

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an Equity Shareholder(s) of Kavveri Telecom Products Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer or Registrar to the Offer. In case you have recently sold your Equity Shares in KTPL, please hand over this Letter of Offer and the accompanying Form of Acceptance, Form of Withdrawal and Transfer Deed (in case of physical form) to the member of the stock exchange through whom the sale was effected.

Cash Offer By The Acquirers

Mr. C. Shivakumar Reddy (Mr. Chennareddy Shivakumar Reddy)
residing at No. 14, 29th Main Road BTM Layout, 2nd Stage, Bengaluru – 560076

Mrs. R. H. Kasturi (Mrs. Rajupeta Hanumanthareddy Kasturi)
residing at No. 14, 29th Main Road BTM Layout, 2nd Stage, Bengaluru – 560076

Ms. C. Uma Reddy (Ms. Chennareddy Uma Reddy)
residing at Plot no. 31 to 36, 1st floor, 1st Main, 2nd Stage, Arakere Mico Layout,
Bannerghatta Road, Bengaluru – 560076

To the existing shareholders of

Kavveri Telecom Products Limited

“the Target Company”

hereinafter referred to as “KTPL”

(Registered Office: Plot No. 31-36, 1st Main, 2nd Stage, Arakere Mico Layout Banerghatta Road Bengaluru – 560076)

Tel: (+91 80 41215999-61, 41215963), Fax: (+91 80 41215966)

To Acquire

Upto 28,13,796 (Twenty Eight Lacs Thirteen Thousand Seven Hundred Ninety Six) Fully Paid-Up Equity Shares of the face value of ₹10/- (Rupees Ten Only) each Representing 20 % of the Voting Equity Capital at a Offer Price of ₹116.47 (Rupees One Hundred and Sixteen and Paise Forty Seven only) per fully paid-up Equity Share.

- (1) This Offer is being made pursuant to the Regulations 10 of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997 (“SEBI (SAST) Regulations, 1997”) and subsequent amendments thereof.
- (2) The Offer is not subject to minimum level of acceptance.
- (3) No Competitive Bid has been announced as on the date of this Letter of Offer.
- (4) The Offer is subject to the receiving the necessary approval (s), If any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto for acquiring equity shares tendered by the Non-Resident shareholders, who validly tender their Equity Shares under this Offer. In case of acceptances from non-Resident shareholders, the Acquirers would, after the closure of the offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of KTPL to the Acquirers.
- (5) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/Corrigendum to Public Announcement/ Letter of Offer, can withdraw the same upto three working days (i.e. Friday, May, 20 2011) prior to the date of the closure of the Offer (i.e. Wednesday, May 25, 2011).
- (6) The Acquirers is permitted to revise the Offer Price of Equity Shares upward any time up to seven working days prior to the date of the closing of the Offer. If there is any upward revision in the Offer Price of Equity Shares by the Acquirers till the last date of revision viz., Friday, May 13, 2011 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the newspapers mentioned in Clause 3.2.1 of this Letter of Offer and the same revised price would be payable by the Acquirers to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirers under the Offer.
- (7) **“If there is competitive bid :**
 - (a) **The public offers under all the subsisting bids shall close on the same date.**
 - (b) **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”.**
- (8) The procedure for acceptance is set out in Clause 9 of this Letter of Offer.
- (9) A form of Acceptance-cum-Acknowledgement and Transfer Deed (where applicable) along with a form of Withdrawal are enclosed with this Letter of Offer.
- (10) The Public Announcement, Corrigendum to PA and Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) would also be available on SEBI's website (www.sebi.gov.in.)

MANAGER TO THE OFFER

ANAND RATHI

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

SEBI Registration No.: MB / INM000010478

Contact Person: Mr. Jitendra Verma

OFFER OPENS ON : May 06, 2011

REGISTRAR TO THE OFFER



Integrated Enterprises (India) Ltd.

(Alpha Systems Pvt. Ltd. is now Integrated)

No. 30 Ramana Residency

4th Cross, Sampige Road

Malleswaram Bangalore 560 003

Tel : +9180 23460815-818

Fax: +91 80 23460819

Email: svijayagopal@iepindia.Com

Website: www.iepindia.com

Sebi Registration No. : Inr000000544

Contact Person : Mr. S. Vijay Gopal

OFFER CLOSING ON : May 25, 2011

ACTIVITY SCHEDULE

Activities	Original Schedule Day and Date	Revised Schedule Day and Date
Date of Public Announcement	Monday, February 07,2011	Monday, February 07,2011
Specified date *	Friday, February 18, 2011	Friday, February 18, 2011
Last date for announcement of a competitive bid	Monday, February 28,2011	Monday, February 28,2011
Date by which Letter of Offer will be posted to shareholders	Friday, March 18, 2011	Tuesday, May 03, 2011
Date of Opening of the Offer	Monday, March 30, 2011	Friday , May 06, 2011
Last date for revising the offer price / number of Shares	Wednesday, April 06, 2011	Friday, May 13, 2011
Last date for withdrawing acceptance from the Offer	Wednesday, April 13, 2011	Friday, May 20, 2011
Date of Closure of the Offer	Monday, April 18, 2011	Wednesday, May 25, 2011
Date of communicating rejection / acceptance and payment of consideration for applications accepted	Monday, May 02, 2011	Wednesday, June 08, 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 Acquirers) are eligible to participate in the Offer anytime before the closing of the Offer.

RISK FACTORS

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

I. Relating to the Acquirers

The Acquirers do not make any assurance with respect to the continuation of the past trend of the financial position of them.

The Acquirers makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

II. Risks Related to the Proposed Offer

1. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement or the Letter of Offer or in the advertisement or any materials issued by, or at the instance of the Acquirers and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.
2. In case of delay in the receipt of any statutory approvals, SEBI has the power to grant an extension of time to the Acquirers for payment of consideration to shareholders who have validly tendered their shares, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
3. The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities.
4. In the case of over subscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
5. Further, shareholders of the Target Company should note that after the last date of withdrawal i.e. dated Friday May 20, 2011 the shareholders of the Target Company who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
6. The transaction is subject to any future uncertainties which are beyond the control of the Acquirers.

III. Risks Related to the Transaction

The transaction is subject to any future uncertainties which are beyond the control of the Acquirers

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of KTPL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of KTPL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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Attached : Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed (where applicable).

1. DEFINITIONS

Act	The Companies Act, 1956
Business Hours	Collection Timings for all the locations will be 10.00 A.M. to 1.00 P.M. & 2.00 P.M. to 4.30 P.M. during Monday to Friday and on Saturday 10.00 A.M. to 1.00 P.M.
BSE	Bombay Stock Exchange Limited
BgSE	Bangalore Stock Exchange
CDSL	Central Depository Services (India) Limited
Corrigendum to PA	Corrigendum to Public Announcement by the Acquirers, made by the Manager to the Offer on behalf of the Acquirers dated Friday April 29, 2011
DP	Depository Participant
Eligible Shareholders	All existing shareholders of (Other than Acquirers) KTPL whose names appear in the register of members of KTPL as of , Friday, February 18, 2011 and also persons who acquire any Equity Shares of KTPL at any time prior to the closure of the Offer.
EPS	Earning Per Share
Escrow Account	Escrow account opened in the name and style of “KTPL ESCROW ACCOUNT OPEN OFFER” with the Escrow Bank, established in accordance with Regulation 28 of the SEBI SAST Regulations by the Acquirers.
Escrow Bank	Axis Bank Limited, Jayanagar, 4 th Block, Bengaluru
FEMA	Foreign Exchange Management Act, 1999
FOA or Form of Acceptance	Form of Acceptance cum Acknowledgement
FOW or Form of Withdrawal	Form of Withdrawal cum Acknowledgement
LOO	Letter of Offer
KTPL or Target Company	Kavveri Telecom Products Limited
Manager to the Offer or ARAL	Anand Rathi Advisors Limited
NRI(s)	Non-Resident Indians
Non-Resident Shareholders	NRIs, OCB and FIIs holding the equity shares of Kavveri Telecom Products Limited
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
NT	Not traded
OCB	Overseas Corporate Bodies
Offer or The Offer	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 ₹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 Regulations 10 of SEBI (SAST) Regulations at a price of ₹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”).
Offer Period	From Monday, February 07, 2011 to Wednesday, June 08, 2011
Offer Price	₹ 116.47/- (₹ One Hundred and Sixteen and Paise Forty Seven only) per

	share
Public Announcement/PA	Announcement of the Offer by the Acquirers, made by the Manager to the Offer on behalf of the Acquirers dated Monday, February 07, 2011
RBI	Reserve Bank of India
RONW	Return on Net worth
Registrar to the Offer	Integrated Enterprises (India) Limited (Alpha Systems Private Limited)
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
Specified Date	Friday, February 18, 2011
The Acquirers	Mr. C. Shivakumar Reddy (Mr. Chennareddy Shivakumar Reddy), Mrs. R. H. Kasturi (Mrs. Rajupeta Hanumanthareddy Kasturi) and Ms. C. Uma Reddy (Ms. Chennareddy Uma Reddy)

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DARFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DARFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF KTPL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DARFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DARFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, ANAND RATHI ADVISORS LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 19, 2011 TO SEBI IN ACCORDANCE WITH SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DARFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

- 3.1.1** 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.
- 3.1.2** 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.

