

KAVVERI TELECOM PRODUCTS LIMITED

Reg Office: Plot no 31 to 36, 1st main, 2nd Stage, Arekere Mico layout, Bannerghatta road, Bangalore - 560 076

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of the Company will be held at 10.00 a.m. on Saturday, the 19th day of May, 2012, at the Registered Office of the Company at Plot no 31 to 36, 1st main, 2nd cross, Arakere Mico layout, Bannerghatta road, Bangalore - 560 076 to transact the following business:

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) and all other applicable laws, and subject to the provisions in the Memorandum and Articles of Association of the Company; the approval of the Company be and is hereby accorded to the issue of convertible warrants into equity shares on preferential basis as enumerated below and the Board be and is hereby authorized to:

- create, offer and allot on preferential basis 15,80,000 (Fifteen lakhs Eighty Thousand only) warrants convertible into equity shares, to promoters; with each warrant convertible into one equity share of the company of nominal value of Rs.10/- (Rupees Ten only) each at a price of Rs. 170/- (Rupees One hundred and Seventy only) per share, including a premium of Rs. 160/- (Rupees One hundred and sixty only) per share.
- create, offer and allot on preferential basis 60,000 (Sixty Thousand only) warrants convertible into equity shares, to Non promoter Directors; with each warrant convertible into one equity share of the company of nominal value of Rs.10/- (Rupees Ten only) each at a price of Rs. 170/- (Rupees One hundred and Seventy only) per share, including a premium of Rs. 160/- (Rupees One hundred and sixty only) per share.

RESOLVED FURTHER THAT the issue of convertible warrants, as above, shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the option of the warrant holders) at any time within a period of 18 (Eighteen only) months from the date of allotment of warrants.
2. Each warrant shall be convertible into one equity share of nominal value of Rs. 10/- (Rupees Ten only) each.
3. The Warrant holder(s) shall, on the date of allotment of warrants, pay an amount equivalent to at least 25% (Twenty Five percent) of the total consideration per warrant.
4. The conversion of warrants into equity shares shall be made in tranches - as may be determined by the board and within a period of 18 (eighteen only) months from the date of allotment of warrants, as may be determined by the Board.
5. The amount referred in Point.3 above shall be forfeited, if the option to acquire shares is not exercised within a period of 18 (eighteen only) months from the date of allotment of warrants.
6. The lock in of shares acquired by exercise of warrants shall be subject to ICDR Regulations

RESOLVED FURTHER THAT the Relevant Date as per regulation 71 of ICDR Regulations, in relation to the aforesaid convertible warrants, for the purpose of determining the issue price under Regulation 76 of ICDR Regulation is 18th April 2012.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to this resolution."

Notes:

1. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Members are required to bring with them the admission slip duly filled in and handover the same at the entrance of the meeting hall.
3. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956, read with Regulation 73 of ICDR Regulations is annexed hereto.
4. M/s. S Janardhan and Associates, Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Guidelines and the said Certificate will be placed before the Extraordinary General Meeting. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, and Sundays between 9.00a.m. and 5.30p.m. upto the date of the EGM and will also be placed before the Extraordinary General Meeting.

Date: 20.04.2012
Place: Bengaluru

By order of the Board
For KAVVERI TELECOM PRODUCTS LIMITED
Sd/-
Sidharth.C.A
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of The Companies Act, 1956 and Regulation 73 of SEBI (ICDR) Regulations, 2009)

I. Preferential Allotment

As per Section 81 (1A) of the Companies Act, 1956 and Regulation 72(1) (a) of ICDR Regulations, approval of shareholders in the General Meeting, by way of special resolution is required for:

1. allotment & issue of 15.80 lakhs warrants convertible into equity shares to promoters on preferential basis
2. allotment and issue of 60,000 warrants convertible into equity shares, to non promoter Directors on preferential basis ,

Hence, the resolution is placed before the shareholders. The Directors recommend the resolution for your approval.

II. The following disclosure for the preferential issue of convertible warrants is made in accordance with the provisions of Chapter VII of ICDR Regulations

1. Objects Of The Issue:

- In order to generate long term resources for implementing future growth plans, it is proposed to issue convertible warrants on a preferential basis.
- The proceeds of the proposed preferential allotment of Warrants convertible into equity shares will strengthen the financial position of the Company.
- The Objects of the issue of warrants convertible into equity shares on preferential basis is to augment the capital base of the Company and also to meet the working capital requirements of the Company.

2. Intention of the promoters / directors / key management persons to subscribe to the offer:

The present promoters of the Company, Mr. C Shivkumar Reddy (Managing Director), Mrs. R H Kasturi (Director H R and Admin) & Ms. C Uma Reddy (President and Chief Operating Officer) and in the Non Promoter directors, Mr. C.V. Jagadish and Mr. B.S. Shankarnarayan will subscribe to this preferential allotment of convertible warrants. *None of the other Directors / other Key Management Personnel intends to subscribe to this offer.*

3. Change in control:

There is no change in the management of the Company pursuant to the issue of convertible warrants on Preferential Allotment Basis.

