PUBLIC ANNOUNCEMENT

TO THE SHAREHOLDERS OF SQL STAR INTERNATIONAL LIMITED

Registered office: SQL Star House, No. 8-2-293/174/A25, Road No. 14, Banjara Hills, Hyderabad – 500 034 Phone No.: 040-23101600;Fax No.: 040-23101608.

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM PUBLIC SHAREHOLDERS

This Public Announcement (PA) is being issued by Indbank Merchant Banking Services Limited (IBMBS) ("***Manager to the Offer***"), on behalf of the Acquirer, Superstar Exports Private Limited and Persons Acting in Concert (PAC's) (though not participating in the open offer), Kanishkdeep Stock Consultants Private Limited, Mr. Raj Ganti and Mr. Sunil Gupta, pursuant to Regulations 10, 11(1) and 12 as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 (the "***SEBI (SAST) Regulations 1997***") and subsequent amendments thereto.

1. The offer

1.1. This open offer (the "***Offer***") is being made by Superstar Exports Private Limited (the "***Acquirer***") and Persons Acting in Concert (though not participating in the open offer), Kanishkdeep Stock Consultants Private Limited, Mr. Raj Ganti and Mr. Sunil Gupta to the equity shareholders of SQL Star International Limited ("SQL" or "Target Company"), a company incorporated and duly registered under the Companies Act, 1956 and having its registered office at SQL Star House, No. 8-2-293/174/A25, Road No. 14, Banjara Hills, Hyderabad 500 034, Andhra Pradhesh, India, pursuant to Regulation 10, Regulation 11(1) and Regulation 12 of the SEBI (SAST) Regulations, 1997 and in compliance with the SEBI (SAST) Regulations, 1997. Other than the aforesaid, there are no other acquirers or other entities/ Persons Acting in Concert for this Offer. Due to the operation of Regulation 2(1) (e) of the Regulations, there could be persons who could be deemed to be acting in concert. However, they are not acting in concert for the purpose of the Offer.

1.2. For the purpose of this Offer, the Persons Acting in Concert as per provisions of Regulation 2(1) (e) of the SEBI (SAST) Regulations, 1997, though not participating in the open offer are Kanishkdeep Stock Consultants Private Limited, Mr. Raj Ganti and Mr. Sunil Gupta.

1.3. The Board of Directors of the Target Company, at its Board meeting held on 31st July 2009, has, subject to the approval of the shareholders at the Extra-Ordinary General Meeting to be held on August 29, 2009 and the approval of the stock exchange, approved the issue of 3,00,000 equity shares of the Target Company, at a price Rs.10.50 per share (including a premium of Rs. 0.50/- per share), to the Acquirer, Superstar Exports Private Limited, one of the promoters of the Target Company on a preferential allotment basis.

1.4. The Board of Directors of the Target Company, at its Board meeting held on 31st July 2009, has, subject to the approval of the shareholders at the Extra-Ordinary General Meeting to be held on August 29, 2009 and the approval of the stock exchange, approved the issue of 32,00,000 equity shares of the Target Company to Kanishkdeep Stock Consultants Private Limited at a price of Rs.10.50 per share (including a premium of Rs. 0.50/- per share), a subsidiary of Superstar Exports Private Limited, one of the promoters of the Target Company on a preferential allotment basis.

1.5. The Board of Directors of the Target Company, at its Board meeting held on 31st July 2009, has, subject to the approval of the shareholders at the Extra-Ordinary General Meeting to be held on August 29, 2009 and the approval of the stock exchange, approved the issue of 33,25,000 equity shares of the Target Company and 33,25,000 warrants of the Target Company at a price of Rs.10.50 per share (including a premium of Rs. 0.50/- per share), each warrant convertible into one (1) equity share on or prior to the expiry of 18 months from the date of allotment, upon payment of the balance amount of 75% of the exercise price, to the Person Acting in Concert, Mr. Sunil Gupta on a preferential allotment basis. Upon issue and allotment of 33,25,000 equity shares and 33,25,000 warrants, Mr. Sunil Gupta is proposed to be designated as a co-promoter of the Target Company and will form part of the Promoter Group of the Target Company.

