CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT AND TO THE LETTER OF OFFER DATED JUNE 27, 2008 FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

IL&FS INVESTSMART LIMITED

Regd. Off.: The IL&FS Financial Centre, Plot No. C -22, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, India

This Corrigendum to the Public Announcement ("Third Corrigendum") is in continuation of and shall be read in conjunction with the Public Announcement published on May 20, 2008 ("PA"), the Corrigendum to PA published on June 3, 2008 ("First Corrigendum") and the Corrigendum to PA published on June 10, 2008 ("Second Corrigendum") to the shareholders of IL&FS Investsmart Limited ("IIL"/ "Target Company") by SBI Capital Markets Limited ("Manager to the Offer") on behalf of HSBC Securities and Capital Markets (India) Private Limited ("HSCI"), HSBC Violet Investments (Mauritius) Limited ("Violet"), together referred to as "the Acquirers" alongwith HSBC Investment Bank Holdings BV ("HIBH") (person acting in concert with HSCI) and The Hongkong and Shanghai Banking Corporation Limited, Hong Kong ("HBAP") (person acting in concert with Violet) (collectively being the Persons Acting in Concert ("PACs") with the Acquirers), in compliance with Regulations 10 and 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").

The Securities and Exchange Board of India ("SEBI") has issued its comments on the draft Letter of Offer vide letter No. CFD/DCR/TO/AK/129765/2008 dated June 24, 2008. As per the schedule of activities published in the PA, the Letter of Offer dated June 27, 2008 ("LoF") has been despatched on July 02, 2008 to all the shareholders of IIL as on the specified date (May 30, 2008) and the Offer is slated to open on July 11, 2008 as planned.

The shareholders of IIL are requested to kindly note the following amendment and addendum with respect to the PA and the LoF:

Paragraph 5 of PA:

"…..Certain agreed businesses" appearing in line 13 of paragraph 5 should be read as:

"…..the following regulated and/or licensed (including by way of a registration certificate) businesses, namely (i) stock or securities broking (including sub-broking); (ii) insurance broking; (iii) commodities and/or commodities derivatives broking; and (iv) investment banking or merchant banking."

Paragraph no. 5 and 6 of PA:

The words "MCX, NCDEX" stand deleted from the paragraphs.

New Paragraph 6 (A) after paragraph (6) in PA shall be added as:

6 (A) "Further in terms of regulation 22(16) of SEBI (SAST) Regulations, the Share Purchase Agreements provide that the consummation of the sale and purchase shall be subject to the Acquirers having completed all their obligations under the SEBI (SAST) Regulations in relation to the present Offer."

Paragraph 31 of PA:

The words "the Acquirers" in the first sentence should be read as "the Acquirers and the PACs".

Paragraph 32 of PA and clause (a) under 'ATTENTION' on page 2 and clause (a) of section 8.1 on page 64 of LoF :

The following is an updated status in respect of the statutory and regulatory approval required for the Offer:

"The Acquirers have made an application to the FIPB on June 2, 2008 for the acquisition of the shares of the Target Company from IL&FS and E*TRADE. The concerned subsidiaries of the Target Company have also filed applications before the SEBI, the BSE and the NSE. These applications have been filed to obtain the prior approval of the concerned authorities for the indirect change in shareholding and control of the respective subsidiaries of the Target Company. The approvals from the respective authorities are currently awaited."

Paragraph 37 of PA:

The following words shall be added at the end of the paragraph:

"to restore the minimum public shareholding"

New Paragraph 40(A) after paragraph 40 in PA shall be added as:

40 (A) "HSCI shall fund the open offer out of existing funds and advance monies received from HIBH towards share subscription."

Paragraph 42 of PA:

The paragraph should be read as follows:

"Accordingly, the Manager to the Offer is satisfied that HSCI has adequate and firm financial resources to fulfill the obligations under the open offer and has the ability 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."

This announcement should be read in conjunction with the PA, the First Corrigendum and the Second Corrigendum. The terms not defined herein will have the same meaning as defined in the PA or the First Corrigendum or the Second Corrigendum. All other terms and conditions of the Open Offer remain unchanged.

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

This Corrigendum to the PA will also be available on the SEBI's website (www.sebi.gov.in). Eligible shareholders to the Offer may also download a copy of the Letter of Offer, Form of Acceptance-cum-Acknowledgment, which will also be available on SEBI's website from the Offer Opening date i.e. July 11, 2008.

Issued for and on behalf of the Acquirers by:

Manager to the Offer

SBI Capital Markets Limited

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