PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF

KAVVERI TELECOM PRODUCTS LIMITED ('KTPL '/ 'the Target Company')

KAVVERI

(Registered Office: #31-36, 1st Main, 2nd Stage, Arakere MICO Layout, Bhannerghatta Road, Bengaluru - 560076.
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This Public Announcement ("PA") is being issued by Anand Rathi Advisors Limited ("ARAL" or "Manager to the Offer") on behalf of Mr. C. Shivakumar Reddy (Mr. Chennareddy Shivalumar Reddy), Mrs. R. H. Kasturi (Mrs. Rajupeta Hanumanthareddy Kasturi) and Ms. C. Uma Reddy (Ms. Chennareddy Uma Reddy) (hereinafter referred to as the "the Acquirers") pursuant to and in compliance with Regulation 10 and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as the "SEBI (SAST) Regulations").

1. Background of the Offer

1.1 The Acquirers belong to the Promoters as per filing made by the company to the stock Exchange under clause 35 of the Listing Agreement and were holding 14,69,968 equity shares constituting 14.60% of the paid up equity capital and voting rights of the Target Company before the Preferential Allotment.

1.2 The preferential Issue was duly authorized by the Board of Directors of the Target Company at their meeting held on July 31, 2010 and by way of a Special Resolution passed under section 81(1A) of the Companies Act, 1956 and other applicable provisions, if any, at the duly convened Extra Ordinary General Meeting ('EGM") of the Target Company held on August 26, 2010.

1.3 The Board of Directors of the Target Company ("Board") at its meeting held on February 02, 2011 have issued and allotted 40,00,000 equity shares of the face value of Rs. 10/- each fully paid up at a price of Rs. 113/- per equity share (including premium of Rs. 103/-per equity share) on a preferential issue basis ("Preferential Issue)") to Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi and Ms. C. Uma Reddy. The equity shares issued under preferential issue are subject to "lock-in" as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto ("SEBI ICDR Regulations"). The Target Company has received "in principle" approval from the National Stock Exchange ("NSE") vide their letter no. NSE/LIST/155312-R dated January 05, 2011 and Bangalore Stock Exchange ("BgSE") vide their letter no. 03/BSS/456 dated January 24, 2011 for the aforesaid Preferential Issue.

1.4 The paid up and voting share capital of the Target Company prior to the Preferential Issue was Rs. 10,06,89,800/- consisting if 1,00,68,980 equity shares of Rs. 10/- each ("Pre Preferential Capital"). Post Preferential Issue, the total equity and voting share capital of the Target Company increased to Rs.14,06,89,800/- consisting of 1,40,68,980 equity shares of Rs. 10 each (Present Voting capital) of which the Acquirers are holding in aggregate 54,69,968 equity shares representing 38.88% of present voting capital of the Target Company, the details of which are as follows :

Particulars	Pre-Preferential Issue		Preferential Issue		Post- Preferential Issue	
	Equity Shares	% of holding	Equity Shares	% of Post – Preferential Allotment Capital	Equity shares	% of Post – Preferential Allotment Capital
Mr. C. Shivkumar Reddy	8,56,099	8.51	12,00,000	8.53	20,56,099	14.61
Mrs. R H Kasturi	6,13,769	6.09	14,00,000	9.95	20,13,769	14.31
Ms. C Uma Reddy	100	0.001	14,00,000	9.95	14,00,100	9.95
Total	**14,69,968**	**14.6**	**40,00,000**	**28.43**	**54,69,968**	**38.88**

1.5 The Promoters of KTPL & their holding as on the date of Public Announcement:

Name of the Promoter	Number of shares	Shares as a percentage of total paid up capital
Mr. C. Shivakumar Reddy	20,56,099	14.61
Mrs. R. H. Kasturi	20,13,769	14.31
Ms. C. Uma Reddy	14,00,100	9.95
Total	**54,69,968**	**38.88**

1.6 The offer is being made by the Acquirers (Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi and Ms. C. Uma Reddy) residing at No. 14, 29th Main Road BTM Layout, 2nd Stage, Bengaluru - 560076, No. 14, 29th Main Road BTM Layout, 2nd Stage, Bengaluru - 560076 and 2nd Floor, Plot no. 31 to 36, 1st floor, 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bengaluru – 560076 respectively to the equity shareholders of the Target Company.

