PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

MELSTAR INFORMATION TECHNOLOGIES LIMITED

(Registered Office: Melstar House, G – 4, MIDC, Cross Road 'A', Andheri (E), Mumbai – 400 093.
Tel.: 022 – 4056 6464 Telefax No.: 022 – 2831 0520 E-mail: info@melstar.com)

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

This Public Announcement ("PA") is being issued by the Manager to the Offer, Aryaman Financial Services Limited ("AFSL"), on behalf of Godavari Corporation Pvt. Ltd., Nirved Traders Pvt. Ltd. and Shearson Investments & Trading Company Pvt. Ltd. (hereinafter referred to as "The Acquirers") pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as the "Regulations").

1. BACKGROUND TO THE OFFER

1.1 Godavari Corporation Pvt. Ltd. incorporated under the Indore Companies Act VII of 1940, Nirved Traders Pvt. Ltd. and Shearson Investments & Trading Company Pvt. Ltd., companies incorporated under the Companies Act, 1956, having their registered office situated at Industry House, 159, Churchgate Reclamation, Mumbai – 400 020, (the "Acquirers") have entered into a Share Sale and Purchase Agreement ("SSPA") dated September 11, 2008 with (a) Mr. S. M. Arora & family members (represented by Mr. S. M. Arora through duly executed Power of Attorney); (b) Mr. Sattar Shaikh & family members (represented by Mr. Sattar Shaikh through duly executed Power of Attorney); (c) Mr. Bharat Ramani & family members (represented by Mr. Bharat Ramani through duly executed Power of Attorney) (d) Mr. Suresh Bansal (all belonging to the promoters group) and (e) Mr. Sunil S. Oberoi & family members (represented by Mr. Bharat Ramani through duly executed Power of Attorney); (f) Mr. Anthony C. Gale and (g) Kevin Osborn (represented by Mr. Anthony C. Gale through duly executed Power of Attorney) (non-promoter shareholders), all the above collectively referred to as the 'Sellers', for the acquisition of 43,93,817 fully paid up equity shares ("Sale Shares") of Rs. 10/- each representing 30.76% of the issued equity share capital of the Melstar Information Technologies Limited (the "Company" / "Target Company" / "MITL") at a price of Rs. 15/- (Rupees Fifteen Only) per equity share aggregating to Rs. 6,59,07,255/- (Rupees Six Crores Fifty Nine Lacs Seven Thousand Two Hundred Fifty Five Only) payable in cash.

1.2 Pursuant to the proposed substantial acquisition of equity shares and consequent change in control of the Target Company contemplated under the SSPA referred to in paragraph 1 above, this mandatory offer (the "Offer" or "Open Offer") is being made by the Acquirers in compliance with Regulation 10, 12 and other applicable provisions of the SEBI (SAST) Regulations.

1.3. The Acquirers hereby make this Offer to shareholders of the Target Company (other than the parties to the SSPA) to acquire up to 28,56,628 equity shares ("Shares") of the Target Company of face value of Rs. 10/- each, representing in aggregate 20% of the paid up equity share capital and voting capital of the Target Company at a price of Rs. 15/- (Rupees Fifteen Only) per fully paid up equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned in this PA and in the Letter of Offer that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations ("Letter of Offer"). This Offer is not subject to any minimum level of acceptance.

1.4 The key terms of the SSPA are as follows:

a) The Sellers and the Acquirers have entered into an Escrow Agreement dated 11th September 2008 with M/s. Crawford Bayley & Co. ("Escrow Agent") to whom the Sale Shares and part of the sale consideration has been entrusted for the purpose of securing the due performance by the parties of their obligations under the SSPA. The Escrow Agreement dated September 11, 2008, sets out the procedure in relation to the escrow.

b) The Acquirers shall have the obligation to acquire the Sale Shares of the Sellers subject to the satisfaction of certain conditions precedent as detailed in the SSPA including inter alia:

