



ANTENNAS

RF PRODUCTS

IN-BUILDING SOLUTIONS

SOLAR PRODUCTS

12th Annual Report
2006-07

Letter from CMD

My dear fellow shareowners,

It gives me immense pleasure to share with you the highlights of our Company's performance during the year 2006 - 07.

Subsequent to my earlier communication to you, I am delighted to report that your company is on a path-breaking high growth phase. This is due to signing up long term contracts with Cellular operators like Vodafone (Hutch), Idea and OEMs like Ericsson thereby aligning our growth to the growth of network roll out of cellular operators. Your Company is also in discussions with various other cellular operators and OEMs to cater to their requirements. With the relationships with the cellular operators and OEMs, your company will be a part of the growth story of wireless Telecom in India.

Your company is progressing as planned in its endeavour to penetrate into defense and space markets. The fruits of the R & D efforts in this direction will result in huge revenue flows from 2010.

Your company's North American operations are progressing well with the acquisition of DCI Digital Communication Inc., in April 2007 and Til-Tek Antennae Inc. during the first year itself has seen a turnaround in its fortunes and made profits during the first year of operations under Kavveri. North American operations are gaining traction and are expected to add substantially to the growth of revenues and profits of your company in the ensuing years.

Your Company has a robust business model of leveraging its R & D strengths and low cost mass manufacturing base in India to generate huge growth in Asia and North American Markets.

I thank you all for your support all these years and look forward to your support as always in this path breaking growth phase of your company.

Best regards,

C. Shrivakumar Reddy

Chairman & Managing Director

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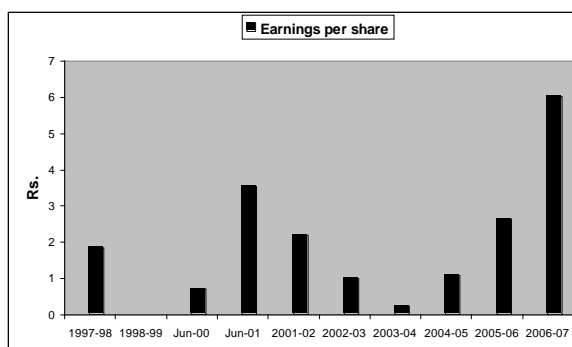
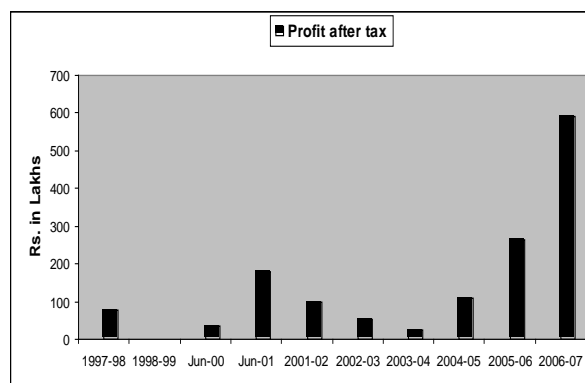
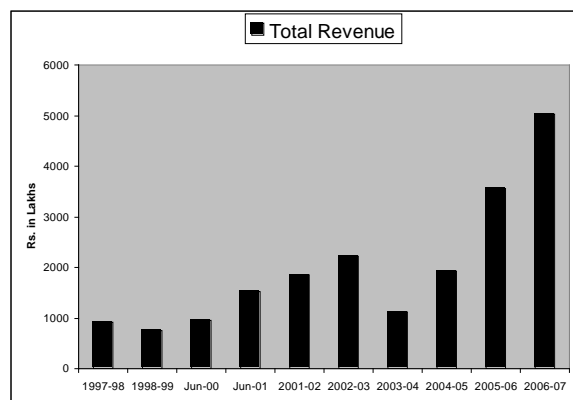
VISION

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

Decade at a glance:

(Rs. in lacs)

Particulars	1997-98	1998-99	Jun-00	Jun-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
			15 months	12 months	9 months					
Total Revenue	919.98	744.61	962.05	1516.90	1848.62	2211.84	1120.45	1934.86	3568.13	5020.02
Operating Profit (PBDIT)	141.98	-31.90	118.54	271.06	312.86	246.30	120.59	215.54	405.32	818.12
Profit after tax	77.03	-	36.15	180.96	97.90	51.49	25.07	108.66	264.71	590.63
EPS (Rs.)	1.84	-	0.72	3.55	2.19	1.00	0.25	1.08	2.63	6.01
Share Capital	417.62	438.29	548.63	546.61	512.58	512.58	1006.08	1006.08	1006.08	1006.08
Reserves & Surplus	99.27	35.11	6.52	133.44	183.81	137.85	1124.48	1175.79	1325.78	1798.45
Fixed Assets (Gross Block & CWIP)	225.94	282.99	334.79	340.71	356.56	441.39	506.09	509.41	578.02	762.35
Current Assets	1107.52	650.26	1017.22	1271.09	1404.29	2240.49	1855.23	1494.78	2517.20	4756.82
Dividend declared	10%	-	-	10%	12%	12%	-	5%	10%	10% (Proposed)



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr D Venkateswarlu

AUDITORS

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

KEY MANAGEMENT PERSONNEL

Mr G Natarajan, *General Manager (Operations)*
Col. T S Gururaj (Retd.), *General Manager (Business Development)*
Mr E Basava Kumar, *Additional General Manager*
Mr M G Balaji, *Deputy General Manager (Commercial)*
Mr B Krishnan, *Finance Manager*

REGISTERED OFFICE

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

LOCATION OF FACILITIES

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

Unit II
Sy No. 77/4, BTM Layout
2nd Stage, 29th Main, 23rd Cross
Bangalore 560 076

Unit III
Sy. No. 104/2
Surajakkanahalli Village
Kasaba Hobli, Anekal Taluk
Bangalore

BANKERS

Bank of India, Corporate Banking Branch, Bangalore
Axis Bank Ltd., Jayanagar Branch, Bangalore
HSBC Ltd., M.G. Road Branch, Bangalore

REGISTRARS

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

LISTING AT STOCK EXCHANGES

Bangalore Stock Exchange Ltd.
Madras Stock Exchange Ltd.
Ahmedabad Stock Exchange Ltd.
Hyderabad Stock Exchange Ltd.
Bombay Stock Exchange Ltd. (Group - S)

BOARD COMMITTEES :**AUDIT COMMITTEE**

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

REMUNERATION COMMITTEE

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

**SHAREHOLDERS' AND INVESTORS'
GRIEVANCE COMMITTEE**

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

NOTICE

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

Day and Date : Saturday, 29th day of September, 2007
Time : 10.00 a.m.
Venue : Plot No. 31-36, I Main, II Stage,
Arakere MICO Layout,
Bannerghatta Road, Bangalore 560 076.

Ordinary Business :

1. To receive, consider and adopt
 - a. The audited balance sheet as at 31st March 2007;
 - b. The audited Profit and Loss Account for the year ended on that date;
 - c. The auditors' report, thereon; and
 - d. The directors' report.
2. To declare dividend on equity shares for the financial year ended 31st March 2007.
3. To appoint a Director in place of Mr P C Krishnamachary, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr B S Shankarnarayan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

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

"RESOLVED THAT further to the resolution passed at the Annual General Meeting held on 30th September 2002 and pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII to the Act, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, approval be and is hereby accorded to the re-appointment of Mr C Shiva Kumar Reddy, as Managing Director of the Company, whose period of office shall not be liable to retire by rotation, for a further period of five years with effect from 1st September 2007 at a remuneration as has been set out below :

- i. Salary (per month) - Rs. 1,25,000/-
- ii. Commission - Not more than three percent of the net profits of the Company computed in accordance with Section 349 of the Companies Act, 1956.
- iii. Perquisites :
 - a. Contribution to Provident Fund, Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - c. Leave encashment as per the Company's rules.
 - d. Leave travel concession for self and family at actuals.
 - e. Medical reimbursement at actuals.
 - f. Provision of Company owned cars and telephone for personal purposes.
 - g. Club fees (maximum two clubs).

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

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

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

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

"RESOLVED THAT further to the resolution passed at the Annual General Meeting held on 30th September 2002 and pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII to the Act, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, approval be and is hereby accorded to the re-appointment of Mrs R H Kasturi, as Director (Administration) of the Company, whose period of office shall not be liable to retire by rotation, for a further period of five years with effect from 1st September 2007 at a remuneration as has been set out below:

- i. Salary (per month) - Rs. 1,25,000/-
- ii. Commission - Not more than three percent of the net profits of the Company computed in accordance with Section 349 of the Companies Act, 1956.
- iii. Perquisites:
 - a. Contribution to Provident Fund, Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - c. Leave encashment as per the Company's rules.
 - d. Leave travel concession for self and family at actuals.
 - e. Medical reimbursement at actuals.
 - f. Provision of Company owned cars and telephone for personal purposes.
 - g. Club fees (maximum two clubs).

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

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

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

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

"RESOLVED THAT further to the resolution passed at the Annual General Meeting held on 30th September 2002 and pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII to the Act, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, approval be and is hereby accorded to the re-appointment of Ms C Uma Reddy, as Director (Operations) of the Company, whose period of office shall not be liable to retire by rotation, for a further period of five years with effect from 1st September 2007 at a remuneration as has been set out below:

- i. Salary (per month) - Rs. 1,25,000/-
- ii. Commission - Not more than three percent of the net profits of the Company computed in accordance with Section 349 of the Companies Act, 1956.
- iii. Perquisites :
 - a. Contribution to Provident Fund, Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - c. Leave encashment as per the Company's rules.
 - d. Leave travel concession for self and family at actuals.
 - e. Medical reimbursement at actuals.
 - f. Provision of Company owned cars and telephone for personal purposes.
 - g. Club fees (maximum two clubs).

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

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

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

9. 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 Director (R & D) 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 2007 as set out hereunder:

- i. Salary (per month) - Rs. 1,15,000/-
- ii. Commission - Nil
- iii. Perquisites :

- a. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- b. Leave encashment as per the Company's rules.
- c. Leave travel concession for self and family at actuals.
- d. Medical reimbursement at actuals.
- e. Provision of Company owned cars and telephone for personal purposes.
- f. Club fees (maximum two clubs).

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

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

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

- 10(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) (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. 150,00,00,000/- (Rupees One Hundred and Fifty 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."

"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. 150,00,00,000/- (Rupees One Hundred and Fifty 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."

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 Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the payment of commission of not more than 1% of the net profits of the Company computed in accordance with Section 349 of the Companies Act, 1956 to the non-executive directors of the Company."

By Order of the Board

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

Bangalore
27th August 2007

D VENKATESWARLU
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company. The instrument appointing a proxy should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 to 11 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 2007 to 29th September 2007 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 2007 and to the beneficial owners as per the records of NSDL and CDSL on day ending 20th September 2007.
6. Members who have not encashed their dividend warrants so far, for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to the provisions of Section 205 C of the Companies Act, 1956 on the respective dates mentioned hereunder. The members will lose their right to claim such dividend after such date.

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

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

By Order of the Board

Bangalore
27th August 2007

D VENKATESWARLU
Company Secretary

EXPLANATORY STATEMENT

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

ITEM NO. 6

Mr C Shiva Kumar Reddy was appointed as Managing Director at the Annual General Meeting held on 30th September 2002 with effect from 2nd September 2002 for a period of five years. Mr Shiva Kumar Reddy is a visionary leader and a true global entrepreneur, who worked to build the Company into a leading wireless telecom technology Company. Under his leadership, the Company has achieved enviable growth and there have been many remarkable achievements during his tenure.

Your Directors consider that the re-appointment of Mr C Shiva Kumar Reddy will be in the best interest of the Company and accordingly, it has been proposed to re-appoint Mr C Shiva Kumar Reddy as the Managing Director of the Company for a further period of five years with effect from 1st September 2007 at a remuneration as provided in the resolution.

Your directors recommend the resolution as set out in Item No. 6 of the Notice for approval of the Members.

No director other than Mr C Shiva Kumar Reddy, Mrs R H Kasturi and Ms C Uma Reddy is, in any way, concerned or interested in this resolution. This may also be treated as a memorandum issued pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 7

Mrs R H Kasturi was appointed as Whole Time Director of the Company at the Annual General Meeting held on 30th September 2002 with effect from 2nd September 2002 for a period of five years. Mrs R H Kasturi is instrumental in successfully implementing all the day to day administration activities of the Company. Her presence has always been a key resource for the Board of Directors.

Your Directors consider that the reappointment of Mrs R H Kasturi will be in the best interest of the Company and accordingly, it has been proposed to re-appoint Mrs R H Kasturi as Director (Administration) for a further period of five years with effect from 1st September 2007 at a remuneration as provided in the resolution.

Your directors recommend the resolution as set out in Item No. 7 of the Notice for approval of the Members.

No director other than Mrs R H Kasturi, Mr C Shiva Kumar Reddy and Ms C Uma Reddy is, in any way, concerned or interested in this resolution. This may also be treated as a memorandum issued pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 8

Ms C Uma Reddy was appointed as Whole Time Director of the Company at the Annual General Meeting held on 30th September 2002 with effect from 2nd September 2002 for a period of five years. Ms C Uma Reddy has been in-charge of all the Operations

of the Company. Ms C Uma Reddy has been the driving force in successful implementation of various initiatives and strategies, which positioned the Company as a global player. Her focus oriented approach, passion for operational excellence, and thrust on continuous learning, created a process-driven organization and kept pace with the challenges posed by the growth of the Company. Her presence has always been a key resource for the Board of Directors.

Your Directors consider that the reappointment of Ms C Uma Reddy will be in the best interest of the Company and accordingly, it has been proposed to re-appoint Ms C Uma Reddy as Director (Operations) for a further period of five years with effect from 1st September 2007 at a remuneration as provided in the resolution.

Your directors recommend the resolution as set out in Item No. 8 of the Notice for approval of the Members.

No director other than Ms C Uma Reddy, Mr C Shiva Kumar Reddy and Mrs R H Kasturi is, in any way, concerned or interested in this resolution. This may also be treated as a memorandum issued pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 9:

Considering the all-round improvement in the performance of Mr. L Nicholas, Director (R & D) and the benefits derived by the Company, the Board of Directors deemed it necessary to revise the remuneration payable to him as follows:

The Board of Directors, as per the recommendations of the Remuneration Committee of the Board, in their meeting held on 25th August 2007 considered the increase in the remuneration payable to Mr L Nicholas, Director (R & D) for the remaining period of his tenure w.e.f. 1st July 2007 subject to the approval of the members.

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.

ITEM NO. 10(a)

The Board of Directors of the Company were authorized by the Members of the Company under section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting held on 29th September 2006 to borrow funds upto Rs. 60 crores (Rupees Sixty crores only) in excess of the aggregate of the paid up capital and free reserves (other than temporary loans obtained from the company's bankers in the ordinary course of business).

