PUBLIC ANNOUNCEMENT FOR EQUITY SHAREHOLDERS OF

i-flex solutions ltd.

Registered Office: Unit 10-11, SDF 1, SEEPZ, Andheri (East), Mumbai. 400 096

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

This Public Announcement ("Public Announcement") is being issued by JM Morgan Stanley Private Limited ("Manager to the Offer" or "JMMS"), on behalf of Oracle Global (Mauritius) Ltd. (the "Acquirer") and Oracle Corporation, being a person acting in concert with Acquirer, pursuant to Regulations 10 and 12 of, and in compliance with, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations").

1. BACKGROUND TO THE OFFER

1.1 Oracle Global (Mauritius) Ltd., a company incorporated under the laws of Mauritius and having its registered office at c/o Citco (Mauritius) Limited, 5th Floor, One Cathedral, Jules Koenig Street, Port Louis, Mauritius, ("**Acquirer**") has entered into a Share Purchase Agreement dated August 2, 2005 (the "**Agreement**") with OrbiTech Limited, a company incorporated under the Companies Act, 1956 (the "**Act**") and having its registered office at 133, SDF 5, SEEPZ, Andheri (E), Mumbai 400 096 ("**Seller**") to acquire 32,236,000 fully paid up equity shares (the "**Purchase Shares**") (being 41.36% of the Emerging Voting Capital as defined in para 1.5 below) of i-flex Solutions Limited, a company incorporated under the Act and having its registered office at Unit 10-11, SDF 1, SEEPZ, Andheri (East), Mumbai - 400 096 ("**i-flex**" or the "**Target Company**"), at a price of Rs. 800 per equity share (Rupees Eight Hundred per equity share) ("**Negotiated Price**") for a total consideration of Rs. 25,788.80 million in cash. OrbiTech Limited, belongs to the Citigroup and is the promoter of the Target Company. Acquirer has entered into the Agreement with an objective to acquire management control of the Target Company. The acquisition of the Purchase Shares is subject to the receipt of regulatory approvals in India, the Federal Republic of Germany, the Republic of Ireland and the United States of America as more fully described in section 7 below. The necessary applications will be made in this regard. The Agreement terminates on March 31, 2006 unless extended in accordance with its terms or terminated earlier by the mutual consent of the parties thereto.

1.2 Oracle Corporation, a company registered under the laws of the State of Delaware, U.S.A., and having its registered office at 500 Oracle Parkway, Redwood Shores, California, 94065, U.S.A., ("**Oracle**"), is the holding company of Acquirer and will be a "**person acting in concert**" within the meaning of Regulation 2(1)(e) of the SEBI (SAST) Regulations ("**PAC**"). Oracle has executed a parent guarantee in favour of Seller providing for a guarantee of Acquirer's obligations under the Agreement. Court Square Capital Limited, a company incorporated under the laws of Delaware and having its registered office at 399 Park Avenue - 14th Floor, New York, NY 10022, USA, a holding company of Seller ("**Citigroup**") has executed a parent guarantee in favour of Acquirer providing for a guarantee of Seller's obligations under the Agreement.

1.3 Acquirer and Oracle are collectively referred to herein as the "**Acquirer Group**".

1.4 The following agreements / memorandum of understandings have been entered into prior to the date of this Public Announcement:

(i) As described above, Acquirer and Seller have entered into the Agreement, under which Acquirer has agreed to purchase from Seller and Seller has agreed to sell to Acquirer the Purchase Shares. The Agreement provides that the sale and purchase of the Purchase Shares is subject to the fulfilment of the conditions specified in the Agreement, which include the receipt of regulatory approvals, the closing of the Open Offer (as defined below) and the receipt of certification from the Manager to the Offer that Acquirer has fulfilled its obligations under the SEBI (SAST) Regulations. Under the Agreement, inter alia:

a. Seller has agreed to exercise its rights as a shareholder of the Target Company in favour of the Target Company (1) conducting its businesses in the ordinary course of business consistent with past practices and (2) using its reasonable best efforts to preserve intact the Target Company's business organizations and relationships with third parties. Without limiting the generality of the foregoing, from the date of the Agreement until the closing of the transactions contemplated by the Agreement, without prior written consent of Acquirer, Seller has agreed to use its reasonable best efforts, in accordance with applicable law and subject to applicable fiduciary obligations, to not permit the Target Company to:

i. adopt or propose any change in its Memorandum and Articles of Association or its organizational documents;

ii. change the size or constitution of the Board of Directors of the Target Company;

iii. merge or consolidate with any other person or acquire a material amount of assets from any other person;

iv. sell, lease, license or otherwise dispose of any material asset or property except (i) pursuant to existing contracts or commitments or (ii) in the ordinary course of business consistent with past practices;