- Completion by the Acquirers of their obligations under the Open Offer and submission by the Merchant Banker of the final report to SEBI in terms of Regulation 24(7) of the SEBI (SAST) Regulations;
- receipt of all regulatory and statutory approvals as may be required;
- the Sellers being in compliance with the representations and warranties it has given in relation to due incorporation of the Target Company and its Subsidiaries, title to the Sale Shares and compliance, by the Target Company of all laws;
- there not having occurred any adverse material changes.

c) The Sellers shall not and will procure that the no affiliate of the Sellers, for a period of 12 months from the date of closing, directly or indirectly knowingly solicit employment, of any employee of the Target Company and its Subsidiaries.

d) The Sellers have agreed not to compete with the business of the Target Company and its Subsidiaries for a period of 12 months from the date of closing.

e) The SSPA also contains other customary provisions including provisions in relation to representations, warranties and indemnities.

1.5 The Acquirers and the Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities Exchange Board of India Act, 1992 as amended (the "SEBI Act") or under any other regulation made under the SEBI Act.

2. THE OFFER

2.1 This Offer is being made by the Acquirers as a result of the proposed acquisition of 30.76% of equity shareholding in the Target Company held by the Sellers as explained in para 1 above.

2.2 In view of the above, the Offer is a mandatory open offer under Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations.

2.3 There are no 'Persons Acting in Concert' within the meaning of Regulation 2(1)(e)(1) of the Regulations in relation to this Offer. However, due to the applicability of Regulation 2(1)(e)(2) of the Regulations, there could be certain entities deemed to be Persons Acting in Concert with the Acquirers.

2.4 The Acquirers are jointly making an open offer to acquire up to 28,56,628 equity shares ("Shares") of the face value of Rs. 10/- each, representing in aggregate 20% of the paid-up equity share capital and voting capital of Target Company in terms of Regulation 21(1) of the SEBI (SAST) Regulations, at a price of Rs. 15/- (Rupees Fifteen Only) per fully paid up equity share ("Offer Price") payable in cash subject to the terms and conditions set out in this PA and the Letter of Offer.

2.5 This Offer is being made to all the shareholders of the Target Company (other than the parties to the SSPA) and is not conditional upon any minimum level of acceptance. The Acquirers will acquire all the Shares of the Target Company that are validly tendered as per terms of the Offer up to a maximum of 28,56,628 equity shares.

2.6 This is not a competitive bid.

2.7 The Offer is subject to the terms and condition set out herein and in the Letter of Offer that will be sent to the shareholders of the Target Company.

2.8 This Offer is subject to the receipt of the statutory and other approvals mentioned in paragraph 7.1 of the PA. In terms of Regulation 27 of the Regulations, if the statutory approvals are not obtained by the Acquirers or such approvals are not granted, the Offer would stand withdrawn.

2.9 The Acquirers do not hold any equity shares in the Target Company as of the date of this Public Announcement. They have however agreed to acquire equity shares in the Target Company under the SSPA as stated in para 1 above.

2.10 Neither the Acquirers nor their respective directors have acquired any shares of Target Company during the 12 months period prior to the date of this Public Announcement. The Acquirers have however agreed to acquire equity shares in the Target Company under the SSPA as stated in para 1 above.

2.11 The Shares of the Target Company will be acquired by the Acquirers as fully paid up, free from any lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

2.12 As on the date of this PA, the Manager to the Offer, AFSL does not hold any equity shares of Target Company.

3. THE OFFER PRICE

3.1 The shares of the Target Company are presently listed in India on the Bombay Stock Exchange Limited (the 'BSE') and the National Stock Exchange of India Limited (the 'NSE'). Based on the information available on the website of the NSE and the BSE, the equity shares of the Target Company are frequently traded on both the BSE and the NSE in terms of the Regulations. In the 26 weeks and the 2 weeks preceding the date of this PA, the shares of the Target Company are more frequently traded on BSE within the meaning of Regulation 20(5) of the Regulations.