In order to meet the increased long term fund requirements and for financing the present and future projects of the Company, the Board of Directors request the members to accord their

consent to enhance borrowing powers of the Directors to Rs. 150 Crores (Rupees One Hundred and Fifty crores only) in excess of the aggregate of the Company's paid up capital and free reserves in terms of Section 293(1)(d) of the Companies Act, 1956.

None of the directors of the Company is in any way concerned or interested in the resolution.

The resolution has accordingly been proposed for approval by the shareholders pursuant to Section 293(1)(d) of the Companies Act, 1956.

ITEM NO. 10(b)

As per the existing limits, the Board of Directors have powers to create charge on the movable and immovable assets of the company up to an amount of Rs. 60 crores (Rupees Sixty Crores only) in excess of the aggregate of the paid up capital and free reserves in favour of lending Financial Institution (s) / Bank (s) etc.,

To meet the increasing requirements of the funds, the Board of Directors are required to borrow funds from time to time, for which mortgages / charges / hypothecations are to be created on the movable and immovable assets of the company and hence it is considered necessary to enhance the said limit upto Rs. 150 Crores (Rupees One Hundred and Fifty Crores only) in excess of the aggregate of the Company's paid up capital and free reserves.

None of the directors of the Company is in any way concerned or interested in the resolution.

The resolution has accordingly been proposed for approval by the shareholders pursuant to Section 293(1)(a) of the Companies Act, 1956.

ITEM NO. 11

Considering the all round improvement in the performance of the Company and the advisory services rendered by non-executive Directors, the Board has decided to pay commission not more than 1% of the net profits of the Company calculated in accordance with the provisions of Section 349 of the Companies Act, 1956 and recommended the resolution as set out in Item No. 11 of the Notice for approval of the Members as a Special Resolution.

No director other than Mr L R Venugopal, Mr P C Krishnamachary, Mr B S Shankarnarayan and Mr Arun A Avadhani is, in any way, concerned or interested in this resolution. This may also be treated as a memorandum issued pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board

Bangalore
27th August 2007

D VENKATESWARLU
Company Secretary

DIRECTORS' REPORT

To the members

The Board of Directors take pleasure in presenting their Report along with the Audited Accounts of the Company for the year ended 31st March 2007.

FINANCIAL HIGHLIGHTS :

(Rs. in Lakhs)

	As at 31.3.2007	As at 31.03.2006
Net Sales & other income	5051.89	3568.13
Operating Profit	818.12	405.32
Interest	86.99	73.46
Profit before Depreciation	731.13	334.38
Depreciation	30.73	31.12
Profit before Tax	700.40	303.26
Provision for Tax		
- Current Tax	50.00	21.00
- Deferred Tax	56.74	15.03
- Fringe Benefit Tax	3.03	2.52
Profit after Tax	590.63	264.71
Amount available for appropriation	953.31	477.65
Dividend @ 10% per equity share	100.61	100.61
Basic Earnings per share (Rs.)	6.01	2.63

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. 5051.89 lacs as against Rs. 3568.13 lacs in the corresponding previous financial year, which is an increase of 41%.
- Operating profit grew to Rs. 818.12 lacs as against Rs. 405.32 lacs in the corresponding previous financial year, which is an increase of 102%.
- Significant growth was achieved in Net Profit by earning Rs. 590.63 lacs as against Rs. 264.71 lacs in the corresponding previous financial year, which is an increase of 123%.
- The Board has recommended a dividend of 10% per equity share of Rs. 10/- considering the huge working capital requirement and expansions.

- Earnings per shares of Rs. 6.01 for the year against Rs. 2.63 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. M/s Kavveri Technologies Inc., has acquired M/s Til-Tek Antennae Inc., Kemptville, Ontario, Canada during the financial year 2006-07 and M/s DCI Digital Communications Inc., Regina, Saskatchewan, Canada during the month of April 2007.

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 2007 of its Subsidiaries.

PARTICULARS OF THE DIRECTORS SEEKING RE-APPOINTMENT

Mr P C Krishnamachary and Mr B S Shankarnarayan, retire by rotation at the ensuing Annual General Meeting, being eligible offers themselves for re-appointment.

The period of tenure of Mr C Shiva Kumar Reddy, Mrs R H Kasturi and Ms C Uma Reddy, who were appointed as whole-time Directors on 30th September 2002, w.e.f. from 2nd September 2002 ends by 1st September 2007. The remuneration Committee of the Board have recommended their re-appointment for a further period of 5 years w.e.f. 1st September, 2007.

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

AUDITORS

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

CORPORATE SOCIAL RESPONSIBILITY

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

SEPARATION OF OWNERSHIP FROM MANAGEMENT

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

CODE OF CONDUCT

All Directors and Employees are required to comply with internal code of conduct (for dealing in the Company's Securities) in addition to SEBI (Prohibition of Insider Trading) Regulations, 1992.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Bangalore
27th August 2007

C. SHIVA KUMAR 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 (2006-07)

CIF Value of imports : Rs. 12,98,31,934/-
Expenditure in foreign currency (travel) : Rs. 4,19,878/-
Foreign Exchange earned : Rs. 66,21,792/-

FORM B

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

The Company has In-house Research and Development Centre which has been recognized by the Ministry of Science & Technology, Government of India since 1994. It will carry out R&D in specific areas, design and development of various RF products and antennas for Telecom, Defense and Space applications. We invest and encourage continuous innovation. Our R & D is always focused to provide unique benefits to our customers and other stakeholders by working both proactively (selfdriven research) and reactively (customerdriven research)

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, Multi band bi-directional Antenna for indoor applications, Direct satellite broadcast receive antenna, Mobile duplex filter for CDMA and GSM applications,

filters for terrestrial broadcast applications, Tri band dual polarized base station antenna for network rollout. Yagi Antenna at 400 M Hz to 700 M Hz for public safety applications in North American region.

For Defense Applications, Frequency channellizers consisting of LNA, Power dividers and specialised filters and CRPS GPS Antenna.

Benefits derived as a result of above research and Development:

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

Future plan of action:

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

For Telecom Applications, Three types of high gain multiple dual band polarized Antenna for Base Station, Ultra wide band omni directional Antenna and wide band antenna for multimedia and in-building solutions, PCS band directive antenna for in building solutions, low loss sharp rejection filters for GSM applications, subscriber end high gain and medium gain Wi-Max antenna, Outdoor Wi-Fi Antennas.

For Defense and Space Applications, RF sub-systems for early warning system (Analog LPI detector & processor), Improved version of channallizers for defence, development of isolators in S band, C band and Ku bands for space applications

Expenditure on Research and Development

	2006-07	2005-06
a. Capital	1,78,77,946	71,46,620
b. Recurring	4,03,24,983	2,17,32,313
Total	5,82,02,929	2,88,78,933
c. Total R & D expenditure as a % of sales and services	11.59%	8.09%

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
27th August 2007

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 2007 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India with the relevant records and documents mentioned by the Company and furnished to us.

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

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

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

for M S S V & Co.
Chartered Accountants

Bangalore
27th August 2007

D R VENKATESH
Partner
Membership No.25087

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

I. BOARD OF DIRECTORS

A. Composition of Board:

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

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

- B. There were no pecuniary relations or transactions between the non-executive Directors and the Company during the financial year 2006-07.

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.

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 2007 there were **Eight** Board Meetings held and the dates of which are 17th June 2006, 8th July 2006, 2nd September 2006, 7th October 2006, 30th October 2006, 9th January 2007, 28th February 2007, 24th March 2007.

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:

Members of the committee are as follows:

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

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

Terms of reference:

- Oversee the Company's financial reporting to ensure that the statements are correct, sufficient and credible.
- Recommending to the Board, appointment, re-appointment and removal of 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 five times during the period under review and the meetings were held on 14th June 2006, 5th July 2007, 31st August 2006, 5th October 2006 and 6th January 2007. 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	5
Mr P C Krishnamachary	Member	5
Mr B S Shankarnarayan	Member	4

2. REMUNERATION COMMITTEE

Members of the committee are as follows:

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

Terms of reference:

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

The Remuneration Committee of the Board has met once during the year i.e. on 17th June 2006, to consider the increase in the remuneration payable to Mr. L Nicholas, Director (R & D). The details of attendance of members of the Committee are as follows :

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

3. SHAREHOLDERS /INVESTORS GRIEVANCE COMMITTEE:

Members of the committee are as follows :

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

Terms of reference:

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

The Company during the period under review has received and transferred 5 Nos. of Transfers involving 900 transfers.

The Shareholders / Investors Grievance Committee of the Board had met *three* times during the period under review and the meetings were held on 16th May 2006, 24th November 2006 and 9th January, 2007.

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	3
Mr P C Krishnamachary	Member	3
Mr B S Shankarnarayan	Member	3

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 2007 around 50.68% of the shares of the Company were dematerialized.

Mode of Shareholding	No. of shares	% of total equity shares
Physical Mode	48,44,856	49.32
Electronic Mode	49,78,594	50.68

POSTAL BALLOT

There was no Postal Ballot conducted during the year.

DIRECTORS

Mr P C Krishnamachary and Mr B S Shankarnarayan retire by rotation as per Section 256 of the Companies Act, 1956 and being eligible offer themselves for re-appointment.

Brief Profile of Mr P C Krishnamachary, who retires by rotation and is eligible for re-appointment:

Mr P C Krishnamachary has got vast experience in the banking industry specialized in foreign exchange management through his 37 years of service in the State Bank of India in the cadre of Assistant General Manager.

Companies in which Mr P C Krishnamachary holds Directorship:

- NSP Electronics Pvt. Ltd.
- Eaicom India Private Ltd.

Mr P C Krishnamachary does not hold any equity shares of the Company as on 31st March 2007.

Brief Profile of Mr B S Shankarnarayan, who retires by rotation and is eligible for re-appointment:

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 as on 31st March 2007.

Annual General Meetings:

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

Year	Venue	Date & Time
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.
2006	31-36, 1 st Main, 2 nd Stage Arakere MICO Layout Bannerghatta Road Bangalore 560 076.	29-09-2006 & 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 : Twelfth Annual General Meeting
Date, time & Venue : 29th September 2007,
10.00 a.m. at Regd. Office
Financial year : 1st April to 31st March
Book Closure : 20th Sep. 2007 to 29th Sep. 2007

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. Kamadhenu Complex, Opp. Samjanand College, Ahmedabad 380 015	30055

The listing fee for the year 2007-08 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. 2006-07 in Bombay Stock Exchanges is as follows:

Month	High	Low	No. of shares	No. of Trades	Net T/O Rs.
April 2006	76.75	62.05	899010	6576	62,801,605.00
May 2006	87.00	59.00	2530656	17868	192,262,284.00
June 2006	72.95	41.15	768181	6314	41,731,330.00
July 2006	55.00	42.00	190288	1889	8,923,278.00
August 2006	64.20	43.00	667083	5508	38,839,588.00
September 2006	68.40	51.50	1000201	8621	61,759,053.00
October 2006	62.00	49.40	533098	4151	30,098,378.00
November 2006	57.00	44.00	1108217	7491	57,112,082.00
December 2006	57.50	45.25	796048	6426	40,821,127.00
January 2007	68.00	50.20	1937628	12414	118,579,861.00
February 2007	65.45	52.55	1258265	8477	75,417,067.00
March 2007	56.90	44.10	376826	2942	18,602,348.00

Distribution of Shareholding as on 31st March 2007

S No	Category (No. of shares)	No. of Holders	% of Holders	Holding in Rs.	% of Holding
1	1-500	5723	82.62	10,21,330	10.40
2	501-1000	616	8.89	5,20,070	5.29
3	1001-2000	293	4.23	4,47,328	4.55
4	2001-3000	113	1.63	2,86,718	2.92
5	3001-4000	41	0.59	1,48,627	1.51
6	4001-5000	50	0.72	2,35,652	2.40
7	5001-10000	51	0.74	3,67,981	3.75
8	10001 & above	40	0.58	67,95,744	69.18

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, complianceofficer@kaveritelecoms.com

Registrar and Share Transfer Agents

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

Plant Locations:

Kavveri Telecom Products Ltd.
 Plot No. 31-36, 1st Main, 2nd Stage
 Arakere MICO Layout,
 Bannerghatta Road
 Bangalore 560 076.

Kavveri Telecom Products Ltd.
 Plot No. 104, Suragajakkanahalli,
 Kasaba Hobli, near Jigani, Anekal Road
 Bangalore 560 106.

Kavveri Telecom Products Ltd.
 Sy No. 77/4, BTM Layout
 2nd Stage, 29th Main, 23rd Cross
 Bangalore 560 076

Non-mandatory Requirements

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

The announcement of quarterly results does carry information on important developments for the benefit of the Shareholders.

SHAREHOLDING PATTERN AS ON 31ST MARCH 2007

Category Code	Category of Shareholder	Number of share holders	Total No. of Shares	No. of shares held in dematerialised form	Total shareholders as a percentage of total number of shares	
					As a % of (A+B)	As a % of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/Hindu Undivided family	3	1437968	1437868	14.64	14.64
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (A)(1)	3	1437968	1437868	14.64	14.64
2	Foreign					
(a)	Individuals (Non-resident Individuals/Foreign individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter & Promoter Group					
	(A) = (A)(1)+(A)(2)	3	1437968	1437868	14.64	14.64
(B)	Public Shareholding					
1	Institutions					
(a)	Mutual Funds / UTI	0	0	0	0.00	0.00
(b)	Financial Institutions/Banks	0	0	0	0.00	0.00
(c)	Central Government/State Government (s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (Specify)	0	0	0	0.00	0.00
	Sub-Total(B)(1)	0	0	0	0.00	0.00
3	Non-institutions					
(a)	Bodies Corporate	257	737804	496554	7.51	7.51
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital upto Rs. 1 lakhs	6644	2760032	2575627	28.10	28.10
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	23	4887646	468545	49.75	49.75
(c)	Any Other (Specify)	0	0	0	0.00	0.00
	Sub-Total(B)(2)	6924	8385482	3540726	85.36	85.36
	Total Public Shareholding	6924	8385482	3540726	85.36	85.36
	(B)=(B)(1)+(B)(2)					
	Total (A) + (B)	6927	9823450	4978594	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-
	Receipts have been issued					
	GRAND TOTAL (A)+(B)+(C)	6927	9823450	4978594	100.00	100.00

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.

Bangalore
27th August 2007

C SHIVA KUMAR REDDY
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

PROFILE:

Kavveri Telecom Products Ltd. formerly Kavveri Telecoms Ltd. (Kavveri) was incorporated in 1996 and is engaged in the design, development and manufacture of RF Products and Antennas for Telecom, Defence and Space Applications in India and abroad. 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 & 15,000 R F Products per month. Kavveri also provides total Turnkey solutions for coverage and capacity enhancement requirements for GSM & CDMA carriers in India. Also, Kavveri manufactures Solar Modules & solar systems for various applications.