v. incur, assume or guarantee any indebtedness for borrowed money other than in the ordinary course of business and in the amounts and on terms consistent with past practices;

vi. enter into, amend or prematurely terminate, or waive any material right or remedy under, any material contractual arrangement (other than end-user customer arrangements entered into in the ordinary course of business consistent with past practices);

vii. change the employment terms of, or enter into, amend or prematurely terminate, or waive any material right or remedy under, any employment agreement with, any key employee of the Target Company or any of its subsidiaries (as set forth in the Agreement);

viii. enter into any material new, or to adopt, amend, alter or terminate any severance, incentive compensation, deferred compensation, stock option, or other benefit plan, trust agreement or other similar agreement that materially impacts the Target Company;

ix. authorize for issuance, issue, sell, deliver or agree or commit to issue, sell or deliver (whether through the issuance or granting of options, warrants, convertible or exchangeable securities, commitments, subscriptions, rights to purchase or otherwise) any shares, capital stock or any other securities other than equity shares issued upon the exercise of outstanding stock rights of the Target Company;

x. pay or apply any of the assets to the direct or indirect payment, discharge, satisfaction or reduction of any amount to or for the benefit of Seller or any affiliate of Seller; and

xi. agree or commit to do any of the foregoing.

b. Upon the closing of the transactions contemplated by the Agreement, Seller will use its reasonable best efforts, in accordance with applicable law and subject to applicable fiduciary obligations, to cause the Target Company to, reconstitute the Board of Directors of the Target Company in accordance with Acquirer's instructions including appointing Acquirer's nominees to the Board either at a Board meeting or, if necessary, at an extraordinary general meeting of the shareholders of the Target Company. In addition, the Acquirer also has the option to have its nominee elected or appointed to the Board of Directors of the Target Company after the expiry of at least 21 days after this Public Announcement and after having fully funded the Open Offer escrow account in cash in accordance with the terms of the Escrow Agreement (as defined below) and as provided under Regulation 22 (7) of the SEBI (SAST) Regulations.

(ii) Seller, Acquirer and HSBC India, the escrow agent have entered into an escrow agreement dated August 2, 2005 whereby Seller has deposited (a) the Purchase Shares (in physical form), (b) a dematerialization request form (c) an irrevocable power of attorney and (d) a duly executed depository instruction slip, with the escrow agent.

(iii) Citigroup and Acquirer have entered into a Seller Irrevocable Guarantee dated August 2, 2005 (the "**Seller Irrevocable Guarantee**"), under which Citigroup agrees to perform, if Seller should default in the performance of any of Seller's obligations to Acquirer under the Agreement. This Seller Irrevocable Guarantee is unconditional and will not terminate until Seller completely fulfils all of its obligations to Acquirer under the Agreement. Citigroup's obligations under the Seller Irrevocable Guarantee terminate immediately upon termination of the Agreement.

(iv) Oracle and Seller have entered into a Buyer Irrevocable Guarantee dated August 2, 2005 (the "**Buyer Irrevocable Guarantee**"), under which Oracle agrees to perform, if Acquirer should default in the performance of, any of Acquirer's obligations to Seller under the Agreement. This Buyer Irrevocable Guarantee is unconditional and will not terminate until Acquirer completely fulfils all of its obligations to Seller under the Agreement. Oracle's obligations under the Buyer Irrevocable Guarantee terminate immediately upon termination of the Agreement.

(v) i-flex and Oracle have entered into a Memorandum of Understanding dated August 2, 2005 (the "**MOU**"). Pursuant to the MOU, i-flex and Oracle have a non-binding commitment to negotiate in good faith a definitive Master Operating Agreement (the "MOA") under which, *inter-alia*, the parties will make cooperative efforts to develop joint products, improve sales activities, marketing and customer service, and align certain operations to deliver a comprehensive solution for their respective customers in the banking arena. Neither i-flex nor Oracle is bound to enter into the MOA. i-flex and Oracle have agreed to work together in good faith with the goal of completing and executing the MOA by October 31, 2005.

(vi) Citigroup and i-flex have recently entered into a 5-year product and services agreement covering, *inter-alia,* the maintenance of FLEXCUBE.