The annualized trading turnover in the shares of the Target Company on BSE and NSE based on trading volume during March 2008 to August 2008 (six calendar months preceding the month in which the PA is made) is as given below:

Name of the Stock Exchange	Total number of shares traded during the 6 calendar months prior to the month in which PA was made	Total Number of Listed Shares	Annualized Trading Turnover (in terms of % to Total Listed Shares)
BSE	1,457,292	14,283,139	20.41
NSE	763,487	14,283,139	10.69

3.2 The Offer Price of Rs. 15/- per equity share is justified in terms of Regulation 20(4) & 20(11) of the Regulations as it is higher of the following:

(a)	Negotiated price under the Shares Purchase Agreement	Rs. 15.00
(b)	Highest price paid by the Acquirers for acquisitions, if any, including by way of allotment in a Public or Rights or Preferential Issue, during the 26 week period prior to the date of the Public Announcement.	Nil
(c)	The average of the weekly high and low of closing prices of the shares during 26 weeks period preceding the Date of Public Announcement	Rs. 9.34
(d)	The average of the daily high and low of the prices of the shares during two weeks period preceding the Date of Public Announcement	Rs. 11.29

The Acquirers have neither acquired nor been allotted any shares of the Target Company in the 12 months period prior to the date of this PA.

3.3 If the Acquirers acquire shares of the Target Company after the date of this Public Announcement and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

4. INFORMATION ABOUT THE ACQUIRERS

4.1 GODAVARI CORPORATION PRIVATE LIMITED ("GCPL")

4.1.1 GCPL was incorporated as "Godavari Corporation Limited" on February 13, 1946 under the Indore Companies Act VII, 1940 as a Public Limited Company with the Registrar of Companies, Indore with Registration No. 112 of 1945-1946. The Registered Office of the company shifted to Mumbai, Maharashtra on December 15, 1979 from the state of Madhya Pradesh. The name of the Company was changed from "Godavari Corporation Limited" to Godavari Corporation Private Limited with effect from September 21, 2004 and a fresh certificate of incorporation has obtained under Companies Act, 1956 bearing Registration No. 11-22398. The registered office of the Company is situated at Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.

4.1.2 GCPL is a company of the Yash Birla Group and its promoters are (a) Shearson Investments and Trading Company Private Limited, (b) Nirved Traders Private Limited and (c) Yash Society.

4.1.3 The objects of the GCPL is to deal / invest in shares, stock, Debentures, securities of all kinds on its own account or as agents for others, to underwrite any shares debentures or debentures stock, engage in finance related works including other businesses.

4.1.4 The paid up equity capital of GCPL is Rs. 42.31 Lacs, consisting of 42,314 equity shares of Rs. 100/- each. As on date Mr. Radheshyam P. Malani, Mr. Arun Singhi, Mrs. Avanti Y. Birla and Mr. Girdhari Lal Lath are on the Board of GCPL. The shares of GCPL are not listed on any Stock Exchange.

4.1.5 Brief financial details, based on the audited results for the year ended 31st March 2008 are as follows:

Total Income	Rs. 1041.67 Lacs
Profit After Tax (PAT)	Rs. 297.40 Lacs
Paid up Equity Share Capital	Rs. 42.31 Lacs
Net Worth (Excluding Revaluation Reserve)	Rs. 5566.08 Lacs
Book Value Per Share (BV)	Rs. 13154.22
Return on Net Worth (RONW)	5.34 %
Earnings Per Share (EPS)	Rs. 702.85

4.1.6 GCPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

4.2 NIRVED TRADERS PRIVATE LIMITED ("NTPL")

4.2.1 NTPL was incorporated as "Nirved Traders Private Limited" on October 25, 1994 under the Companies Act, 1956 as a Private Limited Company, having Registration No. 11-82365 of 1994. The registered office of the Company is situated at Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.

