PUBLIC ANNOUNCEMENT

for the attention of the Equity Shareholders of

KRITI INDUSTRIES (INDIA) LIMITED

Registered office : Mehta Chambers, 34, Siyaganj, Indore - 452007.

This Public Announcement ("PA") is being issued by the Manager to the Offer i.e., **Chartered Capital And Investment Limited,** on behalf of the Acquirer, i.e. **Kriti Corporate Services Private Limited**, pursuant to Regulations 11(2) as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SEBI (SAST) Regulations, 1997") and subsequent amendments thereto.

1. THE OFFER:

1.1 **Kriti Corporate Services Private Limited,** is the sole Acquirer in the present offer (hereinafter referred to as **"The Acquirer" or "KCSPL"**). The Acquirer form part of the Promoters group of the Target Company.

1.2 On 9th September, 2006 the Committee of the Board of Directors of KRITI INDUSTRIES (INDIA) LIMITED **("Target Company" or "KIIL"),** having its Registered office at Mehta Chambers, 34, Siyaganj, Indore - 452007 issued and allotted, on preferential basis 13,25,000 fully paid up equity shares of face value of Rs 10/- each representing 21.37% of post-preferential share/voting capital of "KIIL"(as mentioned in para 3.2 below) for cash at a price of Rs. 25/- which includes a premium of Rs. 15/- per equity share payable in cash aggregating to Rs. 331.25 lacs **("Preferential Issue")** to the Acquirer in accordance with the guidelines for preferential issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto **("SEBI DIP Guidelines").** The total consideration payable in cash for the shares acquired as mentioned above is Rs. 331.25 lacs (Rupees Three Hundred and Thirty One Lacs Twenty Five Thousand Only).

By this acquisition, the Acquirer hold in aggregate 24,92,100 number of equity shares representing 40.19 % of the Post preferential paid-up equity share capital of the KIIL, and the aggregate holding of the Promoter group increased from 3078584 shares representing 63.14% (Pre Preferential Issue) to 4403584 representing 71.02% (Post Preferntial Issue) of the paid-up share capital of KIIL which resulted in triggering of SEBI (SAST) Regulations, 1997.

1.3 The Preferential Issue as mentioned at para 1.2 above was duly authorised by a resolution passed by the Board of Directors of the Target Company at its meeting held on July 26, 2006 and by the special resolution under section 81(1A) of the Companies Act, 1956 and other applicable provisions, passed by the shareholders of the Target Company at the Annual General Meeting held on August 25, 2006 authorizing the Board of Directors (which include any committee of the Board) of the Target Company to issue and allot the above mentioned equity shares to the Acquirer.

1.4 On receipt of in-principle listing approvals from The Bombay Stock Exchange Limited ("BSE") vide its letter no. List/sdm/pdk/dmm/2006 dated 6th September, 2006 and pursuant to the receipt of subscription monies from the Acquirer, the Board Committee of the Target Company allotted 13,25,000 fully paid-up equity shares to the Acquirer on 9th September, 2006. The said equity shares and the pre Preferential Issue holding of the Acquirer will be subject to "lock-in" as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

1.5 The Acquirer intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of the Target Company to acquire 12,40,088 equity shares of Rs. 10/- each representing 20% of post-preferential share/voting capital of "KIIL" at a price of Rs. 27.50 (Rupees twenty seven & fifty paise only) per fully paid-up equity shares ("Offer Price"), payable in cash subject to the terms and conditions mentioned hereinafter, to those shareholders whose names appear on the register of members on Specified Date i.e. **30th September, 2006.**

1.6 The equity shares of "KIIL" are at present listed at the Bombay Stock Exchange Limited, Mumbai (BSE"), the Ahmedabad Stock Exchange Limited (ASE), Ahmedabad and the Madhya Pradesh Stock Exchange Limited (MPSE), Indore. However KIIL had already applied for delisting of its equity shares from ASE, and MPSE pursuant to special resolution passed in its Annual General Meeting held on 14th September, 2004. Further KIIL has complied with the procedural formalities relating to delisting with the stock exchanges, but KIIL is yet to receive any official letter confirming delisting from ASE and MPSE.

1.7 The annualized trading turnover during the preceeding six calender months ended August 2006 in each of the Stock Exchange where the shares are listed is as follows:

Name of the Stock Exchange	Total number of shares traded during March 2006 to August 2006	Total number of listed shares	Annualised trading turnover (% of the total listed shares)
BSE	379106*	4875440	15.55%
ASE	Nil	4875440	NIL
MPSE	Nil	4875440	NIL

* (Source : www.bseindia.com)

1.8 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares, the equity shares are deemed to be frequently traded on BSE as per the data available with BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997. In accordance with Regulation 20(4) and 20(5) 0f SEBI (SAST) Regulations, 1997, the Offer price of Rs. 27.50 (Rupees twenty seven & fifty paise only) per fully paid up equity shares is worked out on the following parameters.

