of the shareholder(s) as per specimen lodged with the Company.

We seek your co-operation to enable us to serve you better.

Yours faithfully,

for **KAVVERI TELECOM PRODUCTS LTD.**

C Shiva Kumar Reddy

Managing Director



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

Date :

Form for ECS Mandate/Bank Mandate
(Not to be filled by shareholder holding shares in dematerialized form)

I/we _____ do hereby authorize M/s Kavveri Telecom Products Ltd. to

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS)-ECS Mandate*.
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me-Bank Mandate*.

(* Strike out whichever is not applicable)

Folio No. _____

- A. Bank Name
- B. Branch
- C. Bank Address
- D. Bank Account Number
- E. Account Type (savings/current)
- F. 9 Digit code number of the bank & branch as appearing on the MICR cheque (for ECS Mandate only)
- G. STD Code & telephone number of shareholder (optional)

I/we shall not hold the Company responsible if the ECS mandate could not be implemented for reasons beyond the control of the Company.

Signature of Shareholder(s)
(as per specimen lodged with the Company)

Note:

You may contact the Company's Registrar & Transfer Agents, M/s Alpha Systems Pvt. Ltd.
for any clarifications you may have on the ECS / Bank Mandate at Tel. No. (080) 23460815 - 18.