PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

KAUSAR INDIA LIMITED

(“KIL”)/ “TARGET COMPANY”)

Registered Office: 97, Anand Lok, New Delhi - 110049, Tel No. 011 4174 0200, Fax No.011 41740201, Email-id: kausarindia@yahoo.co.in

This Public Announcement (hereinafter referred to as the “PA”) is being issued by Religare Securities Limited (“Religare” or the “Manager to the Offer”) on behalf of Gati Limited (hereinafter referred to as the “Acquirer” or “GATI”) to the equity shareholders of Kausar India Limited (hereinafter referred to as “KIL” or “Target Company”), pursuant to Regulations 10 & 12 and other provisions of Chapter III of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (“the Regulations”)

1. Background to the Offer

1.1 This offer is being made by GATI, a company incorporated under the Companies Act, 1956 (“Act”) and having its registered office at 1-7-293, Mahatma Gandhi Road, Secunderabad-500 003 to the equity shareholders of Kausar India Limited.

1.2 The Acquirer has vide a Share Purchase Agreement (SPA) dated 25th August 2007 executed with the promoter and promoter group (therein and hereinafter collectively referred to as the “Sellers”), agreed to acquire 19,63,050 equity shares of Rs. 10 each representing 52.96% of the fully paid up equity voting capital of KIL at a price of Rs. 72.84 per share aggregating to consideration of Rs. 14,29,88,562 payable in cash as detailed below:

Name of the Seller Promoter & Promoter Group	No. of shares	% of Paid up Capital
Mr. Sadeev Sandhu	6,86,700	18.53
Ms. Gurcharan Kaur	86,500	2.33
Sadeev Sandhu & Sons (HUF)	1,36,000	3.67
Ms. Sipthi Sandhu	2,64,150	7.13
Ms. H. K. Sandhu	49,600	1.34
Kausar Leasing Limited	1,85,100	4.99
Mr. P. J. Parmar	5,55,000	14.97
Total	**19,63,050**	**52.96**

1.3 Prior to the aforementioned acquisition, the Acquirer did not hold any equity shares of KIL.

1.4 As the Acquirer’s acquisition will result in the Acquirer’s shareholding in the Target Company to exceed 15% of the voting capital of the Target Company, this offer is being made pursuant to and in terms of Regulation 10 and 12 of SEBI (SAST) Regulations.

2. The Offer

2.1 The Acquirer is now making an offer to the shareholders of KIL to acquire 8,15,496 equity shares of Rs.10/- each of KIL, representing 22% of the outstanding voting equity share capital of KIL as on 25th August, 2007, at a price of Rs. 72.84 per fully paid-up Equity Share (the “Offer Price”) payable in cash in terms of Regulation 20 and 21 of the Regulations (the “Offer” or “Open Offer”). The Offer is in accordance with Regulations 10 & 12 of the Regulations, consequent to the acquisition of shares by the Acquirer referred to in clause 1.2 above.

2.2 The total issued, subscribed and paid up capital of the Target Company as on date of PA is Rs. 3,70,68,000 consisting of 37,06,800 shares of Rs. 10 each.

2.3 As on the date of this PA, the Acquirer does not hold any equity shares of KIL and they have not acquired any equity shares of KIL during the 12 months preceding the date of this PA.

2.4 Upon completion of the offer, assuming full acceptance and taking into account the purchased shares, the Acquirer will hold 74.96% of the voting capital of the Target Company.

2.5 This offer is being made to all the shareholders of the Target Company except the Acquirer and parties to the SPA.

2.6 Religare Securities Limited, The Manager to the Offer does not hold any equity shares of the Target Company as on the date of this Public Announcement. They declare and undertake that they shall not deal in the shares of the target company during the period commencing from the date of their appointment as manager to the offer till the expiry of fifteen days from the closure of the offer.

