

Date: 30.06.2020

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 590041	To, The Manager, Department of Corporate Services, The National Stock Exchange of India Limited BKC Complex, Bandra (East), Mumbai NSE Symbol: KAVVERITEL
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Subject : Outcome of Board Meeting and Intimation of appointment of Independent Directors.

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

Dear Sirs,

This is to inform you that the Board of Directors of the Company at its meeting held today, approved the standalone and consolidated audited financial results of the Company for the fourth quarter and Year ended on March 31, 2021, based on the recommendation of the Audit Committee and approved the appointment of Mr. Gajanan Bhat having Director Identification Number 09168730 and Mr. Keerthi Narayan having Director Identification Number 06745995 as an Independent Directors of the company with immediate effect.

The meeting commenced at 01:30 PM and concluded at 09:00 PM.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For Kavveri Telecom Products Limited



CHENNAREDDY SHIVAKUMARREDDY

Managing Director

DIN: 01189348



P.MURALI & CO.,

CHARTERED ACCOUNTANTS
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HYDERABAD - 500 082. INDIA

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Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF "KAVVERI TELECOM PRODUCTS LIMITED"

I. Qualified Opinion

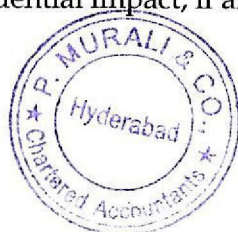
We have audited the accompanying standalone quarterly financial results of **KAVVERI TELECOM PRODUCTS LIMITED** ("the company") for the quarter ended 31st March, 2021 and the year to date results for the period from 1st April 2020 to 31st March, 2021 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended **31st March, 2021** as well as the year to date results for the period from **1st April 2020 to 31st March, 2021**

II. Basis for Opinion

- i. **Material uncertainty related to Going Concern:** During the year the company has incurred a Net Loss of Rs. 1,626.15 Lakhs resulting into accumulated losses of Rs. 10,487.78 Lakhs. The Company has obligations towards fund based borrowings from banks aggregating to Rs. 19,389.83 Lakhs. There is significant decrease in revenue over the past few years. These conditions indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as going concern and therefore may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly we are unable to comment on the consequential impact, if any, on the accompanying standalone financial results.





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- ii. In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value and thus, we are unable to comment whether any provision for impairment in the value of investments is required.
- iii. The Company has defaulted in repayment of dues to Banks for the year ended 31st March, 2021. All the loans outstanding were classified as NPA by the Banks. The balance outstanding as at 31.03.2021 is Rs. 19,389.83 Lakhs (Including Principal and Interest Provisions on the loans but excluding Penal Interest if any) as per books of account. In the absence of confirmation of balances from banks, we are unable to ascertain the actual dues to Banks as at 31.03.2021.
- iv. In the absence of proof of physical verification of inventories during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks of inventories (Value of inventories as per books of account as at 31.03.2021 is Rs.5609.63 Lakhs).
- v. In the absence of proof of physical verification of Property, Plant and Equipment during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks (Net Block of PPE of Rs.631.14 lakhs as per books of account as at 31.03.2021).
- vi. The Company has long pending undisputed statutory dues towards ESI, PF & TDS (Net Payable of Rs.161.41Lakhs as per books of account as at 31.03.2021)
- vii. In the absence of confirmations of Trade Receivables and various advances, we are unable to comment on the extent to which such balances are recoverable.
- viii. In the absence of confirmations of Trade Payables and various advances/borrowings, we are unable to comment on the extent to which such balances are payable.
- ix. The company has recognised deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences for the year amounting to Rs. 1,984.44 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets would get adjusted. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets would get adjusted, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12).





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

Emphasis of Matter Paragraph

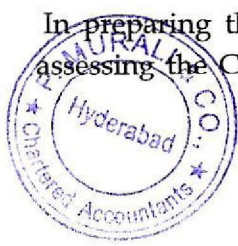
The COVID -19 has impacted the financial performance and operating environment of "the Company" in financial year 2020-21. Though the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation is still remains uncertain. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19.

Our opinion is not modified in respect of this matter".

IV. Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,





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matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

V. Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

- ❖ Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ❖ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the





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date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For P. Murali & Co.,
Chartered Accountants

Firm Registration No: 0072575

P. Murali Mohana Rao

P. Murali Mohana Rao
Partner

Membership No.023412

UDIN: 21023412AAAALK7266



Date: 30-06-2021

Place: Hyderabad

KAVVERI TELECOM PRODUCTS LIMITED

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

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER and YEAR ENDED 31st March, 2021