1.6. The Board of Directors of the Target Company, at its Board meeting held on 31st July 2009, has, subject to the approval of the shareholders at the Extra Ordinary General Meeting to be held on August 29, 2009 and the approval of the stock exchange, approved the issue of 15,00,000 warrants of the Target Company at a price of Rs.10.50 per share (including a premium of Rs. 0.50/- per share) each warrant convertible into one (1) equity share on or prior to the expiry of 18 months from the date of allotment, upon payment of the balance amount of 75% of the exercise price, to the Person Acting in Concert, Mr.Raj Ganti, on a preferential allotment basis.

1.7. The shareholding pattern of the Target Company, post issue and allotment of the afore-mentioned equity shares to the Acquirer, Kanishkdeep Stock Consultants Private Limited and Mr. Sunil Gupta and the afore-mentioned warrants to Mr. Raj Ganti and Mr. Sunil Gupta will be as under:

Current Shareholding pattern				Shares to be issued under preferential allotment	Warrants to be issued under the preferential allotment	Shareholding pattern post preferential issue of equity shares	
	Shareholders	Number of Shares	Percentage	Number of Shares	Number of Warrants	Total number of Shares	Percentage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Promoter Group						
1	Superstar Exports Private Limited	3750000	17.20	300000	-	4050000	12.53
2	Kanishkdeep Stock Consultants Private Limited	-	0.00	3200000	-	3200000	9.90
3	Pacific Corporate Services Ltd	2077536	9.53	-	-	2077536	6.43
4	Padvavathiasha Properties & Project Pvt Ltd	1250000	5.73	-	-	1250000	3.87
5	N R Ganti	15000	0.07	-	-	15000	0.05
6	Raj Ganti	-	0.00	-	1500000	-	0.00
7	Sunil Gupta	-	0.00	3325000	3325000	3325000	10.29
Sub Total	Promoter Group	7092536	32.53	6825000	4825000	13917536	43.06
B	Public						
1	General	14707464	67.47	0		14707464	45.50
2	Sarvapratham Investments Limited (*)	-	0.00	3700000	-	3700000	11.45
Sub Total	Public	14707464	67.47	3700000	-	18407464	56.94
	Total	21800000	100.00	10525000	4825000	32325000	100.00

* Preferential allotment

1.8. Assuming exercise of all the warrants proposed to be allotted to Mr. Raj Ganti and Mr. Sunil Gupta, the total share capital of the Target Company on a fully diluted basis will be 3,71,50,000 equity shares (the "**Emerging Voting Capital**") and the shareholding pattern of the Target Company will be as under:

Current Shareholding pattern				Shares to be issued under preferential allotment	Warrants to be issued under the preferential allotment	Shareholding pattern post exercise of all warrants	
	Shareholder	Number of Shares	Percentage	Number of Shares	Number of Warrants	Total number of Shares	Percentage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Promoter Group						
1	Superstar Exports Private Limited	3750000	17.20	300000	-	4050000	10.90
2	Kanishkdeep Stock Consultants Private Limited	-	-	3200000	-	3200000	8.61
3	Pacific Corporate Services ltd	2077536	9.53	-	-	2077536	5.59
4	Padvavathiasha Properties & Project Pvt Ltd	1250000	5.73	-	-	1250000	3.36
5	N R Ganti	15000	0.07	-	-	15000	0.04
6	Raj Ganti	-	-	-	1500000	1500000	4.04
7	Sunil Gupta	-	-	3325000	3325000	6650000	17.90
Sub Total	Promoter Group	7092536	32.53	6825000	4825000	18742536	50.45
B	Public						
1	General	14707464	67.47	-		14707464	39.59
2	Sarvapratham Investments Limited (*)	-	-	3700000	-	3700000	9.96
Sub Total	Public	14707464	67.47	3700000	-	18407464	49.55
	Total	21800000	100.00	10525000	4825000	37150000	100.00