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

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, Tata Tele, Airtel, Vodafone (erstwhile 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's products are mainly used in Telecom, Defence and Space segments and it has been dominant in the Telecom Segment since inception. For the last two years Kavveri has been designing and developing various Radio Frequency Products and Antennas for defense and space requirements.

TELECOM APPLICATIONS:

The Company's major revenues are generated right now from cellular operators like Idea, Vodafone, Reliance and Spice etc., and OEMs for cellular industry like Ericsson, Nokia Siemens, Alcatel Lucent, ZTE, Nortel etc. The Cellular Industry in India is growing rapidly and has at present a subscriber base

of approximately 175 million and is expected to grow to 250 million subscribers by March 2008 and further grow to 500 Million subscribers by March 2010. Company's Radio Frequency products and Antennas are used for the cellular industry for their net work roll out for increasing the subscriber base and also for in-building solutions for increasing the subscriber revenues by maximizing the existing capacity utilization of the operators.

New Technologies in the wireless cellular industry like 3G & WiMax for the real time data applications are being talked about for implementation in India. Your Company's R & D has already designed and developed products for 3G & Wi-max applications and has received approvals from some prominent OEMs for the same.

DEFENSE AND SPACE APPLICATIONS :

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

IN BUILDING SOLUTIONS:

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

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

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

Financial Performance:

(Rs. in Lakhs)

	As at 31.03.2007	As at 31.03.2006
Net Sales & other income	5051.89	3568.13
Operating Profit	818.12	405.32
Interest	86.99	73.46
Profit before Depreciation	731.13	334.38
Depreciation	30.73	31.12
Profit before Tax	700.40	303.26
Provision for Tax	50.00	21.00
- Deferred Tax	56.74	15.03
- Fringe Benefit Tax	3.03	2.52
Profit after Tax	590.63	264.71
Balance brought forward	362.68	212.90
Amount available for appropriation	953.31	477.65
Dividend @ 10% per equity share	100.61	100.61
Dividend Tax	17.10	14.11
Basic Earnings per share (Rs.)	6.01	2.63

- Total Revenue grew to Rs. 5051.89 lacs as against Rs. 3568.13 lacs in the corresponding previous financial year, which is an increase of 41%.
- Operating profit grew to Rs. 818.12 lacs as against Rs. 405.32 lacs in the corresponding previous financial year, which is an increase of 102%.
- Significant growth was achieved in Net Profit by earning Rs. 590.63 lacs as against Rs. 264.71 lacs in the corresponding previous financial year, which is an increase of 123%.
- The Board has recommended a dividend of 10% per equity share of Rs. 10/- considering the cash conservation for expansions and the growth of the Company.
- The Corporate tax liability for the year was Rs. 50.00 lacs as against Rs. 21.00 lacs during the previous last financial year and there was a deferred tax charge of Rs. 56.74 lacs as against Rs. 15.03 lacs for the previous year.
- Significant growth was achieved in Net Profit by earning Rs. 590.63 as compared to Rs. 264.71 lacs in the corresponding previous financial year, which is an increase of 123%.
- Total fixed assets of the Company is increased from Rs. 578.02 lacs to Rs. 762.35, 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. 17,09,832.96/-.
- Earnings per shares of Rs. 6.01 for the year against Rs. 2.63 in the corresponding previous financial year.

PRODUCT WISE PERFORMANCE :

Antennas & RF Prodcuts:

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 etc. RF Products & Antennas are having reasonable margins.

In-building Solutions:

Your Company during the year has been able to establish itself as a major player in in-building solutions with GSM & CDMA Carriers like Vodafone, Airtel, Idea, Reliance & Tata Tele Services etc. 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. 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 defense 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 compared to RF Products & Antennas. Your Company sees In-building solutions as huge growth opportunities for the next 3-4 years as the cellular operators are concentrating on maximizing their revenues with the available infrastructure in certain areas of high revenue generating subscribers.

Opportunities and Threats:

Your Company has designed and developed various RF Products and Antennas for 3G & Wireless 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 defense 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:

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

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

Major Developments in Human Resources/Industrial Relations Front:

Human Resources are the center of focus at KTPL. They are the driving force behind the accelerated growth of the Company. KTPL provides constant training and development to ensure both personnel and technical enhancement. 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 2007 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. Without qualifying our opinion, we draw attention to:
Note no.15 of Schedule 15, regarding the fact that the balance of the sundry debtors and sundry creditors etc. are subject to confirmation / reconciliation/adjustment, if any.
4. 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.
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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - 5.4 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;
 - 5.5 On the basis of written representations received from the directors, as at 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
6. 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:
 - 1.1 In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - 1.2 In the case of the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date; and
 - 1.3 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: 19.06.2007

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 amounting to 363.05 lakhs from parties covered in the register maintained under section 301 of the Act in the previous financial year. The aggregate amount due as on 31.03.2007 is Rs. 211.32 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 function commensurate with the size and nature of its business.
8. As explained to us maintenance of Cost Records has not been prescribed by the Central Government to this company under Section 209 (1)(d) of the Companies Act, 1956.
9. In respect of statutory dues:
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales -tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues have been
 - b. generally regularly deposited with the appropriate authorities. However we have observed in few cases there has been delay in remittances of Provident Fund, Sales Tax and Tax Deducted at Source (TDS), Cess, Service tax dues to Appropriate Authorities. According to information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2007 for a period of more than six months from the date of becoming payable.
 - c. According to the information and explanations given to us, there is no dues of the sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited with appropriate authorities on account of any dispute.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our report or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. 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

D.R.Venkatesh
Partner

Place : Bangalore
Date : 19.06.2007

Membership No. 25087

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Sch No.	As at 31st march 2007 Rs.	As at 31st march 2006 Rs.
Sources of Funds			
Share Holders Funds :			
Share Capital	1	100608000	100608000
Reserves & Surplus	2	179844667	132577581
Loan Funds :	3		
Secured Loans		132548409	100000000
Unsecured Loans		26338454	45385820
Deferred Tax Liability		13756579	8082385
		453096108	386653786
Application of Funds			
Fixed Assets	4		
Original Cost		76235450	57801757
Less : Accumulated Depreciation		22774989	19701979
Net Book Value		53460461	38099778
Investments	5	157157300	157157300
Current Assets, Loans and Advances :	6		
Inventories		45432291	51998370
Sundry Debtors		274775279	145582406
Cash & Bank Balances		51326549	30118759
Loans & Advances		104148009	24020930
		475682128	251720465
Less: Current Liabilities and Provisions :	7		
Current Liabilities		223020005	53059753
Provisions		10183776	7323220
Net Current Assets		242478347	191337492
Miscellaneous Expenditure (to the extent not written off or adjusted)	8	-	59215
		453096108	386653786
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 ON 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

Place: Bangalore
Date : 19th June 2007

D Venkateswarlu
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Sch No.	For the Year ended March 31 2007 Rs.	For the Year ended March 31 2006 Rs.
Income			
Gross Receipts from Sales and Services	9	536498670	367771549
Less: Excise Duty		34496330	12228288
Net Sales		502002340	355543261
Other Income	10	3186636	1270800
Accretion to Stock	11	-	33496685
Total		505188977	390310746
Expenditure			
Decretion to Stock	11	14857492	-
Operating Expenses	12	356863009	299265587
Administrative, Selling & Other Expenses	13	51656609	50259520
Interest & Financial Expenses	14	8699003	7346546
Depreciation	4	3073010	3113415
Total		435149124	359985068
Profit before Taxation		70039853	30325678
Less: Provision for Taxation			
Current Tax		5000000	2100000
Deferred Tax charge / (credit)		5674194	1502676
Fringe benefit Tax		303104	252439
Profit after Taxation		59062555	26470563
Income Tax for the year 2005 -2006		124995	0
Excess provision of Income Tax 2004 - 2005		66839	0
Excess provision of Income Tax 2003 - 2004		33319	0
Surplus Brought forward from Previous Year		36293083	21294347
Amount available for Appropriations		95330802	47764910
Proposed Dividend		10060800	10060800
Tax on Proposed Dividend		1709833	1411027
Balance carried to Balance Sheet		83560169	36293083
Notes on Accounts	15		
Accounting Policies and Schedules 4, 9 to 15 form an Integral Part of the Profit and Loss Account			
Earning Per Share			
Equity Shares of Par value of Rs.10/- each			
Before Tax			
Basic Earning Per Share		7.13	3.09
No. of Equity shares used in computing Earnings Per share		9823450	9823450
After Tax			
Basic Earning Per Share		6.01	2.69
No. of Equity shares used in computing Earnings Per share		9823450	9823450

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

FOR AND ON 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

Place: Bangalore
Date : 19th June 2007

D Venkateswarlu
Company Secretary

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SCHEDULE - 1		
Share Capital		
Authorised Share Capital 2,00,00,000 EQUITY SHARES OF RS.10/-	200000000	120000000
Issued, Subscribed & Paid-up 98,23,450 EQUITY SHARES OF RS.10/-	98234500	98234500
Share Capital Suspense Account [Refer Note 1(a) of Schedule 15]	2373500	2373500
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 amalgamation)	84557700	84557700
Securities Premium Suspense Account Arising from Amalgamation [Refer Note 1(a) of Schedule 15]	4272300	4272300
General Reserve	128719	128719
Profit and Loss Account Balance	83560169	36293083
TOTAL	179844667	132577581
SCHEDULE - 3		
SECURED LOANS		
Term Loan from Bank *	100000000	100000000
Cash Credit Account *	32273552	Nil
ABN Amro Bank Car Loan **	274857	
TOTAL - A	132548409	100000000
UNSECURED LOANS		
Loan from Directors	21132132	36305880
Sales tax Deferred Liability ***	5206322	9079940
TOTAL - B	26338454	45385820
Grand Total of Loan Funds (A+B)	158886863	145385820

*Term Loan & cash credit is secured by all Fixed Assets & Current assets of the company.

** Car loan is secured by Hypothecation of Maruthi Swift Car.

The above secured loans are covered by the personal guarantees of the promoter director

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

1949874

2684948

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Schedule - 4 Fixed Assets

Description	Gross Block at Cost			Depreciation				Net Block		
	As at	Additions	Deletions	As at	Upto	for the	Adjust- ments	Upto	As at	As at
	1.04.2006			31.03.2007	31.03.2006	year	on disposal	31.03.2007	31.3.2007	31.3.2006
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	562500	-	-	562500	-	-	-	0	562500	562500
Building	8539778	-	-	8539778	1921959	285229	-	2207188	6332591	6617820
Plant & Machinery	31515171	17366157		48881328	9703597	1711330	-	11414927	37466401	21811574
Jigs & Moulds	594359	-	-	594359	369382	96346	-	465728	128631	224977
Furniture & Fixtures	4209767	-	-	4209767	2118509	267522	-	2386031	1823736	2091258
Computers	3459689	494789	-	3954478	1994595	84124	-	2078719	1875759	1465094
Electrical Installation	2564539	35225	-	2599764	468947	122986	-	591933	2007831	2095592
Office Equipments	2811825	66313	-	2878138	902811	133828	-	1036639	1841499	1909014
Vehicles	3544129	471209	-	4015338	2222179	371645	-	2593824	1421514	1321950
Total	57801757	18433693	-	76235450	19701979	3073010	-	22774989	53460461	38099778
Balance as at 31.3.06	50941946	7287150	427339	57801757	16718478	3113415	129914	19701979	38099778	34223468

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rs.	As at March 31, 2006 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	11439300
M/s.Kavveri Technologies Inc (Refer Note 2(b) of Schedule 15)		
TOTAL	157157300	157157300
SCHEDULE - 6		
Current Assets, Loans and Advances		
Inventories		
Raw Materials	15015787	6724374
Finished Goods	30416504	45183021
Work-in-Progress	0	90975
TOTAL	45432291	51998370
Sundry Debtors		
(Unsecured)		
Debt outstanding for a period of more than 6 months		
Considered Good **	29546981	27458333
Considered Doubtful	457463	457463
	30004444	27915796
Other Debts - Considered Good	245228298	118124073
	275232742	146039869
Less: Provision	457463	457463
TOTAL	274775279	145582406
Cash and Bank Balances		
Cash on hand	930	18355
DD On hand	10369855	
Balance with Scheduled Banks		
In Current Account	4005749	13836858
In Deposit Account	35632393	15343307
In Unclaimed Dividend Account	1311306	913924
Balance with Other Banks		
In Current Account - ICICI Bank	6315	6315
TOTAL	51326549	30118759
Loans & Advances :		
Unsecured, Considered Good		
Advances recoverable in cash or in kind		
or value to be received	96993208	22165830
Deposits with Others	6743391	1846420
Balances with Customs, Excise Authorities	411410	8680
TOTAL	104148009	24020930

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SCHEDULE - 7		
Current Liabilities		
Acceptances	0	Nil
Due to Subsidiary	19593354	13000750
Sundry Creditors		
Due to S S I undertakings (Note 15 of Schedule 15)	Nil	Nil
Others	101629182	27083592
Other Liabilities	100485919	12061830
Unclaimed Dividends (Note 13 of Schedule 15)	1311550	913581
	<u>223020005</u>	<u>53059753</u>
Provisions		
Taxation	6373660	4328505
Fringe Benefit Tax	303104	
Less: Advance Tax	123104	
	<u>180000</u>	<u>0</u>
Gratuity	1115296	1097317
Leave Encashment	804987	486371
Tax on Proposed Dividend	1709833	1411027
	<u>10183776</u>	<u>7323220</u>
SCHEDULE - 8		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Technology Fees		
Opening	59215	296069
Less: 1/6 charged to Profit & Loss Account	59215	236854
	<u>0</u>	<u>59215</u>
Balance Carried to Balance Sheet	<u>0</u>	<u>59215</u>
SCHEDULE - 9		
Sales and Services		
Local Sales	432386067	237263714
Export Sales	6621792	52153241
Sale of traded goods/other services	101113947	78106769
Freight & Insurance Collected	114864	247825
	<u>540236670</u>	<u>367771549</u>
Less: Export Sales Returns (Sales made in earlier years)	3738000	0
Total	<u>536498670</u>	<u>367771549</u>