(vii) The Target Company, Oracle and Acquirer have entered into a Letter Agreement dated August 2, 2005 (the "**Letter Agreement**"), which is valid from the date thereof until the consummation of the transactions contemplated by the Agreement, wherein the Target Company has agreed to:

a. conduct its businesses in the ordinary course consistent with past practices use its reasonable best efforts to preserve intact its business organisations and relationships with third parties, keep available the services of its present officers and employees and has agreed to obtain the prior written consent of Acquirer (which shall not be unreasonably withheld) in order to, among other things,

i. postpone or defer the creation, incurrence, or assumption of any liability or indebtedness that would otherwise be created, incurred or assumed in the ordinary course of business;

ii. enter into any material leases of real property other than in the ordinary course consistent with past practice;

iii. enter into any material leases of equipment and machinery except in the ordinary course consistent with past practice;

iv. write-off as uncollectible, or establish any extraordinary reserve with respect to, any account receivable or other receivable other than in the ordinary course consistent with past practice;

v. other than the dividend proposed by the Board in the amount of Rupees 5 per equity share which is contemplated to be approved by the shareholders at the AGM (as defined below), declare, accrue, set aside or pay any dividend or other distribution (whether in cash, stock or other property) with respect to any equity shares, or repurchase, redeem or otherwise acquire, directly or indirectly, any outstanding shares of its capital stock or other of its securities or of any of its subsidiaries;

vi. change method of accounting or accounting practices in any respect except for any such changes required by reason of a concurrent change in U.S. GAAP or Indian GAAP;

vii. commence or settle any material legal proceeding, action, demand, or claim other than in the ordinary course consistent with past practice;

viii. make, amend or revoke any election with respect to taxes other than in the ordinary course consistent with past practice; and

ix. take any action, fail to take any action or enter into any agreement or understanding that causes the Target Company or any of its subsidiaries to commit a breach of or amend or terminate any material contract or any material permit, license or other right.

x. abide by covenants substantively identical to those of Seller mentioned in para 1.4 (i) (a) above.

b. cooperate with Acquirer Group in seeking and/or facilitating Acquirer Group in seeking the necessary regulatory approvals for the Agreement and the Open Offer (as defined below).

1.5 Citigroup has represented to the Acquirer that pursuant to individual agreements entered into between Court Square Capital Limited and Mr. Rajesh Hukku, Chairman and Managing Director of i-flex, Mr. Ravishankar, CEO - International Operations and Technology of i-flex and Mr. Deepak Ghaisas, Chief Executive Officer - India Operations of i-flex, that the above-mentioned key employees will be entitled to receive an aggregate transaction bonus equal to a combined amount of 2% of the total proceeds received by the Seller by virtue of the sale of Purchase Shares from Seller to Acquirer as part of this transaction.

1.6 As of the date of this Public Announcement, the Target Company has 75,107,698 outstanding equity shares, 91,347 outstanding warrants/options and 3,906,802 outstanding stock options (including ESOP's) which, when converted, would result in an increase in the equity share capital of the Target Company to 79,105,847 equity shares. Out of the above warrants/options and ESOP's, as per information currently available, (a) 91,347 warrants/options can be exercised prior to 15 days after the closure of the Offer and (b) 2,735,521 ESOPs which have been vested or will be vested and are eligible to be exercised within 15 days after the closure of the Offer, and if all these warrants/options and vested ESOP's as aforesaid, are exercised, it would result in the equity capital of the Target Company increasing to 77,934,566 equity shares ("**Emerging Voting Capital**").

2. THE OFFER

2.1 This Offer is being made by Acquirer to the public shareholders of the Target Company to acquire up to 15,586,914 equity shares being 20% of the Emerging Voting Capital of the Target Company ("**Offer Share(s)**") pursuant to Regulations 10 and 12 of, and in compliance with, the SEBI (SAST) Regulations, at a price of Rs. 882.62 (Rupees Eight Hundred and Eighty Two and paise Sixty Two only) per fully paid up equity share (the "**Offer Price**"), payable in cash in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned hereinafter (the "**Offer**" or "**Open Offer**"). Acquirer is making the Open Offer.

2.2 i-flex has informed the NSE (as defined below) and the BSE (as defined below) on April 29, 2005 that it proposes to issue up to 80,000 warrants or options convertible into equity shares at a future date to IBM Global Services Pvt. Ltd ("**IBM**") and issue warrants or options of up to 0.5% of the fully diluted equity share capital convertible into equity shares to General Electric Capital Corporation ("**GE**"), subject to approval of the shareholders at the forthcoming Annual General Meeting ("**AGM**") to be held on August 12, 2005. The exact number of warrants/options to be issued to IBM and GE would be decided at a meeting of the Board of Directors of the Target Company to be held after the AGM. Consequently, pursuant to the SEBI (SAST) Regulations, if the aforesaid warrants/options are issued to IBM and GE after the AGM, and are exercisable within 15 days after the closure of the Offer or if, for any other reason, there is an increase in the Target Company's Emerging Voting Capital, then the number of equity shares to be acquired would be increased accordingly in accordance with the SEBI (SAST) Regulations.