2.7 This is not a Competitive Bid.

2.8 The Offer is subject to the terms and condition set out herein and in the Letter of Offer (“LoO”) that would be sent to the shareholders of KIL.

2.9 This Offer is subject to receipt of the statutory approvals mentioned in clause 7 of the PA. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

2.10 The Offer is in compliance with SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

2.11 The Offer is not conditional upon the minimum level of acceptance i.e the Acquirer will acquire all the equity shares of KIL that are tendered in terms of the Offer upto 8,15,496 shares representing in the aggregate 22% shares of the issued capital, subject to the conditions specified in this Public Announcement, Letter of Offer and Form of Acceptance –cum- Acknowledgement.

2.12 The consideration shall be paid in cash.

3. The Offer Price

3.1 The Equity Shares of KIL are listed on the Delhi Stock Exchange Association Limited (DSE) and the Ludhiana Stock Exchange Limited (LSE).

3.2 The annualized trading turnover in the shares of KIL in each of the above mentioned Stock Exchanges based on trading volume during February 2007 to July 2007 (six calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total no. of shares traded during 6 calendar months preceding the month in which the PA is made	Total no. of listed shares	Annualized trading turnover (as % of total listed shares)
DSE	Nil	3706800	Nil
LSE	Nil	3706800	Nil

The Equity Shares of KIL are infrequently traded on both DSE and LSE within the meaning of explanation (i) to Regulation 20(5) of the Regulations of the SEBI (SAST) Regulations.

3.3 In accordance with Regulations 20(5) of the SEBI (SAST) Regulations, the Offer Price of Rs. 72.84 per share is highest among the following:

a. Negotiated Price under the agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights.	Rs. 72.84
b. Highest Price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to 30th August 2007. (i.e. the date of PA)	Nil
c. Other Parameters	Audited Financial (Period ended 31st March, 2007)
Return on Networth (%)	-5.07
Book Value per share (Rs.)	10.94
Earnings Per Share (Rs.)	-0.56
PE Ratio on Offer price	Nil
Price/Earnings Ratio (Industry - Miscellaneous)*	17.30

* (Source: Capital Market Volume XXII/11, July 30-August 12, 2007).

Mr. Naresh Kumar of Samkaria & Associates, Chartered Accountants, (Membership No. 086359) has vide his report dated 20th August 2007 stated that based on the decision of Hon’ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995, (83 Com case 30) the Value Per Share would be Rs. 14.64 per share, considering the Net Asset Value of KIL of Rs. 10.94, the Earning Based Value Per Share (PECV) of Rs.32.98 and Market based value as Nil. In view of the above, the Offer Price of Rs. 72.84 per share offered by the Acquirer to the shareholders of KIL under the proposed Open Offer is justified in terms of Regulation 20 (5) of the Regulations.

3.4 In the opinion of the Acquirer and Manager to the Offer, the Offer price of Rs. 72.84 (Rupees Seventy Two and Eighty Four paise only) per fully paid Equity Share is justified.

3.5 There is no non-compete agreement for payment to any person.

3.6 During the Offer period, Acquirer may purchase additional equity shares of the Target Company in accordance with the SEBI (SAST) Regulations. In the event that the Acquirer purchases additional equity shares of the Target Company during the Offer period, such purchase shall be disclosed to the stock exchanges where the equity shares of the Target Company are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations.

3.7 In the event of any further acquisition of Equity Shares by the Acquirer upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirer shall not be acquiring any Equity Shares of KIL during the period of 7 working days, prior to the date of closure of the Offer.

4. Information of Acquirer

4.1. GATI Limited was incorporated as a “GATI Corporation Limited” on April 25, 1995 under the Companies Act, 1956 as a Public Limited Company at Registrar of Companies, II Floor, Kendriya Bhavan, Sultan Bazar, Hyderabad with Registration No. 01-20121 and obtained a certificate for commencement of business on May 5, 1995. The name of the Company was changed from GATI Corporation Limited to GATI Limited with effect from October 24, 2000. The registered office of the Company is situated at 1-7-293, Mahatma Gandhi Road, Secunderabad –500 003.