(Rs. In Lacs)						
S.	Particulars	Quarter Ended			Year to Date	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		Audited	Unaudited	Audited	Audited	Audited
1	Revenue From Operations					
	a) Net Sales / Revenue from Operations	20.25	0.01	62.20	73.29	165.04
	b) Other Operating Income	-	-	-	-	-
	Total Revenue from Operations (Net)	20.25	0.01	62.20	73.29	165.04
2	Other Income	3.04	-	18.74	3.28	19.27
	Total Income (1+2)	23.29	0.01	80.94	76.57	184.31
3	Expenses					
	a) Cost of materials consumed	0.00	-	5.93	53.40	59.57
	b) Purchases of Stock - in - trade	-	-	-	-	-
	c) Changes in inventories of finished goods , work-in-progress and stock-in-trade	20.25	-	-	20.25	-
	d) Employee benefits expenses	2.10	3.20	0.67	8.12	25.56
	e) Depreciation and amortisation expenses	42.76	75.22	27.04	269.01	310.72
	f) Other expenditure					
	- Operating Expenses	13.71	14.82	46.07	50.82	105.11
	- Finance Costs	331.15	331.13	350.67	1,324.52	1,344.63
	Total Expenses	409.98	424.38	430.38	1,726.13	1,845.60
4	Profit / (Loss) before tax (1+2-3)	(386.69)	(424.37)	(349.44)	(1,649.56)	(1,661.29)
5	Tax Expenses.					
	Current Tax					
	Deferred Tax	(61.37)	40.99	176.46	(43.35)	132.68
6	Net Profit (+) / Loss (-) from ordinary activities after tax (4-5)	(325.32)	(465.36)	(525.90)	(1,606.21)	(1,793.96)
7	Extraordinary items (net of tax expenses)			-		
8	Net Profit (+) / Loss (-) for the period (6-7)	(325.32)	(465.36)	(525.90)	(1,606.21)	(1,793.96)
9	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	-	-	-		
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-		
	B (i) Items that will be reclassified to profit or loss	-	-	-		
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-		
10	Total Comprehensive Income for the period (8+9)	(325.32)	(465.36)	(525.90)	(1,606.21)	(1,793.96)
	Earnings Per Equity Share - (for Continuing operation)					
	Basic (Rs.)	(1.62)	(2.31)	(2.61)	(7.98)	(8.91)
	Diluted (Rs.)	(1.62)	(2.31)	(2.61)	(7.98)	(8.91)
11	Earnings Per Equity Share - (for Discontinued operation)					
	Basic (Rs.)		-	-		
	Diluted (Rs.)		-	-		
12	Earnings Per Equity Share - (for Continuing & Discontinued operation)					
	Basic (Rs.)	(1.62)	(2.31)	(2.61)	(7.98)	(8.91)
	Diluted (Rs.)	(1.62)	(2.31)	(2.61)	(7.98)	(8.91)



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

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CIN : L85110KA1996PLC019627

**KAVVERI**

telecom products limited

TIL TEK

DCI

SPOTWAVE

KAVVERI

Notes

- 1 The Company has adopted Indian Accounting Standards (IND AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under. The date of transition of the Ind As is 1st April 2016 and accordingly, these audited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly.
- 2 The above audited financial results for the quarter ended 31st March, 2021 were taken on record at the meeting of the Board of Directors held on 30th June, 2021 after being reviewed and recommended by the Audit committee.
- 3 The COVID -19 has impacted the financial performance and operating environment of "the Company" in financial year 2020-21. Though the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation is still remains uncertain. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19
- 4 There is no segment wise income, only we are having single segment of income i.e telecom products services
- 5 The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

Place : Bangalore

Date : 30.06.2021

For Kavveri Telecom Products Limited


C Shiva Kumar Reddy
Whole Time Director

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KAVVERI TELECOM PRODUCTS LIMITED

Standalone Balance Sheet as at 31st Mar, 2021

PARTICULARS	Note No.	As at 31 Mar 2021	As at 31 Mar 2020
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	1	63,114,023	82,082,357
Intangible Assets	1	6,898,144	14,830,490
Capital Work in Progress		5,416,969	5,416,969
(i) Financial Assets			
(a) Investments	2	538,250,215	538,250,215
(b) Loans and advances	3	260,077,809	260,897,649
Other Non Current Assets	4	747,841,976	748,668,978
Deferred Tax Asset	5	198,443,636	194,108,642
Subtotal		1,820,042,772	1,844,255,300
Current Assets			
Inventories	6	560,963,476	574,814,889
(i) Financial Assets			
(a) Trade Receivables	7	390,613,278	385,451,289
(b) Cash and cash Equivalents	8	3,974,869	3,036,990
Other Current Assets	9	43,473,719	45,722,382
Subtotal		999,025,342	1,009,025,550
Total		2,819,068,114	2,853,280,850

PARTICULARS	Note No.	As at 31 Mar 2021	As at 31 Mar 2020
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	201,242,600	201,242,600
Other equity	11	241,790,179	410,922,767
Subtotal		443,032,779	612,165,367
LIABILITIES			
Non- Current liabilities			
(i) Financial liabilities			
Provisions	12	224,141,996	224,141,996
Deferred tax liabilities (Net)	13	-	-
Subtotal		224,141,996	224,141,996
Current liabilities			
(i) Financial liabilities			
(a) Borrowings	14	1,912,063,106	1,779,616,874
(a) Trade Payables	15	117,541,110	118,212,211
Other Current Liabilities	16	89,288,828	85,472,474
Provisions	17	33,000,295	33,671,928
Subtotal		2,151,893,339	2,016,973,487
Total		2,819,068,114	2,853,280,850



