PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF SQL STAR INTERNATIONAL LIMITED

This Public Announcement "PA" is being issued by Indian Overseas Bank, Merchant Banking Division, the Manager to the Offer on behalf of M/s Superstar Exports Private Limited ("SEPL") Acquirer No 1, M/s Padmavatiasha Properties and Projects Private Limited ("PPPL") Acquirer No 2 and Mr N R Ganti , Acquirer No 3 (hereinafter collectively referred to as "Acquirers") to the fully Paid Equity Shareholders of SQL Star International Limited (herein after referred to as "SQL" or the "Company" or the "Target Company") pursuant to regulations 10&12 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ["SEBI (SAST) Regulations"].

I Background to the Offer:

1.1 This offer is being made by the acquirers ,viz

1. M/s Superstar Exports Private Limited- Acquirer No 1
2. M/s Padmavatiasha Properties and Projects Private Limited - Acquirer No 2 and
3. Mr N R Ganti – Acquirer No 3

to the equity shareholders of "SQL", having its Registered office at, 3rd Floor, Andhra Association Building ,24-25 , Institutional Area , Lodhi Road, New Delhi 110 003.No other entity/person is acting/ deemed to be acting in concert with the Acquirers for the purpose of this Offer.

1.2 On July 7, 2005, the Board of Directors of "SQL" has Passed a Resolution subject to the approval by the shareholders of Target Company to:

a) Issue and allot on a preferential basis to Acquirer No 1 and Acquirer No 2,- 25,00,000 fully paid up equity shares of Rs 10/- each of the Target Company for cash at a price of Rs 40/- per share (including a premium of Rs 30/- per share) aggregating to Rs 10,00,00,000.

b) 75,00,000 warrants ("warrants") entitling the warrant holders to apply for equity shares of Rs 10/- each of the Target Company for cash at a price of Rs 40 /- per share (including a premium of Rs 30/- per share) ("Preferential Issue") to Acquirer No 1 , Acquirer No 2 and Acquirer No 3,

In accordance with the guidelines for Preferential Issue of SEBI (Disclosure and Investor Protection) Guidelines 2000 and the subsequent amendments thereto ("Guidelines").

1.3 The Target Company also proposes to issue up to 25,00,000 warrants entitling the warrant holders to apply for equity shares of Rs 10/- each of the Target Company for cash at a price of Rs 40 /- per share (including a premium of Rs 30/- per share) ("Preferential Issue") to the financial investors not connected to/not acting in concert with Acquirers

1.4 The subscription and allotment of the Preferential Issue is subject to various condition precedents being fulfilled, including approval of the shareholders of the Target Company. The Target Company has convened an Extraordinary General Meeting of its shareholders on 6th August,2005 and the Preferential Issue will be passed by way of a special resolution under Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956.

1.5 The Acquirer No 1 and Acquirer No 2 as a result of the above proposed preferential allotment of 25,00,000 shares will acquire 15.61% of the voting rights of the Target Company

1.6 The Acquirer No 1, Acquirer No 2 and Acquirer No 3, as and when they exercise the option to convert all the warrants in to equity shares, after 18 months from the date of allotment of warrants, will be entitled to get 38.44% of the voting right of the Target Company.

1.7 The Acquirers are making an offer to the Public to acquire 27,04,000 fully paid up equity shares ("Shares") (the "Offer Size") , of the Target Company representing 20% of the fully paid up equity capital/Voting Right of "SQL" the Target Company at a price of Rs. 41 (Rupees Forty one only) ("Offer Price ") , per fully paid up equity share payable in cash subject to the terms and conditions mentioned hereinafter.

1.8 As on the date of this PA, the Acquirers do not hold any equity shares of SQL. The Acquirers have not acquired any equity share of SQL during the 12 months preceding the date of this PA.

1.9 The Shares to be acquired under this Offer will be acquired free form all liens, charges and encumbrances and together with all rights attached thereto, including rights to all dividends to be declared after all the formalities relating to this Offer are completed.