The negotiated price	N.A.
Price paid by the Acquirers by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA.	Rs. 25/-
Higher of (i) to (ii) below : Share price data of KIIL on BSE, where it is most frequently traded, is as under:	
i. The average of the weekly High and Low of the closing prices of the shares of KIIL during 26 weeks period preceding the date of board resolution which authorised the Preferential Issue, i.e.July 26, 2006.	24.31
ii. The average of the daily High and Low of the prices of the shares of KIIL during 2 weeks period preceding the date of board resolution which authorised the Preferential Issue, i.e., July 26, 2006.	23.39

Other Financial Parameters	Based on the audited financial data for the year ended March 31, 2006*
Return on Net Worth (%)	5.23
Book Value per share (Rs.)	44.88
Earning per share (Rs.)	2.35
Price Earning Multiple (Market Price : Rs 26.05 on BSE on September 13, 2006)	11.09

*As per Annual Report for the year ended March 31, 2006.

The company is diversified and is operating primarily in two segments, solvent extraction and plastic moulding Industry P/E of solvent extraction is 10.6 and plastic is 13.6 respectively (Source : Capital Market dated July 31-Aug 13, 2006). The Industry P/E is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to KIIL and also varied widely in terms of financial parameters compared with KIIL.

Mr. S. K. Bansal, Chartered Acountant, membership No. 82242 partner of M/s. Suresh Bansal & Co., Chartered Accountants, Phone No.0129-2412843 and having office at B-345, 2nd floor, Nehru Ground, Faridabad - 121001 have vide their report dated 10.09.2006 have stated that based on the decision of Hon'ble Supreme Court of India in the case of Hindusthan Lever Employee Union vs. HLL, 1995 (83 Com Cases, 30) the fair value per share would be Rs. 27.40

In view of the above the offer price of Rs. 27.50 is justified in terms of regulations 20(4) and 20(5) of the SEBI (SAST) Regulations, 1997.

1.9 The Acquirer has not acquired any equity share of KIIL during the past 12 months prior to the date of this Public Announcement except 13,25,000 equity shares in the Preferential Issue as per the details given in para 1.2 above. Pursuant to the above acquisition the total holding of the Acquirer in the Target Company has increased from 11,67,100 representing 23.94% (pre Preferential Issue) equity shares to 24,92,100 equity shares representing 40.19% of the post preferential paid-up share capital of KIIL.

1.10 The Acquirer has not entered into any "Non-Compete Agreement".

1.11 The Manager to the Offer i.e. Chartered Capital And Investment Limited does not hold any shares in the Target Company as on the date of this PA.

1.12 The Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a Conditional Offer. The Acquirers will accept the equity shares of KIIL those are tendered in valid form in terms of this offer upto maximum of 12,40,088 equity shares, representing 20% of the post preferential paid-up share capital of the Target Company.

1.13 The offer is not a competitive bid.

2 INFORMATION ABOUT THE ACQUIRER

2.1 Kriti Corporate Services Private Limited is a private limited Company incorporated with the Registrar of Companies Madhya Pradesh, Gwalior vide its certificate of incorporation dated March 23, 1995 under the Companies Act, 1956 to carry on the business of leasing, hire purchase and investment. At present the Registered Office of the Company is situated at Mehta Chambers, 34, Siyaganj, Indore - 452007. Phone No. 0731-2704716, Fax No. 0731-2704506. The Acquirer belongs to **Kriti** Group. Kriti Group has an association of over 10 years with solvent & Pipes industry and has diverse business interests in soya oil & meal, plastic engineering products, telecom networking equipments and pipes.

2.2 M/s. Kriti Corporate Services Private Limited is the sole Acquirer in the present offer and there is no person(s) acting in concert with the Acquirer.

2.3 The Aquirer is registered with the Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFC) without accepting public deposit under section 45-IA of the Reserve Bank of India Act, 1934 vide RBI certificate dated 14.02.1998.

2.4 The present promoters of the Acquirer are Kasta Pipes Pvt.Ltd and Mr.Gokul Prasad Bhargava. The Board of Directors of Acquirer comprises of Mr. Gokul Prasad Bhargava and Mr. Saurabh Mehta.