2. The Offer

2.1 This Offer is being made by the Acquirers pursuant to Preferential Allotment of 40,00,000 equity shares of KTPL. The shareholding of Acquirers pursuant to this Preferential Allotment increased from 14.60% (14,69,968) to 38.88% (54,69,968)

2.2 This Offer is being made by the Acquirers to the public shareholders (other than Promoter of the Target Company) of the Target Company to acquire up to 28,13,796 fully paid up equity shares of the face value of Rs. 10/- each of the Target Company ("Equity Shares") representing 20% of the voting & paid up equity share capital of the Target Company. This offer is being made pursuant to and in compliance with Regulation 10 of SEBI (SAST) Regulations at a price of Rs.116.47/- per fully paid up equity share (the "Offer Price") payable in cash in terms of Regulations 20 & 21 of the Regulations ("the Offer" or "Open Offer").

2.3 The Acquirers have acquired only 40,00,000 equity shares of the Target Company during the twelve months preceding the date of this public announcement at the highest Price of Rs. 113/- through preferential allotment on February 02 2011.

2.4 This Offer is being made to all the shareholders (other than the Acquirers) of the Target Company and is not conditional on any minimum level of acceptance by the shareholders of the Target Company.

2.5 This is not a competitive bid.

2.6 The Offer is subject to the terms and conditions mentioned hereinafter and the terms and conditions that will be set out in the letter of Offer in relation to the Offer (the "Letter of Offer / LOF").

2.7 The Equity Shares of the Target Company will be acquired free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

2.8 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 not to 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 15 days from the date of closure of the Offer.

2.9 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

2.10 Due to the operation of Regulation 2(1) (e) (2) of the SEBI (SAST) Regulations, there could be persons, who could be deemed to be persons acting in concert with the Acquirers. However, such persons are not acting in concert for the purposes of this Offer.

2.11 This Offer will not result in change of control of the Target Company.

2.12 The Acquirers is permitted to revise this Offer upward up to seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where the PA has appeared and the revised offer price would be paid for all the equity shares tendered anytime during the Offer. In case of a revision in the Offer Price, the Acquirers would raise the amount in the Escrow Account to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations.

3. Offer Price

3.1 The Equity Shares of the Target Company are listed on the National Stock Exchange Limited (the "NSE") and Bangalore Stock Exchange (the "BgSE"). The Equity Shares of KTPL also permitted security for trading on Bombay Stock Exchange Limited (the "BSE") - BSE IndoNext segment.

3.2 Based on the trading volume of the Target Company for the six months period from August 2010 to January 2011, the shares are frequently traded within the meaning of explanation (i) to Regulation 20(5) of SEBI (SAST) Regulations on BSE and NSE as per the data available with BSE and NSE. (Sources: www.bseindia.com and www.nseindia.com)

Stock Exchanges	Total No. of Shares traded during six calendar months prior to the month in which the PA is made (From August 2010 to Jan 2011)	Total Shares Traded/ Listed	Trading Turnover (annualized) (% of total shares listed)
BSE	1,41,77,720	1,00,68,980	281.61
NSE	1,36,90,179	1,00,68,980	271.93

3.3 In accordance with regulation 20(4) and 20 (11) (ii) of the Regulations, the Offer Price of Rs. 116.47/- per Equity Share is higher of the following:

S.No.	Particulars	Price (in Rs. Per Share)
(a)	Negotiated Price under the Agreement	N.A.
(b)	Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	113/-
(c)	Average of high / low of the closing price for every week for the last 26 weeks preceding the date of the Board Meeting authorizing Preferential Allotment	96.74/-
(d)	The average high/low for the last two weeks preceding the date of the Board Meeting authorizing Preferential Allotment	116.47/-

In view of the above, the Offer price of Rs. 116.47/-per fully paid up equity share is justified as per the Regulation 20 of the Regulations. Weekly prices have been derived considering that the week ended on July 30, 2010 which is week preceding the date of the Board Meeting authorizing Preferential Allotment i.e. July 31, 2010.