1.10 There are no partly paid up Equity Shares of the Target Company.

1.11 The Offer is NOT subject to any minimum level of acceptance. The Acquirer will accept all the valid tenders. In case the Shares tendered in the Offer by the Shareholders of the Target Company are more than the Shares to be acquired under the Offer, the acquisition of Share from each Shareholder will be as per provisions of Regulation 21(6) of the SEBI (SAST) Regulations on a proportional basis, irrespective of whether the Shares are held in physical or dematerialised form. The Equity Shares of the Target Company are traded in compulsory dematerialisation form and the minimum marketable lot is one Equity Share.

1.12 This is not a Competitive Bid

1.13 The Acquirers are permitted to revise this Offer upwards up to seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where the PA has appeared and the revised offer price would be paid for all the equity shares tendered anytime during the Offer.

1.14 The shares of the Company are listed on The Stock Exchange, Mumbai , The Stock Exchange, Hyderabad and The Stock Exchange, Delhi. Based on the information available, the Shares of the Target Company are frequently traded on The Stock Exchange, Mumbai, but the shares are infrequently traded on The Stock exchange, Hyderabad and The Stock Exchange, Delhi . As the share of the Target company are infrequently traded on The Stock exchange, Hyderabad and The Stock Exchange, Delhi, the Regulation 20 (5) of SEBI (SAST) regulation is attracted.

Source: (www.bse-india.com) within the meaning of Explanation (1) to Regulation 20(5) of the SEBI (SAST) Regulations

The offer price of Rs 41/- (Rupees Forty One only) per Equity Share is justified in terms of Regulations 20(5) and 20 (11) of SEBI(SAST) Regulations , 1997 in view of the following:

This Offer Price is highest of the (a) the average of the weekly high and low of closing prices for Shares of the Target Company on BSE for the last 26 weeks – Rs 21.81/- (b) the average of the daily high and low of prices for Shares of the Target Company on BSE for last two week period – Rs 39.26/- (c) the highest price paid by the Acquirers or persons acting in concert with him for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the last 26 weeks- NIL (d) the negotiated price, if any- NIL and (e) the price at which shares of the Target Company are being proposed to be issued to the Acquirers under the Preferential Issue- Rs 40/-

f) Other Parameters based on the audited accounts of SQL as on 31st December , 2004	
Return on Net worth	0.78
Book Value per share	19.38
Earnings Per Share	Negative
Price/Earnings Ratio	Negative

The price is justified in accordance with Regulation 20(11) read with explanation (ii) to the same. The Offer price is Rs 41/- which is highest of the above and hence, the Offer price is justified.

1.15 SQL has not been prohibited by SEBI from dealing in securities, in terms of any 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.

2. Information of the Acquirers

2.1 M/S SUPERSTAR EXPORTS PRIVATE LIMITED – Acquirer No 1

2.1.1 SEPL is a Company incorporated on 19th January 2004 under the Companies Act, 1956, having its registered office at J.K.Somani Building, 2nd Floor, British Hotel lane Fort, Mumbai-400 023.It is an Unlisted Company.

2.1.2 The Present Directors of SEPL are Mr.C.P.Khandelwal, Mrs.Anju Khandelwal and Mr.Nikhil Khandelwal

2.1.3 The Acquirer Company was promoted by Mr. Vijay Dargar and Mr.Sanjay Gupta. The company was later acquired by Mr.C.P.Khandelwal who is presently in control of the Company.