4.2 GATI is a listed company with the shares being traded at The Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Hyderabad Stock Exchange Limited (HSE). It is promoted by Mahendra Kumar Agarwal, TCI Finance Limited, Mahendra Investment Advisors Private Ltd, Jubilee Commercial & Trading Private Ltd., Bunny Investment & Finance Private Ltd., Dhruv Agarwal Benefit Trust, Manish Agarwal Benefit Trust and Mahendra Kumar Agarwal (HUF).

4.3 The paid up equity capital of GATI is Rs 14,47,71,090, consisting of 7,23,85,545 equity shares of Rs.2/- each.

4.4 GATI is a Express Distribution and Supply Chain Management Company that offers comprehensive multi-modal (land, sea, air and rail) transportation services to its customers as well as niche value-additions such as third-party logistics, trucking and warehousing solutions. Gati provide integrated logistics solutions offering multi-modal transport services having an infrastructure that consists of a vast network of offices and franchisees in India, as well as outside India. Gati is an ISO 9001:2000 certified Company and operate in two main business segments, namely Express Distribution and Supply Chain and Coast – to- Coast(Shipping).

4.5 The shareholding pattern of GATI as on 30th June, 2007 is as follows:

Shareholding’s Category	No. of Shares Held	Percentage
Promoter’s Holding		
Indian Promoters	36219955	50.04
Sub Total (A)	**36219955**	**50.04**
Non Promoter’s Holding		
Mutual Funds and UTI	1082096	1.49
Banks, Financial Institutions, Insurance Companies	64265	0.09
FIIs	3663805	5.06
Sub Total (B)	**4810166**	**6.65**
Others		
Private Corporate Bodies	6391034	8.83
Indian Public	12814204	17.70
NRIs	341708	0.47
OCBs	7856935	10.85
Clearing Members	81518	0.11
Trusts	3870000	5.35
Transit	25	0.00
Any Other	-	
Sub Total (C)	**31355424**	**43.32**
Grand Total (A+B+C)	**72385545**	**100.00**

4.6 The financial details, based on the audited results for the year ended 30th June, 2007 are: Total Income of Rs. 46141 lakhs, Profit after tax Rs. 2335.96 lakhs, Net Worth (excluding revaluation reserve) Rs. 16535 lakhs, Paid up equity share capital Rs. 1447.71 lakhs, Book value per share Rs. 24.52, Return on net worth 13.16%, Earning per share Rs. 3.28.

4.7 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other Regulation made under the SEBI Act.

5. Information about the Target Company

5.1 KIL was incorporated on 11th July 1984 in Chandigarh, Punjab with the Registration No. 5888 in the name of Kausar (India) Private Limited under the Companies Act 1956 as a Private Limited Company. On 23rd November 1984 the Company was converted into Public Limited Company i.e Kausar (India) Limited. On 9th October 1995, the name of the Company was changed to Kausar India Limited. The registered office of the Company is situated at 97, Anand Lok, New Delhi-110049.

5.2 The Company has shifted its registered office from H.No. 53, Sector 28-A, Chandigarh to Flat No 36, Khan Market , New Delhi -110003 on 8th August 2000 and again shifted to 97, Anand Lok, New Delhi-110049 on 27th October 2003.

5.3 The Company has its facilities in Sahibabad, District Ghaziabad, UP.

5.4 The Company made its first public issue in March 1996 and got listed its shares on Delhi Stock Exchange Association Limited (DSE) and Ludhiana Stock Exchange Limited (LSE). The Shares of KIL are infrequently traded on DSE and LSE.

5.5 The Company is presently in the business of specialized refrigerated transportation i.e transportation of perishable goods.