3.1.3 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 ₹ 10/- each fully paid up at a price of ₹113/- per equity share (including premium of ₹ 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 Target Company has also issued 30,00,000 warrants convertible into equal no. of equity shares of the face value of ₹ 10/- each fully paid up at a price of ₹113/- per equity share (including premium of ₹ 103/-per equity share) on a preferential issue basis ("Preferential Issue") to Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi, Ms. C. Uma Reddy M/s Nova Investments, M/s R S Electronics, M/s Star Towers and Mrs. Girija Annadur Gomadam on February 02, 2011. 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. Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi, Ms. C. Uma Reddy, M/s Nova Investments, M/s R S Electronics, M/s Star Towers and Mrs. Girija Annadur Gomadam have given their undertaking and confirmation to Target Company that they will not exercise the options to convert warrants into equity shares till the Open Offer is completed in accordance with SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997.

3.1.4 The paid up and voting share capital of the Target Company prior to the Preferential Issue was ₹10,06,89,800/- consisting of 1,00,68,980 equity shares of ₹10/- each ("Pre Preferential Capital"). Post Preferential Issue, the total equity and voting share capital of the Target Company increased to ₹14,06,89,800/- consisting of 1,40,68,980 equity shares of ₹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 holding 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	14.60	40,00,000	28.43	54,69,968	38.88

3.1.5 The Promoter of KTPL and 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

3.1.6 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.

3.2 Details of the proposed offer

3.2.1 The Acquirers has made a Public Announcement, which was published on Monday, February 07, 2011 and corrigendum to Public Announcement on Friday, April 29, 2011 in the following newspapers in accordance with the Regulation 15 of the Regulations.

S. No.	Newspapers	Language	Editions
1	Business Standard	English	All Editions
2	Business Standard	Hindi	All Editions
3	Pudhari	Marathi	All Editions
4	Hosadiganta	Kannada	All Editions

The Public Announcement and Corrigendum to Public Announcement is also available on SEBI's website at www.sebi.gov.in

3.2.2 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).

3.2.3 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 ₹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 ₹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").

- 3.2.4** 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 ₹ 113/- through preferential allotment on February 02 2011.
- 3.2.5** 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.
- 3.2.6** This is not a competitive bid.
- 3.2.7** 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”).
- 3.2.8** 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.
- 3.2.9** 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.
- 3.2.10** The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.2.11** 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.
- 3.2.12** This Offer will not result in change of control of the Target Company.
- 3.2.13** 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.

3.3 Object for the Acquisition

- 3.3.1** 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.

- 3.3.2** 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.

4. BACKGROUND OF 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

Ms. 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 ₹27.50 Crores (Rupees Twenty Seven Crores and Fifty Lacs) , Mrs.

R.H. Kasturi is ₹ 30.59 Crores (Rupees Thirty Crores and Fifty Nine Lacs) and Ms. C Uma Reddy is ₹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

SEBI may initiate suitable actions against Acquirers/Promoters for the non-compliances made under the required provisions of chapter II of the SEBI (SAST) regulation, 1997 for the year 1997-2007.

5. 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.

6. BACKGROUND OF TARGET COMPANY

- 6.1 KTPL is a company registered under Companies Act 1956 vide 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 manufacturers, 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 150,000 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.

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

6.3 Share Capital build-up of the Target Company

Date of Allotment	No. of Equity Shares issued	% of Shares Issued	Cumulative Equity Paid-up Capital		Mode of Allotment	Identity of Allottees (Promoters / Ex. Promoters / others)	Status of Compliance
			(No. of Equity Shares)	(In ₹)			
January 19, 1996	800	100%	800	8,000	Subscription to the Memorandum of Association	Promoters	Complied
July 25, 1996	7,40,000	99.89%	7,40,800	74,08,000	Further Allotment	Promoters	Complied
August 5, 1996	25,000	3.27%	7,65,800	76,58,000	Further Allotment	Promoters	Complied
March 17, 1997	43,60,000	89.10%	51,25,800	5,12,58,000	Initial Public Offering	Promoters and Public	Complied
December 14, 2005	46,97,650	43.83%	98,23,450	9,82,34,500	Pursuant to a Scheme of Amalgamation	Shareholders of amalgamating company	Complied
September 09, 2009	2,37,350	2.56%	1,00,60,800	10,06,08,000	Allotment of shares kept under abeyance	Individual shareholder who's shares were kept in abeyance due to lack of information of his address	Complied
April 30, 2010	8,180	0.08%	1,00,68,980	10,06,89,800	Allotment pursuant to Employee stock option scheme	Eligible Employees	Complied
February 02, 2011	40,00,000	28.43%	1,40,68,980	14,06,89,800	Preferential Allotment	Promoters	Complied

The Company has misplaced certain filings made with the Registrar of Companies relating to increase in share capital and return of allotments of equity shares of the Company.

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

Paid up Equity shares of the Target company of ₹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 and paid up equity shares	1,40,68,980	100

- 6.5** 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.

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

- 6.7** The Board of Directors of KTPL is constituted as under:

Sr. No.	Name of the Director	Original Appointment Date as Director	Age	No. of Shares held	Experience	Qualification	Residential Address
1.	Mr. C. Shivakumar Reddy	Appointed on 01.10.1997 as director. Re-appointed as managing Director w.e.f 01.09.2007	47	2056099	21 years	B Tech (Electronics & Communication)	No.14, 29 th Main Road, BTM Layout, 2 nd Stage, Bengaluru 560 076
2.	Mrs. R. H. Kasturi	Appointed on 19.01.1996 as director. Re-appointed as Whole time Director w.e.f 01.09.2007	43	2013769	19 years	B.E (Electronics & Communication)	No.14, 29 th Main Road, BTM Layout, 2 nd Stage, Bengaluru 560 076
3.	Mr. L R Venugopal	01.10.2001	58	Nil	26 years	FCA	No.705, Gokulam,

							17 th Cross, 25 th Main, J P Nagar, IV Phase, Bengaluru 560 078
4.	Mr. C V Jagadish	30.09.2009	54	Nil	31 years	Bachelor of Electronics and Communica tions	No.32, Patalamma Temple Street, Basavanag udi, Bengaluru 560 004
5.	Mr. L Nicholas	03.03.2003	63	4200	36 years	B.E(Electro nics)	B - 7/42, BDA MIG Flats, Domlur II Stage, Bengaluru 560 071
6.	Mr. B S Shankarnarayan	08.09.2005	61	Nil	40 years	Graduate in Law	No. 86, NGF Layout, Sanjay Nagar, Bengaluru 560 094

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.

6.8 Brief particulars of the audited financial Information of the Target Company is as follows:-

Profit & Loss Statement

(Amount ₹ in lacs)

Particulars	2007-2008 (Audited)	2008-2009 (Audited)	2009-2010 (Audited)	Nine Months ending December 31, 2010 (certified by Auditors)*
Income from operations	14,072.58	18,057.42	20,098.42	17,973.78
Other Income	299.00	272.49	271.08	356.11
Increase / (decrease) in inventory	194.09	51.70	845.53	1,057.05
Total Income	14,565.67	18,381.61	21,215.03	19,386.94
Total Expenditure	12,404.20	15,452.43	15,401.34	14,592.58
Profit Before Depreciation, Interest and Tax	2,161.47	2,929.18	5,813.69	4,794.36
Depreciation	51.25	131.91	238.27	320.08
Interest	545.41	1,243.19	1,154.23	674.42
Profit before Tax	1,564.81	1,554.08	4,421.19	3,799.86
Provision for Tax	400.07	419.91	1,301.07	1,162.75
Profit after Tax	1,164.74	1,134.17	3,120.12	2,637.11

Balance Sheet Statement

(Amount ₹ in lacs)

Particulars	2007-2008 (Audited)	2008-2009 (Audited)	2009-2010 (Audited)	As at December 31, 2010 (certified by Auditors)*
Sources of funds				
Paid up share capital	1006.08	1006.08	1006.08	1006.90
Reserves and Surplus (excluding revaluation reserves)	2,689.68	3,706.89	6,602.01	9,319.60
Net worth	3,695.76	4,712.97	7,608.09	10,326.50
Share application money pending allotment				4,816.99
Secured loans	5,635.41	4,816.19	7,631.45	8,250.96
Unsecured loans	2,354.78	2,551.62	2,559.01	253.64
Deferred tax liability (Net)	351.38	493.85	893.03	720.65
Total	12,037.33	12,574.63	18,691.58	24,368.74
Uses of funds				
Net fixed assets	1,186.78	3,108.55	4,362.96	4,775.22
Investments	2,337.27	2,388.27	4,188.27	4,188.27
Net current assets	8,365.21	6,886.41	10,042.72	15,320.25
Capital Work in Progress	148.07	191.40	97.63	85.00
Total miscellaneous expenditure not written off	Nil	Nil	Nil	Nil
Total	12,037.33	12,574.63	18,691.58	24,368.74

Other Financial Data

Particulars	2007-2008 (Audited)	2008-2009 (Audited)	2009-2010 (Audited)	As at December 31,2010 (certified by Auditors)*
Dividend (%)	20%	10%	20%	-
Earning Per share (in ₹)	11.58	11.27	30.96	26.21
Return on Net worth (PBT/Networth)	42.34%	32.97%	58.11 %	36.80%
Book Value Per Share (Networth / No. of shares) (in ₹)	36.73	46.84	75.62	102.56

* 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).

