

**FIFTH
ANNUAL
REPORT
1999-2000**



KAVERI TELECOMS LIMITED



KAVERI TELECOMS LIMITED

BOARD OF DIRECTORS

R.H.Kasturi
Managing Director

C.Shivkumar Reddy
R.H.Jayaram Reddy
C.Anitha
Directors

BANKERS

Vijaya Bank
South End Road Branch
Bangalore.

REGISTERED OFFICE

No.31-36 I Main, II Stage
Arakere Mico Layout,
Bannerghatta Road, Bangalore.

R& D UNIT

No.69 Panduranga Nagar,
Opp to IIM Campus
Bannerghatta Road,
Bangalore - 560 076

Survey No.104/2, Surajakhanalli Village
Kasabha Hobli
Anekal Taluk, Bangalore Rural District.

MANAGEMENT

R.H.Kasturi
Managing Director

C.Shivkumar Reddy
Director, Chief Executive
CH.V.Saikumar
General Manager-R&D
L.Nicholas
General Manager-Antenna Division
D.J.Rao
Deputy General Manager-Materials
S.Baaskaran
Manager - Finance & Accounts

FINANCIAL INSTITUTION

K.S.I.I.D.C. Ltd.,
Cunningham Road,
Bangalore.

BRANCH OFFICE

27/47 Old Rajendra Nagar
New Delhi 110 060.

SHARE TRANSFER AGENCY

RAJ CONSULTANCY SERVICE
Bangalore

Company Law Advisor

M. Gopinath
Company Secretary



FIFTH ANNUAL REPORT 1999-2000

INVESTOR INFORMATION

1. The Company's Equity shares are listed on the following Stock Exchanges:

Bangalore Stock Exchange, Bangalore
Ahmedabad Stock Exchange, Ahmedabad
Madras Stock Exchange, Chennai.
Hyderabad Stock Exchange, Hyderabad.
 2. All enquiries relating to shareholder accounting records, share transfers, transmission of shares, change of address, loss of share certificates etc., should be addressed to :

RAJ CONSULTANCY SERVICES
No. 43, I Floor, III Cross, Link Road,
Malleswaram,
Bangalore-560 003.
 3. The Company processes shares sent for transfer, transmission etc. every month. Transfer/Transmissions which are complete in all respects will be processed and the certificates in respect thereof will be returned to the lodger/shareholder within 30days lodgement.
 4. The Company has paid the listing fees to the exchanges where shares have been listed in time for the financial year 2000-2001.
 5. Any enquiries relating to the Financial Statements of the company can be addressed to
Finance Manger
Kaveri Telecoms Limited
31-36, I Main, II Stage,
Arakere Mico Layout
Bannerghatta Road,
Bangalore - 560 076.
Tel : 6583301, 6583090, 6580863
E-Mail : kaveritel@yahoo.com
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KAVERI TELECOMS LIMITED

NOTICE

The Fifth Annual General Meeting of Kaveri Telecoms Limited will be held at Pai Vijay, 530/58, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore - 560 011 on 30th December, 2000 at 10 a.m. to transact the following business:

1. To receive and adopt the Director's Report and audited Profit & Loss Account for the year ended 30th June 2000, and the Balance Sheet as at that date.
2. To appoint a Director in place of Mr. R.H.Jayaram Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. C. Shivkumar Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusions of this meeting until the conclusion of the next meeting.

NOTES

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- b) Proxy in order to be effective must be deposited at the company's registered office not less than 48 hours before the meeting.

By order of the Board of Directors

Place : Bangalore

Date : 27-11-2000

R. H.KASTURI
Managing Director

Registered Office :

Kaveri Telecoms Limited

No.31-36 I Main, II Stage

Arakere Mico Layout,

Bannerghatta Road, Bangalore.

**FIFTH ANNUAL REPORT 1999-2000**

DIRECTOR'S REPORT

To the members,

The directors hereby present their **FIFTH ANNUAL REPORT** on the business and operations of the company and the financial accounts for the year ended 30th June 2000.

2. OPERATIONS

The company recorded a turnover of Rs.905.21 Laksh for the year ended June 2000 (15 Months Period) as against the previous year figure of Rs. 670.90 Lakhs. The company recorded a profit after tax of Rs. 36.15 Lakhs as against the loss of Rs.114.55 Lakhs for the previous year. During the year the company has increased its Authorised share capital from Rs.6 Crores to Rs. 10 Crores to enable it to offer its shares on preferential basis to FII's/OCB's. The company is in the final stage of signing the agreement for trading of its shares in electronics form. During the year there were delays in depositing provident fund and employees state insurance dues with appropriate authorities (Refer annexure to audit report point 17) due to paucity of funds. However the company has taken appropriate steps during the current year to avoid such delays.