4.2.2 NTPL is a company of the Yash Birla Group and its promoter is Birla International Private Limited.

4.2.3 The main object of the NTPL is to carry on the business as merchants, traders, commission agents, buying agents, selling agents, brokers, adatias, buyers, sellers, agents, depot managers, importers, exporters, dealers in, collections, distributors of and to export, buy, sell, barter, exchange, pledge, distribute, mortgage, advance upon or otherwise trade and deal in merchandise, general produce, substances, materials, goods, machinery and equipments, including textile machinery, its spare parts and accessories, chemicals, dyes, intermediaries, fertilizers, electrical goods, electronic devices, components, textile yarns, etc.

4.2.4 The paid up equity capital of NTPL is Rs 25.00 Lacs consisting of 2,50,000 equity shares of Rs. 10/- each. As on date Mr. Kashi Prasad Chokhani, Mr. Arun Singhi and Mr. Girdhari Lal Lath are on the Board of NTPL. The shares of NTPL are not listed on any Stock Exchange.

4.2.5 Brief financial details, based on the audited results for the year ended 31st March 2008 are as follows:

Total Income	Rs. 2826.99 Lacs
Profit After Tax (PAT)	Rs. 622.51 Lacs
Paid up Equity Share Capital	Rs. 25.00 Lacs
Net Worth (Excluding Revaluation Reserve)	Rs. 3235.32 Lacs
Book Value Per Share (BV)	Rs. 1294.13
Return on Net Worth (RONW)	19.24%
Earnings Per Share (EPS)	Rs. 249.01

4.2.6 NTPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

4.3 SHEARSON INVESTMENTS & TRADING COMPANY PRIVATE LIMITED ("SITCPL")

4.3.1 SITCPL was incorporated as "Shearson Investments & Trading Company Private Limited" on November 10, 1989 under the Companies Act, 1956 as a Public Limited Company, having Registration No. 11-54227 of 1989. The registered office of the Company is situated at Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.

4.3.2 SITCPL is a company of the Yash Birla Group and its promoters are (a) Mr. Yashovardhan Birla, (b) Godavari Corporation Private Limited (c) Birla Global Corporate Limited and (d) Birla International Private Limited.

4.3.3 The main object of the SITCPL is to carry on the business of Investment Company and to underwrite, sub-underwrite to invest in and acquire and hold sell, buy or otherwise deal either in the name of the company or in that of any nominee, in shares, stocks, debentures, debenture – stocks, bonds, units, and other finance related works.

4.3.4 The paid up equity capital of SITCPL is Rs 1.33 Lacs, consisting of 13,335 equity shares of Rs. 10/- each. As on date Mr. Yashovardhan Birla, Mr. Rajendra Prasad Todi, Mr. Arun Singhi and Mr. Girdhari Lal Lath are on the Board of SITCPL. The shares of SITPL are not listed on any Stock Exchange.

4.3.5 Brief financial details, based on the audited results for the year ended 31st March 2008 are as follows:

Total Income	Rs. 2340.87 Lacs
Profit After Tax (PAT)	Rs. 975.01 Lacs
Paid up Equity Share Capital	Rs. 1.33 Lacs
Net Worth (Excluding Revaluation Reserve)	Rs. 14525.74 Lacs
Book Value Per Share (BV)	Rs. 108929.47
Return on Net Worth (RONW)	6.71%
Earnings Per Share (EPS)	Rs. 7311.65

4.3.6 SITCPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

4.4 OTHER INFORMATION ABOUT THE ACQUIRERS

- The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.
- There are no 'Persons Acting in Concert' (PAC) within the meaning of Regulation 2(1)(e)(1) of the Regulations in relation to this Offer. However, due to the applicability of Regulation 2(1)(e)(2) of the Regulations, there could be certain entities deemed to be Persons Acting in Concert with the Acquirers.
- There is no agreement among the Acquirers as regard to the Open Offer.
- The Acquirers GCPL, NTPL and SITCPL are related to each other, as all belong to the Yash Birla Group of companies.
- Compliance with requirements of Chapter II of the Regulations is not applicable to the Acquirers since they do not hold any shares of MITL.