KAVVERI TELECOM PRODUCTS LIMITED

Standalone Statement of Cash flow for the period ended 31st March 2021

Particulars	For the Year Ended	For the Year Ended
	2021	2020
A. Cash flow from operating activities		
Profit / (Loss) before tax	(166,950,293)	(166,128,543)
Adjustments to reconcile profit before tax to net cash from / (used in) operating activities.		
Depreciation on property, plant and equipment	18,968,334	19,896,466
Amortisation and impairment of intangible assets	7,932,346	11,175,438
(Gain)/loss on sale of property, plant and equipment	-	-
Finance income (including fair value change in financial instruments)	(301,889)	(42,612)
Finance costs (including fair value change in financial instruments)	134,446,394	134,463,391
Adjustments on account of Prior period errors	(6,517,289)	-
Operating Profit before working capital changes	(12,422,397)	(635,860)
Working capital adjustments		
Decrease/ (increase) in Inventory	13,851,413	-
(Increase) / decrease in Trade Receivables	(5,161,989)	623,828
Decrease/ (increase) in other Current assets	2,248,662	(537,315)
Increase/ (decrease) in Trade Payables	(671,101)	433,529
Increase/ (decrease) in short term provisions	(671,633)	596,029
(Increase) /Decrease in Short term loans and advances	-	-
Increase/ (decrease) Other Current Liabilities	-	-
Sub Total	3,816,355	4,842,628
Income tax paid	13,411,707	5,958,699
Net cash flows from operating activities (A)	989,310	5,322,839
B. Cash flow from investing activities		
(Increase)/ decrease in Capital-work-in-progress/Fixed Assets	-	(50,800)
(Increase)/ decrease in Non-current assets	-	-
Proceeds from sale of assets	827,002	180,243,121
Interest received	301,889	42,612
purchase of intangible assets	-	-
(Increase)/ decrease in Long term loans and advances	819,840	(182,586,253)
Net cash flows from / (used in) investing activities (B)	1,948,731	(2,351,320)
C. Cash flow from financing activities		
(Increase) /Decrease in long term loans and advances	-	(715,651)
Increase/ (decrease) in long term provisions	-	-
Proceeds from long term loans and borrowings	132,446,232	132,446,232
Interest payment	(134,446,394)	(134,463,391)
Net Cash flows from / (used in) Financing activities (C)	(2,000,162)	(2,732,810)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	937,879	238,707
Opening Balance of Cash	3,036,990	2,798,282
Closing Balance	3,974,869	3,036,990
Components of Cash and Cash Equivalents		
Cash on Hand	371,350	383,296
Balances with bank in current account	3,603,519	2,653,694
Balance at the end of the year	3,974,869	3,036,990





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Auditor's Report on consolidated audited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

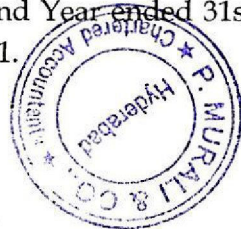
TO THE BOARD OF DIRECTORS OF "KAVVERI TELECOM PRODUCTS LIMITED"

I. Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **KAVVERI TELECOM PRODUCTS LIMITED ("Holding company")** and its subsidiaries (holding company and its subsidiaries together referred to as **"the Group"**) for the quarter ended 31st March, 2021 and for the period from 1st April, 2020 To 31st March, 2021 (**"the Statement"**), being submitted by the **"Holding company"** pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31st March, 2020 and the corresponding period from 1st April, 2019 To 31st March, 2020, as reported in these financial results have been approved by the holding company's Board of Directors.

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

- a. includes the Unaudited results of the following entities:
 - I. Kaveri Realty 5 Inc.
 - II. Til - Tek Antennae Inc.
 - III. Kavveri Technologies Inc
 - IV. DCI- Digital Communications Ltd
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net loss and other comprehensive income) and other financial information of **"The Group"** for the quarter and Year ended 31st March, 2021 and for the period from 01-04-2020 to 31-03-2021.





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II. Basis for Qualified Opinion

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

1. In the consolidated financial results, the results of following subsidiaries are not included for the quarter and Year ended 31st March, 2021.

- I. Kavveri Telecom Infrastructure Limited
- II. EAICOM India Private Limited
- III. Kavveri Technologies Americans Inc.
- IV. New England Communications Systems Inc.
- V. Quality Communications Systems Inc.
- VI. Spotwave Wireless Ltd.

As the results/ financial information of the above mentioned subsidiaries are not considered in consolidation for the year ended 31.03.2021, the current year figures are not comparable to previous year.

2. In respect of preparation of financial statements of "the group" on going concern basis, during the Year ended, "the group" has incurred a Net Loss (after tax) of Rs. 1,643.12 Lakhs resulting into accumulated losses of Rs. 11,650.10 Lakhs. "The group" has obligations towards fund-based borrowings and significant decrease in revenue over the years. These conditions indicate the existence of a material uncertainty that may cast significant doubt on "the group's" ability to continue as going concern and "the group" may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements.

We refer to "Basis for Qualified Opinion" in our Auditor's Report on Standalone financial results of KAVVERI TELECOM PRODUCTS LIMITED ("the Holding company") for the Quarter and year Ended 31st March, 2021(which is reproduced below).