3. TECHNOLOGY

The company during the year has developed technology for manufacture of High Bit Rate Digital Subscriber Line Equipment. The company sold this technology to public sector and private sector undertakings. The company is exploring the possibility of exporting the same.

4. NEW PRODUCTS :

The Company during the year developed Mini Repeaters for private cellular operators.

5. FINANCE :

Your company continued to maintain its excellent relationship with Banker and Financial Institution enabling it to raise funds to finance its short term & long term working capital requirement.

6. DIRECTORS :

In accordance with the provisions of the companies Act 1956 and as per the company's Articles of Association, Mr. R. H. Jayaram Reddy, Mr. C. Shivkumar Reddy retire by rotation and being eligible offer themselves for re-appointment.

7. PARTICULARS OF EMPLOYEES

In accordance with section 217(2A) of the Company Act, 1956, a statement giving particulars of employees, which forms part of this report is annexed.



KAVERI TELECOMS LIMITED

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of section 217(1) (e) of the Companies Act, 1956, read with the Companies (disclosure of particulars in the Report of Board of Directors) Rules, 1998 are given in Annexure 'A' to the Directors Report.

The Company imported machineries worth Rs.10.88 Lakhs during the year against which the company obtained modvat on imports worth Rs.1.46 Lakhs. All the machineries are used towards research and development activities for which the Company is claiming exemption under Sec 35(2) of income Tax Act.

9. AUDITORS

M/s Rajagopal and Badri Narayanan, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting. they have confirmed their eligibility and willingness to accept office, if appointed.

10. ADDITIONAL DISCLOSURES

The Company has not given any loan to its Directors or their relatives during the year under review.

No material differences in assets and liabilities have taken place between the end of financial year and the date of report.

Items appearing in the Annual Accounts have been treated appropriately in accordance with Accounting Standards prescribed by the Institute of Chartered Accountants of India.

11. ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere gratitude to the continuing patronage of our valued Customers who have sustained their support and encouragement to your company.

Your Directors take this opportunity to place on record, their sincere appreciation of the *dedication and commitment of the company staff at all levels, who have together* been responsible for the growth of the company.

Your Directors would also like to place on record their acknowledge of the support extended by the Bankers to the Company.

on behalf of the Boards of Directors

Date : 27.11.2000

Place : Bangalore

Mrs.R.H. Kasturi

Managing Director.



FIFTH ANNUAL REPORT 1999-2000

ANNEXURE "A" TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of particulars in the report of the board of directors) rules, 1988.

A. Conservation of Energy	:	Not Applicable
a. Energy conservation measure taken	:	Nil
b. Additional Investments and proposals for reduction of consumption of energy	:	Nil
c. Impact of the above measures	:	Nil
d. Total energy consumption and energy consumption per unit of production	:	Form-A Enclosed
B. Technology Absorption		
e. Efforts made in Technology absorption as per form-B.	:	Form-B Enclosed
C. Foreign exchange earnings and outgo	:	
f. Activities relating to exports, initiatives taken to increase export; developments of new export markets for products and services and exports plans	:	The company during the year has tapped foreign market for export of antennae and has started exporting the same. The company foresees a huge market for its products.
D. Total foreign exchange used and earned (1999-2000)		
i CIF Value of imports	:	Rs. 1,67,21,999
ii Expenditure in foreign currency	:	USD : 2,73,610.36 JYEN: 28,41,602
iii Foreign exchange earned	:	USD : 30,283.75


KAVERI TELECOMS LIMITED
FORM - A

Form of disclosure of particulars with respect to conservation of energy 1999-2000

Particulars	Rs. in Lakhs
A. Power and fuel consumption	
1. Electricity	
a. Purchased units	94,695 Units
Total amount	3.55
Average rate per unit	3.75
2. Coal	NIL
3. Furnace Oil	NIL
4. Others	
1. L.D.O.	
Quantity (Kilo Litres)	7,479
Total Costs	1.21
Average Rate (Rs./KL)	16.19
5. Consumption per unit of production	
Electricity (Rs.)	32.25
L.D.O (RS./KL)	10.99