4. Shareholding pattern of the company before and after the proposed issue of convertible warrants:

SI No.	Category	Pre-issue holding		Conversion of warrants (in preferential issue) into equity shares	Post - conversion holding	
		No. of shares	%		No. of shares	%
(A)	Shareholding of Promoter and PAC					
(1)(a)	Indian	64,70,573	32.15	15,80,000	80,50,573	36.99
(1)(b)	Foreign	-	-	-	-	-
(2)	Person Acting in concert	-	-	-	-	-
	Sub-Total	64,70,573	32.15	15,80,000	80,50,573	36.99
(B)	Public shareholding					
(1)	Institutions					
(a)	Mutual Funds/ UTI	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-
(e)	Insurance Companies	12,67,808	6.30	-	12,67,808	5.83
(f)	Foreign Institutional Investors	40,90,879	20.33	-	40,90,879	18.80
(g)	Foreign Venture Capital Investors	9,87,500	4.91	-	9,87,500	4.54
(2)	Non-institutions					
(a)	Bodies Corporate	20,37,348	10.12	-	20,37,348	9.36
(b)	Individuals -	49,50,759	24.60	60,000	50,10,759	23.02
(c)	NRI	2,17,448	1.08	-	2,17,448	1.00
(d)	Clearing Member	1,01,945	0.51	-	1,01,945	0.47
(e)	Trust	-	-	-	-	-
	Sub-Total	13653687	67.85	60,000	13713687	63.01
	GRAND TOTAL	20124260	100.00	16,40,000	21764260	100.00

Notes with respect to share holding pattern: (a) The above shareholding pattern is prepared as on 13.04.2012. (b) The post-issue / conversion shareholding pattern has been arrived on the assumption that the entire 15.80 lakhs warrants proposed to be issued to the Promoters will be allotted and would be converted into equity shares and entire 60,000 warrants proposed to be issued to non-promoter Directors would be converted into equity shares. Post conversion pattern has been arrived on the assumption that the proportion of holding remains same.

5. Proposed time within which allotment will be completed

The Company will complete the allotment of convertible warrants within a period of 15 days from the date of passing of the special resolution by the shareholders.

6. Certificate from auditors:

M/s. S Janardhan and Associates, Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Guidelines and the said Certificate will be placed before the Extraordinary General Meeting. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, and Sundays between 9.00a.m. and 5.30p.m. upto the date of the EGM and will also be placed before the Extraordinary General Meeting.

7. Details of proposed allottees:

Proposed Allottee	Security proposed to be issued	Number of securities to be issued	% of the post issue / conversion
Mr. C Shivkumar Reddy	Convertible warrants	3,50,000	12.44%
Mrs. R H Kasturi	Convertible warrants	3,50,000	12.47%
Ms. C Uma Reddy	Convertible warrants	8,80,000	12.08%
Mr. C.V. Jagadish	Convertible warrants	50,000	0.23%
Mr. B.S. Shankarnarayan	Convertible warrants	10,000	0.05%

8. Pricing of preferential issue:

The above Warrants will be issued and allotted / converted at a price not less than the higher of the following in terms of the Regulation 76 of ICDR Guidelines:

- The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date;

Explanation: "Relevant date" as per Regulation 71 of ICDR Guidelines for the purpose of this clause means, (a) in case of preferential issue of convertible securities, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue or (b) a date thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares. "Stock Exchange" for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the company has been recorded during the preceding six months prior to the relevant date (in the present case being the National Stock Exchange).

9. Undertaking:

In terms of Regulation 73(1)(f) and (g) of ICDR Regulations, the company undertakes to: (i) recompute the price of the specified securities (if required) as per the regulations and (ii) if the amount payable on account of re-computation of price is not paid as per regulation, the specified securities shall remain locked-in till the time such amount is paid.

None of the directors (other than those issued convertible warrants under this resolution) are, in any way, concerned or interested in this resolution.

Date: 20.04.2012
Place: Bengaluru

By order of the Board
For KAVVERI TELECOM PRODUCTS LIMITED
Sd/-
Sidharth.C.A
Company Secretary

KAVVERI TELECOM PRODUCTS LIMITED

Regd. Office: Plot No. 31-36, I Main, II Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore 560 076

ATTENDANCE SLIP / FORM OF PROXY

I _____ (name) the member of the company under the folio number _____

Holding _____ equity shares in the company, hereby:

record my presence at the Extraordinary General Meeting of the Company held on 19.05.2012 at plot no 31 to 36, 1st main, 2nd Stage, Arekere Mico layout, Bannerghatta Road, Bangalore - 560 076.

OR

appoint _____ (name of proxy) as my proxy to vote for me on my behalf at the Extraordinary General Meeting of the Company to be held on 19.05.2012 at plot no 31 to 36, 1st main, 2nd Stage, Arekere Mico layout, Bannerghatta road, Bangalore - 560 076.

Signed this _____ day of _____ 2012

Signature(s) of Member(s) _____

Rs. 1/-
Revenue
Stamp

Note: Please fill this attendance slip and hand it over at the entrance of the Hall / deliver the proxy form 48 hours before the EGM



BOOK POST

if undelivered, please return to:



INTEGRATED ENTERPRISES (INDIA) LIMITED

30, Ramana Residency, 4th Cross, Sampige Road
Malleswaram, Bangalore - 560 003. INDIA

Phone : 080 - 23460815 to 818 Fax : 080 - 23460819