CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT

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

IL&FS INVESTSMART LIMITED

(Registered office: G-Block, The IL&FS Financial Centre, Plot C - 22, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051, India)

This corrigendum to the Public Announcement is being issued by SBI Capital Markets Limited ("Manager to the Offer"), on behalf of E*TRADE Mauritius Limited ("ETM"/ "Acquirer") alongwith E*TRADE Financial Corporation ("ETFC") and Converging Arrows, Inc. ("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 IL&FS Investsmart Limited ("IIL"/"Target Company") are requested to note the following developments/amendments with respect to and in connection with the Public Announcement issued on October 09, 2006 ("PA").

1. REVISED SCHEDULE OF ACTIVITIES

Securities and Exchange Board of India ("SEBI") issued its observations/comments on the draft Letter of Offer on November 20, 2006 and December 28, 2006. The dates with respect to various activities as per the disclosure made in the PA have undergone a change. Letter of Offer alongwith the Form of Acceptance cum Acknowledgment and Form of Withdrawal is being dispatched to the shareholders of IIL and the revised schedule of activities is as follows:

Activity	Original Day/date	Revised Day/date
Original Public Announcement Date	Monday, October 09, 2006	Monday, October 09, 2006
Specified Date*	Friday, November 03, 2006	Friday, November 03, 2006
Last date for a competitive bid	Monday, October 30, 2006	Monday, October 30, 2006
Date by which Letter of Offer will be dispatched to the Shareholders	Wednesday, November 22, 2006	Monday, January 22, 2007
Date of opening of the Offer	Friday, December 01, 2006	Thursday, January 25, 2007
Last date for revising the Offer Price	Wednesday, December 08, 2006	Thursday, February 01, 2007
Last date for withdrawing acceptance from the Offer	Thursday, December 14, 2006	Wednesday, February 07, 2007
Date of closure of the Offer	Wednesday, December 20, 2006	Tuesday, February 13, 2007
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	Wednesday, January 03, 2007	Tuesday, February 27, 2007

** Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be mailed and all owners (registered or unregistered) of the shares of IIL (except the Acquirer and PACs) are eligible to participate in the Offer anytime before the close of the Offer.*

2. BACKGROUND OF THE OFFER

a) ETM is presently holding 4,880,000 equity shares of Rs. 10/- each representing 7.04% of the fully paid up equity capital of IIL.

b) As of the date of PA, ETM was holding 11,275,007 Global Depository Receipts ("GDRs") and had initiated the purchase of 3,163,570 GDRs. Subsequent to the PA, ETM has acquired 9,957,912 GDRs, the break-up of which is given below:

DATE	QUANTITY (GDR)
October 06, 2006	3,163,570
November 22, 2006	117,100
November 20, 2006	2,464,195
November 20, 2006	900,828
November 28, 2006	3,107,937
November 29, 2006	39,282
November 29, 2006	165,000

Consequently, the GDR holding of the Acquirer now stands at 21,232,919 GDRs. Each GDR represents one Equity Share of Rs.10/- each of IIL and is listed and traded on the Luxembourg Stock Exchange.

c) ETM, through CLSA India Limited, applied for and received approval for purchase of shares of IIL for deposit towards re-issuance of GDRs as under:

DATE	QUANTITY
December 08, 2006	304,135
December 28, 2006	800,000

The process for purchase of the GDRs has been initiated, following the completion of which the total GDR holding of the Acquirer would be 22,337,054 GDRs.

d) The Acquirer intends to convert all its holdings of GDRs (as mentioned in tables of paras 3.1(b) & 3.1(c)) i.e. 22,337,054 GDRs into Equity Shares. Towards this purpose, the board of directors of ETM has passed a board circular resolution on October 6, 2006 to convert its holding of 14,438,577 GDRs (i.e purchase of GDRs made upto October 06, 2006) into Equity Shares of Rs.10/- comprising 20.83% of the fully paid up equity capital of IIL. Further, the Acquirer also intends to convert the subsequent purchases of GDRs (as mentioned in tables of para 3.1(b) & 3.1(c) above) into equity shares of Rs.10/- each comprising of 7,898,477 GDRs representing 11.40% of the fully paid up equity capital of IIL. ETM has passed a board resolution on December 04, 2006 towards this purpose.