5. INFORMATION ABOUT THE TARGET COMPANY

5.1 MITL was incorporated in Mumbai on 12th August 1986 under the Companies Act, 1956 in the name of "SIFA India Private Limited". The name of the Company was subsequently changed to "Melstar Information Technologies Private Limited" on 22nd March 1994 and became a Public Limited Company i.e. "Melstar Information Technologies Limited" on 28th July 1994. MITL has five subsidiary companies, one each in USA and Singapore and 3 companies in UK. The Registered Office of the Company is situated at Melstar House, G – 4, MIDC, Cross Road 'A', Andheri (E), Mumbai – 400 093.

5.2 SIFA India Private Limited was promoted by SIFA GmbH, West Germany and Patel Group of Mumbai. SIFA GmbH held 66% of the Paid up Capital and the balance was held by Patel Group. In August 1991, the Company was taken over by the present management of the Company. Currently the promoter group consists of Mr. S. M. Arora & family members; Mr. Sattar Shaikh & family members; Mr. Bharat Ramani & family members and Mr. Suresh Bansal. The Company came out with its maiden public issue in February 2000 and subsequently the equity shares of the Company got listed on BSE and NSE.

5.3 The Company is engaged in the business of providing on-site and off-shore Software development services and related consultancy services. The Board of Directors of MITL comprises of Mr. S. M. Arora, Mr. Sattar Shaikh, Mr. Bharat Ramani, Mr. Suresh Bansal, Mr. Anthony Gale, Mr. Mulk Raj Lal, Mr. Ashok Kumar Katial and Mr. Richard D'souza.

5.4 As on the date of this PA, MITL has issued, subscribed, paid up and voting equity share capital of Rs. 1428.31 Lacs comprising of 1,42,83,139 equity shares of Rs. 10 each, fully paid. There are no partly paid shares in the Target Company.

5.5 Brief stand alone audited accounts for the year ended 31st March 2008 of MITL are as follows:

Total Income	Rs. 1677.56 lacs
Total Expenditure	Rs. 1901.19 lacs (Resulting in a net loss of Rs. 134.79 lacs)
Paid up Equity Share Capital	Rs. 1428.31 lacs
Reserve & Surplus	Rs. 47.84 lacs
Networth	Rs. 1476.35 lacs
Book value per share	Rs. 10.33

5.6 There is no outstanding instrument in the nature of warrants / fully convertible debentures/ partly convertible debentures, etc. convertible into equity shares on any later date. There are no shares under lock-in period.

6. REASONS FOR THE ACQUISITION, OFFER AND FUTURE PLANS

6.1 The Acquirers have entered into an SSPA to acquire 43,93,817 equity shares of Rs. 10 each of MITL, representing 30.76% of the issued, subscribed and paid up share capital of MITL. This acquisition is thus a substantial acquisition of shares along with the voting rights in MITL, which will enable the Acquirers to gain control of the Company. As a result of this acquisition, provisions of Regulations 10 & 12 of the Regulations have been attracted. The Acquirers are making an offer to acquire 28,56,628 fully paid equity shares of Rs. 10 each being 20% of the paid up equity share capital of MITL in order to comply with the provisions of the Regulations.

6.2 The objects of the Acquirers include, inter alia, to provide an extended and consistent range of products, technologies and services to the customers globally in the IT sector and also in the ITES / BPO segments. The Acquirers believe that the transaction will create significant long-term value for all the stakeholders through:

- A complementary business combination that provides sustainable growth by diversification that spans the full spectrum of the Software business;
- An expanded global reach that enables leading market positions in both mature and emerging markets.

6.3 As on the date of this PA, the Acquirers do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 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 operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies. Notwithstanding the immediately preceding sentence, the board of directors of the Target Company will take appropriate decisions in these matters based upon, among other things, the requirements of the business and in line with the opportunities from time to time.

6.4 Other than in the ordinary course of business, the Acquirers undertake that they will 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.