P.MURALI & CO.,

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"II. Basis for Qualified Opinion

- i. *Material uncertainty related to Going Concern: During the year the company has incurred a Net Loss of Rs. 1,626.15 Lakhs resulting into accumulated losses of Rs. 10,487.78 Lakhs. The Company has obligations towards fund- based borrowings from banks aggregating to Rs. 19,389.83 Lakhs. There is significant decrease in revenue over the past few years. These conditions indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as going concern and therefore may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly we are unable to comment on the consequential impact, if any, on the accompanying standalone financial results.*
- ii. *In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value and thus, we are unable to comment whether any provision for impairment in the value of investments is required.*
- iii. *The Company has defaulted in repayment of dues to Banks for the year ended 31st March, 2021. All the loans outstanding were classified as NPA by the Banks. The balance outstanding as at 31.03.2021 is Rs. 19,389.83 Lakhs (Including Principal and Interest Provisions on the loans but excluding Penal Interest if any) as per books of account. In the absence of confirmation of balances from banks, we are unable to ascertain the actual dues to Banks as at 31.03.2021*
- iv. *In the absence of proof of physical verification of inventories during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks of inventories (Value of inventories as per books of account as at 31.03.2021 is Rs.5609.63 Lakhs).*
- v. *In the absence of proof of physical verification of Property, Plant and Equipment during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks (Net Block of PPE of Rs.631.14 lakhs as per books of account as at 31.03.2021).*
- vi. *The Company has long pending undisputed statutory dues towards ESI, PF & TDS (Net Payable of Rs.161.41Lakhs as per books of account as at 31.03.2021)*
- vii. *In the absence of confirmations of Trade Receivables and various advances, we are unable to comment on the extent to which such balances are recoverable.*





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- viii. *In the absence of confirmations of Trade Payables and various advances/borrowings, we are unable to comment on the extent to which such balances are payable.*
- ix. *The company has recognised deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences for the year amounting to Rs. 1,984.44 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets would get adjusted. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets would get adjusted, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12").*

Also, we refer to the Emphasis of Matter Paragraph in Independent Auditor's Limited audit report on Audited Standalone Financial results of Kavveri Telecom Products Limited ("the Holding Company") for the Quarter and year Ended 31st March, 2021, (which is reproduced below).

"Emphasis of Matter Paragraph

As disclosed in Notes 3 to the Consolidated financial results COVID -19 has impacted the financial performance and operating environment of "the Company" in financial year 2020-21. Though the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation is still remains uncertain. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19".

Our opinion is not modified in respect of this matter."

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

Emphasis of Matter Paragraph

As disclosed in Notes 5 to the Consolidated financial results COVID -19 has impacted the financial performance and operating environment of "the Company" in financial year 2020-





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21. Though the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation is still remains uncertain. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19.

Our opinion is not modified in respect of this matter".

III. Management's Responsibilities for the Consolidated Financial Results

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the interim financial statements.

The "Holding Company's" Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of "the Group" in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in "the Group" are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of "the Group" and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the "Holding Company", as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in "the Group" are responsible for assessing the ability of "the Group" to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in "the Group" are responsible for overseeing the financial reporting process of "the Group".

IV. Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a





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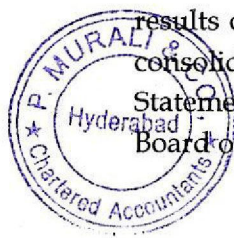
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high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

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

- ❖ Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ❖ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of "the Group" to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause "the Group" to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within "the Group" to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, is based solely on such unaudited interim Financial Statements/Financial Results/financial information have been furnished to us by the Board of Directors.





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We communicate with those charged with governance of the "Holding Company" and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Results include the unaudited Financial Results of Subsidiaries, whose interim Financial Statements/Financial Results/ financial information reflect "The Group's" share of total assets of Rs. 2659.75 Lakhs as at 31st March, 2021, "The Group's" share of total revenue of Rs. 441.06 Lakhs and "The Group's" share of total net loss after tax of Rs. 16.96 Lakhs for the for the period from 1st April, 2020 To 31st March, 2021 respectively, as considered in the consolidated Financial Results. These unaudited interim Financial Statements/Financial Results/ financial information have been furnished to us by the management and our opinion on the consolidated Financial Results, in so far as it relate to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited interim Financial Statements/Financial Results/financial information.

For P. Murali & Co.,
Chartered Accountants

Firm Registration No: 0072576

P. mw



P. Murali Mohana Rao
Partner

Membership No.023412

UDIN: 21023412AAAALL1999

Date: 30.06.2021

Place: Hyderabad

KAVVERI TELECOM PRODUCTS LIMITED

Registered Office : Plot No 31 -36, 1st Floor, 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore, Karnataka - 560076
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER and YEAR ENDED 31st March, 2021