* Preferential allotment

1.9. Post issue and allotment of the 3, 00,000 equity shares, the Acquirer will hold 12.53% of the paid up share capital of the Target Company and the aggregate shareholding of the Promoter Group will be 43.06% of the paid up share capital of the Target Company. Post exercise of all warrants proposed to be issued and allotted to Mr. Raj Ganti and Mr. Sunil Gupta, the Acquirer will hold 10.90% of the Emerging Voting Capital of the Target Company and the aggregate shareholding of the Promoter Group will be 50.45% of the Emerging Voting Capital of the Target Company.

1.10. The Persons Acting in Concert, for the purpose of this Offer, who will not be participating in this Offer, are Kanishkdeep Stock Consultants Private Limited, Mr. Sunil Gupta and Mr. Raj Ganti.

1.11. Upon issue and allotment of 33, 25,000 equity shares and 33, 25,000 warrants of the Target Company, Mr. Sunil Gupta is proposed to be designated as a co-promoter of the Target Company along with the Promoter Group and upon issue and allotment of the equity shares and assuming full conversion of the warrants proposed to be allotted to him, Mr. Sunil Gupta will hold 17.90% of the Emerging Voting Capital of the Target Company. Further, Mr. Sunil Gupta is proposed to be appointed as Director of the Target Company in terms of the Companies Act, 1956 read with the applicable provisions of the SEBI (SAST), Regulations, 1997. The appointment of Mr. Sunil Gupta, as the Director, shall constitute change in control of the Target Company, which was till presently being controlled by the Promoter Group (*including the Acquirer*), will now be jointly controlled by the Promoter Group and Mr.Sunil Gupta.

1.12. Accordingly, pursuant to Regulation 10 (*insofar as it may apply to Mr. Sunil Gupta on acquisition of 17.90% of the Emerging Voting Capital of the Target Company, as discussed in paragraph 1.11 above*), Regulation 11(1) (*insofar as it may apply to the Acquirer and other Persons Acting in Concert (including, Mr. Sunil Gupta) on acquisition of additional 10.29% of the voting rights as on the date of allotment of equity shares as per column (4) of table in 1.7 above*) read with Regulation 12 (*insofar as it may apply to appointment of Mr. Sunil Gupta as the Director and consequent change in control of the Target Company, as discussed in paragraph 1.11 above*) of the SEBI (SAST) Regulations, 1997, the Acquirer is making an Offer to the public shareholders of the Target Company to acquire 20% (or 74,30,000 equity shares) of the equity share capital of the Target Company at a price of Rs.10.50 (Ten Rupees and Fifty Paise) per share (the "***Offer Price***") payable in cash subject to the terms and conditions mentioned hereinafter to those shareholders (except the Acquirer) whose names appear on the register of members on the Specified Date, i.e. 07.09.2009

1.13. The Offer is not conditional on any minimum level of acceptances and the Acquirer will be obliged to acquire all the equity shares tendered in response to the Offer, subject to a maximum of 74,30,000 equity shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in this Public Announcement and the Letter of Offer (the "***LOF***") to be mailed to the shareholders of the Target Company.

1.14. Superstar Exports Private Limited is the sole Acquirer for this Open Offer.

1.15. As on the date of this Public Announcement, the Acquirer holds 37,50,000 equity shares representing 17.20% of the present equity capital of the Target Company.

1.16. As on the date of the Public Announcement, Kanishkdeep Stock Consultants Private Limited, Mr. Sunil Gupta and Mr. Raj Ganti do not hold any equity shares or voting rights of the Target Company.

1.17. The Acquirer, nor the PAC's (though not participating in the offer) Mr. Raj Ganti, Kanishkdeep Stock Consultants Private Limited and Mr.Sunil Gupta has acquired either directly or through any other person, any shares of SQL during the twelve (12) months period preceding the date of this Public Announcement.