2.3 Acquirer and the PAC do not hold any equity shares in the Target Company as of the date of this Public Announcement.

2.4 Subject to the receipt of regulatory approvals as set out in paras 7.1, 7.2 and 7.3 below, and other terms and conditions as set out in this Public Announcement and the Letter of Offer to be sent to the public shareholders of the Target Company, Acquirer will acquire equity shares tendered pursuant to the Offer. Upon the completion of the acquisition of the Purchase Shares and the completion of the Offer, assuming full acceptances, Acquirer will hold up to 61.36% of the Emerging Voting Capital of the Target Company. In the event that the necessary regulatory approvals are not received before March 31, 2006, or such extended date in terms of the Agreement, the Offer will not be consummated, and shares which have already been tendered will be released, subject to the provisions of the SEBI (SAST) Regulations.

2.5 The Offer is not conditional on any minimum level of acceptance by the shareholders of the Target Company. During the Offer period, Acquirer may purchase additional equity shares of the Target Company in accordance with the SEBI (SAST) Regulations.

2.6 There are no other "persons acting in concert" within the meaning of Regulation 2(1)(e) of the SEBI (SAST) Regulations in relation to the Offer except those mentioned in para 1.2 above.

2.7 Neither Acquirer, nor Oracle nor any of their respective directors has acquired any share of the Target Company during the 12 month period prior to the date of this Public Announcement.

2.8 This is not a competitive bid.

3. OFFER PRICE

3.1 The equity shares of the Target Company are listed on the Stock Exchange, Mumbai, (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"). Based on the information available, the shares of the Target Company are frequently traded on the NSE and the BSE (*Source: Bloomberg*) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

3.2 The Offer Price of Rs. 882.62 per share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations in view of the following:

(i) The Negotiated Price of Rs. 800 per equity share.

(ii) Acquirer and Oracle have not acquired any equity shares of the Target Company, including through allotment in a public, rights or preferential issue, during the 26-week period prior to the date of this Public Announcement.

(iii) The share price data of the Target Company on the NSE, where it is most frequently traded, preceding the date of this Public Announcement i.e. upto August 2, 2005, is as under:

The average of the weekly high and low of the closing prices of the shares of the Target Company during the 26-week period preceding the date of this Public Announcement	Rs. 683.29
The average of the daily high and low of the shares of the Target Company during the 2-week period preceding the date of this Public Announcement	Rs. 882.61

In view of the above, the Offer Price of Rs. 882.62 per equity share is justified as per the SEBI (SAST) Regulations.

4. INFORMATION ON ACQUIRER AND THE PERSON ACTING IN CONCERT

4.1 **Acquirer - Oracle Global (Mauritius) Ltd.**

(i) Acquirer is an unlisted company incorporated in Mauritius on June 28, 2005 under the Companies Act, 2001 of Mauritius, with its registered office located at c/o Citco (Mauritius) Limited, 5th Floor, One Cathedral, Jules Koenig Street, Port Louis, Mauritius. Tel. No. +230-210-2035, Fax No. +230-211-7889. The paid up capital of Acquirer is US $1,000. Since its incorporation, no financial statements of Acquirer have been prepared.

(ii) Acquirer is a wholly owned subsidiary of Oracle, promoted by Oracle and belongs to the Oracle group of companies. Acquirer is an investment company and does not have any income generating operations.

4.2 **The Person Acting in Concert - Oracle Corporation**

(i) Oracle was incorporated on October 29, 1986 under the General Corporation Law of the State of Delaware with its registered office located at 500 Oracle Parkway, Redwood Shores, California, 94065, U.S.A. Tel. No. +1-650-506-4073. Fax No. +1-650-633-1269.

(ii) Oracle develops, manufactures, markets, distributes and services database software and middleware software, as well as applications software designed to help its customers manage and grow their business operations. Oracle also offers an integrated suite of business applications software. For further information about Oracle, please refer to Oracle's Web site at http://www.oracle.com.

(iii) Oracle is the holding company of Acquirer and holds all of the issued, subscribed and paid-up share capital of Acquirer.

(iv) Based on the latest audited consolidated US GAAP financial statements as on May 31, 2005 (in millions, except per-share amounts), the latest financial statements of Oracle are as follows:-

Year ending	May 31, 2004		May 31, 2005	
	US$	INR(2)	US$	INR(2)
Revenue	10,156	441,278	11,799	512,667
Net Income	2,681	116,489	2,886	125,397
Common Stock and Additional Paid In Capital	5,456	237,063	6,596	286,596
Stockholders' Equity	7,995	347,383	10,837	470,868
Book Value per Share	1.55	67.35	2.11	91.68
Earnings Per Share (basic)	0.51	22.16	0.56	24.33
Earnings Per Share (diluted)	0.50	21.72	0.55	23.90
Return on Networth	42.4%		36.0%	
Price to Earning Multiple (1)	20.2 (x)			

Note: (1) Based on the closing price on NASDAQ on August 1, 2005

(2) Based on the exchange rate listed in para 11.8 below.