6.9 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.

6.10 The shareholding pattern of the KTPL, as on the date of this DLOO 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	100.00

- 6.11** 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 ₹10/- each of the Company for every 2 equity shares in MTPL. The amalgamation is effective from July 01, 2003.
- 6.12** 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 Annadur Gomadam	10,000
Total	30,00,000

The aforesaid warrants approved by the shareholders in Extraordinary General Meeting held on August 26, 2010 and in Board of Directors Meeting held on February 02, 2011, the Target Company has allotted 30,00,000 (Thirty lacs) warrants on preferential basis and each warrant convertible into one equity share of the Target company of nominal value of ₹10/- (Rupees Ten only) each at a price of ₹113/- (Rupees One hundred and Thirteen only) per share, including a premium of ₹103/- (Rupees One hundred and Three only) per share.

Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi, Ms. C. Uma Reddy, M/s Nova Investments, M/s R S Electronics, M/s Star Towers and Mrs. Girija Annadur Gomadam have given their undertaking and confirmation to Target Company that they will not exercise the options to convert warrants into equity shares till the Open Offer is completed in accordance with SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997.

If the warrants holders convert their instruments after the instant offer period, the same would attract the provisions of Takeover Regulations. Accordingly the Acquirers /the holders of the aforesaid instruments would be required to comply with applicable provisions of the Takeover Regulation.

6.13 Reason for rise in total income and PAT in last three financial years

For the period of 12 Months ended 31.03.2009 vs. for the period of 12 Months ended on 31.03.2010:

(₹In lacs)

Particulars	For 12 months ended 31.03.2009	For 12 months ended 31.03.2010
Net sales	18,057.42	20,098.42
Profit After Tax	1,134.91	3,120.12

The net sales have increased by 11.30% by maintaining the regular course of growth rate. The PAT has increased by 174.44% due to optimized product mix (i.e., selling more of high margin products).

(B) For the period of 12 Months ended 31.03.2008 vs. for the period of 12 Months ended on 31.03.2009:

Particulars	For 12 months ended 31.03.2008	For 12 months ended 31.03.2009
Net sales	14,072.42	18,057.42
Profit After Tax	1,164.74	1,134.91

The net sales have increased by 28.32% due to increased no. of products sold. PAT has decreased by 2.62% due to increased payment of interest amount. The additional finance charges were due to addition of term loans taken for establishing the factory situated at Jigni.

(C) For the period of 12 Months ended 31.03.2007 vs. for the period of 12 Months ended on 31.03.2008:

Particulars	For 12 months ended 31.03.2007	For 12 months ended 31.03.2008
Net sales	5020.02	14072.58
Profit After Tax	590.63	1164.74

The net sales have increased by 180.33% due to increased no. of products sold. PAT has increased by 97.20% due to increased sales and distributed overheads.

6.14 The equity shareholding in before the Offer and after the Offer (assuming full acceptance of the Offer) is given in the table below:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the Acquisition and offer. i.e	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(A) Promoters								
Mr. C. Shivakumar Reddy	8,56,099	8.51	12,00,000	8.53				
Mrs. R. H. Kasturi	6,13,769	6.09	14,00,000	9.95				
Ms. C. Uma Reddy	100	0.001	1,40,0000	9.95				
Total (Promoters)	14,69,968	14.60	40,00,000	28.43	28,13,796	20	82,83,764	58.88
(B) Non- Promoters								
(1) FIs/MFs/FIIs/Banks, SFIs/NRIs/FBs	1,77,385	1.76						
(2) Others	84,21,627	83.64						
Total Non-Promoters	85,99,012	85.40					57,85,216	41.12
GRAND TOTAL (A+B)	1,0068,980	100					1,40,68,980	100

6.15 The details of share capital build-up of Acquirers are as follows:

Date	Mode of Acquisition / Sale	Acquisition by	No. of shares acquired	Consolidated no. of shares acquired	Consolidated % to the paid-up shares	Sale by	No. of Shares sold	Consolidated no. of shares sold	Consolidated % to the paid-up shares	Cumulative no. of Shares	Consolidated cumulative no. of shares	Consolidated % of cumulative no. of shares to the paid-up shares	Status of Compliance under SAST
17-Mar-97	Public Issue	Mrs. R.H. Kasturi	371,669	792,468	15.46					1,136,969	1,557,768	30.39	Not Applicable - Public issue
		Mr. C. Shiva Kumar Reddy	420,799							1,557,768			
14-Dec-05	Amalgamation	On 14th December, 2005 due to amalgamation 46,97,650 shares were allotted to shareholders of Megasonic Telecoms Private Limited which increased the paid-up capital of the company from 51,25,800 to 98,23,450 shares this has reduced the promoters shareholding percentage from 30% in 1997 to 15% in 2005. Note: In the aforesaid mentioned company our promoters were not shareholders.											Not Applicable
28-Dec-05	Sold in Market					Mrs. R.H. Kasturi	16,000	16,000	0.16	1,541,768	1,541,768	15.69	
29-Dec-05	Sold in Market					Mrs. R.H. Kasturi	9,000	9,000	0.09	1,532,768	1,532,768	15.60	Not Applicable
9-Jan-06	Sold in Market					Mrs. R.H. Kasturi	13,979	23,979	0.24	1,518,789	1,508,789	15.36	Not Applicable
						Mr. C. Shiva Kumar Reddy	10,000			1,508,789			
10-Jan-06	Sold in Market					Mrs. R.H. Kasturi	16,021	36,021	0.37	1,492,768	1,472,768	14.99	Not Applicable
						Mr. C. Shiva Kumar Reddy	20,000			1,472,768			
12-Jan-06	Sold in Market					Mrs. R.H. Kasturi	20,000	40,000	0.41	1,452,768	1,432,768	14.59	Not applicable
						Mr. C. Shiva Kumar Reddy	20,000			1,432,768			
16-Jan-06	Sold in Market					Mrs. R.H. Kasturi	16,000	22,000	0.22	1,416,768	1,410,768	14.36	Not Applicable
						Mr. C. Shiva Kumar Reddy	6,000			1,410,768			
17-Jan-06	Sold in Market					Mrs. R.H. Kasturi	9,000	28,000	0.29	1,401,768	1,382,768	14.08	Not Applicable
						Mr. C. Shiva Kumar Reddy	19,000			1,382,768			
23-Jan-06	Sold in Market					Mrs. R.H. Kasturi	25,000	25,000	0.25	1,357,768	1,357,768	13.82	Not Applicable
25-Jan-06	Sold in Market					Mrs. R.H. Kasturi	25,000	75,000	0.76	1,332,768	1,282,768	13.06	Not Applicable
						Mr. C. Shiva Kumar Reddy	50,000			1,282,768			
14-Feb-06	Sold in Market					Mr. C. Shiva Kumar Reddy	50,000	50,000	0.51	1,232,768	1,232,768	12.55	Not applicable

15-Feb-06	Sold in Market					Mrs. R.H. Kasturi	25,000	25,000	0.25	1,207,768	1,207,768	12.29	Not Applicable
16-Feb-06	Sold in Market					Mrs. R.H. Kasturi	50,000	50,000	0.51	1,157,768	1,157,768	11.79	Not Applicable
17-Feb-06	Sold in Market					Mrs. R.H. Kasturi	50,000	100,000	1.02	1,107,768	1,057,768	10.77	Not applicable
						Mr. C. Shiva Kumar Reddy	50,000			1,057,768			
21-Feb-06	Sold in Market					Mrs. R.H. Kasturi	50,000	100,000	1.02	1,007,768	957,768	9.75	Not Applicable
						Mr. C. Shiva Kumar Reddy	50,000			957,768			
7-Mar-06	Purchase from Market	Mrs. R.H. Kasturi	3,000	3,000	0.03					960,768	960,768	9.78	Not Applicable
16-Mar-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	25,000	25,000	0.25					985,768	985,768	10.03	Not Applicable
17-Mar-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	14,000	14,000	0.14					999,768	999,768	10.18	Not Applicable
20-Mar-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	22,000	22,000	0.22					1,021,768	1,021,768	10.40	Not Applicable
22-Mar-06	Purchase from Market	Mrs. R.H. Kasturi	14,000	14,500	0.15					1,035,768	1,036,268	10.55	Not Applicable
		Mr. C. Shiva Kumar Reddy	500							1,036,268			Not Applicable
23-Mar-06	Purchase from Market	Mrs. R.H. Kasturi	30,000	30,000	0.31					1,066,268	1,066,268	10.85	Not applicable
22-May-06	Purchase from Market	Mrs. R.H. Kasturi	25,000	25,000	0.25					1,091,268	1,091,268	11.11	Not Applicable
23-May-06	Purchase from Market	Mrs. R.H. Kasturi	25,000	25,000	0.25					1,116,268	1,116,268	11.36	Not Applicable
24-May-06	Purchase from Market	Mrs. R.H. Kasturi	15,000	15,000	0.15					1,131,268	1,131,268	11.52	Not Applicable
7-Jun-06	Purchase from Market	Mrs. R.H. Kasturi	10,000	10,000	0.10					1,141,268	1,141,268	11.62	Not Applicable
26-Jun-06	Purchase from Market	Mrs. R.H. Kasturi	25,000	25,000	0.25					1,166,268	1,166,268	11.87	Not Applicable
27-Jun-06	Purchase from Market	Mrs. R.H. Kasturi	18,000	18,000	0.18					1,184,268	1,184,268	12.06	Not Applicable