2.5 The brief financials of KCSPL for the year ended 31st March, 2006 are as under:

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2006 (Audited)
Total Income	16.88
Profit After Tax	12.00
Earnings Per Share (EPS)	2.40
Book Value Per Share	70.46
Networth	352.31
Return on Networth (in %)	3.40%

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

2.6 The Acquirer does not intend to make any changes in the Board of Directors of the Target Company.

3. INFORMATION ABOUT THE TARGET COMPANY

3.1 The Target Company i.e. **M/s. KRITI INDUSTRIES (INDIA) LIMITED; "KIIL"** was originally incorporated with the Registrar of Companies Madhya Pradesh, Gwalior vide its certificate of incorporation dated March 12, 1990 as Private Limited company under the name Kriti Plastics Private Limited. Later on the company name was changed to Kriti Plastics Limited vide certificate of incorporation dated June 10, 1992 , the name was again changed to Kriti Agro and Plastic Industries Limited vide certificate of incorporation dated November 25, 1992 and again changed to its present name i.e Kriti Industries (India) Limited vide certificate of incorporation dated 09.11.1995. At present the Company has its Registered Office at Mehta Chambers, 34, Siyaganj, Indore -452007, India. Phone No. 0731-2704716; Fax No.0731-2704506.

3.2 As on the date of this PA, KIIL has an issued, subscribed and paid-up equity share capital of Rs. 620.04 lacs, consisting of 62,00,440 fully paid equity shares of Rs.10/- each (the **"Expanded Capital Base"/ "post preferential share/voting capital"**). There are no partly paid-up shares in the Target Company.

3.3 The Board of Directors of the Target Company comprises of Mr. Shiv Singh Mehta, Managing Director and the other directors on the Board are Mr. Sajjan Singh Mehta, Dr. Swatantra Singh Kothari, Mr. Pravin Kasliwal, Mr. Manoj Fadnis, Mr. Rakesh Kalra, Mr. R. Venkatachalam, Mrs. Purnima Mehta.

3.4 KIIL has been engaged in the diversified businesses of manufacturing and marketing of telecom networking equipments & components, solvent extraction, HDPE & PVC pipes and engineering plastics products. The Target Company has three plants (a) Telecom Networking Equipments Components Division at Plot No. 75-86 & 13/1, Tarpura, Sector II, Industrial Area, Pithampur, Dist. Dhar (M.P.); (b) Solvent Division at Industrial Area No. 3 Dewas (M.P.); and (c) Engineering Moulding Division at Plot No. C-9 & C-10, MIDC, Ranjangaon Near Sirpur, Pune-10 (Maharashtra).

3.5 The equity shares of "KIIL" are listed at BSE, ASE and MPSE.

3.6 The brief financials of KIIL for the year ended 31st March, 2006 are as under:

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2006 (Audited)
Total Income	24255.90
Profit After Tax	114.39
Earnings Per Share (EPS)	2.35
Book Value Per Share	44.88
Networth	2188.16
Return on Networth (in %)	5.23%

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

Further information about KIIL is available at its website: www.kritiindia.com

4. REASON FOR THE ACQUISITION/OFFER

4.1 This offer is being made pursuant to Regulation 11(2) of the SEBI (SAST) Regulations 1997, consequent to the preferential allotment of equity shares by KIIL to the Acquirer as explained in para 1.2 above resulting in consolidation of holding of the Acquirer in KIIL. The board of KIIL invited the Acquirer to invest by way of subscription to the fresh equity share capital by way of preferential allotment under section 81(1A) of the Companies Act, 1956 according to and subject to the SEBI (DIP) Guidelines and bring funds so as to partially meet the working capital requirements and fund requirements for the expansion of the engineering plastic operations of the Company. As a result of the Preferential Issue of equity shares to the Acquirer the aggregate holding of the promoter group also stand increased. Thus consolidation of holding in the Target Company is the reason and rationale for the acquisition/offer.

4.2 The Offer to the Public shareholders of KIIL is for the purpose of acquiring 20% of the post preferential equity/voting capital of KIIL.

4.3 The Acquirer at present have no intention to sell, dispose of or otherwise encumber any significant assets of KIIL in the succeeding two years, except in the ordinary course of business of KIIL. KIIL's future policy for disposal of its assets, if any, will be decided by it's Board of Directors, subject to the applicable provisions of the law, and subject to the approval of the shareholders at a General Body Meeting of KIIL.

5. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

5.1 The Offer is subject to the approval of Reserve Bank of India (RBI) if any, under the Foreign Exchange Management Act, 1999 for transfer of shares of a Company registered in India by a Non Resident to a person resident in India.

5.2 To the best of knowledge of the Acquirer no approvals from Banks/ Financial Institutions are required to make this Offer.