e) As a result of the proposed conversion of 22,337,054 GDRs into fully paid up equity shares of IIL together with the equity shareholding as mentioned in para 3.1(a), i.e. 4,880,000 Equity Shares, the shareholding of the Acquirer would increase to 27,217,054 equity shares of Rs. 10/- each comprising 39.27% of the fully paid up equity capital of IIL.

3. THE OFFER

a) Please note that in the Public Announcement issued on October 09, 2006, under para 5 (f), Emerging Voting Capital was calculated taking into account the outstanding ESOPs which have been vested and may be eligible to be exercised within 15 days after the closure of the offer in terms of Regulations 21(1) and 21(5) of the Regulations. This information was ascertained from the annual reports of the Target Company.

b) Subsequent to the filing of the PA with SEBI, we were informed by the Target Company that no ESOPs are getting converted into equity shares as at the expiration of 15 days after the closure of the Open Offer in terms of the Regulations.

c) In light of this fact, there is a change in the offer size as mentioned in the PA. The total offer size now stands at 13,861,508 Equity Shares of IIL which is 20% of the fully paid up equity shares of IIL i.e. 69,307,538.

4. INFORMATION ABOUT E*TRADE FINANCIAL CORPORATION (ETFC) (PERSON ACTING IN CONCERT)

With effect from December 29, 2006, ETFC has moved its listing from the NYSE to the NASDAQ. As a result, E*TRADE Financial Corporation is no longer being traded on the NYSE under "ET" and is now being traded on the NASDAQ under "ETFC.

5. INFORMATION ABOUT TARGET COMPANY

a) IIL has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations, except to the extent of 15 days delay in intimation of promoter shareholding under Regulation 8 (3) for FY 2005-06. SEBI has initiated adjudication against IIL and its major shareholders i.e. direct and indirect subsidiaries of FMR Corp. and Fidelity International Limited (FIL) namely FID FDS (Mauritius) Limited, Norges Bank India, FID AUS India Fund, HKMPF-MKT INV Asia Pac EQ FND, FA Emerging Asia Fund- Open End, Select Brokerage & Inv Mgt for non-compliance with provisions of Chapter II of the Regulations.

b) Pursuant to this Open Offer, the Target Company will be in joint control of the Acquirer and the existing promoters.

6. STATUTORY APPROVALS FOR THE OFFER

The Acquirer had filed an application for the Foreign Investment Promotion Board ("FIPB") approval on November 06, 2006. The FIPB has vide its letter no. FC II.459 (2004)/516 (2004) dated November 24, 2006 received by the Acquirer on December 6, 2006 confirmed that FIPB approval is not required in respect of the Offer. The Acquirer has filed an application dated December 12, 2006 with the RBI requesting approval for acquiring shares from residents pursuant to the Offer and for opening an Indian Escrow Account for the Offer.

7. FINANCIAL ARRANGEMENT

Kian Kian Siew Sum Lam, Chartered Accountant (Membership No.2140294), having its office at 2 Sir Egdar Laurent Street, Port Louis, Republic of Mauritius (Tel No: +230 2071062) have certified vide their letter dated December 01, 2006 that ETM alongwith ETFC and CAI have sufficient means to fulfill all the obligations under the Open Offer.

8. Change in the Registrar to the Open Offer

Intime Spectrum Registry Limited ("ISRL"), who has been acting as the Registrar to the Open Offer, informed the Acquirer that an order dated December 21, 2006 was passed by the 4th Civil Judge (Senior Division) at Alipore restraining ISRL from acting in furtherance of any new contracts pertaining to the business of Registrar to Issue and Share Transfer Agent which ISRL has entered into after August 18, 2006.