S.	Particulars	Quarter Ended			(Rs. In Lacs)	
		31.03.2021	31.12.2020	31.03.2020	Year to Date	
		Audited	Unaudited	Audited	31.03.2021	31.03.2020
1	Revenue From Operations					
	a) Net Sales / Revenue from Operations	54.48	111.19	73.36	414.08	454.96
	b) Other Operating Income	4.52	13.29	41.74	103.55	78.76
	Total Revenue from Operations (Net)	59.00	124.48	115.09	517.63	533.71
2	Other Income	-	-	-	-	-
	Total Income (1+2)	59.00	124.48	115.09	517.63	533.71
3	Expenses					
	a) Cost of materials consumed	-	-	-	-	-
	b) Purchases of Stock - in - trade	14.69	20.20	(16.69)	206.98	141.92
	c) Changes in inventories of finished goods , work-in-progress and stock-in-trade	7.10	-	10.90	20.25	(0.23)
	d) Employee benefits expenses	23.25	26.75	27.39	91.73	99.37
	e) Depreciation and amortisation expenses	36.48	82.40	-	270.76	312.39
	f) Other expenditure	-	-	-	-	-
	- Operating Expenses	81.13	55.33	50.79	266.39	269.59
	- Finance Costs	354.62	331.13	350.67	1,347.99	1,344.63
	Total Expenses	517.27	515.81	422.82	2,204.10	2,167.67
4	Profit / (Loss) before tax (1+2-3)	(458.27)	(391.33)	(307.73)	(1,686.47)	(1,633.95)
5	Tax Expenses.	(43.35)	41.00	(1,347.50)	(43.35)	132.68
6	Net Profit (+) / Loss (-) from ordinary activities after tax (4-5)	(414.92)	(432.33)	1,039.77	(1,643.12)	(1,766.63)
7	Extraordinary items (net of tax expenses)	-	-	-	-	-
8	Net Profit (+) / Loss (-) for the period (6-7)	(414.92)	(432.33)	1,039.77	(1,643.12)	(1,766.63)
9	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
10	Total Comprehensive Income for the period (8+9)	(414.92)	(432.33)	1,039.77	(1,643.12)	(1,766.63)
	Earnings Per Equity Share - (for Continuing operation)					
	Basic (Rs.)	(2.06)	(2.15)	5.17	(8.16)	(8.78)
	Diluted (Rs.)	(2.06)	(2.15)	5.17	(8.16)	(8.78)
11	Earnings Per Equity Share - (for Discontinued operation)					
	Basic (Rs.)	-	-	-	-	-
	Diluted (Rs.)	-	-	-	-	-
12	Earnings Per Equity Share - (for Continuing & Discontinued operation)					
	Basic (Rs.)	(2.06)	(2.15)	5.17	(8.16)	(8.78)
	Diluted (Rs.)	(2.06)	(2.15)	5.17	(8.16)	(8.78)

Notes

- 1 The Company has adopted Indian Accounting Standards (IND AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under. The date of transition of the Ind As is 1st April 2016 and accordingly, these audited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly.
- 2 In the consolidated financial results, the results of the following subsidiaries are not included.
 - a) Kavveri Telecom Infrastructure Limited
 - b) EAICOM India Private Limited.
 - c) Kavveri Technologies Americans Inc.
 - d) New England Communications Systems Inc.
 - e) Quality Communications Systems Inc.
 - f) Spotwave Wireless Ltd

In view of the above previous year consolidated financial results are not comparable with current year consolidated financial results.

- 3 The above audited financial results for the quarter ended 31st March, 2021 were taken on record at the meeting of the Board of Directors held on 30th June, 2021 after being reviewed and recommended by the Audit committee.
- 4 The COVID-19 has impacted the financial performance and operating environment of "the Company" in financial year 2020-21. Though the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation is still remains uncertain. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19.
- 5 There is no segment wise income, only we are having single segment of income i.e telecom products services
- 6 The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

Place : Bangalore
Date : 30.06.2021



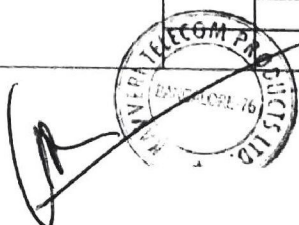
For Kavveri Telecom Products Limited

C Shiva Kumar Reddy
Whole Time Director

KAVVERI TELECOM PRODUCTS LIMITED

Consolidated Balance Sheet as at 31st March, 2021

PARTICULARS	Note No.	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Non - Current Assets			
Property, Plant, Equipment (including goodwill)	1	72,965,249	229,536,488
Capital Work in Progress		5,416,969	5,416,969
(i) Financial Assets			
(a) Security Deposits	2	-	3,215,840
Other Non Current Assets	3	889,355,430	946,939,785
Deferred Tax Asset	4	166,155,577	163,969,982
Investment	5	-	-
		1,133,893,225	1,349,079,064
Current Assets			
Inventories	6	578,513,633	741,006,044
(i) Financial Assets			
(a) Trade receivables	7	389,298,712	535,132,539
(b) Cash and Cash Equivalents	8	4,235,802	39,140,622
Current Tax Assets (Net)	9	-	-
Other Current Assets	10	743,077,515	885,353,249
		1,715,125,662	2,200,632,454
Total		2,849,018,887	3,549,711,518
PARTICULARS	Note No.	As at 31 March, 2021	As at 31 March, 2020
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	201,242,600	201,242,600
Other equity	12	85,723,121	(42,514,821)
		286,965,721	158,727,779
Minority Interest		-	-
LIABILITIES			
Non- Current liabilities			
(i) Financial liabilities			
(a) Borrowings	13	66,405,962	49,429,022
(B) Provisions	14	224,141,996	225,450,505
Deferred tax liabilities (Net)	15	-	-
		290,547,958	274,879,528
Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	16	2,001,781,737	2,278,806,323
(b) Trade Payables	17	131,150,514	330,026,914
(c) Other Financial Liabilities	18	26,919,462	61,078,701
Other Current Liabilities	19	78,653,200	413,164,941
Provisions	20	33,000,295	33,027,332
		2,271,505,208	3,116,104,212
Total		2,849,018,887	3,549,711,518