28-Jun-06	Purchase from Market	Mrs. R.H. Kasturi	7,000	7,000	0.07					1,191,268	1,191,268	12.13	Not Applicable
13-Jul-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	6,000	6,000	0.06					1,197,268	1,197,268	12.19	Not Applicable
14-Jul-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	4,000	4,000	0.04					1,201,268	1,201,268	12.23	Not Applicable
17-Jul-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	10,000	10,000	0.10					1,211,268	1,211,268	12.33	Not Applicable
20-Jul-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	6,500	6,500	0.07					1,217,768	1,217,768	12.40	Not Applicable
21-Jul-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	15,000	15,000	0.15					1,232,768	1,232,768	12.55	Not Applicable
31-Jul-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	8,000	8,000	0.08					1,240,768	1,240,768	12.63	Not Applicable
1-Aug-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	5,000	5,000	0.05					1,245,768	1,245,768	12.68	Not Applicable
2-Aug-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	2,200	2,200	0.02					1,247,968	1,247,968	12.70	Not Applicable
3-Aug-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	25,000	25,000	0.25					1,272,968	1,272,968	12.96	Not applicable
22-Aug-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	25,000	25,000	0.25					1,297,968	1,297,968	13.21	Not Applicable
23-Aug-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	25,000	25,000	0.25					1,322,968	1,322,968	13.47	Not Applicable
8-Nov-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	10,000	10,000	0.10					1,332,968	1,332,968	13.57	Not Applicable
11-Dec-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	25,000	25,000	0.25					1,357,968	1,357,968	13.82	Not Applicable
12-Dec-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	10,000	10,000	0.10					1,367,968	1,367,968	13.93	Not Applicable
28-Dec-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	20,000	20,000	0.20					1,387,968	1,387,968	14.13	Not applicable
29-Dec-06	Purchase from Market	Mr. C. Shiva Kumar Reddy	30,000	30,000	0.31					1,417,968	1,417,968	14.43	Not Applicable

12-Feb-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	15,000	15,000	0.15					1,432,968	1,432,968	14.59	Not Applicable
15-Feb-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	2,000	2,000	0.02					1,434,968	1,434,968	14.61	Not Applicable
19-Feb-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	3,000	3,000	0.03					1,437,968	1,437,968	14.64	Not Applicable
3-Apr-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	7,000	7,000	0.07					1,444,968	1,444,968	14.71	Not Applicable
23-Jul-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	5,000	5,000	0.05					1,449,968	1,449,968	14.76	Not Applicable
26-Jul-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	5,000	5,000	0.05					1,454,968	1,454,968	14.81	Not Applicable
27-Jul-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	2,000	2,000	0.02					1,456,968	1,456,968	14.83	Not Applicable
30-Jul-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	3,000	3,000	0.03					1,459,968	1,459,968	14.86	Not Applicable
22-Aug-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	4,735	4,735	0.05					1,464,703	1,464,703	14.91	Not Applicable
23-Aug-07	Purchase from Market	Mr. C. Shiva Kumar Reddy	5,265	5,265	0.05					1,469,968	1,469,968	14.96	Not applicable
2-Feb-11	Preferential Allotment	Mrs. R.H. Kasturi	1400000	4000000	28.43					2,869,968	5,469,968	38.88	Complied
		Mr. C. Shiva Kumar Reddy	1200000							4,069,968			Complied
		Ms. C. Uma Reddy	1400000							5,469,968			Complied

6.16 Since incorporation Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi, Ms. C. Uma Reddy are promoters of the Target Company and there is no change in promoters since incorporation.

6.17 Status of Corporate Governance and Pending Litigations

The Target Company is complying with the provisions relating to the Corporate Governance. The Target Company has three independent directors on its Board and has constituted the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee as required under Clause 49 of the Listing Agreement with the requisite number of independent directors in each committee.

The details are as follows:-

Board of Directors	Category	Member of Audit Committee	Member of Remuneration Committee	Member of Shareholders Grievance Committee
Mr. C Shivakumar Reddy	Chairman & Managing Director	Yes	-	Yes
Mrs. R H Kasturi	Director – HR & Admin	-	-	-
Mr. L Nicholas	Director – R & D	-	-	-
Mr. L R Venugopal	Independent Director	Yes	Yes	Yes
Mr. B S Shankarnarayan	Independent Director	Yes	Yes	Yes
Mr. C V Jagadish	Independent Director	Yes	Yes	Yes

The provisions of Clause 49 of the Listing Agreement with the Stock Exchange dealing with Corporate Governance has been complied with Certificate on Corporate Governance received from the Statutory Auditors had been published in the Annual Report for the year ended on 31st March, 2010 and compliance certificates on quarterly basis have been filed with the Stock Exchanges within the stipulated times.

6.18 The name and details of Compliance Officer is as below:

Mr. Krishnamurthy Madhwesh, Company Secretary & Compliance Officer of the Target Company, Registered Office: 31-36, I Main, II Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore – 560 076 Tel.: 91 80 4121 5999/60/61 , Fax: 91 80 41215966; E-mail: companysecretary@kaveritelecoms.com.

6.19 Pending Litigations

Details of Major Pending Litigations

A. Cases filed against the Target Company:

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/Cas e No. filed before:	Parties		
1.	A. C. No. 20/2006 before the City Civil Judge, Bangalore	Between: Bharath Sanchar Nigam Ltd. (Petitioner) And Kavveri Telecom Products Ltd. (Respondent)	The Respondent was awarded a tender contract issued by the Petitioner for procuring patch panel antennas for wireless in local loop in Karnataka Circle for an amount of ₹22,26,800/-. On submission of a bank guarantee the Respondent issued a purchase order dated July 28, 2003 for an invoice value of ₹ 22,26,800/-. Accordingly the Petitioner supplied the items. As per the terms of payment 95% payment was to be made on proof of receipt of items by consignee and the balance of 5% shall be released within 6 months. The supply of the products was completed on October 15, 2003, however, the Petitioner did not effect payment on account of alleged defects in certain products delivered under a previous agreement and had claimed a right of set-off. The dispute was referred to arbitration. The arbitrator passed an award dated December 14, 2005 directing the Petitioner to pay 95% of the invoice amount of ₹ 22,26,800/-for supply of items alongwith 18% p.a. interest from November 01,2003 till the final date of payment. Aggrieved by the said award the Petitioner has preferred this appeal before the City Civil Court, Bangalore.	The matter is pending adjudication.
2.	O. S. No. 607/2008 in the Court of	Between: Sri. P. Srinivas	Mr. Srinivas, alleging that he is the rightful owner of immovable property at Surajakkanahully,	The matter is pending adjudication.

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	the Civil Judge (Sr. Dn.) & J. M. F. C at Anekal	(Plaintiff) And 1. Mrs. Bagyamma; 2. Mrs. N. Pushpa; 3. Mrs. Padma; 4. Mrs. Rajamma; and 5. M/s. Kaveri Telecoms Ltd. (Defendants)	Kasaba Hobli, Anekal Taluk, has filed this suit against the Target Company and others claiming that Defendant Nos. 1 to 4 in collusion with the Target Company illegally encroached the property and had put up the construction thereon. The Plaintiff has therefore sought for the delivery of possession of the property and for a permanent injunction restraining the Defendants or any other person from interfering and putting up further construction.	
3	O. S. No. 2675/2003, in the Court of City Civil Judge, at Bangalore	Between: M/s Vijaya Bank (Plaintiff) And 1. Umamaheswara Reddy 2. Nageswara Rao 3. Kaveri Industrial Complex (Defendants)	It is claimed by Vijaya Bank that Mr. V Umamaheswara Reddy, an ex-employee of the Target Company, had availed of a promissory note loan facility for an amount of ₹35,000/- on May 25, 2000 repayable with interest @ 16% p.a with quarterly rests in 24 equal monthly installments of ₹1750/- p.m. It is alleged that Mr. V Umamaheswara Reddy has defaulted in the repayment of the amount and hence, Vijaya Bank has filed this money recovery suit seeking a direction that the defendants pay an amount of ₹54,684/- along with interest @18% p.a. from the date of suit till the date of recovery. It is further alleged that the Target Company had issued an undertaking to the bank that the loan amount be deducted from the borrowers salary accounts. The Target Company has also	The matter is pending adjudication.