1.18. Indbank Merchant Banking Services Limited, Manager to the Offer, does not hold any shares in SQL as on the date of this Public Announcement. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Open Offer till the expiry of 15 days from the date of closure of the Open Offer.

1.19. This is not a competitive bid.

1.20. Neither the Acquirer nor any of the PAC's (though not participating in the offer) Kanishkdeep Stock Consultants Private Limited, Mr. Sunil Gupta and Mr. Raj Ganti nor the Target Company is prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

2. Offer Price

2.1. The Offer price is Rs. 10.50 per equity share.

2.2. The equity shares of SQL are listed and frequently traded on the Bombay Stock Exchange Limited (BSE) (the "***Stock Exchange***") with scrip code 532249 and the script ID is SQL.

2.3. The annualised trading turnover based on the trading volume in the shares of SQL on the above Stock Exchange is as under:

Name of Stock Exchange	Total No. of shares traded during the 6 calendar months prior to		Total Number of listed shares	Annualised Trading Turnover with reference to the relevant date (as a % to total listed shares)
	the month in which PA is made	the month of the relevant date i.e. 30.07.2009		
(a)	(b)	(c)	(d)	(e=c/d*100)
BSE	2391147	1862959	21,800,000	8.55%

Source : www.bseindia.com

2.4. The Offer Price is justified in terms of Regulations 20 (4) and 20 (5) of the SEBI (SAST) Regulations, 1997 in view of the following:

1.	Negotiated Price	Not Applicable
2.	Highest price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential issue during the 26 weeks prior to the date of PA.	Not Applicable
3.	Average of the weekly high and low of the closing prices of the shares of SQL on the Stock Exchange where it is most frequently traded during the 26 week period preceding the date of the board resolution which authorised the preferential allotment.	Rs.9.29
4.	Average of the daily high and low of the prices of the shares of SQL on the Stock Exchange, where it is most frequently traded, during the 2 week period preceding the date of the board resolution which authorised the preferential allotment.	Rs.10.11
5.	Other Financial Parameters	
	Return on Net Worth (%)	-ve
	Book Value per share (Rs.)	Rs. 8.56
	Earnings per share (Rs.)	-ve
	Price Earning multiple (with reference to Offer price of Rs. 10.50 per share and market price as on 30th July 2009)	-ve
	Industry Average (Source: Capitaline XXIV/09 June 29- July 12,2009)	32.80

The offer price is the highest of the average weekly high and low of closing prices for the shares of the target company on BSE for the last 26 weeks and the average of the daily high low of prices of the shares of the target company on BSE for the last 2 weeks. Thus, the price is justified in accordance with regulation 2(11) read with explanation (ii) to the same.

2.5. In the event of any further acquisition of Equity Shares by the Acquirer up to seven (7) working days prior to the closure of the Offer at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirer shall not be acquiring any equity shares during the period of seven (7) working days, prior to the date of closure of the Offer. This Public Announcement is being released as per Regulation 15(1) of the SEBI (SAST) Regulations, 1997.

3. Information about Acquirer and PAC

3.1. The Acquirer.

3.1.1. Superstar Exports Private Limited was incorporated on 19.01.2004 and is engaged in the business of traders, distributors, importers, dealing & exporting of agricultural, commercial and industrial products and investments. The registered office of the Acquirer is situated at 2nd Floor, J K Somani Building, British Hotel Lane, Fort Mumbai – 400 023 Phone no. 022 30298000; Fax No.: 022 30298029. The company is an unlisted company.

3.1.2. The acquirer belongs to "Systematix group" and is headed by Mr. C P Khandelwal. The current directors of the company apart from Mr. C P Khandelwal are Ms. Anju Khandelwal and Mr. Nikhil Khandelwal.