2.1.4 The Acquirer Company belongs to "Systematix group ". comprising M/s Systematix Corporate Services Limited, M/s Systematix Capital Services Limited, M/s Southern Shares and Stocks Limited, M/s Southern Commodities and Brokers Private Limited and M/s Shiva Shakthi Real Estate Private Limited

2.1.5 The Financial details of SEPL as on 31st March 2005 are as follows:

i) The authorized Capital is Rs 1,00,000/- divided in to 10000 equity shares of Rs 10/- each.

ii) The issued, subscribed and paid up capital is Rs 1,00,000/- divided in to 10,000 Equity shares of Rs 10/-each.

iii) There is no operating income for the year ending 31st March 2004 & 2005.

iv) The Net worth of M/s SEPL as on 9th July 2005 is Rs 423.00 Lakhs as Certified by M/s Maharaj N.R.Suresh & Co Chartered accountants No 5 II lane, II Main Road, Trustpuram Chennai-600 024.

2.1.6 The Company was incorporated with a main object of carrying on business of traders, distributors, importers, exporters etc.The Company intends to pursue the same Line of activities in the financial year 2005-06.

2.2 M/S PADMAVATIASHA PROPERTIES & PROJECTS PRIVATE LIMITED – Acquirer No 2

2.2.1 PPPL is a Company incorporated on 27th June 2003 under the Companies Act, 1956, having its registered office at 101, N.R.House old High Court Lane, Ashram Road Ahmedabad-380 009.It is an Unlisted Company.

2.2.2 The Present Directors of PPPL are Mr.G C .Pipara, Mr.Sanjay Dangi and Mrs.Alpana Dangi.

2.2.3 PPPL is incorporated with the main object of carrying business of acquiring any kinds of properties such as lands, buildings flats, dwelling houses, shops, offices, industrial estates etc.

2.2.4 The Acquirer No 2 company was promoted by Mr. G.C. Pipara and Mr. Prakash J shah and it is Presently Controlled by Mr.Sanjay Dangi & Family.

2.2.5 The Financial details of PPPL as on 31st March 2005 are as follows:

i) The Authorized Capital is Rs 25,00,000/- divided in to 2,50,000 equity shares of Rs 10/- each.

ii) The issued, subscribed and paid up capital is Rs 5, 40,000/- divided in to 54,000 Equity shares of Rs 10/-each.

iii) Based on the latest certified financial data made up to 31.03.2005

a) Gross income Rs 44.57 Lakhs b) Net profit Rs 3.07 Lakhs

iv) The net worth of M/s PPPL as on 9th July 2005 is Rs 585.56 Lakhs as Certified by M/s Maharaj N.R.Suresh & Co Chartered accountants No 5 II lane II Main Road Trustpuram Chennai-600 024.

2.3 N R Ganti – Acquirer No 3

2.3.1 Mr N R Ganti, aged 56 years, residing at Surabhi Palace,Road No 14, Banjara Hills, Hyderabad 500 014 .He is a Post Graduate in Business Administration from a reputed Institute with specialization in Strategy and Corporate Finance. He started his career in the field of Banking with State Bank of India. He has to his credit over thirty years of varied and rich experience in the field of finance and management. He has and continues to hold positions on the Board and management committees of several Companies. Presently, he is the Executive Chairman of M/s SQL Star International Limited and he is also a Director in M/s Granules India Limited and M/s Pitti Laminations Limited

Net worth as on 9th July 2005 as certified by M/s Kumar & Giri (M No 25480), Badra, Flat No 506 ,Saptagiri Towers, Hyderabad 500 016 for Mr N R Ganti is Rs 510 Lakhs.

3. Information about the Target Company:

3.1 SQL Star International Limited is a Public Limited Company having its registered office at 3rd floor,Andhra Association Building , 24-25 Institutional Area , Lodhi Road ,New Delhi 110 003

3.2 SQL was incorporated as a Private Limited company on 1st July 1987 under the Companies Act,1956, as 'IT Consulting Services Private Limited'. On 4th May 1990, the name of the Company was changed to 'SQL Star People (India) Private Limited'. On 3rd May 1993, the Company was converted into a public limited Company, and changed the name to 'SQL Star People (India) Limited'. On 18th July 1996, the name of the Company was renamed to 'SQL Star International Limited'.

