

KERALA AYURVEDA LTD

Regd.office :VII/415, Nedumbassery, Athani P.O, Pin 683 585, Kerala.
Tel: 0484-2476301 Fax: 0484-2474376
Email: info@keralaayurveda.biz

Company Release

October 22, 2007

Kerala Ayurveda Limited's subsidiary acquires a majority stake in CMS-Katra Nursing, LLC, a leading Healthcare Staffing company in the US

Bangalore, India – October 22, 2007: Kerala Ayurveda Limited, one of the leading ayurveda and healthcare companies in India, today announced that its newly incorporated subsidiary CMS-Katra Holdings LLC, USA has acquired a 51% equity stake in US-based CMS-Katra Nursing LLC, which is acquiring the entire business and assets of CMS Inc, a leading healthcare staffing company based in Florida, USA, with a strong focus in hospitals and other healthcare facilities through placement of credentialed pool of foreign nurses.

CMS is a leading healthcare staffing company in the United States, with over 20 years of experience in the industry. The investment in CMS will augment the company's presence in the nursing vertical and provide access to leading hospitals and other healthcare facilities in the US for rolling out the company's products and services. CMS has a strong management team, client base, and client relations, which will provide numerous synergistic opportunities both for the Indian capabilities and address the increasing demand in the US healthcare market.

CMS is an authorized healthcare staffing company which serves the needs of some of the leading hospitals in the United States. CMS is based in Miami, Florida and has a representative office in Manila, Philippines. CMS focuses on providing staffing solutions, nurse training and credentialing services and support to healthcare companies in the US. With a marquee client base and more than 30 professionals located in the US and Philippines, CMS had annual revenues in excess of US\$3.5 million and expected to increase to over US\$5 million in the foreseeable future.

About Kerala Ayurveda:

Kerala Ayurveda was founded in Aluva, Kerala in 1945 by Late Vaidyan KGK Panicker, the renowned Ayurvedacharya. Now, more than half a century later, his inspired creation epitomizes all that is modern and state-of-the-art in Ayurveda. Kerala Ayurveda has over 60 Ayurvedic doctors, graduates and postgraduates, with several years of experience. Kerala Ayurveda operates a chain of 35 clinics and 5 Ayurveda Hospitals located across India, and a Wellness resort at Bangalore.

Through its division, Katra Healthcare, the company has a significant presence in healthcare staffing and nurse training area and provides training and resources to leading hospitals.

For more information, visit: www.keralaayurveda.biz or www.katrahealthcare.com or www.katranurse.com or www.nurseonnet.com

Safe Harbor:

Certain statements in this release are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements.

The risks and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in HealthCare Services, including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, our ability to manage our international operations, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, etc. The company does not undertake to update any forward looking statement that may be made from time to time by or on behalf of the company.

Media Contact:

Mr Navamani

Tel: 080 - 4180 8060

Cell: 91- 98456 55400

E-mail : mani@katra.biz