5.6 KIL was promoted by Mr. Sadeev Sandhu and Ms. Arti Sandhu. As on 30th June 2007, the promoter group holds 19,63,050 Equity Shares in the target Company representing 52.96% % of the existing voting capital.

5.7 The authorised capital of KIL as on the date of this PA comprises of 55,00,000 equity shares of Rs.10/- each aggregating to Rs. 550 Lakhs. The issued, subscribed and paid up share capital of KIL as at the date of this PA is Rs. 370.68 Lakhs. There are no partly paid up shares as on date.

5.8 There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity at any later date. There are no shares under lock-in period.

5.9 The Board of Directors of KIL are Mr. Sadeev Sandhu (Managing Director), Mr. Rajiv Gopalani (Whole Time Director), Mr. Braham Arenja (Non-Executive & Independent), Mr. Vikram Nanda (Non-Executive & Independent) and Mr. Raj Khosla (Non-Executive & Independent).

5.10 As per the audited results for the year ended 31st March, 2007, the total income of KIL was Rs. 1869.53 lakhs, PAT (before deferred taxes and prior period adjustments) was Rs. 90.83 lakhs, PAT (after deferred taxes and prior period adjustments) Rs. -20.59 lakhs, Net worth Rs. 405.66 lakhs, Earning per share of Rs. -0.56, Return of Net worth Rs. -5.07 and Book Value per share of Rs. 10.94.

5.11 The shareholding pattern as on 30th June 2007 is as follows:

Particulars	No. of Shares	Percentage of Shareholding
Promoter & Promoter Group Holdings		
Indian Promoter	1222950	32.99
Foreign Promoter	555000	14.97
Corporate Bodies	185100	4.99
Total Promoter Holdings (A)	**1963050**	**52.96**
Non- Promoter Holdings		
Indian Public	1743750	47.04
Total Non- Promoter Holdings (B)	**1743750**	**47.04**
Total (A+B)	**3706800**	**100.00**

5.12 KIL has no subsidiaries as on date.

5.13 The Compliance officer of KIL is Ms. Nandani Shanker who will attend to all investor grievances.

5.14 KIL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other Regulation made under the SEBI Act.

6. Reason for Acquisition and Offer

6.1 This Offer is being made to the shareholders of KIL pursuant to Regulation 10 & 12 of the Regulations consequent to the share purchase agreement entered into by the Acquirer as explained in clause 1.2 above, resulting in substantial acquisition of shares and voting rights in the Target Company and also a change in control and Board of Directors of the Target Company.

6.2 The prime reason for acquisition of shares is to get substantial ownership of shares/ voting rights accompanied with a change of control and management of the company. The present acquisition of shares of Target Company would provide end to end solutions for Express Distribution & Supply Chain Management. It will also help in expansion of present cold chain business by acquiring the Target Company which is involved in the business of specialized refrigerated transportation i.e, transportation of perishable goods.

6.3 The Acquirer does not have any plan to dispose off or otherwise encumber any asset of KIL in the next two years except in the ordinary course of business of KIL. However, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of KIL except with the prior approval of the shareholders of KIL and in accordance with and subject to applicable laws, permissions, consents, if any.

7. Statutory and Other Approvals Required for the Offer

7.1 The Offer is subject to receipt of the permission from Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 (FEMA) to acquire equity shares tendered by Non Resident Indian (“NRI”), Overseas Corporate Bodies (“OCB”) and Foreign Institutional Investors registered with SEBI (“FIIs”) (jointly referred to as “Non-Resident Shareholders”) in this Offer. The Acquirer will make necessary applications for the requisite approvals at an appropriate time.

7.2 As of the date of this PA, to the best of the knowledge of the Acquirer there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals are not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.

7.3 In case of delay in receipt of any approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirer agrees to pay interest in accordance with Regulation 22(12) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

7.4 In case of an undue delay in obtaining RBI’s approval for acquisition of equity shares from Non-Resident shareholders, the Acquirer reserves the right to proceed with the payment to the resident shareholders whose Equity Shares have been accepted by the Acquirer in terms of the Offer, pending payment to Non-Resident shareholders subject to the payment instruments payable to Non-Resident shareholders being kept in the safe custody with the Registrars to the Offer.