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SCHEDULE - 10		
Other Income		
Interest on Fixed Deposit*	1047769	353954
Miscellaneous Income	427322	740284
Sundry Creditors Written back		176562
Interest on Income Tax Refund	25627	
forex gain or Loss	1685918	
Total	3186636	1270800
* Tax Deducted at Source on Interest Income	136798	92496
SCHEDULE - 11		
Accretion/Decretion to Stock		
Opening Balance of Finished goods	45183021	10008525
opening Balance of Semi-finished goods	90975	1768786
Total (A)	45273996	11777311
Less : closing balance of finished goods	30416504	45183021
closing balance of semi-finished goods	0	90975
Total (B)	30416504	45273996
(A) - (B)	(14857492)	33496685
Net Accretion/Decretion to stock	(14857492)	33496685
SCHEDULE - 12		
Operating Expenses		
a. Raw Materials Consumed		
Opening Stock of Raw materials	6724374	19394114
Add : Purchase during the Year		
- Imported	119334683	32360789
- Indigenous	219770995	181492492
Less : Closing Stock	15015787	6724374
(A)	330814265	226523021
b. Others		
Consumables	615330	963221
Packing Materials	244039	665543
Job Work	2249875	2549715
Power Charges	316433	155467
Other Manufacturing Expenses	5284924	458786
(B)	8710600	4792732
C. Purchase of Traded Goods	(C)	67949834
Total (A+B+C)	356863009	299265587

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at March 31,2007 Rs.	As at March 31,2006 Rs.
SCHEDULE - 13		
Administrative, Selling & Other Expenses		
Salaries, Wages & Bonus	13623316	14792356
Contribution to :		
Provident Fund & Other Funds	524870	592073
Gratuity	17979	239232
Leave encashment	318616	194554
Staff Welfare Expenses	2610924	810818
Rent	4960023	719296
Electricity, Water Charges	374155	196301
Telephone & Telex	654475	376397
Postage & Telegram	425818	145610
Rates & Taxes	314549	147779
Repairs & Maintenance		
- Office & Building	1135878	797996
- Computer Maintenance	325622	0
- Generator	3000	111189
- Vehicles	475698	265511
Travelling & Conveyance Expenses	2755617	2526976
Foreign Exchange Loss	-	284872
Security Charges	1234847	509720
Printing & Stationery	577279	348901
Auditor's Remuneration	155000	201770
Professional Charges	987989	1091295
Research & Development Expenses	11198304	12603896
Business Promotion Expenses	287748	310204
Bad debts written off	868091	7626040
Carraige Outwards	377971	2145949
Donations	-	16116
Technical Know-How Fees Written Off	59215	236854
Loss on Sale of Assets	-	71463
Miscellaneous Expenses	7389625	2896353
Total	51656609	50259520
SCHEDULE - 14		
Financial Expenses :		
Interest		
- Term Loan	3601052	1178307
- Cash Credit & Others	1728579	4261048
- Car Loans	3522	14347
Bank Charges	3365850	1892844
Total	8699003	7346546

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 previous 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) The Company has got a wholly owned subsidiary(KAVVERI TECHNOLOGIES INC) at Canada and an initial sum of USD 2,55,000/- (Two Lakh Fifty Five Thousand United States Dollars only) had been invested in the said company towards its share capital.

3. Contingent Liabilities not provided for -

Particulars	March 31, 2007	March 31, 2006
	Rs.	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	
On account of Bank Guarantee	32,32,200	32,32,200
On account of Income Tax #	22,41,460	1,30,07,191
iii) Guarantees issued on behalf of the company by Bankers	1,53,80,607	1,76,07,166
iv) Letter of Credit issued on behalf of the company by Bankers	10,12,25,371	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 had received an appellate order allowing the Sales Return and disallowing deduction under chapter VI A whereas the company is taking expert opinion to decide further on this issue.

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 200000 Nos. of Microwave components. Since the company has manufactured components, systems during the year, quantification of capacity is not feasible.

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

c) Production, sales and stock:

ITEMS	Opening (Nos)	Production (Nos)	Sale (Nos)	Closing (Nos)
Antennae/Components/Accessories	2061 (1561)	64988 (52160)	63724 (51660)	3325 (2061)
Solar Photo Voltaic Power Supply	NIL	21311	21311	NIL
	(115)	(25000)	(25115)	NIL

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 31.03.2007		Year Ended 31.03.2006	
	Value Rs.	%	Value Rs.	%
a) Indigenous	211479582	64	179428885	79
b) Imported	119334683	36	47094136	21
****	330814265		22,65,23,021	

**** (includes consumption of R&D materials for Rs. 2,91,26,979/- and the figure for the same for the previous year is Rs.91,28,417/-)

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

(Amount In Rs.)

	Particulars	Year ended 31 st March 2007	Year ended 31 st March 2006
1	Raw Material	11,93,34,683	3,23,60,789
2	Traded goods	1,04,97,251	97,71,424
3	Capital Goods	NIL	1,85,166

7. Foreign Exchange Earnings/Expenses

a. Earnings

(Amount In Rs.)

	Particulars	Year ended 31st March 2007	Year ended 31st March 2006
1	On export of Goods (FOB)	66,21,792	5,21,53,240

b. Expenditure:

(Amount In Rs.)

	Particulars	Year ended 31st March 2007	Year ended 31st March 2006
1	Raw Materials	11,93,34,683	3,23,60,789
2	Traded goods	1,04,97,251	97,71,424
3	Capital Goods	NIL	1,85,166
4	Foreign Travel	4,19,878	8,98,809

8. Segment Results

The company's predominant risks and returns are from the segment of "Telecommunication Accessories" represented by Antennae, 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. Remuneration paid/payable to key managerial personal:

(Amount In Rs.)

Name		Relationship	Year ended			
			2007		2006	
			Remuneration	Others	Remuneration	Others
1	Mr. C. Shivkumar Reddy	Managing Director	9,79,360	5,30,000	15,09,360	-
2	Ms. R. H. Kasturi	Whole time Director	9,79,360	5,30,000	15,09,360	-
3	Ms. C. Uma Reddy	Whole time Director	9,79,360	5,30,000	15,09,360	-
4	Mr. L Nicholas	Whole time Director	10,55,080	4,00,000	6,99,780	-

The above remuneration does not include the gratuity payable to the directors Rs. 69,231/- provided during the current financial year.

b. Following is the list of subsidiary Companies:

Name of the Company	Percentage of Holding as at	
	31 st March 2007	31 st March 2006
M/S. Eaicom India Pvt Ltd	100	100
M/S. Kavveri Technologies Inc	100	100
M/S. Til Tek Antennae Inc., *	100	-

* During the year 2006 - 2007, Kavveri Technologies Inc, Canada acquired M/s Til Tek Antennae Inc situated in Canada. Consequently M/s Til Tek Antennae Inc becomes a subsidiary of M/s Kavveri Telecom Products Limited.

c. Transactions with related party during the financial year 2006 - 2007

(Amount In Rs.)

Particulars	Subsidiary Company Transaction			Key Management Personnel	Total
	Eaicom India P Ltd	Kaveri Technologies	Til Tek Antennae Inc		
Purchases of goods	21292500 (1823406)	-	1097872	-	22390372 (1823406)
Sale of goods	116565557 (5322809)	-	6416477	5415	122987449 (5322809)
Purchase of Capital Goods	- (4302500)	-	-	-	- (4302500)
Finance (including loans and equity contributions in cash or in kind)	-	72339065 (11663600)	-	-	72339065 (11663600)
Finance - Loans taken	-	-	-	21132132 (36305880)	21132132 (36305880)
Others - Rent paid	-	-	-	4800000 (NIL)	4800000 (NIL)
Amounts due to as on 31.3.2007	- (13000751)	-	-	21132132 (36305880)	21132132 (49306631)

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.56,74,194 /-as net liability in accordance with the present rates of Income Tax applicable for the companies

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

(Amount In Rs.)

Particulars	Deferred Tax Liability as at 01.04.2006	Current Year Charge/ (Credit)	Deferred Tax Asset/Liability as at 31.03.2007
Depreciation	87,69,436	56,23,779	1,43,93,215
Other timing difference	(6,87,051)	50,414	(6,36,637)
Net	80,82,385	56,74,194	1,37,56,579

11. Auditors remuneration:-

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

(Amount In Rs.)

Particulars	2006-07	2005-06
Audit Fees	1,55,000	1,55,000
Other Services	20,000	35,150
Expenses	-	11,620
Service Tax on the above	21,420	23,275

12. Unclaimed Dividend

The unclaimed dividend of Rs.13,11,306/- (previous year Rs. 9,13,581/-) represents those relating to the years 2001 to 2005.

13. Research & Development Expenditure includes:

(Amount In Rs.)

Particulars	For the year 2006 - 2007	For the year 2005 - 2006
Salaries & Wages	32,07,980	31,89,618
Cost of materials and services	2,91,26,979	91,28,417
Overheads	79,90,024	94,48,278
Total	4,03,24,983	2,17,32,313

14.1 Based on the information available with the company, there are no amounts overdue and remaining unpaid to small scale/and or ancillary industrial supplier as at 31st March 2007.

14.2 Based on the information available with the company, there are no suppliers who are registered as Micro, Small and Medium enterprises under The Micro, Small and Medium enterprises Development Act, 2006 as at 31st March 2007.

15. 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.

16. Earning per share is calculated as per Accounting Standard 20, "Earning Per Share" issued by the Institute of Chartered Accountants of India. The net profit considered for calculation of basic earning per share before tax is Rs.700,40,120/- (P.Y 303,25,678/-) Profit considered for calculation of basic earning per share after tax is Rs.590,62,822/- (P. Y 264,70,563).

Particulars	For the Financial Year	
	2006 - 2007	2005 - 2006
Weighted Average number of Equity shares used in the calculation of basic earnings per share (both before & After tax)	98,23,450	98,23,450

During the previous financial year earning per share is calculated by using both allotted share and unallotted share aggregating to 100,60,800 shares. During the current year, EPS is calculated by using allotted share of 98,23,450. The effect of the above change has resulted in increase of basic earning per share to the extent of 0.07 per share before tax and 0.06 per share after tax.

17. Obligation on Long term, non-cancelable Operating Lease:
a. As a Lessee:

The Company has entered into Non-cancelable operating lease of building situated at BTM Layout, Bangalore. The period of Lease agreement is for 33 months commencing from 17th June 2006.

The lease rental commitment from the company is as follows:

(Amount In Rs.)

Lease rentals	As at 31 st March	
	2007	2006
With in one year from the Balance sheet date	9,43,333	-
From one year to end of the lease period	23,56,667	-

b. As a Lessee:

The Company has entered into Non-cancelable operating lease of building situated at Arekere MICO Layout, Bangalore from Ms. Uma Reddy who is the Whole time director of the Company. The period of Lease agreement is for 12 months commencing from 1st April 2006.

The lease rental commitment from the company is as follows:

(Amount In Rs.)

Lease rentals	As at 31 st March	
	2007	2006
With in one year from the Balance sheet date	36,00,000	-

c. As a Lessee:

The Company has entered into Non-cancelable operating lease of building situated at Arekere MICO Layout, Bangalore from Mr. Shiva Kumar Reddy who is the Managing Director of the Company. The period of Lease agreement is for 12 months commencing from 1st April 2006.

The lease rental commitment from the company is as follows:

(Amount In Rs.)

Lease rentals	As at 31 st March	
	2007	2006
With in one year from the Balance sheet date	12,00,000	-

18. Employee Benefits:

Liability for Gratuity is provided as per Gratuity Act, 1972 and Leave Encashment on accrual basis. The Company has not provided the employee benefits as per Actuarial valuation as required by AS - 15. The Company of the view that, it has adequate reserves to discharge the liability when ever it arises and no need to provide the employee benefits as per actuarial valuation.

19. The following table provides the disclosure in accordance with Accounting Standard - 29 on Provisions and Contingencies:

(Amount In Rs.)

Particulars	Balances as on 1 st April 2006	Additions during the year	Amount used/ paid during the year	Unspent amount reversed during the year	Balance as at 31 st March 2007
Provision for Fringe Benefit tax	-	1,80,000	-	-	1,80,000

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

Signature to Schedule 1 to 15

for MSSV & Co.,

Chartered Accountants

For and on behalf of the Board

D R Venkatesh

Partner

Membership No.25087

C. Shivakumar Reddy

Managing Director

C. Uma Reddy

Director

D. Venkateswarlu

Company Secretary

Place : Bangalore

Date : 19th June 2007

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

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

2. 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.

3. Depreciation:

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

4. Inventory Valuation:

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

5. Investments:

- (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) Investment in Kaveri Technologies Inc., is stated at cost.

6. Research and Development:

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

7. Revenue Recognition:

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

8. Foreign Exchange Transactions:

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.

9. 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.

10. Borrowing Cost:

Borrowing costs other than that attributable to a qualifying asset are expenses as and when incurred.

11. Operating Lease:

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

12. Provisions:

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

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. Income Tax:

- The current charge for Income Tax is based on the tax liability computed after considering tax allowances and exemptions.
- Deferred tax asset or liability is recognized for timing differences between the profit as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

15. Contingent Liability:

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

16. Cash Flow Statement:

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

Particulars	Year ended 31.03.07 Amount in Rs.	Year ended 31.03.06 Amount in Rs.
A Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	70039853	30073239
Add: Adjustments for		
Depreciation	3073010	3113415
Interest paid	5329631	7346546
Technology Fees written off	59215	236854
Loss on sale of Assets	0	71463
Excess provision of earlier years	1505233	
	9967089	10768278
Less: Adjustments for		
Excess Provision written Back	0	
Interest on FD / other deposits	1047769	353954
	1047769	353954
Operating Profit Before Working Capital Changes	78959173	40487563
Adjustments for:		
Trade receivables	(129192873)	(92110334)
Loans and Advances	(81632312)	27060805
Inventories	6566079	(30887745)
Trade and other payables	155747071	14564950
Prior Period Items - Income Tax	(24837)	
	(48536872)	(81372324)
Cash Generated from Operations	30422301	(40884761)
Deduct:		
Interest paid	5329631	7346546
	5329631	7346546
Cash Flow before Extraordinary items	25092670	(48231307)
Net Cash flow from Operating activities [A]	25092670	(48231307)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	18433693	7287150
Investment in Kaveri Technologies Inc	0	11439300
	18433693	18726450
Deduct Inflow		
Interest on FD/other deposits	1047769	353954
Sale of Assets	0	225962
	1047769	579916
Net Cash Flow from Investing Activities [B]	(17385924)	(18146534)
C Cash Flow from Financing Activities		
Increase in Loans Liability	13501043	82742962
	13501043	82742962
Net cash flow from Financing activities [C]	13501043	82742962
Net increase in cash and cash equivalents [A + B + C]	21207790	16365120
Cash and Cash Equivalents as at 31st March 2007	51326549	30118759
Cash and Cash Equivalents as at 1st April 2006	30118759	13753639
	21207790	16365120

Notes to Accounts - 15

Accounting policies and Schedules 15 form an integral part of Cash Flow Statement

This is the Cash Flow Statement referred in our report of even date

For MSSV & Co.,
Chartered Accountants

D R Venkatesh
Partner
Membership No. 25087

Place :Bangalore
Date : 19th June 2007

For and on behalf of the Board

C Shivakumar Reddy
Managing Director

C Uma Reddy
Director

D Venkateswarlu
Company Secretary

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

Name of the Subsidiary	Eaicom India Pvt. Ltd.	Kavveri Technologies Inc.	Til - Tek Antenna Inc.
The financial year of the subsidiary company ended on	31 st March 2007	31 st March 2007	31 st March 2007
Holding Company's interest	212,850 ordinary shares of Rs. 10/- each	29200 shares of CAD Rs. 10/- each	12 shares of CAD 10/- each
Extent of Holding	100%	100%	100%
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	NIL	NIL	NIL
• For the previous financial years since it became subsidiary	NIL	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	NIL

for and on behalf of Board

Place : Bangalore
Date : 27th August 2007

C. Shivakumar Reddy
Chairman and Managing Director

BOARD OF DIRECTORS

Mr C Shiva Kumar Reddy
Mr P C Krishnamachary
Mr H Trivedi

AUDITORS

M/s Venkatachalam and Associates
Chartered Accountants

REGISTERED OFFICE

58/484, Mothilal Nagar
Road No. 3, Off. M .G. Road
Goregoan West
Mumbai 400 062

BANKERS

M/s Axis Bank Ltd.
Jayanagar, Bangalore

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EAICOM INDIA PRIVATE LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Annual Report for the year ended 31st March 2007.