3.4 If the Acquirers acquires the Equity Shares of the Target Company after the date of this PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

4. Information about the Acquirers

4.1 The Acquirers

Mr. C. Shivakumar Reddy

Mr. C. Shivakumar Reddy, aged 47 years, residing at No. 14, 29th Main Road BTM Layout, 2nd Stage, Bengaluru - 560076 and having Permanent Account Number AFKPS1146L. He has completed degree in Bachelor of Technology, B. Tech (Electronics & Communications) from Jawaharlal Nehru Technological University (JNTU), Hyderabad in the year 1984. He was one of the Promoter Director of Kaveri Microwave Components Limited, Hyderabad which started operations in 1988 and was instrumental in design, development and marketing of RF products till August 1991. Thereafter, he took charge of a new proprietary concern Kaveri Microwave Components as its Chief Executive Officer from 1991 to 1996. After the takeover of Kaveri Microwave Components by Kaveri Telecoms Limited, Mr. C. Shivakumar Reddy continued as the Chief Executive Officer of the merged entity and was later appointed as Managing Director of Kaveri Telecoms Limited in 2002.

Mrs. R.H. Kasturi

Mrs. R.H. Kasturi, aged 43 years, residing at No. 14, 29th Main Road BTM Layout, 2nd Stage, Bengaluru - 560076 and having Permanent Account Number ADDPK6263D. She is a bachelor of Engineering in Electronics & Communication from Bengaluru University. She started Kaveri Microwave Components as proprietary concern in 1991 and has been in-charge of administration activities of the firm. After the takeover of Kaveri Telecoms Limited in 1996, she was appointed as Director of Kaveri Telecoms Limited. Mrs. R. H. Kasturi is instrumental in successfully managing day to day administrative activities of the company. She is also responsible for all the administration and HR functions of the company.

Ms. C. Uma Reddy

Mrs. C. Uma Reddy, aged 50 years, residing at Plot no. 31 to 36, 1st floor , 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bengaluru – 560 076 and having Permanent Account Number AEMPC4963Q. She is Bachelor in Arts, has more than 20 years experience in managing the business of telecom and other sector companies. Prior to joining Kaveri in 1996, she was heading the marketing division of a leather products company and was instrumental in the development of the company. Ms. C. Uma Reddy has been in-charge of company operations and has been the driving force in successful implementation of various initiatives and strategies, which positioned the company as a global player.

4.2 M/s K.V. Narasimhan & Co., Chartered Accountants (signed by Mr. Gopinath Hegde P., Partner, Membership No. 7283) and office at No. 25, 3rd Floor, Padmashree Mansions, 1st Cross, Sampige Road, Malleswaram, Bengaluru - 560003 have certified that the Net worth as on January 28, 2011 of Mr. C. Shivakumar Reddy is Rs.27.50 Crores (Rupees Twenty Seven Crores and Fifty Lacs) , Mrs. R.H. Kasturi is Rs. 30.59 Crores (Rupees Thirty Crores and Fifty Nine Lacs) and Mrs. C Uma Reddy is Rs. 26.75 Crores (Rupees Twenty Six Crores and seventy Five Lacs).

4.3 None of the Acquirers have 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.

4.4 The Promoters of the Target Company and the Target Company have in past not complied with certain requirements under Chapter II and Chapter III of the SAST Regulations viz; non compliance of 7 (1), 7 (1A), 8A (2), 6 (1) (2) (3) (4) by the members of Promoter Group / Promoters, and non compliance of Regulations 6(2), 6(4), 7(3), 8(3), 8(4) by the Target Company.

SEBI may initiate action against default for aforementioned non-compliances.

5. Information about the Target Company

5.1 KTPL is a company registered under Companies Act 1956 vides CIN L85110KA1996PLC019627. The Target Company had changed its name from Kaveri Telecoms Limited to Kavveri Telecom Products Limited vide fresh certificate of incorporation dated August 19, 2003 issued by ROC Karnataka.