8. Delisting Option to the Acquirer in terms of Regulation 21 (3):

Assuming full acceptance, the offer would not reduce the public shareholding below the minimum limit specified in the listing agreement with the Stock Exchange for the purpose of listing on a continuous. As per the listing agreement, the Target Company is required to maintain atleast 25% public shareholding for listing on a continuous basis.

9. Financial Arrangement for the Offer

9.1 The total fund requirement for the implementation of the offer at Rs. 72.84 per share for 8,15,496 equity shares being 22% of total voting capital of 37,06,800 equity shares of KIL is aggregating to Rs. 5,94,00,728.64 assuming that full acceptance for the offer is received which is in addition to the amount of Rs. 14,29,88,562 required for the purpose of acquisition of 19,63,050 equity shares through share purchase agreement. The Acquirer, has made firm financial arrangements to meet its obligations in full under the Offer and have confirmed the same vide their letter dated 25th August 2007. No borrowings from Banks / Financial Institutions is being made for the purpose. The sources of funds would be internal accruals and conversion of convertible warrants.

9.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirer has created an escrow account in the following manner:

a. Cash deposit of Rs.5,95,000 (Rupees Five Lakhs Ninety Five Thousands only), being 1% of the total consideration payable with M/s. ICICI Bank Limited, Fort Branch, Mumbai empowering Religare, the Manager to the Offer to instruct the banker to issue a banker’s cheque or demand draft for the amount lying in the escrow account.

b. Bank Guarantee by ICICI Bank Limited, Begumpet branch, Hyderabad for Rs. 1,50,00,000 (Rupees One Crore Fifty Lakhs only), being 25 % of the total consideration payable in favour of Religare, the Manager to the Offer and is valid for a period commencing from the date of this public announcement till 27th December 2007

9.3 Naveen Kumar Agarwal, Chartered Accountants, (Membership No.209996), Proprietor, 15-1-503/B/9, Ashok Market, Siddiamber Bazar, Hyderabad -12, Tel. No & Fax No.: 040 6682 5727, have certified vide their certificate dated 25th August 2007 that the Acquirer has adequate resources to meet the financial requirements of the Open Offer.

9.4 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

10. Other Terms of the Offer

10.1 The Letter of Offer together with Form of Acceptance cum Acknowledgement (FOA), the Form of Withdrawal (FOW) and Transfer Deed (TD) (for shareholders holding shares in physical form) will be mailed to all the shareholders of KIL, except Acquirer and Parties to the Share Purchase Agreement, whose names appear on the Register of Members of KIL and the beneficial owners of the shares whose names appear as beneficiaries on the records of the respective share depositories, at the close of business hours on 31st August 2007 (specified date).

10.2 Accidental omission to dispatch Letter of Offer to any member entitled to this open offer or non-receipt of the Letter of Offer by any member entitled to this open offer shall not invalidate the open offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of KIL as on the specified date.

10.3 This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.

10.4 All the shareholders, except the Acquirer and Parties to the Agreement, who own the shares of KIL anytime before the closure of the Offer, are eligible to participate in the Offer anytime before date of closing of the offer.

10.5 The Acquirer has appointed Karvy Computers Share Private Limited as Registrar to the Offer. Registrars have set up the following center to collect the acceptances being tendered in this offer:

LOCATION	CONTACT DETAILS OF THE REGISTRAR TO THE OFFER
Hyderabad	Karvy Computershare Private Limited Plot 17-24 Vithalrao Nagar Madhapur Hyderabad - 500 081 **Tel**: 040 2342 0815 **Fax:** 040 2343 1551 **Contact Person:** Mr. M Murali Krishna **Website**:www.karvy.com **Email:** murali@karvy.com

The documents should be sent either by Hand delivery or by Registered Post, so as to reach before the closure of the offer. The documents can be tendered at the above centre between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday. The centre will be closed on Sundays and Public holidays.