(v) The common stock of Oracle is listed on The NASDAQ National Market, United States of America.

5. INFORMATION ABOUT THE TARGET COMPANY

5.1 The Target Company is a public limited company incorporated on September 27, 1989 under the Companies Act, 1956 with its registered office located at Unit 10-11 SDF 1, SEEPZ, Andheri (East), Mumbai - 400096.

5.2 The total paid up equity share capital of the Target Company, as of the date of this Public Announcement, is Rs.375.54 million divided into 75,107,698 fully paid up shares of Rs. 5/- each. There are no partly paid-up shares.

5.3 The Target Company is a provider of information technology solutions to the financial services industry worldwide through a comprehensive range of products and customized service offerings. The Target Company's portfolio of offerings comprise the Flexcube product suite for consumer, corporate, investment and internet banking, asset management, and investor servicing; custom application software development and deployment, maintenance and support services (both onsite and offshore); and business and IT consulting. The Target Company also offers financial institutions customized solutions through its domain and technology Centers of Excellence, which encompass areas such as Business Intelligence, CRM, Development & Integration Services, e-services, Insurance and Payment Systems. Supported by a mature, quality led process assessed at SEI CMM Level 5, the Target Company draws on its functional and technology expertise to offer services to customers in the financial services world. i-flex Consulting, the consulting arm, offers Strategic and Business consulting to customers in the financial services industry.

5.4 Based on the latest audited standalone Annual Accounts of the Target Company, the financial statements of the Target Company are as follows:- (Rupees in millions, except per share amounts)

Year ended	March 31, 2004	March 31, 2005
Revenue	6,844.6	9,028.6
Net Income	1,758.9	1,976.4
Equity Share Capital	373.7	374.4
Networth	9,665.5	1,1251.9
Book Value per Share	258.64	300.53
Earnings Per Share (basic)	23.56	26.43
Earnings Per Share (diluted)	22.73	25.64
Return on Networth	19.93 %	18.90 %
Price to Earning Multiple (1)	34.9 (x)	

Note: (1) Based on the closing price of the equity shares on NSE as on August 2, 2005

Source: i-flex website, http://www.iflexsolutions.com.

5.5 As on the date of this Public Announcement the Board of Directors of i-flex comprises of 6 directors: Mr. Rajesh Hukku, (Chairman and Managing Director), Mr. Joseph P. Kennedy II, Mr. S P Bharucha, Ms. Tarjani Vakil, Mr. William Twyman Comfort, Jr., and Mr. Yashodhan Madhusudan Kale and Mr. Ajay Relan - Alternate Director to Mr. William Twyman Comfort, Jr

6. Reasons for the Offer and Future Plans

6.1 The Offer is being made by reason of the execution of the Agreement between Acquirer and Seller and is being made in accordance with Regulation 10, Regulation 12 and other applicable provisions of the SEBI (SAST) Regulations as the proposed acquisition of the Purchase Shares will result in substantial acquisition of shares and voting rights in the Target Company and also a change in control and Board of Directors of the Target Company.

6.2 The main reasons for the acquisition of i-flex by Acquirer Group are:-

(i) Oracle and i-flex have had an ongoing commercial relationship since 1997. Several of i-flex's applications products are built on the Oracle technology infrastructure using Oracle development tools. In addition, Oracle and i-flex have engaged in several joint sales and marketing activities to serve customer needs for complementary elements of the parties' offerings.

(ii) Both Oracle and i-flex will benefit from greater scale, resources and expertise, enabling them to accelerate and deliver innovative solutions to their customers.

(iii) By aligning talents of both organizations, the companies will be better able to address the evolving needs of their respective customers.

6.3 i-flex and Oracle intend to make cooperative efforts to develop joint products, improve sales activities, marketing and customer service, and align certain operations to deliver a comprehensive solution for their respective customers in the banking arena. Oracle plans to implement this by entering into the MOA with i-flex as disclosed in para 1 above.

6.4 Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 2 (two) years, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies.

6.5 Subject to the provisions of applicable law, Acquirer intends to have its nominee directors appointed to the Board of Directors of the Target Company upon the closing of the purchase and sale of the Purchase Shares under the Agreement. In addition, Acquirer will also be entitled to have its nominee elected or appointed to the Board of Directors of the Target Company after the expiry of at least 21 days after this Public Announcement and after having fully funded the Open Offer escrow account in cash in accordance with the terms of the Escrow Agreement (as defined below) and as provided under Regulation 22(7) of the SEBI (SAST) Regulations.