RESULTS OF OPERATIONS:

The financial results of the Company for the year ended 31st March 2007 is as given below:

(in Rupees)

	31 st March 2007	31 st March 2006
Gross Revenue	5 61 67 503	57 14 285
Other Income	11 269	2 17 482
Profit before Depreciation	39 50 820	15 81 833
Depreciation	54 248	1 51 012
Profit before tax	38 96 572	14 30 821
Provision for Tax - Current Tax	-	-
Profit after Tax	38 96 572	14 30 821

PUBLIC DEPOSITS:

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

HOLDING COMPANY:

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

PARTICULARS OF EMPLOYEES:

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

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

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

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

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

Particulars of Foreign Exchange Earnings and Outgo (2006-07):

Foreign Exchange Outgo	: Rs. Nil
Foreign Exchange earned	: Rs. Nil

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

COMPLIANCE CERTIFICATE:

Certificate from Mr Y Venkateswara Rao, 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 Venkatachalam and Associates, Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They have confirmed their 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
25th August 2007

C SHIVAKUMAR REDDY
Director

P C KRISHNAMACHARY
Director

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 2007 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 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:

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.

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;

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

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

On the basis of written representations received from the directors, as at 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 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:
 - 1.1 In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - 1.2 In the case of the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date;

For Venkatachalam & Associates
Chartered Accountants

Place : Bangalore
Date : 25th August 2007

M.Venkatachalam
Chartered Accountant
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 parties covered in the register maintained under section 301 of the Act. The aggregate amount due as on 31.03.2007 is Rs 11.06 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:
- According to the records of the company, undisputed statutory dues including Income Tax, Sales -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 excise duties.
- According to the information and explanations given to us, details of disputed statutory dues which have not been deposited as on 31st March 2007 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.	1,06,22,761	2004-05	CIT (Appeals), Mumbai

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

For Venkatachalam & Associates
Chartered Accountants

M.Venkatachalam
Chartered Accountant
Membership No: 18831

Place : Bangalore
Date : 27th August 2007

EAICOM INDIA PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

	Sch No.	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
I SOURCES OF FUNDS			
Shareholders' Fund:			
Share Capital	1	2128500	2128500
Reserves & Surplus	2	26253268	22356697
Loan Fund:	3		
Secured Loans		-	-
Unsecured Loans		1106570	1106570
		29488338	25591767
II APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		575334	575334
Less : Depreciation		266618	212370
Net Block		308716	362964
Capital Work-in Progress		-	-
		308716	362964
Investments			-
CURRENT ASSETS, LOANS & ADVANCES	5		
Sundry Debtors		23846658	7783400
Cash & Bank Balances		3175274	68848
Inventory		80626039	0
Loans & Advances		1075227	20485464
		108723198	28337712
LESS : CURRENT LIABILITIES & PROVISIONS	6		
Current Liabilities		79560875	3131523
Provisions		15916	15916
NET CURRENT ASSETS		29146407	25190273
MISCELLANEOUS EXPENDITURE	7	33215	38530
(to the extent not written off or adjusted)			
		29488338	25591767
Significant Accounting Policies and Notes on Accounts	14		

As per our Report of Even Date

for M Venkatachalam & Associates
Chartered Accountants

for and on behalf of Board

M. Venkatachalam
Partner
Membership No. 18831

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

Place : Bangalore
Date : 25th August 2007

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2007

	Sch. No	Year ended March 31, 2007	Year ended March 31, 2006
		Rs.	Rs.
I INCOME			
Gross Sales	8	61869820	6029966
Less: Excise Duty		5702317	315681
Net Sales		56167503	5714285
Other Income	9	11269	217482
		56178772	5931767
II EXPENDITURE			
Manufacturing Expenses	10	30404183	3886719
Administrative, Selling & Other Expenses	12	698290	448179
Depreciation	4	54248	151012
Interest & Financial Expenses	13	125479	15036
Accretion/Decretion in Stock	11	21000000	0
		52282200	4500946
Profit/(Loss) before Taxation		3896572	1430821
Less: Provision for Taxation			
Current Tax		-	-
Profit/(Loss) after Taxation		3896572	1430821
Profit/(Loss) carried forward		3896572	1430821
Profit/(Loss) for the Year		3896572	1430821
Surplus Brought forward from Previous Year		22356696	20925875
Amount available for Appropriations		26253268	22356696
Appropriations		0	0
Balance carried to Balance Sheet		26253268	22356696
		26253268	22356696

As per our Report of Even Date

for M Venkatachalam & Associates
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

Place : Bangalore
Date : 25th August 2007

EAICOM INDIA PRIVATE LIMITED

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Share Capital		
250000 Equity Share of Rs.10/- each	2,500,000	2,500,000
Issued, Subscribed & Paid-up		
212850 Equity Share of Rs.10/- each	2,128,500	2,128,500
	2,128,500	2,128,500
SCHEDULE - 2		
RESERVES & SURPLUS		
Profit Carried over from Profit & Loss A/c	26,253,268	22,356,696
	26,253,268	22,356,696
SCHEDULE - 3		
UNSECURED LOANS		
Loan from Directors/Others	1,106,570	1,106,570
	1,106,570	1,106,570
SCHEDULE-5		
CURRENT ASSETS AND LOANS AND ADVANCES		
Sundry Debtors (Unsecured)		
Debt outstanding for a period exceeding six months		
Considered Good	6,821,000	6,866,600
Considered Doubtful		-
	6,821,000	6,866,600
Other Debts - Considered Good	17,025,658	916,800
	23,846,658	7,783,400
Less: Provision	-	-
	23,846,658	7,783,400
Cash and Bank Balances		
Cash on hand	9,390	2,390
Balance with Scheduled Banks		-
On Current Account	132,615	66,458
On Deposit Account	3,033,269	-
	3,175,274	68,848
Inventory		
Raw materials	5,105,000	-
Goods in Transit	75,521,039	-
	80,626,039	-

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE - 4 FIXED ASSETS

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2006 Rs.	Additions Rs.	Deletions/ Adjust- ment Rs.	As at 31.03.2007 Rs.	As at 01.04.2006 Rs.	for the Period Rs.	Deletions/ Written back Rs.	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.	
Land	-	-	-	-	-	-	-	-	-	
Building	-	-	-	-	-	-	-	-	-	
Computers	144,000	-	-	144,000	137,428	2,629	-	140,057	3,943	
Furniture & Fixtures	86,500	-	-	86,500	37,681	8,836	-	46,517	39,983	
Fax Machine	21,634	-	-	21,634	16,536	709	-	17,245	4,389	
Office Equipments	48,200	-	-	48,200	20,725	3,822	-	24,547	23,653	
Plant and machinery	275,000	-	-	275,000	-	38,252	-	38,252	236,748	
Total	575,334	-	-	575,334	212,370	54,248	-	266,618	308,716	
Previous Year	1,400,756	3,500,000	4,325,422	575,334	268,263	151,012	206,905	212,370	362,964	
									1,024,097	

EAICOM INDIA PRIVATE LIMITED

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Loans & Advances		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or value to be received	914,585	20,324,822
Deposits Others	160,000	160,000
Balances with Customs, Excise Authorities	642	642
	<u>1,075,227</u>	<u>20,485,464</u>
SCHEDULE - 6		
CURRENT LIABILITIES		
Acceptances		-
Sundry Creditors		
Due to S S I undertakings		-
Others	79,560,875	3,131,523
Other Liability		-
	<u>79,560,875</u>	<u>3,131,523</u>
PROVISIONS		
Taxation	15,916	15,916
Less Advance Tax	-	-
	<u>15,916</u>	<u>15,916</u>
SCHEDULE - 7		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	38,530	43,844
Less: w/off during the period	5,315	5,315
	<u>33,215</u>	<u>38,530</u>
SCHEDULE - 8		
SALES	61869820	6029966
Less: Returns	-	-
	<u>61869820</u>	<u>6029966</u>
SCHEDULE - 9		
OTHER INCOME		
Other interest	11269	10775
Foreign Exchange Gain	-	22724
Profit on sale of assets	-	183983
	<u>11269</u>	<u>217482</u>

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SCHEDULE - 10		
a. Manufacturing Expenses		
Opening Stock of Raw materials	0	0
Add : Purchase during the Year/Period		
- Imported	0	1742765
- Indigenous	35509183	1983559
	35509183	3726324
Less : Closing Stock	5105000	-
Sub-total (A)	(a) 30404183	3726324
b. Others		
Freight Charges	0	160395
Sub-total (B)	(b) 0	160395
Grand Total (A+B)	(a+b) 30404183	3886719
SCHEDULE - 11		
Accretion/decretion to Stock		
Opening stock of Finished Goods	0	0
Add: Purchases during the year	96521039	0
	96521039	0
Less: Closing stock of Finished Goods/ Goods in transit	75521039	0
Net decrease in Stock	21000000	0
SCHEDULE - 12		
Adminstrative, Selling & Other Expenses		
Salaries, Wages & Bonus	379370	262240
Rent	115200	108000
Rates & Taxes	1000	5028
Electricity and water charges	24551	12200
Miscellaneous expenses	127458	0
Travelling Expenses	0	10500
Professional Charges	500	0
Auditor's Remmuneration	44896	44896
Premiminary Expenses w/off	5315	5315
Total	698290	448179
SCHEDULE - 13		
Financial Expenses		
Bill Discounting Interest / Charges	124604	12686
Bank Charges	875	2350
	125479	15036

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE: 14- NOTES ON ACCOUNTS

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 written down value method in accordance with Schedule XIV of the companies Act, 1956 on proportionate basis.

5. Inventory Valuation:

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

6. Revenue Recognition:

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

7. Foreign Exchange Transactions:

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

8. Income Tax:

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

9. Miscellaneous Expenditure:

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

10. Contingent Liability:

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

B Other Notes on Accounts

- 1 The company has received an Income Tax assessment Order for the assessment year 2004-05 disallowing the Income tax deductions that have been claimed for by the company under Chapter VIA of the Income Tax Act 1961 and certain other expenses, arriving at a demand thereon of Rs. 1.06 Crores against which the company has already filed an appeal with the appellate authority and the case is pending before the authority. The company is hopeful of getting the claims allowed and hence presently treated as a contingent Liability.
- 2 The company has imported goods worth Rs.2.1Crores during the year as against the previous year figure of Rs.19,03,160/-
- 3 The company has not earned any foreign Exchange during the year and has not made any expenditure in foreign currency other than the imports value as reported in the Previous clause.
- 4 Auditors remuneration for the year has been provided as below:
Statutory Audit Rs.30000 (last year Rs.30000)
Tax audit Rs.10000 (last year Rs.10000)
The above figures is exclusive of service taxes.
- 5 Previous year figures have been regrouped wherever necessary.
6. Names of the related parties and description of relationship:

Name	Relationship
Mr.C.Shivakumar Reddy	Director
Kavveri Telecom Products Limited India	100% holding company of Eaicom India Private Ltd.

Particulars	KAVVERI TELECOM PRODUCTS LIMITED	DIRECTOR
Purchases	RS. 116565557	NIL
Sales	RS. 21292500	NIL
Finance including loans	NIL	RS. 1106570

7. Balances in receivables and payables are subject to confirmation and reconciliation.

As per our Report of Even Date

for M Venkatachalam & Associates
Chartered Accountants

M. Venkatachalam
Partner
Membership No. 18831

Place : Bangalore
Date : 25th August 2007

for and on behalf of Board

C Shiva Kumar Reddy
Director

P C Krishnamachary
Director

KAVVERI TECHNOLOGIES INC.,

BOARD OF DIRECTORS

Mr C Shiva Kumar Reddy
Mr William Mc Bride

AUDITORS

M/s Venkatachalam and Associates
Chartered Accountants

REGISTERED OFFICE

35 at 15 Allstate Parkway
Suite 600, Markham
Ontario L3R 5B4, Canada

BANKERS

RBC Financial Group
2600 County RD 43 Unit 26
Kemptville, Ontario K0G 1J0

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AUDITORS REPORT

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

1. We have audited the attached Balance Sheet of M/s.Kavveri Technologies Inc., as at 31st March 2007. 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 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 also includes examining, on 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 (Auditor's Report) Order, an order issued by Government of India is not applicable to this company.
4. On the Basis on written representations received from the directors, and taken on records by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Indian companies Act, 1956

5. Further we report that:

- 5.1. We have obtained all the information and explanations, which to the best of Knowledge and belief were necessary for the purpose of our audit through electronic data. (Soft copy)
- 5.2. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books provided to us in electronic data form.(soft copy)
- 5.3. The Balance sheet dealt by this report is in agreement with the books of Accounts as provided to us in electronic data form.(soft copy)
- 5.4. In our opinion, the Balance Sheet complies with the accounting standards, referred to in sub section 3© of section 211 of the companies Act, 1956.(an Indian Act)
- 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,(an Indian Act) 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 31.03.2007 and in loss in the case of Profit and Loss account for the year ended 31st March 2007.