3.3 As on the date of Public Announcement , the Issued Share capital of the Company is Rs 13,52,00,000/- (Rupees Thirteen Crores Fifty Two Lakhs only) comprising of 1,35,20,000 fully paid up Equity shares of Rs 10/- each and subscribed & paid up Capital Rs 13,52,26,025/- (Rupees Thirteen Crores Fifty Two Lakhs Twenty Six thousand Twenty Five only) including Calls in arrears and Forfeited shares. There are no partly paid up shares nor outstanding Convertible instruments as on the date of this PA.

3.4 The main objects of the Target Company are

i) To carry on the business of sale, distribution, import ,export , lease or hire, sell on hire purchase or installments system or to construct, develop, enter in to arrangements for setting up the same in whole or part or any other way to deal in Micro Processor based all Mini and Micro Computers, Digital and Analogue Computers and other Computers and Data Processing Systems etc.,

ii) To render organization development services, staff development and training services and assistance in equipment handling and establishing of systems and procedures etc.,

3.5 SQL has three wholly owned subsidiaries, namely International SQL Star Pte Ltd., Singapore, SQL Star International , Inc., US and SQL Star International Ltd., UK.

3.6 The Shares of the Target Company are listed on The Stock Exchange, Mumbai, The Stock Exchange, Hyderabad and The Stock Exchange, Delhi. The closing price of the Shares of the Target Company as on 8th July 2005 was Rs 42.95 /- per Share on The Stock Exchange, Mumbai.

3.7 Brief financials of the Target Company, based on the Audited Annual Accounts, are as under:

(Rs in Lakhs)

		Year ended December 31		
	Three Months Ended 31.03.2005 (Limited Review)	2004	2003	2002
Paid-up Equity Share Capital	1352.26	1352.26	1352.25	1341.19
Reserves and Surplus	1238.99	1277.40	1348.67	1999.04
Total Income	467.70	2885.84	3268.58	3386.80
Profit after Tax	(38.41)	(3.09)	20.52	10.49
Earnings Per Share (EPS)	(0.03)	(0.08)	0.17	0.03
Book Value per Share	19.10	19.38	19.8	24.35

4 Reasons for the Offer and Future Plans:

4.1 As explained in the opening paragraph of this Public Announcement, the Open Offer to the Shareholders of the Target Company is being made, pursuant to Regulations 10 and 12 of SEBI (SAST) Regulations,1997 for the purpose of substantial acquisition of Shares with change in control or management of the Target Company.

4.2 Software and Services sector is one of the fastest growing sectors in India. SQL is a quality driven IT solutions company having a global presence The company has its core competence in the field of software services, e- Learning and e- Governance. The acquirers consider the Target Company to be of Strategic importance in the Information Technology sector which is one of the Key Growth Sectors of the Economy.

4.3 The Acquirers, as required by the SEBI (SAST) Regulations state that they do not have any plans to make any major change to the existing lines of business of the Target Company or to dispose 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 / or its subsidiaries and except to the extent if so deemed necessary, for the purpose of restructuring and / or rationalization of assets, investments, liabilities or otherwise of the Target Company in its interest, subject to the approval of the Shareholders of the Target Company, if so required.

4.4 It will be for the Board of Directors of the Target Company to take appropriate decisions as per the requirements of the business and in line with opportunities from time to time. It is hereby reiterated that any decision in relation to future plans of the Target Company or for disposal of or otherwise encumbering any assets of the Target Company would be for the Board of Directors of the Target Company to deal with.

5 Statutory Approvals required for the Offer:

5.1 No Approval from any Banks/Financial Institution is required for the purpose of this offer.

5.2 The Acquirers will make the requisite application, if any to RBI on behalf of non resident Shareholders, including NRIs, FIIs and OCBs for permission required to transfer the Shares held by them. However, the Acquirers and the Manager to the Offer will not be responsible for any losses caused due to delay in granting of or refusal of such permission by the RBI.

5.3 Besides this, as on this date to the best of the knowledge of the Acquirers, no other statutory approvals are required to acquire the Shares tendered pursuant to this Open Offer. However, the Open Offer would be subject to all statutory approvals that may be applicable at a later date.