The Target Company is one of the leading telecom products manufacturer, providing hardware products and solutions for the telecom industry.

Founded in 1991 by a innovative team, KTPL designs, develops, tests and implements a diverse range of products, from concept to deployment. With over 150 R&D man-years of experience, KTPL is uniquely positioned to offer an array of products and solutions to meet all hardware requirements of telecom manufacturers, telecom service providers and telecom users.

KTPL combines expertise with experience to deliver solutions spanning the wide spectrum of wireless Telecommunications. The diverse range of products manufactured by KTPL includes Antennas, RF Components, Repeaters, TMA/TMB.

KTPL also enjoys the stature of being the one of the largest manufacturer of Antennas & RF products in India. With approximately 30,000 Sq. ft. area of R&D manufacturing infrastructure for design, development & production of Microwave Components, RF products and Antennas, KTPL has the capacity of manufacturing over 1,00,000 high quality Antennas & 10,000 RF products per month.

5.2 The Authorized Share Capital of the Target Company as on the date of the PA is Rs.20,00,00,000/-.

5.3 The total paid up equity capital of the Target Company is Rs.14,06,89,800/- (Rs. Fourteen Crore Six Lacs Eighty Nine Thousand Eight Hundred Only) divided into 1,40,68,980 equity shares of Rs.10/- each.

Paid up Equity shares of the Target companyof Rs. 10/- each	No. of Equity Shares/Voting Rights	% of Equity Shares/Voting Rights
Fully paid up equity shares	1,40,68,980	100
Total issued & paid up equity shares	1,40,68,980	100

5.4 The Equity Shares of the Target Company are listed on the NSE and BgSE. The Equity Shares of KTPL also permitted security for trading on BSE - BSE IndoNext segment.

5.5 As on the date of PA, there are no partly paid up shares issued by the Target Company.

5.6 The current promoters of the target company are Mr. C. Shivakumar Reddy, Mrs. R.H. Kasturi and Ms. C. Uma Reddy

5.7 The Board of Directors of KTPL comprise of Mr. C. Shivakumar Reddy, Managing Director, Mrs. R. H. Kasturi, Whole time Director, Mr. L R Venugopal, Director, Mr. C V Jagadish, Directors, Mr. L Nicholas, Director and Mr. B S Shankarnarayan, Director.

Mr. C. Shivakumar Reddy and Mrs. R. H. Kasturi have rescued themselves and not participated in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer.

5.8 Brief particulars of the Audited Financial Information of the Target Company for the previous three Financial Years is as follows:-

Profit & Loss Statement *(Amount Rs. in lacs)*

Particulars	2007-2008 *(Audited)*	2008-2009 *(Audited)*	2009-2010 *(Audited)*	Six Months ending Sept. 30, 2010 (certified by Auditors)*
Income from operations	14072.58	18057.42	20098.42	9791.40
Other Income	299.00	272.49	271.08	227.01
Increase / (decrease) in inventory	194.09	51.70	845.53	(278.56)
Total Income	14565.67	18381.61	21215.03	9739.85
Total Expenditure	12404.20	15452.43	15401.34	7113.21
Profit Before Depreciation, Interest and Tax	2161.47	2929.18	5813.69	2626.64
Depreciation	51.25	131.91	238.27	212.78
Interest	545.41	1243.19	1154.23	447.33
Profit before Tax	1564.81	1554.08	4421.19	1966.53
Provision for Tax	400.07	419.91	1301.07	550.60
Profit after Tax	1164.74	1134.17	3120.12	1415.93