5.3 As on the date of Public Announcement, to the best of the Acquirers' knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

5.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to the Acquirer for payment of consideration to the shareholders subject to Acquirer agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

6 DELISTING OPTION TO THE ACQUIRER

6.1 The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis. The Acquirer in terms of the provisions of regulation 21(2) of the SEBI (SAST) Regulations, 1997 will facilitate the target company to raise the level of of Public shareholding to the level specified for continuous listing as specified in the listing agreement with the stock exchange within the time specified in compliance with SEBI (SAST) Regulations, 1997. Accordingly the Acquirer undertake to comply with the provisions of clause 40A viii (c) or (d) of the listing agreement in consultation with the stock exchange so as to maintain the minimum % of public shareholding in the Target Company required for continuous listing.

7 FINANCIAL ARRANGEMENTS

7.1 The Acquirer has adequate resources to meet the financial requirements of the Offer. The Acquirer has made firm arrangement for the financial resources required to complete the Offer in full in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal resources and borrowed funds from domestic sources.

7.2 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 3,41,02,420/- (Rs Three Crore Forty One Lacs Two Thousand Four Hundred Twenty Only). As per Regulation 28, **Acquirers have marked a lien in favour of Chartered Capital And Investment Limited against fixed deposit with State Bank of Travancore, Ratnadeep Complex, Navlakha, A.B. Raod, Indore for Rs. 85.50 lacs,** being more than 25% of the amount required for the Open Offer. The fixed deposit receipt is duly discharged in favour of **Chartered Capital And Investment Limited.**

7.3 Mr. Sunil Saraf, Chartered Accountant, membership No. 74650 partner of M/s. M. Munshi & Co., Chartered Accountants, Phone No.(0731) 2561023, 2563452, Fax No. (0731) 2564019 and having office at 305, Navneet Plaza, 5/2, Old Palasia, Indore-452018 has certified vide their letter dated 30.08.2006 that the net worth of the Acquirer as on 31.03.2006 is Rs. 352.31 lacs. The letter also confirms that the Acquirer has made firm arrangements to fulfill its part of the obligations under this Offer.

7.4 The Acquirer has duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the Fixed Deposit with **State Bank of Travancore,** in terms of the SEBI (SAST) Regulations, 1997.

7.5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8 OTHER TERMS OF THE OFFER

8.1 The Offer is not subject to any minimum level of acceptances from shareholders

8.2 Letters of Offer (hereinafter referred to as **"LOO"**) will be dispatched to all the equity shareholders of KIIL, whose names appear in its Register of Members on **Saturday, September 30, 2006** the Specified Date, except the Acquirer i.e. **allottee in Preferential Issue and the persons belonging to the Promoter group**.

8.3 The Registrar to the Offer, **BEETAL Financial & Computer Services Pvt. Ltd.** has opened a special depository account with National Securities Depository Limited ("NSDL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.

8.4 All shareholders of the Target Company, other than the Acquirer and the persons belonging to the Promoter group, who own equity shares any time before the Closure of the Open Offer, are eligible to participate in the Offer.

8.5 Beneficial owners and **shareholders holding equity shares in the physical form**, will be required to send their share certificates, Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO, to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **22nd November**, **2006.**

8.6 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e., **22nd November**, **2006**, along with a photocopy of the delivery instructions in **"Offmarket"** mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (**"DP"**), in favour of **"BEETAL -KIIL- Open Offer Escrow A/c" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name : Abhipra Capital Limited; DP ID : IN300206;
Client ID : 10903308
Depository : National Securities Depository Limited- ("NSDL")

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use **inter-depository** delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

8.7 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the equity shares who have sent the equity shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of equity shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with KIIL), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **22nd November**, **2006**.

Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.8 In case of shareholders who have not received the LOO and holding equity shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para **8.6** above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **22nd November**, **2006**. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.9 The following collection centre would be accepting the documents by Hand Delivery / Regd Post / Courier as specified above, both in case of shares in physical and dematerialised form.

Address of the Collection Centre	Contact Person	Phone/ Fax / Email
BEETAL Financial & Computer Services Pvt. Ltd. BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110062	Mr. Punit Mittal	Phone: 011 2996 1280 / 81 / 82 / 83, Fax: 011 2996 1284 Email: beetal_99@sify.com

8.10 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before 5.00 PM upto the date of Closure of the Offer, i.e. **22nd November**, **2006,** else the application would be rejected.

8.11 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, i.e. **17th November, 2006**. The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

8.12 The Letter of Offer alongwith the Form of Acceptance cum acknowledgement/ withdrawal would also be available at SEBI's website, *www.sebi.gov.in*, and shareholders can also apply by downloading such forms from the website.