KAVVERI TELECOM PRODUCTS LIMITED		
Consolidated Statement of Cash flow for the period ended 31st March 2021		
Particulars	For the year ended	
	2021	2020
A. Cash flow from operating activities		
Profit / (Loss) before tax	(168,646,922)	(163,395,301)
Adjustments to reconcile profit before tax to net cash from / (used in) operating activities.		
Depreciation on property, plant and equipment	27,076,188	31,238,723
KTIL Property Plant & Equipment*		
Finance income (including fair value change in financial instruments)	(301,889)	-
Finance costs (including fair value change in financial instruments)	134,798,882	134,463,391
Increase/(Decrease) in Capital Reserve	(5,984,130)	5,984,130
Foreign Currency Translation adjustments	21,122,360	(47,708,083.73)
Other Adjustments	278,252,529	-
Operating Profit before working capital changes	286,317,018	(39,417,141)
Working capital adjustments		
Decrease / (increase) in Inventory	162,492,411	(6,782,095)
(Increase) / decrease in Trade Receivables	145,833,827	(3,904,228)
Decrease/ (increase) in other Current assets	142,275,734	160,416,380
Increase/ (decrease) in Trade Payables	(198,876,401)	5,490,523
(Decrease)/ increase in Short Term Provisions	(27,037)	592,858
Increase/ (decrease) Other Current Liabilities	(368,670,980)	183,739,315
Increase/ (decrease) in Short term borrowings	(277,024,586)	357,955
Sub Total	(107,680,014)	300,493,568
Income tax paid		
Net cash flows from operating activities (A)	(107,680,014)	300,493,568
B. Cash flow from investing activities		
Decrease/ (increase) in Capitalwork-in-progress		
Proceeds from sale/removal of property, plant and equipment	129,495,051	(83,448)
Decrease/ (increase) in other Non Current assets	57,584,355	(213,234,601)
(Increase) / decrease in Investments		
Net cash flows from / (used in) Investing activities (B)	187,079,406	(213,318,049)
C. Cash flow from financing activities		
Proceeds from long term loans and borrowings	16,976,940	51,368,139
Interest received	301,889	-
Repayment of loans given	3,215,841	(3,215,841)
Interest payment	(134,798,882)	(134,463,391)
Net Cash flows from / (used in) Financing activities (C)	(114,304,212)	(86,311,093)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(34,904,821)	864,426
Opening Balance of Cash	39,140,622	38,276,196
Closing Balance	4,235,802	39,140,622
Components of Cash and Cash Equivalents		
Cash on Hand	371,350	880,648
Balances with bank in current account	3,864,453	38,259,974
Balance at the end of the year	4,235,802	39,140,622



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Standalone)

**Statement on Impact of Audit Qualifications for the Financial Year
ended March 31, 2021**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in lakhs)
1	Turnover / Total income	20.25	NA
2	Total Expenditure	409.98	NA
3	Net Profit/(Loss)	(325.32)	NA
4	Earnings Per Share	(1.62)	NA
5	Total Assets	2819068	NA
6	Total Liabilities	20626.04	NA
7	Net Worth	4430.33	NA
8	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

Sl No.	Particulars	Remarks
1	Details of Audit Qualification:	Material uncertainty related to Going Concern: During the year the company has incurred a Net Loss of Rs. 1,626.15 Lakhs resulting into accumulated losses of Rs. 10,487.78 Lakhs. The Company has obligations towards fund based borrowings from banks aggregating to Rs. 19,389.83 Lakhs. There is significant decrease in revenue over the past few years. These conditions indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as going concern and therefore may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly we are unable to comment on the a Jape if any, on the accompanying standalone financial results.

a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification 1 above, In the opinion of the management, resolution and revival of the Company is possible in foreseeable future. Rapid increase of competitors in the telecommunication business affects the operations of the company during the previous years. The management of the company is taking steps to improve the business in the year 2021-22 and will improve the operations in the coming years. Hence the company's management is of the opinion that the company is 'Going Concern' only and the accounts have been prepared accordingly.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
2	Details of Audit Qualification:	In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to

		comment upon the carrying value and thus, we are unable to comment whether any provision for impairment in the value of investments is required.
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	The management of the Company is in communication with such subsidiaries engaged in the other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss-making subsidiary Companies. Considering the long-term nature of investments and in view of ongoing discussion, no provision has been considered necessary by the management in respect of impairment in the value of investment.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
3	Details of Audit Qualification:	The Company has defaulted in repayment of dues to Banks for the year ended 31 st March, 2021. All the loans outstanding were classified as NPA by the Banks. The balance outstanding as at 31.03.2021 is Rs. 19,389.83 Lakhs (Including Principal and Interest Provisions on the loans but excluding Penal Interest if any) as per books of account. In the absence of confirmation of balances from banks, we are unable to ascertain the actual dues to Banks as at 31.03.2021.