6.6 Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company to the extent required by applicable laws.

7. STATUTORY APPROVALS FOR THE OFFER

7.1 The Offer is subject to the satisfaction of applicable merger notification and approval requirements as under:

(i) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and regulations thereunder (United States of America);

(ii) the German Act against Restraints of Competition (Federal Republic of Germany); and

(iii) the Republic of Ireland's Competition Act, 2002 (Republic of Ireland).

7.2 The acquisition of equity shares of i-flex pursuant to the Agreement and the Offer is subject to the receipt of approval from the Foreign Investment Promotion Board ("**FIPB**"), Department of Economic Affairs, Ministry of Finance, and the Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder ("**FEMA**"). Since the Negotiated Price is lower than the market price, the said application would also seek a specific permission / approval of the FIPB and RBI to acquire the Purchase Shares at the Negotiated Price of Rs. 800 per share. Accordingly, Acquirer will be submitting an application to FIPB and subsequently to the RBI for permission to acquire the Purchase Shares from Seller at the Negotiated Price. Upon obtaining such an approval the Offer will be proceeded with. In the event that FIPB / RBI informs either Acquirer or Seller that the said approval is refused or is not forthcoming, or 45 days have lapsed from the date of Acquirer's application to the FIPB and such approval has not been received, then Acquirer and Seller have agreed to negotiate in good faith, within a period of 15 days from the occurrence of either of the events stated above, to amend or restructure the Agreement. If Acquirer and Seller fail to reach an understanding then Acquirer or Seller may by notice to the other party terminate the Agreement in accordance with its terms.

If either FIPB or RBI refuse the aforesaid approval, then Acquirer will not acquire the shares from Seller under the Agreement and the Open Offer to the members of the public will be withdrawn in accordance with Regulation 27 of SEBI (SAST) Regulations.

7.3 The Offer is subject to the receipt of approval from the Reserve Bank of India ("**RBI**") under the FEMA for acquiring shares from Non-Resident Indians validly tendered under this Offer, to open the escrow account pursuant to the Escrow Agreement (as defined below) and the special account and other related matters.

7.4 Acquirer, Oracle and the Target Company are in the process of making the necessary applications to and filings with the various authorities to obtain the statutory approvals described above.

7.5 To the best knowledge of Acquirer as of the date of this Public Announcement, there are no other statutory approvals required to implement the Offer other than those 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. Acquirer will have the right not to proceed with the Offer in the event that the statutory approvals indicated above are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.

7.6 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirer for payment of consideration to shareholders of the Target Company, subject to Acquirer 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 the willful default or neglect or inaction or non-action by Acquirer in obtaining the requisite approvals, the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

7.7 Acquirer Group does not require any approvals from financial institutions or banks for the Offer.

8. DELISTING OPTION

8.1 As per the listing agreement with the BSE and the NSE, the Target Company is required to maintain at least 10% public shareholding for listing on a continuous basis.

8.2 Pursuant to the Offer, the public shareholding of the Target Company is not expected to fall to less than 10% of the Emerging Voting Capital of the Target Company.

9. FINANCIAL ARRANGEMENTS

9.1 The total funding requirement for the acquisition of up to 15,586,914 equity shares held by shareholders in the Target Company at Rs.882.62 per share is Rs. 13,757.32 million (Rupees Thirteen Billion Seven Hundred and Fifty Seven Million and Three Hundred and Twenty Thousand only) (the "**Maximum Consideration**").

9.2 Acquirer, JMMS, The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), a banking corporation incorporated under the laws of Hongkong Special Administrative Region ("**HK SAR**") and having its registered office at 1 Queen's Road Central, Hongkong SAR and having one of its branch offices at c/o HSBC Offshore Banking Unit, 5th Floor, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius and The Hongkong and Shanghai Banking Corporation Limited, a banking corporation incorporated under the laws of HK SAR and having its registered office at 1 Queen's Road Central, Hongkong SAR and having one of its branch offices at Hongkong Bank Building, 52/60 Mahatma Gandhi Road, Mumbai 400 001, India have entered into an Open Offer Escrow Agreement (the "**Escrow Agreement**") in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, Acquirer has made a cash deposit of US $38.0 million (equivalent to Rs. 1,651.1 million) in a bank account which is in excess of 25% of the value of the total consideration up to Rs. 1000 million and 10% of the value of the total consideration beyond Rs. 1000 million payable under the Open Offer (assuming full acceptances) with HSBC, Offshore Banking Unit, 5th Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius (the "**Foreign Escrow Account**"). At an exchange rate of Rs. 43.45 per US $ (calculated in accordance with para 11.8 below), the cash deposited in the Foreign Escrow Account cumulatively is in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations. JMMS has been duly authorized to realize the value of the aforesaid Foreign Escrow Account in terms of the SEBI (SAST) Regulations. In the event of any shortfall in the escrow amount arising on account of exchange rate fluctuations, Acquirer has undertaken to provide additional funds to ensure that the Foreign Escrow Account has adequate funds to discharge Acquirer's obligations under the Offer. The Funds will be transferred from the Foreign Escrow Account to HSBC, Hongkong Bank Building, 52/60 Mahatma Gandhi Road, Mumbai 400 001, India (the "**Indian Escrow Account**") after the requisite approval has been obtained from RBI for opening and operating an escrow account in India. JMMS has been duly authorized to realize the value of the aforesaid Indian Escrow Account in terms of the SEBI (SAST) Regulations.

