CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT

For the attention of the equity shareholders / beneficial owners of equity shares of

IL&FS INVESTSMART LIMITED

This corrigendum to the Public Announcement is in continuation of and shall be read in conjunction with the original Public Announcement issued on October 09, 2006 and the subsequent corrigendum to the Public Announcement issued on January 22, 2007 (Collectively the "PAs") and the Letter of Offer dated January 17, 2007 issued/mailed to the shareholders of IL&FS Investsmart Limited ("IIL"/"Target Company") by E*TRADE Mauritius Limited ("ETM"/ "Acquirer") alongwith E*TRADE Financial Corporation ("ETFC") and Converging Arrows, Inc. ("CAI"); ETFC and CAI together referred to as the "Persons Acting in Concert" ("PACs") pursuant to and in compliance with the Regulations 10, 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations"/"Regulations").

The shareholders of IIL are requested to kindly note the following amendments with respect to the PAs and the Letter of Offer.

1) The last date for revising the offer price should be read as **Friday, February 02, 2007** (instead of Thursday, February 01, 2007) and the last date for withdrawing acceptance from the Offer should be read as **Thursday, February 08, 2007** (instead of Wednesday, February 07, 2007).
2) Due to the delay in commencement of the Offer and consequently the making of payment of consideration to the shareholders who accept the offer, the Acquirer and the PACs will pay interest of Rs. 3.16 per share computed at the rate of 10% per annum on the offer price of Rs. 210.00 per fully paid-up equity share of IIL for the period from the original date of payment of consideration (i.e. January 03, 2007) to the revised date of payment of consideration (i.e. February 27, 2007). A total payment of Rs.213.16, comprising Rs.210.00 as the offer price and Rs. 3.16 as interest on account of above mentioned delay, will be made for each fully paid-up equity share of IIL.
3) As mentioned in the Letter of Offer, the Acquirer has deposited a sum of USD 9,752,202 (equivalent to Rs.444,895,464.67 calculated in accordance with the exchange rate of 1 USD=45.62 INR) into the Foreign Escrow Account maintained with HSBC Bank (Mauritius) Limited in accordance with the Escrow Agreement dated October 06, 2006. Consequent to the requirement of payment of interest as stated in the paragraph (2) above, the total monetary value of the Offer would be Rs. 2,954.72 million.
4) Accordingly, the Acquirer has enhanced the cash deposit by USD 278,000 (equivalent to Rs. 12,262,580 calculated in accordance with the exchange rate of 1 USD = 44.11 INR as on February 05, 2007) in the Foreign Escrow Account. Hence the Foreign Escrow Account balance after such enhancement is now USD 10,099,919.41 (equivalent to Rs.445,507,445.18 calculated in accordance with the exchange rate of 1 USD=44.11 INR as on February 05, 2007), which is in excess of 25% of the value of the total consideration upto Rs. 1,000 million and 10% of the value of the total consideration beyond Rs. 1,000 million assuming full acceptance in terms of Regulation 28(2) of the SEBI (SAST) Regulations.

This announcement should be read in conjunction with the PAs. The terms not defined herein will have the same meaning as defined in the PAs. All the other terms and conditions of the Open Offer remain unchanged. For further details, please refer to the Letter of Offer dated January 17, 2007.

The Acquirer and PACs accept responsibility for the information contained in this corrigendum to the public announcement and also for the obligations of the Acquirer and PACs as laid down in the SEBI (SAST) Regulations.

A copy of the PAs and the Letter of Offer including the Form of Acceptance cum Acknowledgment and Form of Withdrawal is made available on the SEBI's website (www.sebi.gov.in). A copy of the Letter of Offer may also be obtained from the Registrar to the Offer.

Manager to the Offer

SBI Capital Markets Limited

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E-mail: iil.openoffer@sbicaps.com
Contact Person: Ms. Kavita Nachnani

Registrar to the Offer

Sharepro Services (India) Private Limited
Satam Industrial Estate, 3rd Floor,
Cardinal Gracious Road, Chakala,
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Contact Person: Mr V. Kumaresan

Financial Advisor to the Acquirer

CLSA ASIA-PACIFIC MARKETS

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Issued for and on behalf of the Acquirer by the Manager to the Offer

Place : Mumbai

Date : February 05, 2007