7. STATUTORY APPROVALS FOR THE OFFER

7.1 As the offer price for the shares is higher than the ruling market price on the Stock Exchange, the acquisition will not qualify for the Automatic Approval Route of the RBI. Approval of the Reserve Bank of India (the 'RBI') under the Foreign Exchange Management Act, 1999 ('FEMA') and the RBI's Master Circular No. 2/2008-09 dated 1st July 2008 will, therefore, be required for acquiring shares from non-residents, who tender their shares in the Offer. The Acquirers will file an application with the RBI for its approval for the transfer of the equity shares tendered by non-residents pursuant to the Offer and for the acquisition of the Sale Shares.

7.2 The Acquirers are in process of making the necessary applications to and filings with the various authorities to obtain the statutory approvals described above.

7.3 To the best of the knowledge of the Acquirers, as on the date of this Public Announcement, there are no other statutory approvals required to implement the Offer, other than those mentioned above. If any other statutory approvals become applicable, the Offer would also be subject to such statutory approvals. The Acquirers, in terms of Regulation 27 of SEBI (SAST) Regulations, will not to proceed with the Offer in the event the statutory approvals indicated above are refused.

7.4 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirers for payment of consideration to shareholders of MITL, subject to Acquirers 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 the Acquirers in obtaining the requisite approval(s), 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.

7.5 To the best of its knowledge, the Acquirers do not require any approvals from financial institutions or banks for the Offer.

8. OPTION IN TERMS OF REGULATION 21(2)

The Offer will not result in public shareholding being reduced to less than a level below the limit (i.e. 25%) specified in the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis.

9. FINANCIAL ARRANGEMENTS

9.1 In terms of Regulation 16 (xiv) of the Regulations, it is confirmed that the Acquirers have adequate resources and have made firm financial arrangements to meet their offer obligations in full.

9.2 The financial obligations of the Acquirers under the Offer will be fulfilled through the existing resources of the Acquirers and no further borrowings from Bank or Financial Institutions or NRIs or otherwise is envisaged.

9.3 The maximum purchase consideration payable by the Acquirers in the case of full acceptance of the offer is Rs. 4,28,49,420 (Rupees Four Crore Twenty Eight Lac Forty Nine Thousand Four Hundred and Twenty Only). The Acquirers have opened 2 Fixed Deposit Accounts with Union Bank of India, Veer Nariman Road Branch, Mumbai aggregating Rs. 1,07,13,354 (Rupees One Crore and Seven Lacs Thirteen Thousand Three Hundred Fifty Four Only) being more than 25% of the total consideration under the Open Offer and lien marked in favour of the Manager to the Offer, M/s. Aryaman Financial Services Limited, Mumbai.

9.4 Mr. Vijay Agarwal, Chartered Accountant (Membership No. 32174), Partner of M/s. Agarwal Vijay & Associates, Chartered Accountants, having office at 503, Jolly Bhavan 1, New Marine Lines, Mumbai – 400 020 has certified vide Certificates dated September 9, 2008 that on the basis of necessary information and explanation given by the Acquirers and on the verification of their assets, liabilities, and the requirement of the funds, the Acquirers have adequate resources and immediate access to liquid assets to meet the financial requirements of the Open Offer.

9.5 In view of the above, the Manager to the Offer is satisfied with firm arrangements for financial resources required to implement the Offer i.e. funds for payment through verifiable means are in place to fulfill the obligations of the Acquirers under the Offer and is satisfied that the Acquirers have adequate resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the Regulations.

10. OTHER TERMS OF THE OFFER

10.1 The Offer is not subject to any minimum level of acceptance.

10.2 A letter of offer (the 'Letter of Offer') together with the Form of Acceptance cum Acknowledgement (the 'Form of Acceptance') and Form of Withdrawal will be mailed to the all public shareholders of MITL (other than the Acquirers and the Sellers), whose names appear on the Register of Members of MITL and to the beneficial owners of the shares of MITL, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on September 27, 2008 ('Specified Date'). All owners (registered or unregistered) of MITL's shares (except the Acquirers and the Sellers) are eligible to participate in the Offer at any time before the closure of the Offer.