5.4 In case of delay in receipt of statutory approvals, SEBI has power to grant extension of time to the Acquirer for payment of consideration to the Shareholders, subject to the 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 willful default by the Acquirers in obtaining the requisite approval, Regulation 22(13) OF SEBI (SAST) Regulations will also become applicable.

5.5 The Acquirers shall withdraw this offer if the statutory approval(s) required as above is refused as provided in regulation 27 of the SEBI (SAST) Regulation 1997.

6. Financial Arrangements:

6.1 The total fund requirement for the Open Offer is Rs.11,08,64,000/- (Rupees Eleven Crores Eight Lakhs Sixty Four thousand only) assuming that the entire Open Offer is accepted.

6.2 The Acquirers have assets and resources and means to meet their obligations under the Open Offer in full. For this purpose, the Acquirers intend to utilize the resources available with them.

6.3 In accordance with Regulation 28, the Acquirers have created an Escrow Demat Account with Indian Overseas Bank, Depository services, Dr. Radhakrishnan Salai Mylapore Chennai-600 004 for more than 25% of the consideration payable under the Open offer by way of Deposit of Listed Securities with a Margin of 25%. The Acquirers have also made a Fixed deposit of Rs.11,08,640(Rs. Eleven Lakhs Eight Thousand Six Forty only) being 1% of the Offer amount with Indian Overseas Bank,Commercial & Institutional Credit Branch, Dr. Radhakrishnan Salai,Mylapore Chennai-600 004 and marked a lien in favour of the Manager to the offer.

6.4 Details of Securities deposited with Escrow Demat Account

S.No	Name	Quantity (in Nos.)	Face Value (Rs.)	Paidup Value (Rs.)	Market Value on 8.07.2005 (Rs.)	Margin @ 25% (Rs.)
1	Vaibhav Gems Limited	1,85,000	10	18,50,000	4,34,28,750	1,08,57,188
Value after Margin @25%					3,25,71,563	

The Securities kept in Escrow account is owned by M/s Padmavatiasha Properties & Projects Private Limited – Acquirer No 2

6.5 The acquirers have empowered the Manager to the Offer to realise the value of the Escrow Account by sale or otherwise in terms of the SEBI (SAST)Regualtions,1997

6.6 If there is any deficit on realisation of value of the securities, the Manager to the Offer shall be liable to make good any such deficit.

6.7 M/s Maharaj N.R.Suresh & Co Chartered Accountants No 5 II Lane II Main road Trustpuram Chennai- 600 024 have Certified vide their letter dated 9th July, 2005 that the Acquirers have adequate resources to fulfill all their obligations arising out of the Open offer.

6.8 Based on the above, the Manager to the Offer has satisfied itself about the "Acquirers" ability to implement the Open Offer in accordance with the SEBI (SAST) Regulations.

OTHER TERMS OF THE OFFER

7.1 The Letter of Offer, together with the Form of Acceptance cum Acknowledgment will be mailed to the Shareholders of the Target Company (except the Acquirers) whose names appear in the Register of Members of the Target Company and to the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the records of the respective Depositories at the close of business on 11th August 2005. ("Specified Date")

7.2 Shareholders who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgment, original Share Certificate(s) and transfer deed(s) duly signed to the Registrars to the Offer Karvy Computershare Private Limited "Karvy House" 46, Avenue 4, Street No. 1,Banjara Hills, Hyderabad - 500 034. Ph.No. 040- 23312454, 23320751,Fax No.23311968,either by hand delivery on week days or by Registered Post/ Courier, on or before the Close of the Offer, i.e., not later than 26th September ,2005 in accordance with the instructions to be specified in the Letter of Offer and in the form of Acceptance cum Acknowledgement.