9.3 Oracle has access to adequate cash funds and shall make the funds available to Acquirer through a loan for making the necessary purchases, including those mentioned in the Offer.

9.4 HSBC Bank, USA, National Association, 452 Fifth Avenue, New York, NY 10018-2706, USA who are the bankers for Oracle (the "**Bankers**") have via their letter dated August 2, 2005 confirmed that Acquirer has made the firm arrangements for meeting the obligations under the SEBI (SAST) Regulations.

9.5 Pursuant to the Resolution of the Board of Directors of Oracle dated July 31, 2005, Oracle has confirmed that Oracle has sufficient means and capability to meet its obligations under Regulation 29 of the SEBI (SAST) Regulations.

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

10. OTHER TERMS OF THE OFFER

10.1 The Letter of Offer relating to the Offer (the "**Letter of Offer**") together with the Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the shareholders of the Target Company (except the parties to the Agreement), whose names appear on the Register of Members of the Target Company and to the beneficial owners of the equity shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective Depositories, in either case, at the close of business on August 12, 2005 (the "**Specified Date**"). The Letter of Offer shall also be sent to the warrant holders and to holders of options or ESOPs where the period of exercise of option or conversion falls within the offer period.

10.2 Shareholders of the Target Company who are holding equity shares in physical form and who wish to tender their equity 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 - Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup - West, Mumbai - 400 078, India; Telephone +91 22-5555 5491 to 94, Fax +91 22-5555 5499 ("**Registrar to the Offer**"), either by hand delivery on weekdays or by Registered Post, so as to reach on or before the close of the Offer, i.e., no later than October 17, 2005, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.3 The Registrar to the Offer, Intime Spectrum Registry Limited has opened a special depository account with National Securities Depositories Ltd. ("**NSDL**") as Depository, JM Morgan Stanley Retail Services Private Limited as Depository Participant called, "**Intime Spectrum Registry - Open Offer for Shares of i-flex**". The DPID is IN 302927 and Client ID is 10017527. Shareholders of the Target Company having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their shares in favor of the special depository account with NSDL.

10.4 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 the Registrar to the Offer - Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup - West, Mumbai - 400 078, India. Telephone +9122-5555 5491 to 94, Fax +9122-5555 5499, either by hand delivery on weekdays or by Registered Post acknowledgement due, so as to reach on or before the close of the Offer, i.e., no later than October 17, 2005, 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 close of the Offer, i.e., no later than October 17, 2005.

10.5 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 of Intime Spectrum Registry Limited mentioned herein below will be open as follows:

(Monday to Friday: 10 a.m. to 4 p.m.)

Sl. No.	City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
1	Mumbai	C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup - West, Mumbai - 400 078	Vishwas A	022-55555491-94	022-55555499	Hand Delivery & Registered Post
2	Mumbai	203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Vivek Limaye	022-22694127		Hand Delivery
3	Ahmedabad	211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	079-2646 5179	079-2646 5179 (Telefax)	Hand Delivery
4	Bangalore	C/o Times Data & Technical Center, 40/3, Second Floor, Geetha Mansion, K.G. Road, Bangalore - 560 009	S. Vijayagopal	080-2235 0351	080-2235 0351 (Telefax)	Hand Delivery
5	Coimbatore	Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028	S. Dhanalakshmi	0422-2314792	0422-2314792 (Telefax)	Hand Delivery
6	Indore	307 City Centre, 3rd Floor, 570 M.G. Road, Indore - 452 001	Mr.Niren	0731-2544512	0731-2544512 (Telefax)	Hand Delivery
7	Kolkata	59C ,Chowringhee Road, 3rd Floor, Kolkata -700 020	S.P. Guha	033-22890539/40	033-22890539/40 (Telefax)	Hand Delivery
8	New Delhi	3rd Floor, A-31, Naraina Industrial Area, Phase I, New Delhi -110 028	Sanjiv Kapoor	011-5141 0592 / 93/94	011-5141 0591	Hand Delivery
9	Pune	102, Shree Vidyanand Terrace, Dr. Ketkar Path, Erandawane, Near Old Karnataka High School, Pune - 411 004	Abhay Gokhale	020- 25458397	020 -25458398 (Telefax)	Hand Delivery
10	Vadodara	201 Sidcup Tower, Near Marble Arch, Race Course Circle, Vadodara - 390 007	Sunil S. Joshi	0265-2332474, 2312489	0265-2332474 (Telefax)	Hand Delivery