For M. Venkatachalam & Associates

Place : Bangalore
Date : 25th August 2007

M.Ventakatachalam
Chartered accountant

KAVVERI TECHNOLOGIES INC.,

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Sch No.	As at 31st march 2007 CAD	As at 31st march 2007 INR	As at 31st march 2006 CAD	As at 31st march 2006 INR
SOURCES OF FUNDS					
Share Holders Funds					
Share Capital	1	292000	10979200	292000	11388000
Translation Reserve { GAIN / (LOSS) }			795656		
Loan Funds					
Secured Loans					
Unsecured Loans	2	2013395	75703652	0	0
Total		2305395	87478508	292000	11388000
APPLICATION OF FUNDS					
INVESTMENTS	3	1329410	49985816	250000	9750000
Current Assets, Loans and Advances					
Cash & Bank Balances		11	400	65	2342
Loans & Advances	4	697129	26212055	3405	132795
Less: Current Liabilities and Provisions		697140	26212455	3470	135137
Current Liabilities	5	149281	5612966	14024	546936
Provisions		2038	76629		
Net Current Assets		545821	20522859	-10554	-411799
Misc. Expenses not written off	6	47299	1778427	52554	2049799
Profit and Loss account		382865	15191405		
Total		2305395	87478508	292000	11388000
Notes on Accounts	9				

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

for M Venkatachalam & Associates
Chartered Accountants

M. Venkatachalam
Chartered Accountant

FOR AND ON BEHALF OF BOARD

C. Shivakumarreddy
Director

William Mc Bride
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Sch No.	For the Year ended March 31 2007 CAD	For the Year ended March 31 2007 INR
INCOME :			
OTHER INCOME		53405	2120699
TOTAL		53405	2120699
EXPENDITURE :			
BUSINESS OPERATION EXPENSES	7	431015	17114501
MISC. EXPENSES WRITTEN-OFF	8	5255	197603
TOTAL		436270	17312104
Profit before Taxation		-382865	-15191405
Balance carried to Balance Sheet		-382865	-15191405
Notes on Accounts	9		

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

for M Venkatachalam & Associates
Chartered Accountants

FOR AND ON BEHALF OF BOARD

M. Venkatachalam
Chartered Accountant

C. Shivakumarreddy
Director

William Mc Bride
Director

KAVVERI TECHNOLOGIES INC.,

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

SCHEDULES	CAD	INR
SCH - 1 : SHARE CAPITAL :		
Equity Shares Of 29200 @cad.10/- Per Share	292000	10979200
SCH - 2 : UNSECURED LOAN :		
Kaveri Telecom Products Ltd	2013395	75703652
SCH - 3 : INVESTMENTS :		
Til Tek Inc.	1329410	49985816
SCH - 4 : CURRENT ASSETS :		
Loan And Advances :		
I) Subsidiaries :		
Til Tek Inc.	530850	19959977
Interest Receivable	53405	2008016
Total (A)	584255	21967993
II) Others :		
Other Advances	1072	40307
Rent Advance	3405	128028
Bill Mc Bride	7664	288166
Walkerhead	100733	3787561
Total (B)	112874	4244062
GRAND TOTAL (A+B)	697129	26212055
SCH - 5 : CURRENT LIABILITIES & PROVISIONS :		
Til Tek Antenna Inc - Current A/c	149281	5612966
Rent Payable / Mar 2007	1506	56626
Audit Fees Payable	532	20003
	151319	5689595
SCH - 6 : MISC. EXPENSES NOT WRITTEN-OFF :		
Pre-operative Expenses	47299	1778427
SCH.-7 OPERATIVE EXPENSES		
Accounting Charges	580	23032
Bank Charges	357	14176
Bank Interest	2	65
Interest on Loan	202517	8041950
Registration Charges	125	4964
Rent	18773	745476
Repairs And Maintenance	25	1009
Salaries	130743	5191805
Staff Welfare	56	2236
Telephone Charges	2466	97929
Travelling	44892	1782661
Visa Charges	29947	1189195
Audit Fees	532	20003
	431015	17114501
SCH - 8 : MISC. EXPENSES WRITTEN-OFF		
Pre-operative Exp. Written-off (1/10) - 1st Year	5255	197603

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

SCHEDULE 9 : 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 a listed company and the accounts are disclosed for consolidation, the Indian accounting standards have been followed in preparation of the financial statements.
3. For the purpose of accounts, during the period of accounts all the assets and liabilities have been translated at the closing rate as on the Balance Sheet date and the revenue items have been valued at average rates and the differences arising out have been transferred to Translation reserve.
4. The details of related parties and the description of relationship is as below:-

Name	Relationship
Mr. C.Shivakumar Reddy	Director
Mr.William Mc Bride	Director
Til Tek Antennae Inc.,	100% subsidiary company
Kavveri Telecom Products Limited India	100% holding company

Particulars	Subsidiary company Transactions (Canada)	Holding company transactions (India)	Key management/Director Transactions Bill Mc Bride
Purchases	Nil	Nil	Nil
Sales	Nil	Nil	Nil
Remuneration	Nil	Nil	CAD 130743
Finance including loans	CAD 584255	CAD 20,13,395	Nil

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

for M Venkatachalam & Associates
Chartered Accountants

FOR AND ON BEHALF OF BOARD

M. Venkatachalam
Chartered Accountant

C. Shivakumarreddy
Director

William Mc Bride
Director

TIL TEK ANTENNAE INC.

BOARD OF DIRECTORS

Ms C Uma Reddy
Mr William Mc Bride

AUDITORS

M/s Venkatachalam and Associates
Chartered Accountants

REGISTERED OFFICE

Kemptville, Toronto
Canada

BANKERS

RBC Financial Group
2600 County RD 43 Unit 26
Kemptville, Ontario K0G 1J0

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AUDITORS REPORT

To

The Members of
M/s.TIL TEK ANTENNAE INC.,

- 1 We have audited the attached Balance Sheet of M/s.Til Tek Antennae Inc., as at 31st March 2007. 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 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 also includes examining, on 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 On the Basis on written representations received from the directors, and taken on records by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the companies Act, 1956.(an Indian Act)
- 4 Further to our comments in the Annexure referred to above we report that:

- a. We have obtained all the information and explanations, which to the best of Knowledge and belief were necessary for the purpose of our audit through electronic data.(Soft copy)
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books provided to us in electronic data form.(soft copy)
- c. The Balance sheet dealt by this report is in agreement with the books of Accounts as provided to us in electronic data form.(soft copy)
- d. In our opinion, the Balance Sheet complies with the accounting standards, referred to in sub section 3© of section 211 of the companies Act, 1956.(an Indian Act).
- e. 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, (an Indian Act) 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 31.03.2007 and the profit in the case of Profit and Loss account for the year ended 31st March 2007..

For M. Venkatachalam & Associates

Place : Bangalore
Date : 25th August 2007

M.Ventakatachalam
Chartered accountant

TIL TEK ANTENNAE INC.

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Sch No.	As at 31st march 2007 CAD	As at 31st march 2007 INR
SOURCES OF FUNDS :			
Share Holders Funds			
Share Capital	1	120	4512
Reserves & Surplus	2	1325492	49867238
Translation Reserve { GAIN / (LOSS) }			-28771
Loan Funds			
Secured Loans	3	24000	902400
Unsecured Loans	4	584255	21967988
TOTAL		1933867	72713367
APPLICATION OF FUNDS :			
Fixed Assets	5		
Original Cost		1341377	50435780
Less : Accumulated Depreciation		156820	5896450
Net Book Value		1184557	44539330
Current Assets, Loans and Advances	6		
Inventories		576186	21664594
Sundry Debtors		473531	17804766
Cash & Bank Balances		145952	5487785
Loans & Advances		160699	6042273
		1356368	50999418
Less: Current Liabilities and Provisions	7		
Current Liabilities		607058	22825381
Provisions			
Net Current Assets		749310	28174037
TOTAL		1933867	72713367

Notes on Accounts

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Accounting Policies and Schedules 1 to 7 and 15 form an Integral Part of the Balance Sheet

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

for M. Venkatachalam & Associates
Chartered Accountants

FOR AND ON BEHALF OF BOARD

M Venkatachalam
Partner

William Mc Bride
Director

C. Uma Reddy
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Sch No.	For the Year ended March 31 2007 CAD	For the Year ended March 31 2007 INR
INCOME :			
Sales	8	3095280	122913569
Other Income	9	320358	12721416
Accretion / (Decretion) Of Fin.goods :	10	148908	5598941
TOTAL		3564546	141233926
EXPENDITURE :			
Raw Material Consumptions	11	1381619	54864091
Operating Expenses	12	668041	26527900
Selling & Administrative Expenses	13	1288307	51156987
Financial Expenses	14	64853	2575294
Depreciation	5	156820	5896450
TOTAL		3559640	141020722
 Profit / (Loss) Before Taxation		 4906	 213204
Provision For Taxation		0	0
Balance Carried To Balance Sheet		4906	213204

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

for M. Venkatachalam & Associates
Chartered Accountants

M Venkatachalam
Partner
Membership No. 18831

FOR AND ON BEHALF OF BOARD

William Mc Bride
Director

C. Uma Reddy
Director

TIL TEK ANTENNAE INC.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31,2007 CAD	As at March 31,2007 INR
SCH - 1 : SHARE CAPITAL :		
Authorised Share Capital	120	4512
Equity Shares Of 12 @ Cad.10/- Per Share		
Issued, Subscribed & Paid-up		
Equity Shares Of 12 @ Cad.10/- Per Share	120	4512
Total	120	4512
SCH - 2 : RESERVE & SURPLUS :		
General Reserve	1320586	49654034
Profit and Loss Account Balance	4906	213204
TOTAL	1325492	49867238
SCH - 3 : SECURED LOAN		
Royal Bank Of Canada - Cash Credit A/c	24000	902400
TOTAL	24000	902400
SCH - 4 : UNSECURED LOAN		
Kavveri Technologies Inc.	530850	19959960
Interest Payable	53405	2008028
TOTAL	584255	21967988

Sch - 5 : FIXED ASSETS

Description	Gross Block at Cost			Depreciation			Net Block As at 31.3.2007 CAD
	As at 21.04.2006 CAD	Additions CAD	As at 31.03.2007 CAD	Rate of Deprecciation	for the year CAD	Upto	
Land	50000	-	50000			0	50000
Building	600000	2,064	602064	5.00%	28419	28419	573645
Furniture & Fixtures	25000	211	25211	20.00%	4760	4760	20451
Computers	49270	5,768	55038	30.00%	15587	15587	39452
Operative Equipments	555264		555264	20.00%	104840	104840	450424
Vehicles	1000		1000	30.00%	283	283	717
Trade Marks	52800		52800	1/18	2932	2932	49868
Total	1333334	8043	1341377		156820	156820	1184557
IN TERMS OF INR			50435780			5896450	44539330

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2007 CAD	As at March 31, 2007 INR
SCH - 6 : CURRENT ASSETS :		
I) Inventory (Manufacturing) :		
Raw Material	427278	16065653
Work-in-process	38731	1456286
Finished Goods	110177	4142655
TOTAL	576186	21664594
II) SUNDRY DEBTORS :		
Debtors Considered Good	359660	13523216
Debtors Outstanding for more than 6 months :		
Out Of Above : Considered Good	113871	4281550
Considered Doubtful	0	0
TOTAL	473531	17804766
Less : Provision For Bad Debts	0	0
TOTAL (NET)	473531	17804766
III) CASH & BANK BALANCE :		
Cash on hand	5	178
Balance With Royal Bank of Canada	145947	5487607
TOTAL	145952	5487785
IV) LOAN AND ADVANCES :		
I) Holding :		
Kavvery Technologies Inc - Current A/c	149281	5612966
Other Recoverables	11418	429307
Total	160699	6042273
SCH - 7 : CURRENT LIABILITIES & PROVISIONS :		
Sundry Creditors	378960	14248896
Other Liabilities	227300	8546480
Audit Fees Payable	798	30005
	607058	22825381

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the Year ended March 31,2007 CAD	For the Year ended March 31,2007 INR
SCH - 8 : SALES & SERVICES :		
Sales	3095280	122913569
TOTAL	3095280	122913569
SCH - 9 : OTHER INCOME :		
Forex Gain Or Loss	2715	107813
Warranty Liability Written Back	48202	1914101
Misc. Income	269441	10699502
TOTAL	320358	12721416
SCH - 10 : ACCRETION / (DECRETION) OF FIN.GOODS :		
Opening Balance Of Finished Goods	0	0
Opening Balance Of Semi-finished Goods	0	0
TOTAL (A)	0	0
Closing Balance Of Finished Goods	110177	4142655
Closing Balance Of Semi-finished Goods	38731	1456286
TOTAL (B)	148908	5598941
Net Accretion / (Decretion) To Stock (A - B)	148908	5598941
SCH - 11 : RAW MATERIAL CONSUMPTIONS :		
Raw Materials Consumed	1357252	53896477
Freight Inwards	24367	967614
TOTAL	1381619	54864091
SCH - 12 : OPERATING EXPENSES :		
Direct Labour Charges	631513	25077373
Power & Fuel	0	0
Other Manufacturing Expenses	36528	1450527
TOTAL	668041	26527900
SCH - 13 : SELLING & ADMINISTRATIVE EXPENSES :		
Sales Commission	108768	4319177
Discount Allowed	13985	555344
Freight Outward	3530	140176
Salaries & Bonus	768284	30508558
Staff Welfare Expenses	52937	2102128
Rent, Rates, Taxes & Insurance	62945	2499546
Postage, Telephone & Telex Expenses	28066	1114501
Repairs & Maintenance - Office & Others	31965	1269330
Travelling & Conveyance Expenses	91239	3623101
Research & Development Expenses(Components)	33720	1339021
Subscriptions & Fees	17457	693217
Business Promotion Expenses	47259	1876655
Professional Fees - Lawyers	8225	326615
Miscellaneous Expenses	19129	759613
Audit Fees	798	30005
TOTAL	1288307	51156987
SCH - 14 : FINANCIAL EXPENSES :		
Interest Expenses - Bank	2329	92485
Bank Charges	9119	362109
Interest Expenses - Holding Company	53405	2120700
TOTAL	64853	2575294

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE: 15 : NOTES ON ACCOUNTS:

SIGNIFICANT ACCOUNTING POLICIES:

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

OTHER NOTES ON ACCOUNTS

1. The company is a 100% subsidiary of Kavveri Technologies Inc., Canada.
2. Since the company has been acquired by the management during the current financial year 2006-07 only, no previous years figures have been given for comparison.
3. Since the company is a non integral subsidiary of the holding company Kavveri Telecom Products Limited, the assets and liabilities have been valued at the closing foreign exchange rate as at 31.03.2007 and the Profit and loss items have been valued at average rates for the year in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India and the exchange difference arisen thereof have been transferred to Foreign currency Translation Reserve.
4. No provision for Income Tax has been made in books.
5. Names of the related parties and description of relationship:

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

Particulars	Holding company Transactions (Canada)	Holding company transactions (India)	Key management/Director Transactions
Purchases	Nil	CAD 170651	Nil
Sales	Nil	CAD 29198	Nil
Finance including loans	CAD 584255	Nil	Nil

6. The Research and Development Expenses incurred during the year is 64615.11 CAD. (including component cost of CAD 33720/-)

for M. Venkatachalam & Associates
Chartered Accountants

FOR AND ON BEHALF OF BOARD

M Venkatachalam
Partner

William Mc Bride
Director

C. Uma Reddy
Director

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of
Kavveri Telecom Products Limited

1. We have audited the attached consolidated Balance Sheet of Kavveri Telecom Products Limited ("the Company") and its subsidiaries collectively called ("Kavveri Group"), as at March 31, 2007, and also the consolidated Profit and 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 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 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. a) We did not audit the financial statements of the subsidiaries incorporated in India included herein, whose financial statements together reflect total assets of Rs.2,94,88,338/- as at March 31, 2007, total revenues (including other income) of Rs.5,61,78,772/- total expenditure of Rs.5,22,82,200/- and cash outflows, net amounting to Rs.19,36,945/- for the year then ended.

b) We did not audit the consolidated financial statements of a subsidiaries incorporated in Canada, included herein, whose consolidated financial statements [prepared as per accounting principles generally accepted in India ('Indian GAAP')], reflect total

assets of Rs.7,33,73,933/- as at March 31, 2007 and total revenues (including other income) of Rs.14,12,33,926/-, total expenditure of Rs.15,62,12,127/- and cash inflow, net amounting to Rs.54,88,185 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 is based solely on the reports of other auditors.