SL. No.	Details of the Case/Dispute		Brief Facts	Status
			made an application to the Court seeking deletion of the Target Company as a party to the suit on account of <i>inter alia</i> mis-description of the 3 rd defendant and has also denied the issuance any undertakings in respect of loans availed by its employees.	
4	Case No.313/2010 filed in court of civil judge (SRDN) and JMFC	Between S.Veena and Manjunath Plaintiffs and Rajamma, Kavveri telecoms products limited and others as defendants	The plaintiffs submits that narayanareddy is the senior member of the family and he died he had one wife lakshamma and she is also died. The said narayanareddy and lakshamma has got 4 daughter rajamma defendant, bhagyamma defendant, padma defendant, pushpa defendant in the said above case. Wherein Rajamma got two children namely veena and manjunath they are plaintiffs herein has claimed the suit schedule property is joint family and they are co-parceners of the joint family. There is a community of interest and joint statues in between the parties herein. The defendants have stated that they have filed case for relief in partition and separate allotment of the share in JMFC court in O.S.No.57/2006 with respect to suit schedule property bearing survey no.104/2 measuring 2 Acres and 15 Guntas and same is already sold in favour of kavveri telecom products limited defendant No.10, defendants themselves have filed for compromise. Based on compromise petition the	The matter is pending adjudication.

SL. No.	Details of the Case/Dispute		Brief Facts	Status
			honorable additional civil judge junior division passed the judgement and degree which they are claiming, the said judgement and decree is not binding on the plaintiffs herein and as well as the defendant Rajamma. Hence the plaintiffs filed the said suit against the defendants for the relief of partition with regard to the suit schedule properties.	

B. Cases filed by the Target Company:

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/Case No. filed before:	Parties proceeded against		
1.	O. S. No. 2437/2005 in the Court of the Civil Judge, Bangalore	Kavveri Telecom Products Limited (Plaintiff) And Bharat Sanchar Nigam Ltd and others (Respondents)	The Target Company was awarded a tender issued by the BSNL for the supply of antennae for 6 GHZ Microwave equipment. Thereafter, against an advance purchase order for ₹7,07,30,266.24/-, the Target Company furnished a performance bank guarantee for ₹26,15,000/- in favour of BSNL. Subsequently, quantity of materials to be supplied was reduced to a value of ₹1.51 crores. However, the value of the performance guarantee was not proportionately reduced and was sought to be encashed by BSNL.	The matter is pending adjudication.

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/Case No. filed before:	Parties proceeded against		
			The Target Company then approached the High Court of Karnataka by way of a writ petition and, succeeded in procuring an order directing the substitution of the existing bank guarantee with a fresh bank guarantee for the reduced amount. Accordingly, the Target Company issued a fresh guarantee for a sum of ₹7,55,081/-. Thereafter, upon BSNL's failure to issue a fresh purchase order and the attempt to invoke the bank guarantee, the Target Company filed this suit seeking a declaration that the defendant is not entitled to the bank guarantee.	
2	Miscellaneous Case No. 65/2007, in the Court of District Judge, Dehradun	Kavveri Telecom Products Limited (Plaintiff) And Uttaranchal Renewable Energy Development Agency and Indu Kumar Pandey (Respondents)	The Target Company and the respondent had entered into an agreement for the supply, installation, commissioning and maintenance of the systems. The supply of certain products was contingent on availability of raw materials. Due to the non-availability of certain materials, the respondent had to procure the products from a different supplier at a higher rate. Thereafter the respondent issued a legal	The matter is pending adjudication.

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/Case No. filed before:	Parties proceeded against		
			notice on the Target Company seeking the loss caused on account of non-delivery of products. The dispute was referred to arbitration. The arbitrator passed an order dated April 12, 2007 directing the Target Company to make a payment of ₹23,87,547/- with interest. Aggrieved by the order the Target Company has preferred this appeal seeking that the impugned arbitral award be set aside.	
3	Complaint No. 1657/2009, before the District Consumers Redressal Forum, Bangalore	Between: Kavveri Telecom Products Ltd.Complainant And M/s United India Insurance Co. Ltd. Opposite Party	The Target Company had taken out an insurance policy to cover the risk of the burglary at its factory premises at Surajakkanahalli Village, Anekal, Bangalore which was valid from April 09, 2007 to April 08, 2008. The sum assured in the policy was ₹3,00,00,000/- (Rupees Three Crores). During the policy period, it was noted that 1,782 antennas stored by the Target Company were burgled. The Target Company intimated the particulars of the said theft to the Opposite Party. The claim lodged with the Opposite Party stated the value of the stolen materials to be ₹15,60,000/-. The Opposite Party, vide its	The matter is pending adjudication.

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/Case No. filed before:	Parties proceeded against		
			letter dated April 08, 2009 stated that the claim is not liable to be settled. On account of non settlement, the Target Company sustained financial losses. Thus, the Target Company has filed this consumer complaint against the Opposite Party and has sought a direction that the Opposite Party pay an amount of ₹18,32,500 towards, the value of the goods, interest and expenses incurred.	
4	Case No.1944/2010 filed before the Karnataka state consumers redressal forum, Bangalore	Between Kavveri Telecom products Limited – Complainant and Ovion Lifestyle Mr.Kiran Kumar and Pratheek M.V. Respondents	Complainant herein intended to buy furniture and approached the respondent that their products are only with top class quality products and impressed upon the officials of the complainant company Mr.Pratheek managing director for respondent company induced the complainant to take the furniture's and place the same where the complainant intended to furnish and to decide for themselves and then confirm the purchase later thereby they insisted to deposit a cheque of ₹1,00,000/- towards the same and the respondent would encash the same only upon complainant's confirmation of purchase	The matter is pending adjudication.

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/Case No. filed before:	Parties proceeded against		
			and approval of the furniture's. Based on that dispatched the said furniture's to the complainant's establishment in bannerghatta bangalore, on opening the packing material of the said furniture, complainant company immediately realized that the furniture sent was totally different from what was exhibited and indeed to be purchased by the complainant-company which was of total inferior quality and most importantly The complainant company immediately informed the third respondent that the said furniture did not suit them and that the furniture supplied to the complaint was different from what was shown to the complainant and inferior quality and asked them to take back the furniture and instructed him not to encash the complainant cheque and return the same. the respondent agreed to do so but delayed the same and didn't take back the furniture but after repeated request they took back and didn't pay money which need to be	

SL. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/Case No. filed before:	Parties proceeded against		
			paid and advised to purchase other furniture's for the same cost where they don't have money to give and threatened them for repeated request to pay the money thereafter complainant doesn't have any other option than to file the case in the police station ashoknagar under criminal misc.No.100/2010 and enquired into matter and didn't take any serious action in the matter, thereafter the Target company filed the case in the above court with case number as mentioned above for committed acts of criminal breach of trust, misappropriation, cheating and criminal intimidation	

SEBI may initiate suitable actions against Target Company for the non-compliances made under the required provisions of chapter II of the SEBI (SAST) regulation, 1997.

7. Offer Price and Financial Arrangements

7.1.1 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.

7.1.2 Based on the trading volume of the Target Company for the six months period from to 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) and the Target Company shares are infrequently traded on Bangalore Stock Exchange within the meaning of explanation (i) to Regulation 20(5) of SEBI (SAST) Regulations.

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 January 2011)	Total Shares Traded/ Listed	Trading Turnover (annualized) (% of total shares listed)
BSE	14177720	10068980	281.61
NSE	13690179	10068980	271.93

7.1.3 The weekly high and low of the Closing prices of the equity shares of the Target Company during the 26 weeks period preceding the date of the Board Meeting authorizing Preferential Allotment i. e. July 31, 2010 as recorded on BSE are as under:

Weeks	Date	Max Price (₹)	Min Price (₹)	Average (₹)
1	Week Ending July 30, 2010	121.7	115.35	118.52
2	Week Ending July 24, 2010	114.65	111.05	112.85
3	Week Ending July 17, 2010	105.95	103.85	104.9
4	Week Ending July 10, 2010	102.3	97.9	100.1
5	Week Ending June 03, 2010	107.75	96.85	102.3
6	Week Ending June 26, 2010	113.95	107	110.47
7	Week Ending June 19, 2010	111.4	105.5	108.45
8	Week Ending June 12, 2010	106.5	101	103.75
9	Week Ending June 05, 2010	104.3	100.7	102.5
10	Week Ending May 29, 2010	104.35	100.7	102.52
11	Week Ending May 22, 2010	111.3	101	106.15
12	Week Ending May 15, 2010	113.5	105.8	109.65
13	Week Ending May 08, 2010	107.75	103.5	105.62
14	Week Ending May 01, 2010	105.8	101.65	103.72
15	Week Ending April 24, 2010	106.8	96.95	101.87
16	Week Ending April 17, 2010	100.35	96.85	98.6
17	Week Ending April 10, 2010	98.05	86.4	92.22
18	Week Ending April 03, 2010	84.35	80.15	82.25
19	Week Ending March 27, 2010	82.6	80.2	81.4
20	Week Ending March 20, 2010	81.4	79.65	80.525
21	Week Ending March 13, 2010	81.7	78.65	80.175
22	Week Ending March 06, 2010	83.25	79.85	81.55

23	Week Ending February 27, 2010	78.95	76.05	77.5
24	Week Ending February 20, 2010	82.3	80.05	81.175
25	Week Ending February 13, 2010	81.8	80.65	81.225
26	Week Ending February 06, 2010	87.2	82.85	85.02

The average of the weekly high and low of the closing price of the equity shares of the Target Company during the 26 weeks period preceding the date of the Board Meeting authorizing Preferential Allotment i.e. July 31, 2010 is ₹ 96.74.