Balance Sheet Statement

Particulars	2007-2008 *(Audited)*	2008-2009 *(Audited)*	2009-2010 *(Audited)*	As at Sept 30,2010 (certified by Auditors)*
Sources of funds				
Paid up share capital	1006.08	1006.08	1006.08	1006.90
Reserves & Surplus (excluding revaluation reserves)	2689.68	3706.89	6602.01	8017.94
Net worth	3695.76	4712.97	7608.09	9024.84
Share application money pending allotment				4690.94
Secured loans	5635.41	4816.19	7631.45	7584.19
Unsecured loans	2354.78	2551.62	2559.01	267.05
Deferred tax liability (Net)	351.38	493.85	893.03	800.63
Total	**12037.33**	**12574.63**	**18691.58**	**22367.65**
Uses of funds				
Net fixed assets	1186.78	3108.55	4362.96	4272.93
Investments	2337.27	2388.27	4188.27	4188.27
Net current assets	8365.21	6886.41	10042.72	13906.45
Total miscellaneous expenditure not written off	Nil	Nil	Nil	Nil
Total	**12037.33**	**12574.63**	**18691.58**	**22367.25**

Other Financial Data

Particulars	2007-2008 *(Audited)*	2008-2009 *(Audited)*	2009-2010 *(Audited)*	As at Sept 30,2010 (certified by Auditors)*
Dividend (%)	20%	10%	20%	-
Earning Per share (in Rs.)	11.58	11.27	30.96	14.07
Return on Net worth (PBT/Networth)	42.34%	32.97%	58.11	21.79%
Book Value Per Share (Networth / No. of shares) (in Rs.)	36.73	46.84	75.62	89.62

* Certified by **Statutory Auditor** M/s S. Janardhan & Associates.

Price Earning Multiple for the Target Company is 4.2 and for the Industry is 22.7 **(Source Capital Market Vol XXV/24 January 24- February 06, 2011).**

5.9 As per Kavveri Telecom Products Limited ESOS- 2008 scheme 12775 options vested to employees out of this 8180 options exercised and same allotted on April 04, 2010, balance 4595 options are outstanding.

5.10 The shareholding pattern of the KTPL, as on the date of this Public Announcement is as follows:

Shareholder Category	Number of Equity Shares of the Target Company	Percentage of Equity Share Capital
Promoters	54,69,968	38.88
Non-Promoter	85,99,012	61.12
Total	**1,40,68,980**	**100**

5.11 The Company on November 03, 2003 had filed a petition for sanctioning the scheme of amalgamation under the provisions of Section 391 to Section 394 of the Companies Act, 1956 with the Hon'ble High Court of Karnataka for amalgamation of Megasonic Telecoms Private Limited (MTPL), a company incorporated in Mumbai, State of Maharashtra. The Hon'ble High Court of Karnataka has duly approved the scheme of amalgamation with the Company. Consequent to the Court's approval, MTPL has got amalgamated with the Company as against purchase consideration of 47 equity shares of Rs.10/- each of the Company for every 2 equity shares in MTPL. The amalgamation is effective from July 01, 2003.

5.12 The Target Company has issued warrants convertible into equity on February 02, 2011 as per details mentioned below:-

Name of Allottee	No. of Warrants
Mr.C.Shivakumar Reddy	3,00,000
Mrs.R. H. Kasturi	3,50,000
Ms. C. Uma Reddy	3,50,000
M/s Nova Investments	7,00,000
M/s R S Electronics	7,00,000
M/s Star Towers	5,90,000
Mrs. Girija Mukund	10,000

6. Reasons for the Acquisition and Offer

6.1. The Offer is being made pursuant to Preferential Allotment of 40,00,000 equity shares to the Acquirers this has resulted in substantial acquisition of equity shares in the Target Company in terms of the SEBI (SAST) Regulations. The shareholding of Acquirers pursuant to this Preferential Allotment increased from 14.60% (14,69,968) to 38.88% (54,69,968). Hence, this Open Offer is being made in compliance with Regulation 10 read with other applicable provisions of the SEBI (SAST) Regulations.

6.2 The Acquirers undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

7. Statutory Approvals/ Other Approvals Required for The Offer:

7.1 The Offer may be subject to approvals from Reserve Bank of India ("RBI") (if any) as may be required under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under.

7.2 To the best of the Acquirer's knowledge as of the date of the Public Announcement, there are no other statutory approvals required to implement the Offer other than the one specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirers will have the right not to proceed with the Offer in the event any of the statutory approvals that are required are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.

7.3 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirers for payment of consideration to shareholders of the Target Company, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirers in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

7.4 To the best of its knowledge, the Acquirers do not require any approvals from financial institutions or banks for the Offer.