a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the company has approached Edelweiss ARC Ltd for One Time Settlement (OTS) in February 2018 with an offer of Rs 1 crore with providing cooperation for sale of the land and building mortgaged for the Loan and it was accepted by Edelweiss ARC Limited. Subsequently after the land and building sold by Edelweiss went back on this and the company has approached the Hon'ble High Court of Karnataka to enforce this OTS acceptance and the Company is in talks with Edelweiss for finding an amicable solution.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
4	Details of Audit Qualification:	In the absence of proof of physical verification of inventories during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks of inventories (Value of inventories as per books of account as at 31.03.2021 is Rs.5609.63 Lakhs).
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion

b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Generally the management conducts the physical verification of Inventories at the end of the financial year, but this time due to COVID-19 and Lockdown situations prevailing in the country, we couldn't conduct the physical verification before the balance sheet date. The management believes that there are no discrepancies between the book records and physical stocks of Inventories. Further the Management believes that no item of inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the inventories as per books of accounts.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
5	Details of Audit Qualification:	In the absence of proof of physical verification of Property, Plant and Equipment during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks (Net Block of PPE of Rs.631.14 Lakhs as per books of account as at 31.03.2021).
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time /	Repetitive

	repetitive / since how long continuing	
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Generally the management conducts the physical verification of Property, Plant and Equipment at the end of the financial year, but this time due to COVID-19 and Lockdown situations prevailing in the country, we couldn't conduct the physical verification before the balance sheet date. The management believes that there are no discrepancies between the book records and physical. Further the Management believes that no item of Property, Plant and Equipment has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the Property, Plant and Equipment as per books of accounts.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
6	Details of Audit Qualification:	The Company has long pending undisputed statutory dues towards ESI, PF & TDS (Net Payable of Rs.161.41Lakhs as per books of account as at 31.03.2021)
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is	NA

	quantified by the auditor, Management's Views:	
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the company is facing extreme financial crunch and due to insufficient working capital requirements, the company is unable to discharge its statutory dues, However, the company will discharge the dues of PF, ESI and GST soon.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
7	Details of Audit Qualification:	In the absence of confirmations of Trade Receivables and various advances, we are unable to comment on the extent to which such balances are recoverable.
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the	In respect of qualification above, the company has followed-up with the parties. Even after several attempts made by it to reach parties, they neither did turn up nor send back the confirmation. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.

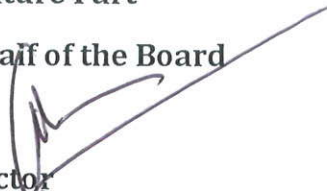
	impact of audit qualification:	
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
8	Details of Audit Qualification:	In the absence of confirmations of Trade Payables and - various advances/borrowings, we are unable to comment on the extent to which such balances are payable.
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the company has followed-up the parties. Even after several attempts made by it to reach parties, they neither did turn up nor send back the confirmation. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

Sl No.	Particulars	Remarks
9	Details of Audit Qualification:	The company has recognised deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences for the year amounting to Rs. 1,984.44 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets would get adjusted. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets would get adjusted, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12).
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	

III. Signature Part

For and on behalf of the Board




Managing Director
CHENNAREDDY SHIVAKUMARREDDY
DIN: 01189348
Place: Bangalore
Date: 01.09.2021

For and on behalf of the Board



Chief Financial Officer
RAJPETA KASTURI HANUMENTHAREDDY
PAN: ADDPK6263D
Place: Bangalore
Date: 01.09.2021

For and on behalf of the Board



Director
SHANKARNARAYAN SRIKANTIAH BANGALORE
DIN: 00269705
Place: Bangalore
Date: 01.09.2021

For and on behalf of the Board



Director
LAKSHMIPURAM RAJAGOPALACHAR VENUGOPAL
DIN: 01058716
Place: Bangalore
Date: 01.09.2021

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Consolidated)

**Statement on Impact of Audit Qualifications for the Financial Year
ended March 31, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in lakhs)
1	Turnover / Total income	517.63	NA
2	Total Expenditure	2204.10	NA
3	Net Profit/(Loss)	(1643.12)	NA
4	Earnings Per Share	(8.16)	NA
5	Total Assets	28490.19	NA
6	Total Liabilities	22262.58	NA
7	Net Worth	2869.66	NA
8	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

Sl No.	Particulars	Remarks
1	Details of Audit Qualification:	Material uncertainty related to Going Concern: During the year the company has incurred a Net Loss of Rs. 1,626.15 Lakhs resulting into accumulated losses of Rs. 10,487.78 Lakhs. The Company has obligations towards fund- based borrowings from banks aggregating to Rs, 19,389.83 Lakhs. There is significant decrease in revenue over the past few years, These conditions indicate the existence of a material uncertainty that may cast a-significant doubt on the Company's ability to continue — as going concern and therefore may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly we are unable to comment on the consequential impact, if any, on the accompanying standalone financial results.