3.1.3. The latest financial data of the Acquirer based on the audited results as on 31st March 2008 is as given below:

Total Income: Rs. 13,60,37,833/-; Profit after Tax: Rs. 13,29,93,068/-; Networth: 31,43,88,362/-; Paid up equity share capital: Rs. 35,25,000/-; Book Value Per share: Rs. 891.88; Return on Networth: 42.30%; Earnings Per share: Rs. 377.29/-

3.1.4. The issued, subscribed and paid up capital of the Acquirer as on March 31, 2009 was Rs. 35,25,000 comprising of 3,52,500 equity shares of Rs.10/- each.

3.1.5. The Acquirer holds 37, 50,000 equity shares of the Target Company representing 17.20% of the present issued and paid up share capital of the Target Company. As on the date of the Public Announcement, the aggregate holding of the Promoter Group of the Target Company is 32.53%.

3.1.6. The networth of the acquirer as per the certificate dated 04.08.2009 issued by M/s. Prashant Wakhariya & Co., is Rs. 30,65,95,528/-.

3.2. Kanishkdeep Stock Consultants Limited

3.2.1. Kanishkdeep Stock Consultants Limited is a subsidiary of the Acquirer and is not participating in this Open Offer. The registered office of the company is at 18, Sindhi Colony, Gumanpura, Kota, Rajasthan – 324 007. The Acquirer holds 29,199 equity shares of the face value of Rs.10/- each of Kanishkdeep Stock Consultants Limited representing 99% of the issued and paid up share capital of Kanishkdeep Stock Consultants Limited.

3.2.2. Kanishkdeep Stock Consultants Limited was incorporated on 19.02.2007 (CIN: U67120RJ2007PTC023816) with the main object as to act as consultants, advisors and investment in the field of shares, debentures and debenture stocks.

3.3. Mr.Sunil Gupta

3.3.1. Mr. Sunil Gupta, aged 47 is an IT professional having 25 years of industry experience. He has Bachelors degree in Electronics Engineering, a Post graduate in Management and has also under gone various executive education programs in Indian Institute of Management and Indian School of Business. He is the Director at Collabera Enterprise Solutions Private Limited (formerly Optibiz Software Technologies Pvt. Ltd.), IVL India Pvt. Ltd, Technosoft Resources Consulting Pvt Ltd and a visiting faculty teaching information technology at Indian Institute of Management. He was also a member of IT task force constituted by the Government of Kerala.

3.4. Mr. Raj Ganti.

Mr. Raj Ganti aged, 36 is a Masters in Business Administration in Finance and Entrepreneurship from University of California and a Master of Science in Electrical Engineering from the University of Southern California. He is the CEO of SQL Star International Incorporation and also overseeing the operations of other wholly owned subsidiary companies of the Target Company viz., International SQL Star Pte Ltd, Singapore and SQL Star International Pty Ltd, Australia. Before his current venture, he was the Chief Technology Officer (CTO) and Vice President of Product Management at Entrada Networks Inc. Prior to Entrada Networks, Raj was a Director of Business Development for Internet Services at Qualcomm focusing on enterprise wireless base station hardware and software products.

3.5. Information on the Target Company

3.5.1. SQL Star International Limited was incorporated on 1st July 1987 as a Private Limited company 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 the name was changed to SQL Star People (India) Limited. On 18th July 1996, the company was renamed as SQL Star International Limited. The registered office of the SQL is situated at SQL Star House, No. 8-2-293/174/A 25, Road No. 14, Banjara Hills, Hyderabad 500 034, Andhra Pradesh, India.

3.5.2. The share capital structure of the SQL Star as on the date of this PA is

Authorised Capital (4,00,00,000 equity shares of Rs. 10/- each)	Rs. 40,00,00,000
Issue Capital (2,18,00,000 equity shares of Rs. 10/- each)	Rs. 21,80,00,000
Subscribed Capital (2,18,00,000 equity shares of Rs. 10/- each)	Rs. 21,80,00,000
Paid-up Capital (2,18,00,000 equity shares of Rs. 10/- each)	Rs. 21,80,00,000

The company does not have any partly paid up shares as on date on this PA.