Weeks	Date	High Price (₹)	Low Price (₹)	Average (₹)
	Friday, July 30, 2010	123	119	121
	Thursday, July 29, 2010	123.7	118.5	121.1
1	Wednesday, July 28, 2010	122.45	116.55	119.5
	Tuesday, July 27, 2010	120	114.05	117.025
	Monday, July 26, 2010	118	114.5	116.25
	Friday, July 23, 2010	116.5	113	114.75
	Thursday, July 22, 2010	115.5	112.45	113.975
2	Wednesday, July 21, 2010	114.95	111.05	113
	Tuesday, July 20, 2010	124.6	110.35	117.475
	Monday, July 19, 2010	116	105.15	110.575

The average of the daily high and low of the equity shares of the Target Company during the 2 week period preceding the date of the Board Meeting authorizing Preferential Allotment i.e. July 31, 2010 is ₹ 116.47.

In accordance with regulation 20(4), 20(5) and 20 (11) (ii) of the Regulations, the Offer Price of ₹ 116.47/- per Equity Share is higher of the following:

S.No.	Particulars	Price (in ₹ 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/-
(e)	Other Financial Parameters	

	Return on Net Worth (%)	21.79
	Book Value per Share (₹)	89.62
	Earning per Share (₹)	14.07

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**).

In view of the above, the Offer price of ₹ 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.

- 7.1.4** If the Acquirers acquires the Equity Shares of the Target Company after the date of the 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.

7.2 Financial Arrangements

- 7.2.1** The Total fund requirement or the maximum consideration for the Offer assuming full acceptance of the Offer would be ₹32,77,22,820.12/- (Rupees Thirty Two Crore Seventy Seven Lac Twenty two Thousand Eight Hundred Twenty and Paise 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 ₹116.47/- (Rupees One Hundred and Sixteen and Paise Forty Seven Only) per equity share.
- 7.2.2** 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 the Acquirers.
- 7.2.3** 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.
- 7.2.4** The Acquirers has made a cash deposit of ₹ 8,19,31,000/- (₹ Eight Crore Nineteen Lakhs 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.

7.2.5 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 ₹ 32,77,22,820.12/- (Rupees Thirty Two Crore Seventy Seven Lac Twenty Two Thousand Eight Hundred and Twenty Paise Twelve Only).

7.2.6 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.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 Operations terms

8.1.1 The DLOO together with the form of acceptance and form of withdrawal will be mailed to those equity shareholders of KTPL (other than Acquirers) whose names appear on the register of members of KTPL and to those beneficial owners of the equity shares of KTPL, whose names appear as beneficiaries on the records of the respective depository participant, at the close of the business hours on Friday, February 18, 2011 (Specified date).

8.1.2 All the owners of the shares, registered or unregistered (except Acquirers) are eligible to participate in the Offer as per the procedure set out in para 8 below. Eligible persons can participate in the offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

8.1.3 Accidental omissions to dispatch DLOO or none receipt or delay receipt of this DLOO will not invalidate the offer in any way.

8.1.4 Subject to conditions governing this offer as mentioned in DLOO, the acceptance of this offer by any shareholder (s) must be absolute and unqualified. Any acceptance to the offer, which is conditional or incomplete, liable to be rejected without assigning any reason whatsoever.

8.2 Locked in Shares

The pre-preferential issue shareholding of the acquirers are locked in as per SEBI ICDR as on the date of public announcement.

8.3 Eligibility for accepting the offer

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.

8.4 Statutory Approvals

- 8.4.1** 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 thereunder.
- 8.4.2** 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.
- 8.4.3** 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.
- 8.4.4** To the best of its knowledge, the Acquirers do not require any approvals from financial institutions or banks for the Offer.
- 8.4.5** The Acquirers shall complete all procedures relating to the Offer within period of 15 days from the closure of the Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 9.1** 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(1) 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**”).
- 9.2** 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 Wednesday, May 25, 2011 or else their application will be rejected.
- 9.3** 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.

9.4 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.

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

9.6 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 (Alpha Systems Private Ltd) No. 30 Ramana Residency 4th Cross Sampige Road Malleshwaram, Bengaluru 560 003 ("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 Wednesday, May 25, 2011 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

9.7 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	IN 300441
Client ID	11085485

9.8 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 Wednesday, May 25, 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 Wednesday May 25, 2011. Shareholders of the Target Company having their beneficiary account in CDSL shall use the inter-depository delivery instruction.

- 9.9** 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 (India) Limited 15, I Floor, Modern House, Dr. V. B. Gandhi Marg, (Forbes St), Fort, Mumbai - 400023.	022 406618 00	022 228746 76	sriram@iepindia.com	Hand Delivery
Ahmedabad	Mr G R Balaji	Integrated Enterprises (India) Limited 21 Nirman Gr Floor, B/h Navrangpur a Bus Stop, Navrangpur a, Ahmedabad 380009	079 264432 89	079 265681 22	ahdnavrang@iepindia.com	Hand Delivery

Bengaluru	Mr S Vijayagopal	Integrated Enterprises (India) Limited No. 30 Ramana Residency 4th Cross Sampige Road Malleshwar am, Bengaluru 560003	080 234608 15-818	080 234608 19	svijayagopal@iepindia.com alfint@vsnl.com	Hand Delivery /Registered Post
Chennai	Mr S Sriram	Integrated Enterprises (India) Limited 5A, 5th Kences Towers, 1, Ramakrishna Street, T Nagar, Chennai - 600017	044 281408 01- 803	044 281448 26	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.

9.10 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.

9.11 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 Wednesday, May 25, 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 Wednesday, May 25, 2011.

9.12 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.

9.13 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 Friday, May 20, 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.

9.14 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.

9.15 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.

9.16 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.

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

10 DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer between 10.30 A.M. to 5.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

10.1 Certificate of Incorporation and Memorandum and Articles of KTPL.

10.2 Copy of certificate from 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 ₹ 32,77,22,820.12/- (Rupees Thirty Two Crore Seventy Seven Lac Twenty Two Thousand Eight Hundred and Twenty Paise Twelve Only).

10.3 Annual Reports of KTPL for the year 2006, 2007, 2008, 2009 and 2010.

10.4 Copy of Confirmation Letter issued by Axis Bank Limited "the Acquirers has made a cash deposit of ₹ 8,19,31,000/- (Rupees Eight Crore Nineteen Lakhs 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**")."

10.5 Copy of Public Announcement published in the newspapers dated Monday February 07, 2011 and copy of corrigendum to PA published on April 29, 2011.

10.6 Copy of SEBI Letter no. CFD/DCR/TO/SS/OW/13423/11 Dated April 26, 2011 issued in terms of the Regulation 18(2) of the Regulations.

10.7 Copy of MOU dated Wednesday, February 02, 2011 between Anand Rathi Advisors Limited, the Manager to the Offer and the Acquirers.

10.8 Copy of Escrow Agreement dated Wednesday, February 02, 2011 between Anand Rathi Advisors Limited, Axis Bank Limited and the Acquirers.

10.9 Copy of Board Resolution authoring Preferential Allotment on July 31, 2010.

10.10 Copy of Special Resolution authoring Preferential Allotment on July 31, 2010 in Extra Ordinary General Meeting held on August 26, 2010.

10.11 Copy of Board Resolution for allotment of shares under Preferential Allotment on February 02, 2011.

10.12 Power of Attorney executed between Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi and Ms. C. Uma Reddy.

11. DECLARATION BY THE ACQUIRERS

The Acquirers accept full responsibility for the information contained in this Letter of Offer and for ensuring compliance with the Regulations. The Acquirers is responsible for their respective obligations in terms of the Regulations and also for their obligations as laid down in Regulations 22(6) of the Regulations.

All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

Mr. Chennareddy Shivakumar Reddy (Acquirer)

Sd/

Ms. Chennareddy Uma Reddy (Acquirer)

Sd/

Mrs. Rajupeta Hanumanthareddy Kasturi (Acquirer)

Sd/

Place: Bengaluru

Date: April 29, 2011

Enclosed :

- 1. Form of Acceptance-cum-Acknowledgement**
- 2. Form of Withdrawal**
- 3. Transfer deed for shareholders holding equity shares in physical form**

Status of Compliance with the Provisions of Chapter II of the Takeover Regulations

I C. Shivakumar Reddy, One of the Acquirers of the shares of the Target Company residing at No.14, 29th Main Road, BTM Layout, 2nd Stage, Bangalore 560 076 hereby certify that I have made the disclosures as required under Chapter II of Takeover Regulation as per the details of which are given below:-