7.5 The Acquirers shall complete all procedures relating to the Offer within period of 15 days from the closure of the Offer.

8. Disclosure in terms Regulation 21(2) of Regulations

Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirers will hold 82,83,764 equity shares constituting 58.88 % of the Fully Diluted Equity Share Capital of the Target Company and will not result in public shareholding falling below the limit specified in Clause 40A of the Listing Agreement.

9. Financial Arrangements

9.1 The Total fund requirement or the maximum consideration for the Offer assuming full acceptance of the Offer would be Rs. 32,77,22,820.12 (Rupees Thirty Two Crore Seventy Seven Lac Twenty two Thousand Eight Hundred Twenty and paisa Twelve Only) i.e. consideration payable for acquisition of 28,13,796 fully paid equity shares of the Target Company at an Offer Price of Rs. 116.47/- (Rupees One Hundred and Sixteen and paisa Forty Seven Only) per equity share.

9.2 The Acquirers has adequate resources to meet the financial requirement of the offer in terms of Regulation 16(xiv) of regulations. The Acquirers has made firm arrangements for the resources required to complete the offer in accordance with SEBI (SAST) Regulations. The Acquisition will be financed through resources of Acquirers.

9.3 The Acquirers, ARAL and Axis Bank Limited ("Axis Bank"), a company incorporated under the laws of India and having one of its branch offices at Jayanagar, 4th Block, Bengaluru, India have entered into an Open Offer Escrow Agreement (the **"Escrow Agreement"**) in accordance with Regulation 28 of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorized by the Acquirer to operate and realize the value of Escrow Account in terms of the Regulations.

9.4 The Acquirers has made a cash deposit of Rs. 8,19,31,000/- (Rupees Eight Crore Nineteen Lacs Thirty One Thousand only) that is 25 % of the maximum consideration for the Offer assuming full acceptance in Escrow Account with Axis Bank Limited, Jayanagar, 4th Block, Bengaluru India (the **"Escrow Account"**). ARAL has been duly authorized to realize the value of the aforesaid Escrow Account in terms of the SEBI (SAST) Regulations.

9.5 M/S K.V. Narasimhan & Co., Chartered Accountants (signed by Mr. Gopinath Hegde P. Partner Membership No. 7283) and office at No. 25, 3rd Floor, Padmashree Mansions, 1st Cross, Sampige Road, Malleswaram, Bengaluru-560003 have certified that the Acquirers has sufficient means and capability for the purpose of the making Open Offer of size of Rs. 32,77,22,820.12 (Rupees Thirty Two Crore Seventy Seven Lac Twenty Two Thousand Eight Hundred Twenty and paisa Twelve Only).

9.6 Based on the above, ARAL is satisfied with the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

10. Terms and Conditions of the Offer:

10.1 Letter of Offer relating to the Offer (the **"Letter of Offer"**) together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of the Target Company (except the Acquirers), whose names appear on the Register of Members of the Target Company and eligible warrant holders or convertible debenture holders if any, as per Regulation 22(3) of *SEBI (SAST) Regulations* and to the beneficial owners of the Shares in dematerialized form whose names appear on the beneficial records of the respective Depositories, in either case, at the closure of business on Friday, February 18, 2011 (the **"Specified Date"**).

10.2 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed in time for the credit in the special depository account to be received on or before the closing date of the Offer, i.e., no later than April 18, 2011 or else their application will be rejected.

10.3 While tendering the shares under the Offer, NRI/ OCB/ Non-domestic companies/ Other persons who are not resident in India will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirers reserves the right to reject such shares tendered. While tendering shares under the Offer, NRI/ OCB/ Non-domestic companies /Other persons who are not resident in India will be required to submit a No Objection Certificate / Tax Clearance Certificate from the Income Tax authorities, under the Income Tax Act, 1961 (the "Income Tax Act"), indicating the rate at which the tax has to be deducted by the Acquirers before remitting the consideration. In case the aforesaid No Objection Certificate / Tax Clearance certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