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

6. Based on our audit and on consideration of the reports, as available, of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 Kavveri Group as at March 31, 2007,
- 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

Place : Bangalore
Date : 27th August 2007

Membership No. 25087

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Sch No.	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
I SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	100608000	100608000
Reserves & Surplus	2	167494346	136557268
Loan Funds:	3		
Secured Loans		133450809	100000000
Unsecured Loans		27445024	46492390
Deferred Tax Liability		13756579	8082385
		442754757	391740043
II APPLICATION OF FUNDS			
FIXED ASSETS	4		
Original Cost		127269481	58400013
Less : Accumulated Depreciation		29144962	20121254
Net Value		98124519	38278759
Goodwill	5	126148843	125821574
Current Assets, Loans and Advances	6		
Inventories		151515926	55362570
Sundry Debtors		248366866	136627056
Cash & Bank Balances		59990009	30189949
Loans & Advances		29350276	54389189
		489223077	276568764
LESS : CURRENT LIABILITIES & PROVISIONS	7		
Current Liabilities		262353632	43737462
Provisions		10199692	7339135
NET CURRENT ASSETS		216669753	225492167
MISCELLANEOUS EXPENDITURE	8	1811642	2147543
(to the extent not written off or adjusted)		442754757	391740043
Notes on Accounts	15		

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

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

for MSSV & Co.,
Chartered Accountants

For and on Behalf of Board of Directors

D.R.Venkatesh
Partner
Membership No: 25087

C.Shivakumar Reddy
Managing Director

C.Uma Reddy
Director

D Venkateswarlu
Company Secretary

Place : Bangalore
Date : 27th August 2007

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Sch No.	For the Year ended March 31 2007	For the Year ended March 31 2006
		Rs.	Rs.
Income			
Gross Receipts from Sales and Services	9	575909653	366655300
Less: Excise Duty		40198647	12543969
Net Sales		535711006	354111331
Other Income	10	15919321	1304299
Accretion to Stock	11	70055490	36860885
Total		621685818	392276515
Expenditure			
Operating Expenses	12	425483881	290615674
Administrative, Selling & Other Expenses	13	112767805	59836116
Interest & Financial Expenses	14	17276082	7361582
Depreciation	4	9023708	3264427
Total		564551477	361077799
Profit before Taxation		57134342	31198716
Less: Provision for Taxation			
Current Tax		5000000	2100000
Deferred Tax charge / (credit)		5674194	1502676
Fringe benefit Tax		303104	242439
Profit after Taxation		46157044	27343601
Income Tax for the year 2005 -2006		124995	0
Excess provision of Income Tax 2004 - 05		66839	0
Excess provision of Income Tax 2003 - 04		33319	0
Surplus Brought forward from Previous Year		40324070	24452296
Amount available for Appropriations		86456277	51795897
Proposed Dividend		10060800	10060800
Tax on Proposed Dividend		1709833	1411027
Balance carried to Balance Sheet		74685644	40324070
Notes on Accounts	15		
Accounting Policies and Schedules 4, 9 to 15 form an Integral Part of the Profit and Loss Account			
Earning Per Share			
Equity Shares of Par value of Rs.10/- each			
Before Tax			
Basic Earning Per Share		5.82	3.15
No. of Equity shares used in computing Earnings Per share		9823450	9823450
After Tax			
Basic Earning Per Share		4.70	2.78
No. of Equity shares used in computing Earnings Per share		9823450	9823450

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

for MSSV & Co.,
Chartered Accountants

For and on Behalf of Board of Directors

D.R.Venkatesh
Partner
Membership No: 25087

C.Shivakumar Reddy
Managing Director

C.Uma Reddy
Director

D Venkateswarlu
Company Secretary

Place : Bangalore
Date : 27th August 2007

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at 31st March 2007 Rs.	As at 31st March 2006 Rs.
SCHEDULE - 1		
Share Capital		
Authorised Share Capital		
2,00,00,000 EQUITY SHARES OF RS.10/-	200000000	200000000
Issued, Subscribed & Paid-up		
98,23,450 EQUITY SHARES OF RS.10/-	98234500	98234500
Share Capital Suspense Account		
[Refer Note 1(a) of Schedule 15]	2373500	2373500
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	84557700
Securities Premium Suspense Account		
Arising from Amalgamation	4272300	4272300
[Refer Note 1(a) of Schedule 15]		
General Reserve	128719	128719
Foreign Currency Translation Reserve	(3475796)	(51300)
Profit and Loss Account Balance	74685644	40324070
TOTAL	167494346	136557268
SCHEDULE - 3		
SECURED LOANS		
Term Loan from Bank *	100000000	100000000
Cash Credit Account *	33175952	0
ABN Amro Bank Car Loan **	274857	0
TOTAL - A	133450809	100000000
UNSECURED LOANS		
Loan from Directors	22238702	37012450
loan from holding companies	0	0
Sales tax Deferred Liability ***	5206322	9079940
Others	0	400000
TOTAL - B	27445024	46492390
Grand Total of Loan Funds (A+B)	160895833	146492390

* Term Loan & cash credit is secured by all Fixed Assets & Current assets of the company.

** Car loan is secured by Hypothecation of Maruthi Swift Car. The above secured loans are covered by the personal guarantees of the promoter director

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

CONSOLIDATED DEPRECIATION AND FIXED ASSET SCHEDULE AS AT MARCH 31, 2007
SCHEDULE - 4 FIXED ASSETS

Description	Gross Block at Cost			Depreciation				Net Block		
	As at 1.04.2006 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2007 Rs.	Upto 31.03.2006 Rs.	for the year Rs.	Adjust- ments on disposal Rs.	Upto 31.03.2007 Rs.	As at 31.3.2007 Rs.	As at 31.3.2006 Rs.
Land	562500	1,880,000	-	2442500	-	-	-	0	2442500	562500
Building	8539778	2,637,606	-	31177384	1921959	1353783	-	3275742	27901642	6617820
Plant & Machinery	31813093	38,244,083		70057176	9910502	5691566	-	15602068	54455108	21902591
Jigs & Moulds	594359	-	-	594359	369382	96346	-	465728	128631	224977
Furniture & Fixtures	4296267	947,934	-	5244201	2156190	455334	-	2611524	2632677	2140077
Computers	3603689	2,564,218	-	6167907	2132023	672825	-	2804848	3363059	1471666
Electrical Installation	2564539	35,225	-	2599764	468947	122986	-	591933	2007831	2095592
Office Equipments	2881659	66,313	-	2947972	940072	138359	-	1078431	1869541	1941587
Vehicles	3544129	508,809	-	4052938	2222179	382286	-	2604465	1448473	1321950
TRADE MARKS	0	1,985,280		1985280	0	110223		110223	1875057	0
Total	58400013	68869468	0	127269481	20121254	9023708	0	29144962	98124519	38278759
Balance as at 31.3.06	52342702	6484650	427339	58400013	16986741	3264427	129914	20121254	38278759	35355961

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at 31st March 2007 Rs.	As at 31st March 2006 Rs.
SCHEDULE - 5		
Goodwill (arising on consolidation)	126148844	125821574
TOTAL	126148844	125821574
SCHEDULE - 6		
Current Assets, Loans and Advances		
Inventories		
Raw Materials	36186440	6724374
Finished Goods	34559159	48547221
Work-in-Progress	1456286	90975
Goods in Transit	79314041	
TOTAL	151515926	55362570
Sundry Debtors (Unsecured)		
Debt outstanding for a period of more than 6 months		
Considered Good **	40649531	17586183
Considered Doubtful	457463	457463
	41106994	18043646
Other Debts - Considered Good	207717335	119040873
	248824329	137084519
Less: Provision	457463	457463
TOTAL	248366866	136627056
Cash and Bank Balances		
Cash on hand	10498	20745
DD On hand	10369855	-
Balance with Scheduled Banks		
In Current Account	9626372	13905658
In Deposit Account	38665662	15343307
In Unclaimed Dividend Account	1311306	913924
Balance with Other Banks		
In Current Account - ICICI Bank	6315	6315
TOTAL	59990009	30189949
Loans & Advances		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or value to be received	22034833	52373447
Deposits with Others	6903391	2006420
Balances with Customs, Excise Authorities	412052	9322
TOTAL	29350276	54389189

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at 31st March 2007 Rs.	As at 31st March 2006 Rs.
SCHEDULE - 7		
Current Liabilities		
Acceptances		
Sundry Creditors	50273868	-
Due to S S I undertakings (Note 15 of Schedule 15)		
Others	101679190	-
Other Liability	109089025	42823881
Unclaimed Dividends (Note 13 of Schedule 15)	1311550	913581
TOTAL	262353633	43737462
Provisions		
Taxation	6389576	4344421
Fringe Benefit Tax	303104	0
Less: Advance Tax	123104	0
	180000	0
Gratuity	1115296	1097317
Leave Encashment	804987	486371
Tax on Proposed Dividend	1709833	1411027
TOTAL	10199692	7339136
SCHEDULE - 8		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary expenses		
Opening	2014560	2093643
Less: 1/10 charged to Profit & Loss Account	202918	5315
	1811642	2088328
Opening	59215	296069
Less: 1/6 charged to Profit & Loss Account	59215	236854
	0	59215
Balance Carried to Balance Sheet	1811642	2147543
SCHEDULE - 9		
Sales and Services		
Local Sales	471797050	239885465
Export Sales	6621792	48415241
Sale of traded goods/other services	101113947	78106769
Freight & Insurance Collected	114864	247825
	579647653	366655300
Less: Export Sales Returns (Sales made in earlier years)	3738000	0
Total	575909653	366655300

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at 31st March 2007 Rs.	As at 31st March 1006 Rs.
SCHEDULE - 10		
Other Income		
Interest on Fixed Deposit*	1059038	364729
Miscellaneous Income	13146223	763008
Sundry Creditors Written back	0	176562
Interest on Income Tax Refund	25627	-
forex gain or Loss	1688433	-
Total	15919321	1304299
* Tax Deducted at Source on Interest Income		92496
SCHEDULE - 11		
Accretion/Decretion to Stock		
Opening Balance of Finished goods	45183021	10008525
opening Balance of Semi-finished goods	90975	1768786
Total (A)	45273996	11777311
Less:		
closing balance of finished goods	113873200	48547221
closing balance of semi-finished goods	1456286	90975
Total (B)	115329486	48638196
(A)- (B)	70055490	36769910
Net Accretion/Decretion to stock	70055490	36769910
SCHEDULE - 12		
Operating Expenses		
a. Raw Materials Consumed		
Opening Stock of Raw materials	6724374	19394114
Add : Purchase during the Year		
- Imported	119334683	24975137
- Indigenous	283034620	180067836
	409093677	224437087
Less : Closing Stock	36186440	6724374
(A)	372907237	217712713
b. Others		
Consumables	615330	963221
Packing Materials	244039	665543
Job Work	2249875	2549715
Power Charges	316433	155467
Other Manufacturing Expenses	31812824	619181
(B)	35238500	4953127
C. Purchase of Traded Goods	(C)	67949834
Total	(A+B+C)	290615674

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

Particulars	As at 31st March 2007 Rs.	As at 31st March 2006 Rs.
SCHEDULE - 13		
Administrative, Selling & Other Expenses		
Salaries, Wages & Bonus	49703048	15054596
Contribution to :		
Provident Fund & Other Funds	524870	592073
Gratuity	17979	239232
Leave encashment	318616	194554
Staff Welfare Expenses	4715288	810818
Rent	8320245	827296
Electricity, Water Charges	398706	208501
Telephone & Telex	1866905	376397
Postage & Telegram	425818	145610
Rates & Taxes	315549	152807
Repairs & Maintenance		
- Office & Building	2406218	797996
- Computer Maintenance	325622	0
- Generator	3000	111189
- Vehicles	475698	265511
Travelling & Conveyance Expenses	9350574	2537476
Foreign Exchange Loss	0	284872
Security Charges	1234847	509720
Printing & Stationery	577279	348901
Auditor's Remuneration	249904	246666
Professional Charges	1315104	1091295
Research & Development Expenses	12537325	21732313
Business Promotion Expenses	2164403	310204
Bad debts written off	868091	7626040
Carriage Outwards	518147	2145949
Donations	0	16116
Preliminary Expenses Written Off	202918	5315
Technology fee Written Off	59215	236853
Loss on Sale of Assets	0	71463
Miscellaneous Expenses	13872436	2896353
Total	112767805	59836116
SCHEDULE - 14		
Financial Expenses		
Interest		
- Term Loan	11583817	1178307
- Cash Credit & Others	1821129	4261048
- Car Loans	3522	14347
Bank Charges	3867614	1907880
Total	17276082	7361582

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2007

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 previous 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) The Company has got a wholly owned subsidiary(KAVVERI TECHNOLOGIES INC) at Canada and an initial sum of USD 2,55,000/- (Two Lakh Fifty Five Thousand United States Dollars only) had been invested in the said company towards its share capital.

3. Contingent Liabilities not provided for :

Particulars	March 31, 2007	March 31, 2006
	Rs.	Rs.
Estimated amount of Contracts remaining to be executed on Capital		
i) Account.	Nil	Nil
ii) Claims against the Company not acknowledged as a debt :		
On account of Sales tax	NIL	
On account of Bank Guarantee	32,32,200	32,32,000
On account of Income Tax #	22,41,460	1,30,07,191
iii) Guarantees issued on behalf of the company by Bankers	1,53,80,607	1,76,07,166
iv) Letter of Credit issued on behalf of the Company by Bankers	10,12,25,371	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 had received an appellate order allowing the Sales Return and disallowing deduction under chapter VI A whereas the company is taking expert opinion to decide further on this issue.