10.6 All registered shareholders who wish to tender their shares will be required to send duly completed FOA filled and signed in accordance with the instructions specified in the Letter of Offer and FOA, to the Registrar to the Offer at the center mentioned above before the closure of the Offer, i.e. 7th November 2007.

10.7 The Registrar to the Offer has opened a special depository account with Karvy Stock Broking Limited (Depository – NSDL) styled “ **KCPL ESCROW ACCOUNT KAUSAR INDIA OPEN OFFER”.** The DP ID is **IN300394** and Beneficiary/Client ID is **15951027**.

10.8 The beneficial owners (holders of shares in Dematerialized form) who wish to tender their shares will be required to send the FOA along with the counterfoil/ photocopy of the delivery instructions in “Off-Market” mode in favour of the special depository account mentioned above, duly acknowledged by the Depository Participant (“DP”), to the Registrar to the Offer either by Hand Delivery or by Registered Post on or before the date of closing of the Offer. In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

For shareholders of KIL holding physical shares and who wish to accept the Offer and tender their shares will be required to send the FOA together with the share certificate(s) and valid transfer deed(s) to the Registrars.

10.9 The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the closure of the Offer i.e. 7th November 2007. FOA, in respect of dematerialized equity shares not credited to the above special depository account before the date of closing of offer, is liable to be rejected.

10.10 Shareholders having their beneficiary account with Central Depository Services Limited (CDSL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the above mentioned Special Depository Account with NSDL.

10.11 In case of non-receipt of the Letter of Offer/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Registrars to the offer at the collection center clearly marking the envelope “KIL Open Offer” or make an application on plain paper duly signed and stating their name, address, No. of Shares held, no. of shares offered, DP name, DP ID, Client ID and the counterfoil/ photocopy of the delivery instruction in “Off-Market” mode in favour of the special depository account, duly acknowledged by the DP, to the Registrar to the Offer, before the closure of the Offer.

10.12 Unregistered owners holding shares in physical form may send their application in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s) and valid transfer deed(s) as received from the Broker (columns meant for transferee / buyer should be kept blank) to the Registrar to the Offer. Unregistered owners will also be required to submit documents to prove their title to the shares in respect of which they are accepting the Offer such as original broker’s contract note and transfer deed(s) executed by the registered holder of the shares. No indemnity is required from the unregistered owners.

10.13 In case the Share Certificate(s) and Transfer Deeds are lodged with KIL/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by KIL/its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of Body Corporate / Limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent along with.

10.14 Shareholders who have sent their physical shares for Dematerialization and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder’s DP. The shareholder should ensure that process of getting shares dematerialized is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. 7th November 2007, else the application will be rejected.

10.15 Equity shares tendered by the shareholders of KIL in the offer shall be free from lien, charges and encumbrances of any kind whatsoever.

Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of KIL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered in the offer prior to the date of closing of the offer.

10.16 In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company’s share is 1 (one) share.

10.17 While tendering shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. In case of RBI Approvals not being submitted prior to closure of the issue, the Acquirer reserve the right to reject the shares. While tendering shares under the Offer, NRI / OCBs / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

10.18 The consideration received by the shareholders for shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further the securities transaction tax will not be applicable on shares accepted in this offer.

10.19 The Registrar to the Offer will hold in Trust the Shares / Share certificates, FOA, if any, and the transfer form/s on behalf of the shareholders of KIL who have accepted the Offer, till the Acquirer completes the offer obligations in accordance with the Regulations.

10.20 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders’/unregistered owners’ sole risk to the sole/first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners’ depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA.