<i>Sl. No.</i>	<i>Regulation/Sub-regulation</i>	<i>Due date for compliance as mentioned in the regulation</i>	<i>Actual date of compliance</i>	<i>Delay, if any (in No. of days) Col. 4 Col. 3</i>	<i>Remarks</i>
1	2	3	4	5	6
1	8(2)	21.04.1997	-	Not Complied	Not complied
2	8(2)	21.04.1998	-	Not Complied	Not complied
3	8(2)	21.04.1999	-	Not Complied	Not complied
4	8(2)	21.04.2000	-	Not Complied	Not complied
5	8(2)	21.04.2001	-	Not Complied	Not complied
6	8(2)	21.04.2002	-	Not Complied	Not complied
7	8(2)	21.04.2003	-	Not Complied	Not complied
8	8(2)	21.04.2004	-	Not Complied	Not complied
9	8(2)	21.04.2005	-	Not Complied	Not complied
10	8(2)	21.04.2006	-	Not Complied	Not Complied
11	8(2)	21.04.2007	-	Not Complied	Not Complied
12	8(2)	21.04.2008	11.04.2008	Nil	Complied
13	8(2)	21.04.2009	20.04.2009	Nil	Complied
14	8A(2)	10.02.2009	03.02.2009	Nil	Complied
15	8(2)	21.04.2009	20.04.2009	Nil	Complied
16	8(2)	21.04.2010	02.04.2010	Nil	Complied

17	8(2)	21.04.2010	02.04.2010	Nil	Complied
18	7(1) & (2)	04.02.2011	02.02.2011	Nil	Complied
19	7(1A) & (2)	04.02.2011	02.02.2011	Nil	Complied

I R. H. Kasturi, One of the Acquirers of the shares of the Target Company residing at No.14, 29th Main Road, BTM Layout, 2nd Stage, Bangalore 560 076 hereby certify that I have made all the disclosures as required under Chapter II of Takeover Regulation the details of which are given below:-

Sl. No.	Regulation/Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days) Col. 4 Col. 3	Remarks
1	2	3	4	5	6
1	8(2)	21.04.1997	-	Not Complied	Not complied
2	8(2)	21.04.1998	-	Not Complied	Not complied
3	8(2)	21.04.1999	-	Not Complied	Not complied
4	8(2)	21.04.2000	-	Not Complied	Not complied
5	8(2)	21.04.2001	-	Not Complied	Not complied
6	8(2)	21.04.2002	-	Not Complied	Not complied
7	8(2)	21.04.2003	-	Not Complied	Not complied
8	8(2)	21.04.2004	-	Not Complied	Not complied
9	8(2)	21.04.2005	-	Not Complied	Not complied
10	8(2)	21.04.2006	-	Not Complied	Not Complied
11	8(2)	21.04.2007	-	Not Complied	Not Complied
12	8(2)	21.04.2008	11.04.2008	Nil	Complied
13	8(2)	21.04.2009	20.04.2009	Nil	Complied

14	8(2)	21.04.2009	20.04.2009	Nil	Complied
15	8(2)	21.04.2010	02.04.2010	Nil	Complied
16	8(2)	21.04.2010	02.04.2010	Nil	Complied
17	7(1) & (2)	04.02.2011	02.02.2011	Nil	Complied
18	7(1A) & (2)	04.02.2011	02.02.2011	Nil	Complied

I C. Uma Reddy, One of the Acquirers of the shares of the Target Company residing at plot No. 31 to 36, 2nd Floor, 1st main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore – 560 076 hereby certify that I have made all the disclosures as required under Chapter II of Takeover Regulation the details of which are given below:-

<i>Sl. No.</i>	<i>Regulation/Sub-regulation</i>	<i>Due date for compliance as mentioned in the regulation</i>	<i>Actual date of compliance</i>	<i>Delay, if any (in No. of days) Col. 4 Col. 3</i>	<i>Remarks</i>
1	2	3	4	5	6
1	8(2)	21.04.1997	-	Not Complied	Not complied
2	8(2)	21.04.1998	-	Not Complied	Not complied
3	8(2)	21.04.1999	-	Not Complied	Not complied
4	8(2)	21.04.2000	-	Not Complied	Not complied
5	8(2)	21.04.2001	-	Not Complied	Not complied
6	8(2)	21.04.2002	-	Not Complied	Not complied
7	8(2)	21.04.2003	-	Not Complied	Not complied
8	8(2)	21.04.2004	-	Not Complied	Not complied
9	8(2)	21.04.2005	-	Not Complied	Not complied
10	8(2)	21.04.2006	-	Not Complied	Not Complied
11	8(2)	21.04.2007	-	Not Complied	Not Complied

12	8(2)	21.04.2008	11.04.2008	Nil	Complied
13	8(2)	21.04.2009	20.04.2009	Nil	Complied
14	8(2)	21.04.2009	20.04.2009	Nil	Complied
15	8(2)	21.04.2010	02.04.2010	Nil	Complied
16	8(2)	21.04.2010	02.04.2010	Nil	Complied
17	7(1) & (2)	04.02.2011	02.02.2011	Nil	Complied
18	7(1A) & (2)	04.02.2011	02.02.2011	Nil	Complied

Status of compliance of SEBI (SAST) Regulations by M/s Kavveri Telecom Products Limited

<i>Sl. No.</i>	<i>Regulation/ Sub-regulation</i>	<i>Due date for compliance as mentioned in the regulation</i>	<i>Actual date of compliance</i>	<i>Delay, if any (in No. of days) Col. 4 Col. 3</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
1.	8(3)	31.04.1998	Nil	Nil	Not Complied
2.	8(3)	31.04.1999	Nil	Nil	Not Complied
3.	8(3)	31.04.2000	Nil	Nil	Not Complied
4.	8(3)	31.04.2001	Nil	Nil	Not Complied
5.	8(3)	31.04.2002	Nil	Nil	Not Complied
6.	8(3)	31.04.2003	Nil	Nil	Not Complied
7.	8(3)	31.04.2004	Nil	Nil	Not Complied
8.	8(3)	31.04.2005	Nil	Nil	Not Complied
9.	8(3)	31.04.2006	Nil	Nil	Not Complied
10.	8(3)	31.04.2007	Nil	Nil	Not Complied
11.	8(3)	31.04.2008	15.04.2008	Nil	Complied

12.	8(3)	21.10.2008	25.09.2008	Nil	Complied
13.	8A(4)	10.02.2009	04.02.2009	Nil	Complied
14.	8(3)	31.04.2009	22.04.2009	Nil	Complied
15.	8(3)	21.10.2009	21.10.2009	Nil	Complied
16.	8(3)	31.04.2010	02.04.2010	Nil	Complied
17.	8(3)	21.10.2010	22.09.2010	Nil	Complied
18.	7(3)	10.03.2009	04.03.2009	Nil	Complied
19.	7(3)	17.03.2009	13.03.2009	Nil	Complied
20.	7(3)	25.03.2009	19.03.2009	Nil	Complied
21.	7(3)	20.08.2010	23.08.2010	3 days	Complied
22.	7(3)	29.09.2010	22.09.2010	Nil	Complied
23.	7(3)	09.02.2011	02.02.2011	Nil	Complied

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The Kavveri Telecom Products Limited - Open Offer

(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER	
OFFER OPENS ON	Friday, 06 May, 2011
OFFER CLOSES ON	Wednesday, 25 May, 2011

Acceptance Number
Number of equity shares offered
Number of equity shares accepted
Purchase consideration (₹)
Cheque/Demand Draft/Pay Order No.

Number of equity shares held in KTPL		Number of equity shares offered	
In figures	In words	In figures	In words

Total No. of Equity Shares

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

Depository	National Securities Depository Limited (“NSDL”)
Account Name	KTPL ESCROW OPEN OFFER
Depository Participant	Integrated Enterprises (India) Limited
DPID	IN 300441
Client ID	11085485

Stamp of Collection Centre:	Signature of Official:	Date of Receipt:

I/We note and understand that the shares would lie in the special depository account until the time the Acquirers dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

For NRIs/ OCBs/ FII's/ Foreign Shareholders:

I/We have enclosed the following documents:

- No Objection Certificate / Tax Clearance / Certificate for Deduction of Tax at lower rate from Income Tax Authorities.
- RBI approvals for acquiring shares of Kavveri Telecom Products Limited hereby tendered in the Offer.

I/We confirm that the equity shares of Kavveri Telecom Products Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us, share certificate(s)/shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirers, the Registrar to the Offer and the Manager to the Offer to send by Registered Post or Courier as may be applicable at my/our risk, the demand draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/we have tendered my shares in dematerialised form, I/we authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to use my/our details regarding my/our address and bank account details as obtained from my/our depository participant for the purpose of mailing the aforementioned instruments.

I/We authorize the Acquirers to accept the shares so offered or such lesser number of shares that it may decide to accept in terms of the Letter of Offer and I/we authorize the Acquirers to split / consolidate the share certificates comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Name(s) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder _____

Place: _____

Date: _____

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding equity shares in physical form should provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For equity shares that are tendered in demat form, the Bank account as obtained from the beneficiary download to be provided by the depositories will be considered and the warrants will be issued with the said Bank particulars, and not any details provided herein.