10.3 The shareholders who wish to tender their shares pursuant to the Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer together with their original share certificate(s), transfer deed(s) and duly filled Form of Acceptance to **Adroit Corporate Services Pvt. Ltd.**, acting as Registrar to the Offer (Registrar to the Offer) either by hand delivery on weekdays or by registered post on or before the closing date of the Offer, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance.

10.4 If the shareholders of the Target Company hold the Shares in dematerialised form, those desirous of participating in the Offer may send their application along with the duly filled Form of Acceptance to the Registrar to the Offer, such that the applications are received by the Registrar to the Offer, on or before the closing date of the Offer, stating the name, address, number of Shares held, number of Shares offered, Depository Participant ('DP') name, DP ID number, beneficiary account number along with a photocopy of the delivery instruction in 'off-market' mode, duly acknowledged by the DP in favour of "Adroit Escrow A/c – MITL Ltd – Open Offer", filled in as per instructions given below:

Depository Name	NSDL
DP Name	Stock Holding Corporation of India Limited
DP ID Number	IN301330
Beneficiary Account Number	2060 8541

Shareholders should ensure credit of their shares in favour of the depository account above, before the closure of the Offer. Shareholders holding their beneficiary account in Central Depository Services India Limited ('CDSL') will have to use an inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with National Securities Depository Limited ('NSDL').

10.5 A copy of the Letter of Offer (including the Form of Acceptance and the Form of Withdrawal) would also be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site. In case of non-receipt of the Letter of Offer, shareholders may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or the Registrar to the Offer on providing suitable documentary evidence of acquisition of Shares.

10.6 Shareholders of the Target Company who wish to avail of and accept the Offer shall send / deliver the Form of Acceptance along with all the relevant documents to the collection center of the Registrar to the Offer mentioned below in accordance with the procedure as set out in the Letter of Offer.

Name & Address of Collection Center	Contact Person & Contact Numbers	Mode of Delivery
Adroit Corporate Services Pvt. Ltd., 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.	Ms. Veena Shetty Tel. No. 022 – 2859 4060 / 2859 6060 Fax No. 022 – 2850 3748 E-mail: veenashetty@adroitcorporate.com	Hand Delivery / Registered Post

Neither the share certificate(s) nor transfer deed(s) nor the Form of Acceptance should be sent to the Sellers or the Acquirers or MITL or Manager to the Offer.

10.7 Persons who have acquired shares of the Target Company (irrespective of the date of purchase) but whose names do not appear in the register of members of the Target Company on the Specified Date or those who have not received the Letter of Offer, may also participate in the Offer by submitting an 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, distinctive numbers, folio numbers together with the original share certificate(s) and 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.

10.8 If the aggregate of the valid responses to the Offer exceeds the Offer size under this Offer, then the Acquirers will accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations, such that the acquisition from each shareholder will not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot.

10.9 The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in the credit of the Special Depository Account, Form of Acceptance cum Acknowledgment, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques/drafts for the consideration and/ or the unaccepted shares/ share certificates are despatched/ returned.

10.10 Despatches involving payment of a value in excess of Rs. 1500/- will be made by registered post/speed post at the shareholder's sole risk. Rejected documents will be sent by registered post/speed post. All other despatches will be made by ordinary post at the shareholder's sole risk. All cheques / demand drafts will be crossed Account Payee and will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft..

10.11 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders' sole risk to the sole/ first shareholder. Unaccepted shares held in dematerialised form will be credited back to the beneficial owners' DP account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.

10.12 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, Acquirers reserves the right to reject such shares tendered. While tendering shares under the Offer, NRIs / 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 Acquirers under the Income Tax Act, 1961 (the "Income Tax Act"), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirers 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.