10.6 All owners (registered or unregistered) of equity shares of the Target Company (except Acquirer, Oracle and Seller) 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.

10.7 In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same from the SEBI website, (ii) obtain a copy of the same by writing to the Registrar to the Offer at C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup - West, Mumbai - 400 078, 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 October 17, 2005, 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 October 17, 2005.

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i-flex solutions ltd.

Registered Office: Unit 10-11 SDF 1, SEEPZ, Andheri (East), Mumbai. 400 096

10.8 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

10.9 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 October 11, 2005.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, which is 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 a plain paper application along with the following details:

- In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered; and
- In case of dematerialised shares: 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.

10.10 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 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.

10.11 If the aggregate of the valid responses to the Offer exceeds the Offer size of 15,586,914 fully paid-up equity shares of the Target Company (representing 20% of the Emerging Voting Capital), then Acquirer 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 share.

10.12 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.

10.13 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 October 17, 2005, or else their application will be rejected.

10.14 While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares tendered. While tendering shares under the Offer, NRI/ OCBs/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Acquirer under the Income Tax Act, 1961 (the "**Income Tax Act**"), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

10.15 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 115 AD of the Income Tax Act.

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

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

Activity	Day & Date
Specified Date *	Friday, August 12, 2005
Last date for a competitive bid	Wednesday, August 24, 2005
Date by which Letter of Offer to be dispatched to shareholders	Thursday, September 15, 2005
Date of opening of the Offer	Tuesday, September 27, 2005
Last date for upward revision of the Offer Price	Wednesday, October 5, 2005
Last date for withdrawing acceptance of the Offer	Tuesday, October 11, 2005
Date of closing of the Offer	Monday, October 17, 2005
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders and / or the unaccepted equity shares / share certificates will be dispatched / credited.	Tuesday, November 1, 2005

** 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 Acquirer, Oracle and Seller) are eligible to participate in the Offer anytime before the closing of the Offer.*

11. GENERAL

11.1 **Shareholders of the Target Company who have accepted the Offer by tendering the requisite documents, in accordance with the terms of this Public Announcement and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closing of the Offer, in terms of Regulation 22(5A) of the SEBI (SAST) Regulations i.e. October 11, 2005**

11.2 Acquirer can revise the Offer Price upwards up to seven (7) working days prior to the closing of the Offer (i.e., October 5, 2005). If there is any upward revision in the Offer Price by Acquirer until the last date of revision i.e., October 5, 2005 the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared. Acquirer would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

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

11.4 **If there is a competitive bid:**

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

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

11.5 None of Acquirer, Oracle, Seller or the Target Company has been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1972 and subsequent amendments thereto.

11.6 Pursuant to Regulation 13 of the SEBI (SAST) Regulations, Acquirer has appointed JMMS as the Manager to the Offer. As of the date of this Public Announcement, JMMS does not hold any equity shares of the Target Company.

11.7 Acquirer and Oracle and their respective Directors accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer and Oracle as laid down in terms of the SEBI (SAST) Regulations.

11.8 Certain financial details contained in this Public Announcement quoted in Rupees are denominated in US$. The Rupee equivalent quoted in each case is calculated in accordance with the RBI Reference rates as on August 1, 2005, namely 1 US$ = Rs. 43.45 *(Source: www.rbi.org.in).*

This Public Announcement will also be available on SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of the Form of Acceptance cum Acknowledgement and the Form of Withdrawal, which will be available on SEBI's website at (www.sebi.gov.in) from the opening date of the Offer, i.e., September 27, 2005.

Issued by the Manager to the Offer

JM MORGAN STANLEY

JM MORGAN STANLEY PRIVATE LIMITED
141, Maker Chambers III, Nariman Point , Mumbai 400 021
Tel.: +91-22-5630 3030 Fax.: +91-22-2204 7185
Email: i-flexopenoffer@jmmorganstanley.com
Contact Person: Mr. Abhishek Goel

On behalf of:
Oracle Global (Mauritius) Ltd. and Oracle Corporation

Place: Mumbai
Date: August 2, 2005