Also, during the year the subsidiary company M/s. Eaicom India Private Limited had received an order from the Income Tax department for the assessment year 2004-05 demanding an amount of Rs.1.06 crores resulting in disallowance of chapter VI A deductions claimed by the company and the company has already approached for relief from the appellate authority and the case is pending before them.

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)
Antennae/Components/Accessories	2061 (1561)	64988 (52160)	63724 (51660)	3325 (2061)
Solar Photo Voltaic Power Supply	NIL (115)	21311 (25000)	21311 (25115)	NIL NIL

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 31.03.2007		Year ended 31.03.2006	
	Value (Rs.)	%	Value (Rs.)	%
a) Indigenous	211479582	64	179428885	79
b) Imported	119334683	36	47094136	21
****	330814265		22,65,23,021	

**** (includes consumption of R&D materials for Rs. 2,91,26,979/- and the figure for the same for the previous year is Rs.91,28,417/-)

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

(Amount in Rs.)

Particulars	Year ended 31st March 2007	Year ended 31st March 2006
1 Raw Material	11,93,34,683	2,32,32,372
2 Traded goods	1,04,97,251	97,71,424
3 Capital Goods	NIL	1,85,166

7. Foreign Exchange Earnings/Expenses

a. Earnings

(Amount in Rs.)

Particulars	Year ended 31st March 2007	Year ended 31st March 2006
1 On export of Goods (FOB)	66,21,792	5,21,53,240

b. Expenditure:

(Amount in Rs.)

Particulars	Year ended 31st March 2007	Year ended 31st March 2006
1 Raw Materials	11,93,34,683	3,23,60,789
2 Traded goods	1,04,97,251	97,71,424
3 Capital Goods	NIL	1,85,166
4 Foreign Travel	4,19,878	8,98,809

8. Segment Results

The company's predominant risks and returns are from the segment of "Telecommunication Accessories" represented by Antennae, 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. Remuneration paid/payable to key managerial personal: (Amount in Rs.)

Name		Relationship	Year ended			
			2007		2006	
			Remuneration	Others	Remuneration	Others
1	Mr. C. Shivkumar Reddy	Managing Director	9,79,360	5,30,000	15,09,360	-
2	Ms. R. H. Kasturi	Whole time Director	9,79,360	5,30,000	15,09,360	-
3	Ms. C. Uma Reddy	Whole time Director	9,79,360	5,30,000	15,09,360	-
4	Mr. L Nicholas	Whole time Director	10,55,080	4,00,000	6,99,780	-

The above remuneration does not include the gratuity payable to the directors Rs. 69,231/- provided during the current financial year.

b. Following is the list of subsidiary Companies:

Name of the Company	Percentage of Holding as at	
	31 st March 2007	31 st March 2006
M/S. Eaicom India Pvt Ltd	100	100
M/S. Kavveri Technologies Inc	100	100
M/S. Til Tek Antennae Inc.,*	100	-

*During the year 2006 - 2007, Kavveri Technologies Inc, Canada acquired M/s Til Tek Antennae Inc situated in Canada. Consequently M/s Til Tek Antennae Inc becomes a subsidiary of M/s Kavveri Telecom Products Limited.

c. Transactions with related party during the financial year 2006 - 2007 (Amount in Rs.)

Particulars	Subsidiary Company Transaction			Key Management Personnel	Total
	Eaicom India P Ltd	Kaveri Technologies	Til Tek Antennae Inc		
Purchases of goods	21292500 (1823406)	-	1097872	-	22390372 (1823406)
Sale of goods	116565557 (5322809)	-	6416477	5415	122987449 (5322809)
Purchase of Capital Goods	- (4302500)	-	-	-	- (4302500)
Finance (including loans and equity contributions in cash or in kind)	-	72339065 (11663600)	-	-	72339065 (11663600)
Finance - Loans taken	-	-	-	21132132 (36305880)	21132132 (36305880)
Others - Rent paid	-	-	-	4800000 (NIL)	4800000 (NIL)
Amounts due to as on 31.3.2007	- (13000751)	-	-	21132132 (36305880)	21132132 (49306631)

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.56,74,194 /- as net liability in accordance with the present rates of Income Tax applicable for the companies

Details of deferred tax liability/(Asset) are :

(Amount in Rs.)

Particulars	Deferred Tax Liability as at 01.04.2006	Current Year Charge/ (Credit)	Deferred Tax Asset/Liability as at 31.03.2007
Depreciation	87,69,436	56,23,779	1,43,93,215
Other timing difference	(6,87,051)	50,414	(6,36,,637)
Net	80,82,385	56,74,194	1,37,56,579

11. Auditors remuneration:-

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

(Amount in Rs.)

Particulars	2006-07	2005-06
Audit Fees	2,40,000	1,95,000
Other Services	20,000	32,500
Expenses	-	920
Service Tax on the above	31,324	23,275

12. Unclaimed Dividend

The unclaimed dividend of Rs.13,11,306/- (Rs. 9,13,581/-) represents those relating to the years 2001 to 2005.

13. Research & Development Expenditure includes:

(Amount in Rs.)

Particulars	For the year 2006 - 2007	For the year 2005 - 2006
Salaries & Wages	32,07,980	31,89,618
Cost of materials and services	2,91,26,979	91,28,417
Overheads	79,90,024	94,48,278
Total	4,03,24,983	2,17,32,313

- 14.1 Based on the information available with the company, there are no amounts overdue and remaining unpaid to small scale/and or ancillary industrial supplier as at 31st March 2007.
- 14.2 Based on the information available with the company, there are no suppliers who are registered as Micro, Small and Medium enterprises under The Micro, Small and Medium enterprises Development Act, 2006 as at 31st March 2007.
15. 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.

16. Earning per share is calculated as per Accounting Standard 20, "Earning Per Share" issued by the Institute of Chartered Accountants of India. The net profit considered for calculation of basic earning per share before tax is Rs. 57,13,432/- (P.Y 3,09,46,277/-) Profit considered for calculation of basic earning per share after tax is Rs.4,61,57,044/- (P. Y 2,73,43,601).

Particulars	For the Financial Year	
	2006 - 2007	2005 - 2006
Weighted Average number of Equity shares used in the calculation of basic earnings per share (both before & After tax)	98,23,450	98,23,450

During the previous financial year earning per share is calculated by using both allotted share and unallotted share aggregating to 100,60,800 shares. During the current year, EPS is calculated by using allotted share of 98,23,450. The effect of the above change has resulted in increase of basic earning per share to the extent of 0.14 per share before tax and 0.11 per share after tax.

Also the reduction in profit on consolidation has occurred mainly because of all the acquisition costs being written off in the books of Kavveri Technologies Inc., without the same being amortized for various years.

17. Obligation on Long term, non-cancelable Operating Lease:

a. As a Lessee:

The Company has entered into Non-cancelable operating lease of building situated at BTM Layout, Bangalore. The period of Lease agreement is for 33 months commencing from 17th June 2006.

The lease rental commitment from the company is as follows:

Lease rentals	(Amount in Rs.)	
	As at 31 st March 2007	2006
With in one year from the Balance sheet date	9,43,333	-
From one year to end of the lease period	23,56,667	-

b. As a Lessee:

The Company has entered into Non-cancelable operating lease of building situated at Arekere MICO Layout, Bangalore from Ms. Uma Reddy who is the Whole time director of the Company. The period of Lease agreement is for 12 months commencing from 1st April 2006.

The lease rental commitment from the company is as follows:

Lease rentals	(Amount in Rs.)	
	As at 31 st March 2007	2006
With in one year from the Balance sheet date	36,00,000	-

c. As a Lessee:

The Company has entered into Non-cancelable operating lease of building situated at Arekere MICO Layout, Bangalore from Mr. Shiva Kumar Reddy who is the Managing Director of the Company. The period of Lease agreement is for 12 months commencing from 1st April 2006.

The lease rental commitment from the company is as follows:

Lease rentals	(Amount in Rs.)	
	As at 31 st March 2007	2006
With in one year from the Balance sheet date	12,00,000	-

18. Employee Benefits:

Liability for Gratuity is provided as per Gratuity Act, 1972 and Leave Encashment on accrual basis. The Company has not provided the employee benefits as per Actuarial valuation as required by AS - 15. The Company of the view that, it has adequate reserves to discharge the liability when ever it arises and no need to provide the employee benefits as per actuarial valuation.

19. The following table provides the disclosure in accordance with Accounting Standard - 29 on Provisions and Contingencies:

(Amount in Rs.)

Particulars	Balances as on 1 st April 2006	Additions during the year	Amount used/ paid during the year	Unspent amount reversed during the year	Balance as at 31 st March 2007
Provision for Fringe Benefit tax	-	1,80,000	-	-	1,80,000

20. As per the accounting policies attached to the audited financial statements of subsidiary companies, there is a variation in accounting policy in relation to depreciation as per the details given below:

Name of the Company	Relation	Accounting Policy
Kavveri Telecom Products Limited	Holding Company	Straight Line Method
EAICOM India Private Limited	Subsidiary	WDV Method
Kavveri Technologies INC	Subsidiary	WDV Method
TIL TEK	Subsidiary	WDV Method

No adjustments have been made while consolidating financial statements in respect of difference in accounting policy in respect of depreciation. The amounts are only aggregated.

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

for MSSV & Co.,
Chartered Accountants

For and on behalf of the Board

D R Venkatesh
Partner
M M No., 25087

C.Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D. Venkateswarlu
Company Secretary

Place : Bangalore
Date : 27th August 2007

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

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

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

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

2. Fixed Assets:

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

3. Depreciation:

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

4. Inventory Valuation:

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

5. Research and Development:

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

6. Revenue Recognition:

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

7. Foreign Exchange Transactions:

- i) **Initial Recognition** - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency approximately at the date of the transaction.
- ii) **Conversion** - Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- iii) **Foreign operations** - In translating financial statements of non-integral operation for incorporation in financial statements, income and expenditure items are translated at the approximate exchange rates at the dates of the transactions and the assets and liabilities both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate. Exchange differences arising from such translations are accumulated in foreign currency translation reserve until the disposal of the net investment. On disposal of a non-integral foreign operation, the cumulative amount of the exchange difference which have been deferred

and which relate to that operation are recognised as income or expense in the same year in which the gain or loss on disposal is recognised. Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.

8. Retirement Benefits:

- Liability to Gratuity payable to employees is calculated as per the provisions of the Payment of Gratuity Act, 1972 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.

9. Borrowing Cost:

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

10. Operating Lease:

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

11. Provisions:

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

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. 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.

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.

15. Cash Flow Statement:

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

Particulars	Year ended 31.03.07 Amount in Rs.	Year ended 31.03.06 Amount in Rs.
A Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	57134342	30946277
Add: Adjustments for		
Depreciation	9023708	3264427
Interest paid	5329631	7361582
Technology Fees written off	335901	5315
Loss on sale of Assets	-	71463
Excess provision of earlier years/tech written off	-	236854
	14689240	10939641
Less: Adjustments for		
Interest on FD / other deposits	1047769	364729
	1047769	364729
Operating Profit Before Working Capital Changes	70775812	41521189
Adjustments for:		
Trade receivables	(111739810)	(75984384)
Loans and Advances	25038913	7640426
Inventories	(96153356)	(24191145)
Trade and other payables	201542433	(2341890)
Provisions	2860557	
Prior Period Items - Income Tax	(24837)	
	21523900	(94876993)
Net Cash flow from Operating activities [A]	92299712	(53355804)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(68869468)	(6484650)
Investment in Kaveri Technologies Inc	(327270)	(2049798)
Foreign currency translation reserve	(3424496)	(51300)
	(72621234)	(8585748)
Deduct Inflow		
Interest on FD/other deposits	1047769	364729
Sale of Assets	-	225962
	1047769	590691
Net Cash Flow from Investing Activities [B]	(71573465)	(7995057)
C Cash Flow from Financing Activities		
Interest expenses	(5329631)	(7361582)
Increase in Loans Liability	14403443	82742962
	9073813	75381380
Net cash flow from Financing activities [C]	9073813	75381380
Net increase in cash and cash equivalents [A + B + C]	29800060	14430517
Cash and Cash Equivalents as at 31st March 2007	59990009	30189949
Cash and Cash Equivalents as at 1st April 2006	30189949	15759432
	29800060	14430517
	(0)	

Notes to Accounts - 15

Accounting policies and Schedules 15 form an integral part of Cash Flow Statement

This is the Consolidated Cash Flow Statement referred in our report of even date

For MSSV & Co.,
Chartered Accountants

D R Venkatesh
Partner
Membership No., 25087

Place : Bangalore
Date : 27th August 2007

FOR AND ON BEHALF OF THE BOARD

C.Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

D Venkateswarlu
Company Secretary

KAVVERI TELECOM PRODUCTS LTD.

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

27th August 2007

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 2007. 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

**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.

KAVVERI TELECOM PRODUCTS LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the Twelfth Annual General Meeting of the Company at Plot No. 31-36, I 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 _____

.....
Members' / Proxy Signature

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

KAVVERI TELECOM PRODUCTS LIMITED

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

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 Twelfth Annual General Meeting of the Company to be held on _____ at _____

and at any adjournment thereof.

Signed this _____ day of _____ 2006

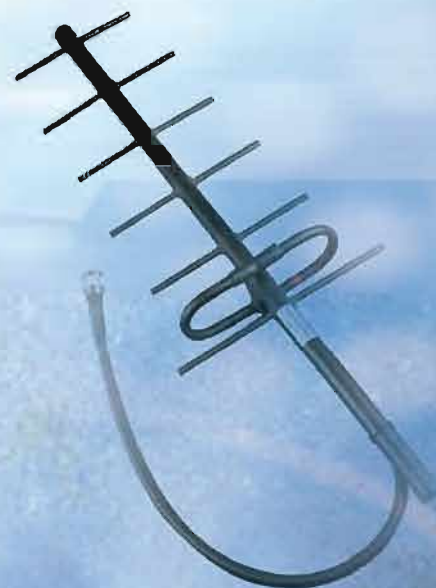
Folio No./DP ID & Client ID: _____

No. of Shares held _____

Signature(s) of Member(s) _____

Rs. 1/- Rev-
enue 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.



Book-Post

Concept & design: adayne. info@marthapressa.com



KAVVERI TELECOM PRODUCTS LIMITED

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

Tel: 91-80-4121 5999 / 4121 5960 / 4121 5961 Fax: 4121 5966

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