10.13 A schedule of some of the key events in respect of the Offer is given below:

ACTIVITY	DATE	DAY
Public Announcement	17/09/2008	Wednesday
Specified Date	27/09/2008	Saturday
Last date for a Competitive Bid	08/10/2008	Wednesday
Date by which Letter of Offer to be posted to the shareholders	27/10/2008	Monday
Date of Opening of the Offer	05/11/2008	Wednesday
Last date for revising the offer price/ Number of Share	12/11/2008	Wednesday
Last date for withdrawal of acceptance by the shareholders	19/11/2008	Wednesday
Date of Closure of the Offer	24/11/2008	Monday
Date of communicating the rejection /acceptance and payment of consideration for the acquired shares	08/12/2008	Monday

*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. All owners (registered or unregistered) of equity shares of the Target Company, (except the Acquirers and the Sellers) are eligible to participate in the Offer anytime before the closure of the Offer.

11. GENERAL

11.1 Neither the Target Company nor the Sellers nor the Acquirers nor any Director of the Acquirers Company, have been prohibited by SEBI from dealing in securities, under directions issued pursuant to Section 11B of the SEBI Act, 1992.

11.2 Pursuant to Regulation 13 of the Regulations, the Acquirers have jointly appointed Aryaman Financial Services Limited, Mumbai as Manager to the Offer.

11.3 Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer. The withdrawal option can be exercised by submitting the document as per the instruction below and in the Letter of Offer, so as to reach the Registrar to the Offer at the collection center mentioned in 10.6 above, as per the mode of delivery indicated therein on or before November 19, 2008.

- The withdrawal option can be exercised by submitting the Form of Withdrawal (which will be sent to the shareholders along with the Letter of Offer) to the Registrar's Office.
- In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by submitting an application to the Registrar's Office on plain paper along with the following details: Name(s), Address, Distinctive Nos., Folio Number, Total number of shares held, Number of shares tendered, Number of shares to be withdrawn.
- Copy of the acknowledgement received from the Registrar to the Offer while tendering shares should be sent along with the Form of Withdrawal / plain paper application for withdrawal.

11.4 The share certificate(s) in respect of shares withdrawn by the shareholders would be returned by the Registrars to the Offer by registered post.

11.5 Should the Acquirers decide to revise the offer price upwards, such upward revision will be made in accordance with Regulation 26 of the Regulations not later than November 12, 2008 i.e. 7 working days prior to the offer closing date. If the offer price is revised upward, such revised price will be payable to all the shareholders who have accepted this offer and submitted their shares at any time during the period between the offer opening date and the offer closing date to the extent their shares have been verified and accepted by the Acquirers. Any such upward revision will be announced in the same newspapers in which this Public Announcement appears.

11.6 If there is a competitive bid:

- **The public offer under all the subsisting bids shall close on the same date.**
- **As the offer price cannot be revised during seven working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

11.7 The Acquirers reserve the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of a Public Announcement in the same newspapers in which this PA appears.

11.8 For further details, please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

11.9 The Board of Directors of the Acquirers' accepts full responsibility for the information contained in this PA and also accepts responsibility for the obligations of the Acquirers contained in the Regulations.

11.10 Eligible persons to the Offer may download a copy of this PA from SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the Letter of Offer, Form of Acceptance and Form of Withdrawal, which will be available on SEBI's website www.sebi.gov.in, from the Offer opening date i.e. November 05, 2008 and can apply on the same.

ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRERS

Aryaman Financial Services Ltd.
306, Mint Chamber, 45/47, Mint Road, Fort, Mumbai – 400 001.
Tel: 022 – 2261 8264 / 2261 8269,
Fax: 022 – 2263 0434
Website: www.afsl.co.in
Email: aryaman_limited@rediffmail.com; info@afsl.co.in
Contact Person: Mr. Deepak Biyani

adroit

Adroit Corporate Services Pvt. Ltd.
19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai – 400 059.
Tel: 022 – 2859 4060 / 2859 6060,
Fax: 022 – 2850 3748
Email: veenashetty@adroitcorporate.com
Contact Person: Ms. Veena Shetty

The Acquirers accept the responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirers laid down in the SEBI (Substantial Acquisitions of Shares and Takeover) Regulations, 1997 and subsequent amendments made thereof.

Place : Mumbai Date : 16/09/08

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