Name of the Bank		Branch	
Account No.		Current / Savings / (Others : please specify)	
9 Digit MICR Code		IFSC Code	

Details for RTGS / NEFT

In addition to the above Bank Details, Shareholders opting for the RTGS / NEFT option should provide the following details:

Payment through RTGS (Yes/No): _____

Payment through NEFT (Yes/No): _____

IFSC Code of the Branch where account is maintained: _____

The Form of Acceptance cum Acknowledgement along with all the relevant documents should be submitted at the collection centers as mentioned below and / or at the collection centers mentioned in Letter of offer:-

City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
Mumbai	Mr. P R Sriram	Integrated Enterprises (India) Limited 15, I Floor, Modern House, Dr. V. B. Gandhi Marg, (Forbes St), Fort, Mumbai - 400023.	022 40661800	022 22874676	sriram@iepindia.com	Hand Delivery
Bengaluru	Mr. S Vijayagopal	Integrated Enterprises (India) Limited No. 30 Ramana Residency 4th Cross Sampige Road Malleshwaram, Bengaluru 560003	080 23460815-818	080 23460819	svijayagopal@iepindia.com alfint@vsnl.com	Hand Delivery / Registered Post

Note: All future correspondence, if any, should be addressed to Registrar to the Offer:

Integrated Enterprises (India) Ltd.
(Alpha Systems Pvt. Ltd. is now Integrated)
(Unit : Kavveri Telecom Products Limited - Open Offer)
No 30 Ramana Residency, 4th Cross, Sampige Road, Malleshwaram Bangalore 560 003
Tel : +9180 23460815-818, Fax: +91 80 23460819
Email: svijayagopal@iepindia.com
Contact Person : Mr. S. Vijay Gopal

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.

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS OR TO THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER

- (1) The Form of Acceptance should be filled-up in English only.
- (2) Signature other than in English and Hindi must be attested by a Notary Public under his Official Seal.
- (3) All queries pertaining to this Offer may be directed to the Registrar to the Offer.
- (4) Shareholders holding registered shares should submit the Form duly completed and signed in accordance by the holders of the shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.
- (5) Shareholders holding shares in dematerialised form should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the shares, as per the records of the Depository Participant ("DP").
- (6) In case of shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
- (7) In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
- (8) Persons who own shares (as on the Specified Date or otherwise) but are not the registered holders of such shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers' details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgement with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or courier or in person to the Registrar to the Offer at their office as mentioned above.

The sole/first holder may also mention particulars relating to savings / current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to the Offer to print the said details in the cheques after the name of the payee.

- (9) Non-resident Shareholders should enclose copy (ies) of permission received from Reserve Bank of India to acquire shares held by them in the Target Company.
- (10) All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - (a) Duly attested death certificate and succession certificate in case the original shareholder has expired.
 - (b) Duly attested power of attorney, if any person apart from the shareholder has signed acceptance form or transfer deed(s).
 - (c) No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- (11) Payment of consideration will be made through Electronic Mode as detailed below or by way of a crossed account payee cheque / demand draft / pay order and sent by registered post incase of payment of a value in excess of ₹ 1,500/- and ordinary post incase of payment of a value less than ₹ 1,500/-, to those shareholders / unregistered owners and at their own risk, whose shares / share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques / demand drafts will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him / her. In case of unregistered owners of equity shares, payment will be made in the name of the person stated in the contract note. It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgment, so that the same can be incorporated in the cheque / demand draft.

Payment of Consideration through Electronic Mode:

Credit for the consideration will be paid to the shareholders who have tendered equity shares in the Offer by Electronic Mode or crossed account payee cheques / pay orders / demand drafts.

The payment of consideration, if any, would be done through various modes as given hereunder:

- **NECS:** Payment of consideration would be done through NECS for applicants who have provided their complete bank account details including the Magnetic Ink Character Recognition ("MICR") code in the Form of Acceptance-cum-Acknowledgement.
- **Direct Credit:** Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the Form of Acceptance-cum-Acknowledgement.
- **RTGS:** Applicants, whose payment consideration exceeds ₹1 lakh, have the option to receive funds through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the Indian Financial System Code ("IFSC") code, type of account and account number in the Form of Acceptance-cum-Acknowledgement. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.
- **NEFT:** Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the IFSC, which can be linked to a MICR code, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- For all other applicants, including those applicants whose payment consideration is not credited by NECS / Direct credit due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched by registered post incase of payment of a value in excess of ₹1,500 - or by ordinary post incase of payment of a value less than ₹1,500/-, at the shareholder's sole risk. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.
- In case payment consideration is rejected through the NECS / Direct credit facility, the Registrar to the Offer would endeavor to dispatch the payment consideration within three (3) working days of such rejection.

The bank account details for NECS / Direct Credit / RTGS / NEFT will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the Form of Acceptance-cum-Acknowledgement.

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FORM OF WITHDRAWAL

(All terms and conditions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

The Kavveri Telecom Products Limited - Open Offer

OFFER OPENS ON	: FRIDAY, MAY 06, 2011
LAST DATE OF WITHDRAWAL	: FRIDAY, MAY 20, 2011
OFFER CLOSING ON	: WEDNESDAY, 25 MAY 2011

From

FOR OFFICE USE ONLY
Withdrawal Number
Number of equity shares offered
Number of equity shares withdrawn

Tel.:

Fax:

E-mail:

To

Integrated Enterprises (India) Ltd

(Alpha Systems Pvt Ltd Is Now Integrated)

No 30 Ramana Residency 4th Cross, Sampige Road

Malleswaram Bangalore 560 003

Dear Sir,

Sub: Open Offer to acquire 28,13,796 Equity Shares of Kavveri Telecom Products Limited ("the Target Company or KTPL") by Mr. C. Shivakumar Reddy, Mrs. R. H. Kasturi and Ms. C. Uma Reddy ("Acquirers") at a price of ₹116.47 Per Fully Paid Up Equity Shares

I/We refer to the Public Announcement dated Monday, February 07, 2011 and corrigendum to PA dated May 29, 2011 Letter of Offer dated May 29, 2011 for acquiring the equity shares held by me/us in Kavveri Telecom Products Limited. I/We, the undersigned, have read the aforementioned Public Announcement and Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorize the Acquirers to return to me/us, the tendered Share Certificate(s)/Share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirers / Manager to the Offer / Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. **Friday, May 20, 2011**.

I/We note that the Acquirers / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) / shares in dematerialised form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance').

Sr. No.	Ledger Folio No(s).	Certificate No(s).	Distinctive No(s).		No. of Shares
			From	To	
1					
2					
3					
4					
5					
Total No. of Equity Shares					

(In case the space provided is inadequate, please attach a separate sheet with details)

SHARES HELD IN DEMATERIALISED FORM

I/We hold the following shares in dematerialised form and had executed an off-market transaction for crediting the shares to the special depository account in NSDL styled "**KTPL Escrow Open Offer**" ("Depository Escrow Account") as per the details given below.

----- Tear Here -----

ACKNOWLEDGEMENT SLIP

Integrated Enterprises (India) Ltd

Unit - Kavveri Telecom Products Limited - Open Offer

(Alpha Systems Pvt Ltd Is Now Integrated)

No 30 Ramana Residency 4th Cross, Sampige Road Malleswaram Bangalore 560 003

Received from Mr. /Ms. /Mrs. _____ residing at _____

_____ a Form of Withdrawal for _____ shares along with:

Copy of depository instruction slip from DP ID _____ Client ID _____

Copy of acknowledgement slip issued when depositing dematerialised shares

Copy of acknowledgement slip issued when depositing physical shares for withdrawing from the Offer made by the Acquirer.

Stamp of Collection Centre:	Signature of Official:	Date of Receipt:

Also find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP.

Depository	National Securities Depository Limited ("NSDL")
Account Name	KTPL ESCROW OPEN OFFER
Depository Participant	Integrated Enterprises (India) Limited
DPID	IN 300441
Client ID	11085485

The particulars of the account from which my/our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I/We note that the shares will be credited back only to that depository account from which the shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised shares, I/we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

	Full Name(s) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder _____

Place : _____

Date : _____

The Form of Withdrawal along with all the relevant documents should be submitted at the collection centre below:-

City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
Bengaluru	Mr. S Vijayagopal	Integrated Enterprises (India) Limited, No. 30 Ramana, Residency 4th Cross Sampige Road, Malleshwaram, Bengaluru 560003.	080 23460815-818	080 23460819	svijayagopal@iepindia.com alfint@vsnl.com	Hand Delivery / Registered Post

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.

PLEASE NOTE THAT NO WITHDRAWAL FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS OR TO THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER

(1) All queries pertaining to this Offer may be directed to the Registrar to the Offer.

(2) Shareholders should enclose the following:

a. For Equity Shares held in physical form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip
- In case of partial withdrawal, Valid Shares Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

b. For Equity Shares held in demat form:

Registered shareholders should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP

Unregistered shareholders should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip

(3) The withdrawal of shares will be available only for the share certificates / shares that have been received by the Registrar to the Offer / Depository Escrow Account.

(4) The intimation of returned shares to the shareholders will be at the address as per the records of the Target Company / Depository, as the case may be.

(5) Shareholders holding shares in dematerialised form are requested to issue the necessary standing instructions for receipt of the credit in their DP Account.

Note: All future correspondence, if any, should be addressed to Registrar to the Offer:

Integrated Enterprises (India) Ltd.

(Alpha Systems Pvt. Ltd. is now Integrated)

(Unit : Kavveri Telecom Products Limited - Open Offer)

No 30 Ramana Residency, 4th Cross, Sampige Road, Malleshwaram Bangalore 560 003

Tel : +9180 23460815-818, Fax: +91 80 23460819

Email: svijayagopal@iepindia.com

Contact Person : Mr. S. Vijay Gopal