a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification 1 above, In the opinion of the management, resolution and revival of the Company is possible in foreseeable future. Rapid increase of competitors in the telecommunication business effects the operations of the company during the previous years. The management of the company is taking steps to improve the business in the year 2021-22 and will improve the operations in the coming years. Hence the company's management is of the opinion that the company is 'Going Concern' only and the accounts have been prepared accordingly.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
2	Details of Audit Qualification:	In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to

		comment upon the carrying value and thus, we are unable to comment whether any provision for impairment in the value of investments is required.
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	The management of the Company is in communication with such subsidiaries engaged in the other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss-making subsidiary Companies. Considering the long-term nature of investments and in view of ongoing discussion, no provision has been considered necessary by the management in respect of impairment in the value of investment.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
3	Details of Audit Qualification:	The Company is defaulted in repayment of dues to Banks for the year endedn31st March, 2021. All the loans outstanding were classified as NPA by the Banks. The balance outstanding as at 31.03.2021 is Rs. 19,389.83 Lakhs (Including Principal and Interest Provisions on the loans but excluding Penal Interest if any) as per books of account. In the absence of confirmation of balances from banks, we are unable to ascertain the actual dues to Banks as at 31.03.2021

a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the company has approached Edelweiss ARC Ltd for One Time Settlement (OTS) in February 2018 with an offer of Rs 1 crore with providing cooperation for sale of the land and building mortgaged for the Loan and it was accepted by Edelweiss ARC Limited. Subsequently after the land and building sold by Edelweiss went back on this and the company has approached the Hon'ble High Court of Karnataka to enforce this OTS acceptance and the Company is in talks with Edelweiss for finding an amicable solution.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
4	Details of Audit Qualification:	In the absence of proof of physical verification of inventories during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks of inventories (Value of inventories as per books of account as at 31.03.2021 is Rs.5609.63 Lakhs).
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion

b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Generally the management conducts the physical verification of Inventories at the end of the financial year, but this time due to COVID-19 and Lockdown situations prevailing in the country, we couldn't conduct the physical verification before the balance sheet date. The management believes that there are no discrepancies between the book records and physical stocks of Inventories. Further the Management believes that no item of inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the inventories as per books of accounts.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
5	Details of Audit Qualification:	In the absence of proof of physical verification of Property, Plant and Equipment during the year by the management, we are unable to comment on the discrepancies, if any, between the book records and physical stocks. (Net Block of PPE of Rs.631.14 lakhs as per books of account as at 31.03.2021).
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time /	Repetitive

	repetitive / since how long continuing	
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Generally the management conducts the physical verification of Property, Plant and Equipment at the end of the financial year, but this time due to COVID-19 and Lockdown situations prevailing in the country, we couldn't conduct the physical verification before the balance sheet date. The management believes that there are no discrepancies between the book records and physical. Further the Management believes that no item of Property, Plant and Equipment has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the Property, Plant and Equipment as per books of accounts.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
6	Details of Audit Qualification:	The Company has long pending undisputed statutory dues towards ESI, PF & TDS (Net Payable of Rs.161.41Lakhs as per books of account as at 31.03.2021)
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is	NA

	quantified by the auditor, Management's Views:	
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the company is facing extreme financial crunch and due to insufficient working capital requirements, the company is unable to discharge its statutory dues, However, the company will discharge the dues of PF, ESI and GST soon.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
7	Details of Audit Qualification:	In the absence of trade receivables and varies advances, we are unable to comment on the extent to which balances are recoverable.
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the	In respect of qualification above, the company has followed-up with the parties. Even after several attempts made by it to reach parties, they neither did turn up nor send back the confirmation. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.

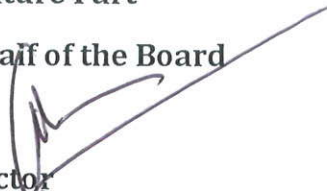
	impact of audit qualification:	
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
8	Details of Audit Qualification:	In the absence of confirmations of Trade Payables and various advances/borrowings, we are unable to comment on the extent to which such balances are payable.
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the company has followed-up the parties. Even after several attempts made by it to reach parties, they neither did turn up nor send back the confirmation. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

Sl No.	Particulars	Remarks
9	Details of Audit Qualification:	The company has recognised deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences for the year amounting to Rs. 1,984.44 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets would get adjusted. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax - assets would get adjusted, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12").
a.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
b.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
c.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In respect of qualification above, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
f.	(ii) If management is unable to estimate the impact, reasons for the same:	NA
g.	(iii) Auditors' Comments on (i) or (ii) above:	NA

III. Signature Part

For and on behalf of the Board




Managing Director
CHENNAREDDY SHIVAKUMARREDDY
DIN: 01189348
Place: Bangalore
Date: 01.09.2021

For and on behalf of the Board



Chief Financial Officer
RAJPETA KASTURI HANUMENTHAREDDY
PAN: ADDPK6263D
Place: Bangalore
Date: 01.09.2021

For and on behalf of the Board



Director
SHANKARNARAYAN SRIKANTIAH BANGALORE
DIN: 00269705
Place: Bangalore
Date: 01.09.2021

For and on behalf of the Board



Director
LAKSHMIPURAM RAJAGOPALACHAR VENUGOPAL
DIN: 01058716
Place: Bangalore
Date: 01.09.2021