3.5.3. The main areas of operations of the company are Software Development & Services, Education & Training and e-Governance.

3.5.4. The shares of SQL are listed on the Bombay, New Delhi and Hyderabad Stock Exchanges.

3.5.5. The latest financial data of the Target Company based on the audited results as on 31st March 2009 is as given below:

Total Income: Rs. 42,41,15,263/-; Profit/(Loss) before Prior Period/Extra-ordinary items: Rs.(1,21,52,867), after making a provision of Rs.26,92,49,424 towards diminution in the value of investments, Profit/ (Loss) After Tax is: Rs. (30,70,33,360/-); Networth: 18, 67, 24,913/-; Paid up equity share capital: Rs 218,000,000; Book Value Per share: Rs. 8.56; Return on Networth: -ve; Earnings Per share: -ve

3.6. Reasons for the Acquisition and offer and future plan

3.7. The object of the acquisition is further acquisition of shares of SQL. The Acquirer is also considering various new business opportunities from time to time for increasing the business of the target company.

3.7.1. The Offer is being made in accordance with Regulation 10, Regulation 11(1) and Regulation 12 of the SEBI (SAST) Regulations, 1997 as a result of acquisition of additional shares and voting rights by the Acquirer and Persons Acting in Concert with the Acquirer, Kanishkdeep Stock Consultants Limited, Mr. Sunil Gupta and Mr. Raj Ganti, along with change in the control of the Target Company. Mr. Sunil Gupta is interested in jointly managing and controlling SQL along with the Acquirer and the other promoters forming part of the Promoter Group of the Target Company.

3.8. The Open Offer to the public shareholders of Target Company is made for acquiring 20% of the total equity share capital/resultant voting rights of the company. After completing the proposed Open Offer, the Acquirer will achieve substantial acquisition of equity shares and voting rights of the Target Company and Mr. Sunil Gupta will achieve (a) independent holding of 17.90% of the Emerging Voting Capital of the Target Company, which will be in excess of 15% voting rights, and (b) joint management and control of the Target Company along with the Promoter Group.

3.9. As on the date of the Public Announcement, the Acquirer does not have 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 rationalisation of operations, assets, investments, liabilities or otherwise of the Target Company.

3.10. Other than in the ordinary course of business, the Acquirer and the Persons Acting in Concert undertake that they shall not sell, dispose off or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company to the extent required by applicable law. The Acquirer and the Persons Acting in Concert would take appropriate decisions in the aforesaid matters, as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.

3.11. The Acquirer and the Persons Acting in Concert may be entitled to appoint additional and/or it's Directors on the Board of Directors of Target Company in terms of the Companies Act, 1956 read with the applicable provisions of the SEBI (SAST), Regulations, 1997.

4. Statutory Approvals / other Approvals required for the Offer

4.1. Non-resident shareholders who wish to tender their shares in this Offer will be required to submit all the previous RBI Approvals (*specific or general*) that they would have obtained for acquiring shares of Target Company. In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares tendered in the offer.

4.2. To the best of the knowledge of the Acquirer and Persons Acting in Concert, no approval from any bank or financial institutions is required for the purpose of this Offer.

4.3. There are no statutory approvals required to acquire the shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable prior to completion of the Offer.

4.4. The Acquirer shall complete all procedures relating to the Offer within a period of fifteen (15) days from the date of closing of the offer.

4.5. The Acquirer reserves the right to withdraw the Offer, in terms of Regulation 27 of the SEBI (SAST) Regulations, 1997, in the event the requisite statutory approvals are being refused. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which this Public Announcement is being made.

4.6. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of SEBI (SAST) Regulations, 1997, SEBI may, if satisfied that the non-receipt of the approvals was not due to wilful default or negligence, grant an extension for the purpose of completion of the offer provided the Acquirer agrees to pay interest to the shareholders for delay beyond fifteen (15) days from the date of closing of the Offer.