8.13 No indemnity is needed from unregistered shareholders.

8.14 Applications in respect of equity shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these equity shares are not received together with the equity shares tendered under the Offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Where the number of equity shares offered for sale by the shareholders are more than the equity shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of KIIL is 1{one}Equity Share.

9.2 Shareholxders who have offered their equity shares would be informed about acceptance or rejecting of the Offer within 15 days from the date of Closure of the Offer. The payment to the shareholders whose shares have been accepted, and will be paid by cheque / demand draft / pay order crossed 'Account Payee' only in favour of the first holder of equity shares within 15 days from the date of Closure of the Offer. For shares, which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the payment will be issued with the said bank particulars. In case of acceptance on a proportionate basis, the 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 dematerialised form to the extent not accepted will be credited back to the beneficial owner's depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement and the intimation of the same will be send to the shareholders.

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

9.4 As per the provisions of section 196D(2) of the Income Tax Act, 1961, and as amended (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 115D of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Residents Individuals, Overseas Corporate Bodies and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rates is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident Shareholders should also submit copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target company. In case of its non submission the Acquirer reserves its right to reject the shares tendered in the Offer.

10. TIME SCHEDULE OF THE OFFER

Schedule of the major activities of the open offer are as under:

ACTIVITY	DAY AND DATE
Public Announcement Date	(Thrusday) 14th September, 2006
Specified Date (For the purpose of determining the names of shareholders to whom Letter of Offer would send)	(Saturday) 30th September, 2006
Last date for a competitive bid	(Thursday) 5th October, 2006
Date by which Letter of Offer will be dispatched to the shareholders	(Friday) 27th October, 2006
Offer Opening Date	(Friday) 3th November, 2006
Last date for revising the offer price/ number of shares	(Monday) 13th November, 2006
Last date for withdrawal by shareholders	(Friday) 17th November, 2006
Offer Closing Date	(Wednesday) 22nd November, 2006
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	(Thursday) 7th December, 2006

11. GENERAL CONDITIONS

11.1 Shareholders of KIIL who accept the offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closing of the offer i.e.**17th November, 2006** in terms of regulation 22(5A) of SEBI (SAST) Regulations 1997.

11.2 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.

11.3 The intimation of returned shares to the Shareholders will be sent at the address as per the records of KIIL / Depository as the case may be.

11.4 If there is any upward revision in the Offer Price (in terms of Regulation 26) by the Acquirers till the last day of revision, viz., at any time upto seven working days prior to the date of Closure of the Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the successful shares tendered anytime during the Offer.

11.5 **" If there is competitive bid:**

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

11.5.2 **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"**

11.6 The Acquirer is holding 2492100 (including 13,25,000 equity shares allotted under preferential allotment) equity shares of the Target Company as on the date of this Public Announcement .

11.7 Based on the information available from the Acquirer and the Target Company, Acquirer and the Target company have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

11.8 The Pubic Announcement would also be available at **SEBI's website**, ***www.sebi.gov.in***

11.9 Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirer have appointed **M/s Chartered Capital And Investment Limited** as Manager to the Offer and **M/s Beetel Financial & Computer Services Private Limited** as Registrar to the Offer.

11.10 Wherever necessary the financial figures are rounded off to nearest lac or crore.

11.11 This Public Announcement is being issued on behalf of the Acquirer by the Manager to the Offer, M/s Chartered Capital And Investment Limited.

11.12 The Directors of Acquirer, M/s. Kriti Corporate Services Private Limited having its registered office at Mehta Chambers, 34, Siyaganj, Indore-452007 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, 1997 and subsequent amendments made thereof.

Issued on behalf of the Acquirer by
Manager to the Offer:

CHARTERED CAPITAL & INVESTMENT LIMITED
13, Community Centre,
East of Kailash,
New Delhi-110065.
Tel nos.: 011-26472557/26218274
Fax no.: 011-26219491
Email:
charteredcapital@gmail.com
delhi@charteredcapital.net
Contact Person: **Mr. Amit Mehta**

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
Regd. & Admn. Office :
Beetal House, 3rd Floor, 99
Madangir, Behind Local Shopping
Center, Near Dada Harsukhdas
Mandir, New Delhi - 110062.
Phone : 011-29961281,
29961282, Fax: 011-29961284
Email : beetal_99@sify.com
Contact : **Mr. Punit Mittal**

Date : 13.09.2006 **Place : Indore**

Admire

Size 33 (w) x 43 (h) = 1452 s.c.