7.3 The Registrar to the offer Karvy Computer Share Private Limited has opened a Special Depository Account with them called, " KCL Escrow A/C - "SQL Open Offer". The DP name is Karvy Computer Share Private Limited. The DP ID is IN 300394 and Client ID 15472548. Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instructions slip for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL.

7.4 Beneficial owners (holders of Shares in dematerialised form), who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with photocopy of the delivery instructions in "Off Market" mode or counterfoil of the delivery instructions in "Off Market" mode, duly acknowledged by the Depository Participant ("DP") in favour of **-"KCL Escrow Account SQL Open Offer"** to the Karvy Computershare Private Limited "Karvy House" 46, Avenue 4, Street No. 1,Banjara Hills, Hyderabad - 500 034.Ph.No. 040- 23312454, 23320751,Fax No.23311968, either by hand delivery on week days during the normal business hours or by Registered Post/Courier on or before the close of the Open Offer, i.e., not later than 26th September,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 close of the Open Offer, i.e., not later than 26th September, 2005.

7.5 In addition to the above mentioned address, the Equity Shareholders of the Target Company who wish to avail of and accept the Open Offer can also deliver the Acceptance cum Acknowledgement Form along with all the relevant documents at any of the Collection Centers mentioned below in accordance with the procedure as set out in the Letter of Offer. All the Centers mentioned herein below would be open as follows:

Monday to Friday 10 am to 3 pm, and on Saturday 10 am to 1 pm

Sl. No	City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
1	Ahmedabad	201–203 "Shail"(Opp.) Madhusudhan House, Behind Girish Cold drinks, Off C G.Road, Ahmedabad 380 006	Mr. Edward	(79) 26420 422 / 26400 527 / 26400 528	(79) 26565 551	Hand Delivery
2	Chennai	G-1, Swathi Court, 22,Vijay Raghava Road, T. Nagar, Chennai 600 017	Mr. Gunashekhar	(44)2815 3445 / 2815 1034 / 2815 3658	(44) 2815 3181	Hand Delivery
3	Mumbai	7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai 400 053	Ms. Vishaka Shringarpure	(22) 2673 0799/ 153 / 292	(22) 2673 0152	Hand Delivery
		16/22, Bake House, Maharashtra Chamber of Commerce Lane, Kalaghoda, Fort, Mumbai – 400 023	Ms. Nutan Shirke	(22) 56382666	(22) 56331135	Hand Delivery
4	New Delhi	Karvy Computershare (P) Ltd., 105-108, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi 110 001	Mr. Michael George	(11) 2332 4401 / 2335 3835 / 981	(11) 2332 4621	Hand Delivery
5	Hyderabad	46, Avenue 4, Street No 1,Banjara Hills, Hyderabad – 500 034	Ms. Anitha	(40) 23312454 / 23320751 / 752/ 251	(40) 23311968	Hand Delivery/ Regd. Post

7.6 All owners (registered or unregistered) of Shares of the Target Company (except the Acquirers) are eligible to participate in the Open Offer any time before the closure of the Open Offer. Unregistered owners can send their application in writing the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deed(s) and the original contract notes issued by the Broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

7.7 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, along with documents as mentioned above so as to reach the Registrars to the Offer on or before the close of the Open Offer. i.e., not later than 26th September, 2005 or in case of beneficial owners, they may 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 photo copy 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., not later than 26th September, 2005.

7.8 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Equity Shareholders desirous of withdrawing the acceptance tendered by them in the Open Offer, may do so up to 3 (three) working days prior to the date of closure of the Open Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below, so as to reach the Registrar to the Offer at the Collection Centre mentioned above, as per the mode of delivery mentioned therein, on or before 21st September, 2005.

7.8.1 The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

7.8.2 In case of non-receipt of 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 the case of Dematerilised Shares : Name, Address, Number of Shares Offered, DP Name, DP ID, Beneficiary Account Number and a photo copy 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.

7.9 The Registrar to the Offer will hold in trust the Shares / Share Certificates, Shares lying in credit of the Special Depository Account, 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 acceptable Shares / Share Certificates are dispatched / returned.