10.4 As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ("FII") as defined in Section 115AD of the Income Tax Act.

10.5 The securities transaction tax will not be applicable to the shares accepted in the Offer.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

11.1 Shareholders of the Target Company who are holding Shares in physical form and who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer- **Integrated Enterprises (India) Limited (Formerly known as Alpha Systems Private Limited),** No. 30 Ramana Residency 4th Cross Sampige Road, Malleshwaram, Bengaluru 560003 ("**Registrar to the Offer**"), either by hand delivery on weekdays or by Registered post, so as to reach on or before the closure of the Offer, i.e., no later than April 18, 2011 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

11.2 The Registrar to the Offer on behalf of the Acquirers has opened a special depository account as detailed below:

Depository	National Securities Depository Limited ("NSDL")
Account Name	KTPL ESCROW OPEN OFFER
Depository Participant	Integrated Enterprises (India) Limited
DPID	IN300441
Client ID	11085485

11.3 Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares of the Target Company will be required to send their Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account to Integrated Enterprises (India) Limited (Formerly known as Alpha Systems Private Limited), No. 30 Ramana Residency 4th Cross Sampige Road, Malleshwaram, Bengaluru 560003 Tel: +91-080-23460815-818, Fax: +91-080-23460819, E-Mail: svijayagopal@iepindia.com or alfint@vsnl.com, Contact person: Mr S Vijayagopal either by hand delivery on weekdays or by Registered post acknowledgement due, so as to reach on or before the closure of the Offer, i.e., no later than April 18, 2011 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before the closure of the Offer, i.e., no later than April 18, 2011. Shareholders of the Target Company having their beneficiary account in CDSL shall use the inter-depository delivery instruction.

11.4 In addition to the above-mentioned address, the shareholders of the Target Company who wish to avail themselves of accepting the Offer can also deliver the Form of Acceptance cum Acknowledgement along with all of the relevant documents at any of the collection centers below in accordance with the procedure as set out in the Letter of Offer.

All of the centers mentioned herein below will be open as follows:

City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
Mumbai	Mr. P R Sriram	**Integrated Enterprises (I) Ltd** 15, I Floor, Modern House, Dr. V. B. Gandhi Marg, (Forbes St), Fort, Mumbai - 400023.	022 40661800	022 22874676	sriram@ iepindia.com	Hand Delivery
Ahmedabad	Mr. G R Balaji	**Integrated Enterprises (I) Ltd** 21 Nirman Gr Floor, B/h Navrangpura Bus Stop, Navrangpura, Ahmedabad 380 009.	079 26443289	079 26568122	ahdnavrang @iepindia.com	Hand Delivery
Bengaluru	Mr S Vijayagopal	**Integrated Enterprises (I) Ltd** No. 30 Ramana Residency 4th Cross Sam pige Road Malleswaram, Bangalore - 0	080 23460815 -818	080 23460819	svijayagopal @iepindia.com alfint@vsnl.com	Hand Delivery/ Registered Post
Chennai	Mr S Sriram	**Integrated Enterprises (I) Ltd** 5A, 5th Kences Towers, 1, Ramakrishna Street, T Nagar, Chennai - 17	044 28140801 - 803	044 28144826	corpserv@ iepindia.com	Hand Delivery

Collection Timings for all the locations mentioned above will be 10.00 A.M. to 1.00 P.M. & 2.00 P.M. to 4.30 P.M. during Monday to Friday only and on Saturday 10.00 A.M. to 1.00 P.M.

11.5 All owners (registered or unregistered) of Shares (except the Acquirers) are eligible to participate in the Offer anytime before the closing of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

11.6 In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same from the SEBI website (www.sebi.gov.in), (ii) obtain a copy of the same by writing to the Registrar to the Offer , or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., no later than April 18, 2011 or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than April 18, 2011.

11.7 Applications in respect of Shares that are the subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these Shares are not received together with the Shares tendered under the Offer.

11.8 Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, equity shareholders of the Target Company desirous of withdrawing the acceptance tendered by them in the Offer may do so up to three (3) working days prior to the closing date of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before April 13, 2011.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, which will be enclosed with the Letter of Offer.