In the light of the above, the Acquirer has terminated the services of ISRL and has appointed Sharepro Services (India) Private Limited to act as the Registrar to this Open Offer. For shareholders holding Shares in dematerialised form, Sharepro Services (India) Private Limited has opened a Special Depository Account with National Securities Depository Limited (NSDL). Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Shares in the special depository account:

DP Name	Stockholding Corporation of India Limited
DP ID	IN301330
Client ID	19959927
Account Name	SHAREPRO SERVICES IIL OPEN OFFER ESCROW ACCOUNT
Depository	National Securities Depository Limited

Shareholders having their beneficiary account in Central Depository Service (India) Ltd. (CDSL) have to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL. IIL shareholders who wish to avail of and accept the Offer can also deliver the Form of Acceptance cum Acknowledgment along with all the relevant documents at any of the collection centers below in accordance with the procedure as set out in the Letter of Offer. All centres mentioned herein below would be open as follows:

(Monday to Saturday 10:00 a.m. to 4.30 p.m.)

Sr. No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Mode of delivery
1.	Mumbai	Sharepro Services (I) Private Limited, Satam Industrial Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099	Mr V. Kumaresan	022-28215168/69	Hand Delivery & Registered Post
2.	Ahmedabad	C/o S.S. Enterprises, Above Avoji Showroom, Opp. Tailor Point, Zaveri Varna Naka, Relief Road, Ahmedabad	Mr. Hitesh Mehta	079-65431328	Hand Delivery
3	Bangalore	C/o Skystock Financial, 1st Floor, Opp. IIHT, Keshava Kripa, No. 74, 30th Cross, 4th Block, Jayanagar, Bangalore	Mr. Umesh	080-41211676	Hand Delivery
4.	Chennai	C/o Skystock Financial, 7/A, Laxman Nagar, East Main Road, Chennai	Mr. B. Srinivas	044-26711968	Hand Delivery
5.	Delhi	C/o Skystock Financial, F-75, 1st Floor, Baghat Singh Market, Near Gol Market, Delhi	Mr. Sridhar	011-65058126	Hand Delivery
6.	Indore	C/o Skystock Financial, B-3&4, Golden Point, Palasia, Chouraha, Indore	Mr. Sunil Agarwal	0731-2495199	Hand Delivery
7.	Jaipur	C/o Skystock Financial, G24, Raisar Plaza, Indira Bazar, Jaipur	Mr. Ramesh Maloo	0141-2312241	Hand Delivery
8.	Kolkata	C/o Skystock Financial, 196, A.G. Arabinda Sarani, Kolkata	Mr. Bhaskar Biswas	033-25333706	Hand Delivery
9.	Secunderabad	C/o Skystock Financial, 8-1-462, Shivaji Nagar, Near PNB & Syndicate Bank, Secunderabad	Mr. Subramanyam R.	040-27710838	Hand Delivery
10.	Surat	C/o Skystock Financial Services, 2nd Floor, Sonali Bldg, Ramanarshi Street, Athaunagar Mahallo, Nanpura, Surat	Mr. Sajay M Patel	0261-2461332	Hand Delivery

9. GENERAL

This announcement should be read in conjunction with the PA. The terms not defined herein will have the same meaning as defined in the PA. All 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 PA and also for the obligations of the Acquirer and PACs as laid down in the SEBI (SAST) Regulations.

This Corrigendum to the Public Announcement will also be available on the SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of the Letter of Offer, Form of Acceptance cum Acknowledgment and Form of Withdrawal, which will be available on SEBI's website from the Offer Opening date i.e. January 25, 2007.

Manager to the Offer

SBI Capital Markets Limited

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Contact Person: Ms. Kavita Nachnani

Registrar to the Offer

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Satam Industrial Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099
Tel No.: +91 22 2821 5168/ 69; **Fax No.**: +91 22 2837 5646
Email: iilopenoffer@shareproservices.com
Contact Person: Mr V. Kumaresan

Financial Advisor to the Acquirer

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Issued by SBI Capital Markets Limited, Manager to the Offer for and on behalf of the Acquirer

Place : Mumbai
Date : January 20, 2007