7.10 If the aggregate of the valid responses to the Open Offer exceeds the Open Offer size of 27,04,000 fully paid-up Equity Shares of the Target Company (representing 20% of the paid-up Equity Share Capital of the Target Company), then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The Shares of the Target Company are compulsorily traded in dematerialised form and hence minimum acceptance will be one Share.

7.11 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at Shareholders' / unregistered owners' sole risk to the sole / first Shareholder. Unaccepted Shares held in demat 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.

7.12 Shareholders who have sent their Shares for dematerialisation need to ensure that the process of getting their Shares dematerialised is completed well in time so that the credit in the Special Depository Account is received on or before the date of the closure of the Open Offer, i.e., not later than 26th September 2005, else their application would be rejected.

7.13 Any Shares that are the subject matter of litigation wherein the Shareholder(s) may be precluded from transferring the Shares during the pendency of the said litigation are liable to be rejected in case directions / orders regarding these shares are not received together with the Shares tendered under the Open Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

7.14 Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

7.15 The Acquirers will not be responsible in any manner for any loss of Equity Shares Certificate(s) and Offer Acceptance Document(s) during transit and the Equity Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.16 While tendering the Shares under the Open Offer, NRIs / OCBs / FIIs if any will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirers reserves the right to reject such Shares tendered. While tendering Shares under the Open Offer, NRIs / OCBs / FIIs if any will be required to submit a Tax Clearance Certificate from the Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the rate as may be applicable to the Category of the Shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.

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

Activity	Day and Date
Public Announcement Date	12th July, 2005, Tuesday
Specified Date *	11th August, 2005,Thursday
Date by which Letter of Offer to be dispatched to Shareholders	26th August, 2005, Friday
Date of opening of the Open Offer	5th September, 2005, Monday
Last date of closing of the Open Offer	26th September, 2005, Monday
Last date for revising the Offer Price / number of shares	15thSeptember, 2005, Thursday
Last date for a Competitive Bid	2nd August, 2005,Tuesday
Last date of communicating rejection / acceptance and payment of consideration for accepted tenders	11th October, 2005, Tuesday
Last date for withdrawing acceptance from the Open Offer	21st September, 2005, Wednesday

* *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 / unregistered) of the Shares of the Target Company (except the Acquirers) are eligible to participate in the Open Offer anytime before the closure of the Open Offer.*

8. General

8.1 Shareholders who have accepted the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer shall have the option to withdraw acceptance tendered by them upto 3 (three) working days prior to the date of closure of the Open Offer, in terms of Regulation 22(5A) of the SEBI (SAST) Regulations, 1997.

8.2 If there is any upward revision in the Offer Price by the Acquirers till the last date of revision, viz., 15th September, 2005 or withdrawal of the Open Offer, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement has appeared. The Acquirers would pay such revised price for all shares validly tendered any time during the Open Offer and accepted under the Open Offer.

8.3 If there is a Competitive Bid:

- **The Public Offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price can not be revised during 7 (seven) working days prior to the closing date of the Open Offers / bids, it would therefore, be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

8.4 The Acquirers and Sellers or Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11-B of the SEBI Act.

8.5 Pursuant to Regulation 13 of the SEBI (SAST) Regulations 1997, the Acquirers have appointed M/S Indian Overseas Bank, Merchant Banking Division as Manager to the Offer.

8.6 The Acquirers accept responsibility for the information contained in this Public Announcement. The Acquirers are responsible for the fulfillment of their obligations under the SEBI (SAST) Regulations, 1997.

This Public Announcement would also be available on the SEBI's website at (www.sebi.gov.in). Eligible persons to the Open Offer may also download a copy of the Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at (www.sebi.gov.in) from the Open Offer Opening Date, i.e., 5th September, 2005.

Issued by : **Manager to the Offer**

Indian Overseas Bank Merchant Banking Division

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Contact person : Mr. M. Murali Krishna

Place : Chennai

Date : 12.07.2005