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

In case of shares held in physical form: Name, Address, Distinctive numbers, Folio number, Number of shares tendered; and

In case of shares held in dematerialised form: Name, Address, Number of shares offered, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the special depository account.

11.9 The Registrar to the Offer will hold in trust the shares/share certificates, shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the equity shareholders of the Target Company who have accepted the Offer, until the cheques/drafts for the consideration or the unaccepted shares/share certificates are dispatched/returned.

11.10 If the aggregate of the valid responses to the Offer exceeds the Offer size of 28,13,796 equity shares (representing 20% of the Equity Capital), then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The equity shares of the Target Company are compulsorily traded in dematerialized form, hence the minimum acceptance will be one equity share.

11.11 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted shares held in dematerialized form 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 Form of Acceptance cum Acknowledgement.

11.12 Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

11.13 A schedule of the activities pertaining to the Offer is given below:

Activities	Day and Date
Specified date	Friday, February 18, 2011
Last date for announcement of a competitive bid	Monday, February 28, 2011
Date by which Letter of Offer will be posted to shareholders	Friday, March 18, 2011
Date of Opening of the Offer	Monday, March 30, 2011
Last date for revising the offer price / number of Shares	Wednesday, April 06, 2011
Last date for withdrawing acceptance from the Offer	Wednesday, April 13, 2011
Date of Closure of the Offer	Monday, April 18, 2011
Date of communicating rejection / acceptance & payment of consideration for applications accepted	Monday, May 02, 2011

**** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the shares of the Target Company (except the Acquirer) are eligible to participate in the Offer anytime before the closing of the Offer.***

12. GENERAL

12.1 Shareholders of the Target Company who have accepted the Offer by tendering the requisite documents, in accordance with the terms of this Public Announcement and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closing of the Offer, in terms of Regulation 22(5A) of the SEBI (SAST) Regulations i.e April 13, 2011.

12.2 If the Acquirers decides to make upward revisions in the Offer Price/Number of Shares to be acquired, in accordance with regulation 26 of the SEBI (SAST) Regulations, such upward revision will be made no later than April 06, 2011 (Seven working days prior to the date of closure of the Offer). Such revisions/amendments would be effected by making a Public Announcement in the same newspapers in which the original Public Announcement is being made.

12.3 If there is a withdrawal of the Offer by the Acquirers, the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared.

12.4 If there is a competitive bid:

(I) The offers to the public shareholders of the Target Company under all of the subsisting bids shall close on the same date.

(ii) As the Offer Price can be revised until the period beginning seven (7) working days prior to the closing date of the Offer / bids, it would, therefore, be in the interest of the shareholders of the Target Company to wait until the commencement of that period to know the final offer price of each offer/bid and tender their acceptance accordingly.

12.5 Neither the Acquirers or the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

12.6 The Acquirers accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof.

12.7 **Registrar to the Offer - Integrated Enterprises (India) Limited (Formerly known as Alpha Systems Private Limited)**, No. 30 Ramana Residency, 4th Cross Sampige Road, Malleshwaram, Bengaluru 560003, Tel: +91-080-23460815-818, Fax: +91-080-23460819, Email:,svijayagopal@iepindia.com, Website: www.iepindia.com, Contact Person: Mr. S Vijayagopal, SEBI Registration No. : INR000000544.

This Public Announcement will also be available on SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal which will be available on SEBI's website at (www.sebi.gov.in) from the date of opening of the Offer, i.e., March 30, 2011 and can apply on the same.

This Public Announcement is issued by Manager to the Offer on behalf of the Acquirers.

ANANDRATHI

MANAGER TO THE OFFER
Anand Rathi Advisors Limited
11th Floor, Times Tower, Kamala City,
Senapati Bapat Marg,Lower Parel, Mumbai – 400 013
Tel: +91 22 4047 7000, Fax: +91 22 4047 7070
Email: ktpl.openoffer@rathi.com Website: www.rathi.com
Contact Person: Mr. Jitendra Verma
SEBI Registration No.:MB / INM000010478

Place: Bengaluru

Day & Date: Monday, February 07, 2011