10.21 A schedule of some of the major activities in respect of the Offer is given below:

Activity	Date	Day
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)	31st August 2007	Friday
Last date for competitive bid	20th September 2007	Thursday
Date by which Letter of Offer will be posted to shareholders	9th October 2007	Tuesday
Date of opening of the Offer	19th October 2007	Friday
Last date for Revising the Offer Price / Number of Shares	29th October 2007	Monday
Last date for Withdrawing acceptances tendered by shareholders	2nd November 2007	Friday
Date of closing of the Offer	7th November 2007	Wednesday
Date of communicating acceptance/ rejection and payment of consideration for accepted shares / dispatch of the share certificate in case of rejection.	22nd November 2007	Thursday

11. Procedure for Withdrawal of Application

11.1 In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date i.e. upto 2nd November 2007.

11.2 Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed & signed along with the requisite documents.

11.3 In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with following details :-

- **In case of physical shares**: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered and to be withdrawn.
- **In case of dematerialized shares**: by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP ID, Beneficiary account number, Counterfoil/ Photocopy of the delivery instruction in “Off Market” mode duly acknowledged by the DP in favour of the special depository account.

In either case: a copy of the acknowledgement received from the Manager to the Offer upon tendering of the Shares so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before 7th November 2007.

SHAREHOLDERS WHO HAVE ACCEPTED THE OFFER BY TENDERING THE REQUISITE DOCUMENTS, IN TERMS OF THE PUBLIC ANNOUNCEMENT / LETTER OF OFFER SHALL HAVE THE OPTION TO WITHDRAW THE ACCEPTANCE TENDERED BY THEM UPTO 3 WORKING DAYS PRIOR TO THE DATE OF CLOSURE OF OFFER IN TERMS OF REGULATION 22(5A) OF THE SEBI (SAST) REGULATIONS .

12.0 General

12.1 If there is any upward revision in the Offer Price till the last date of revision in terms of Regulation 26 i.e. 29th October 2007 or Withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which this original Public Announcement is being made. In case of an upward revision in the offer price, the revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and have been accepted under the Offer.

12.2 Neither Acquirer nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11B of SEBI Act.

12.3 If there is competitive bid:

i. The public offers under all the subsisting bids shall close on the same date.

ii. As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly”

12.4 Pursuant to Regulation 13 of SEBI (SAST) Regulations, Acquirer has appointed Religare Securities Limited, as Manager to the Offer.

12.5 The Acquirer and its director accepts full responsibility for the information contained in this Public Announcement, brochure, circular, letter of offer or any other advertisement or publicity material issued to shareholders in connection with the offer and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations.

This Public Announcement will also be available on SEBI’s website at **www.sebi.gov.in**. Eligible persons to the Offer may also download a copy of Form of Acceptance-cum-Acknowledgement which will be available on SEBI’s website at **www.sebi.gov.in** from the Offer opening date 19th October 2007 and apply in the same.

ISSUED BY Manager to the Offer (on behalf of Acquirer)

RELIGARE
Values that bind

Religare Securities Limited
SEBI Registration No: INM000011062
14, Mittal Chambers, 1st Floor,
Nariman Point,
Mumbai - 400 021, India.
Tel: 022 -4007 4800;
Fax: 022- 4007 4869
Website: www.religare.in,
E-mail:neetu.ranka@religare.in/ navdeep.kaur@religare.in
Contact Person: Ms. Neetu Ranka
Ms. Navdeep Kaur

REGISTRAR TO THE OFFER

KARVY
Karvy Computershare Private Limited

Karvy Computershare Private Limited
SEBI Registration No: INR000000221
Plot 17-24 Vithalrao Nagar
Madhapur
Hyderabad - 500 081
Tel: 040- 2342 0815
Fax: 040- 2343 1551
Website:www.karvy.com
Email:murali@karvy.com
Contact Person: Mr. M Murali Krishna

Place : Hyderabad
Date : 30th August, 2007

PRESSMAN