4.7. If the Acquirer fails to obtain the requisite approvals in time due to wilful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in Regulation 28(12)(e) of SEBI (SAST) Regulations, 1997.

5. Option to Acquirer in terms of Regulation 21(2)

5.1. The acquisition made in pursuance of this Offer will not result in the public shareholding in the Target Company, being reduced below the minimum level required as per the Listing Agreement, as the Acquirer is acquiring only 20% of the voting capital. The aggregate shareholding of the Promoter Group, including that of the Acquirer, which, as on the date of the Public Announcement is 32.53%, will, after the acquisition contemplated under this Offer and the proposed preferential allotment not exceed 75% of share capital of the Target Company.

6. Financial Arrangements

6.1. The Acquirer has adequate and firm financial resources to meet the financial requirements under the Offer. For this purpose, the acquirer intend to utilise the resources available with them.

6.2. Assuming full acceptance, the total requirement of funds for the Open Offer would be Rs.7,80,15,000/-. The Acquirer has already made firm arrangements for the financial resources required to implement the Offer in full.

6.3. As per Regulation 28 of SEBI (SAST) Regulations, 1997, the Acquirer has opened an Escrow Account in the name and style "SQL OPEN OFFER" (A/C No 004010402267496) with AXIS Bank, Fort Mumbai, and has exclusively authorised IBMBS, the Managers to the Offer, to operate the account in terms of the Regulations. The Acquirer has deposited a sum of Rs. 1,96,00,000.00 in the said Escrow Account being 25% (twenty five) of the consideration payable under the Offer as per the letter dated 05.08.2009 from AXIS Bank.

6.4. The Acquirer has duly empowered IBMBS the Manager to the Open Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

6.5. The Manager to the Offer hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligations.

7. Other terms of Offer

7.1. All the shareholders (except the Acquirer) who own shares of SQL are eligible to participate in the Offer any time before the date of closing of the Offer.

7.2. The Letter of Offer together with Form of Acceptance cum Acknowledgement (FOA), the Form of Withdrawal (FOW) and Transfer Deed (TD) (*for shareholders holding shares in physical form*) will be mailed to all the shareholders of SQL, except the Acquirer, whose names appear on the Register of Members of SQL and the beneficial owners of the shares whose names appear as beneficiaries on the records of the respective share depositories, at the close of business hours on 07.09.2009 (the "***Specified Date***").

7.3. Accidental omission to dispatch the Letter of Offer to any member entitled to this Offer or non-receipt of the Letter of Offer by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever.

7.4. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of SQL as on the Specified Date.

7.5. The Acquirer has appointed Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 as Registrar to the Offer. The shareholders who wish to tender their shares will be required to send the Form of Acceptance-cum-Acknowledgement duly filled and signed along with enclosures to the Registrar to the Offer: Karvy Computershare Private Limited; Telephone No: 040 23420815 – 820 Extn. 188; Fax No: 040 23420814; Email: mailmanager@karvy.com; Contact Person: Mr. U S Singh either by hand delivery or by registered post on or before the closure of the Offer, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The documents can be tendered at the above centres between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday. The centres will be closed on Sundays and Public holidays.

7.5.1. All registered shareholders who wish to tender their shares will be required to send duly completed FOA filled and signed in accordance with the instructions specified in the Letter of Offer and FOA, to the Registrar to the Offer at the centres mentioned above before the closure of the Offer, i.e. 20.10.2009.

7.6. A special depository account has been opened details thereof are as under:

DP ID: IN 300394; Client ID: 17292558: Name: "KCPL Escrow Account – SQL Star International Ltd. Open Offer

7.7. Shareholders having their beneficiary account in CDSL have to use inter depository delivery instructions slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

7.8. The beneficial owners (*holders of shares in dematerialised form*) who wish to tender their shares will be required to send the FOA along with the counterfoil/ photocopy of the delivery instructions in "Off-Market" mode in favour of the special depository account mentioned above, duly acknowledged by the Depository Participant (the "***DP***"), to the Registrar to the Offer either by hand delivery or by registered post on or before the date of closing of the Offer. In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

7.9. For shareholders of SQL holding physical shares and who wish to accept the Offer and tender their shares will be required to send the FOA together with the share certificate(s) and transfer deed(s) to the Registrar.

7.10. The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the closure of the Offer i.e. 20.10.2009. FOA in respect of dematerialised equity shares not credited to the above special depository account before the date of closing of the Offer is liable to be rejected.

7.11. In case of non-receipt of the Letter of Offer/FOA, eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Registrars to the Offer at any of the collection centres clearly marking the envelope "SQL Open Offer" or make an application on plain paper duly signed and stating their name, address, number of shares held, number of shares offered, DP name, DP ID, Client ID and the counterfoil/photocopy of the delivery instruction in "Off-Market" mode in favour of the special depository account, duly acknowledged by the DP, to the Registrar to the Offer, before the closure of the Offer i.e 20.10.2009.

7.12. Unregistered owners holding shares in physical form may send their application in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s) and valid transfer deed(s) as received from the broker (*columns meant for transferee / buyer should be kept blank*) to the Registrar to the Offer. Unregistered owners will also be required to submit documents to prove their title to the shares in respect of which they are accepting the Offer such as original broker's contract note and transfer deed(s) executed by the registered holder of the shares. No indemnity is required from the unregistered owners.

7.13. In case any person has lodged shares of SQL for transfer and the transfer has not yet been effected, the concerned person may apply in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s), valid transfer deed(s) duly signed (*columns meant for transferee/ buyer should be kept blank*) and the acknowledgement of the lodgement of shares for transfer. Such person should also instruct SQL and its Registrars and Transfer Agents to send the transferred share certificate(s) directly to the collection centres of Registrars to the Offer as mentioned above before the date of closing of the Offer.

7.14. Shareholders who have sent their physical shares for dematerialisation and the dematerialisation has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialisation request form acknowledged by shareholder's DP. The shareholder should ensure that process of getting shares dematerialised is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. 20.10.2009, else the application will be rejected.

7.15. Equity shares tendered by the shareholders of SQL in the Offer shall be free from lien, charges and encumbrances of any kind whatsoever.

7.16. Equity shares that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of SQL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered in the offer prior to the date of closing of the offer.

7.17. In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations, 1997, on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is 1 (One) shares.

7.18. While tendering shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (*specific or general*) that they would have obtained for acquiring shares of Target Company. In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares. While tendering shares under the Offer, NRI / 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 the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal 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.

7.19. The consideration received by the shareholders for shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further the securities transaction tax will not be applicable on shares accepted in this offer.

7.20. The Registrar to the Offer will hold in trust, the equity shares / share certificates, FOA, if any, and the transfer form/s on behalf of the shareholders of SQL who have accepted the Offer, till the Acquirer completes the offer obligations in accordance with the Regulations.

7.21. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form to the extent not accepted 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 FOA.

7.22. A schedule of some of the major activities in respect of the Offer is given below:

Activity	Day and Date
Date of the Public Announcement	**07.08.2009, Friday**
Last date for a competitive bid	**28.08.2009, Friday**
Specified date	**07.09.2009, Monday**
Letter Of Offer to be posted to shareholders	**22.09.2009, Tuesday**
Date of opening of the Offer	**01.10.2009, Thursday**
Last date for revising the offer price/ number of shares	**13.10.2009, Tuesday**
Last date for Withdrawal of Offer	**15.10.2009, Thursday**
Date of closing of the Offer	**20.10.2009, Tuesday**
Date of communicating rejection/ acceptance and payment of consideration for applications accepted	**05.11.2009, Thursday**

8. Procedure for withdrawal of Application

8.1. If there is any upward revision in the Offer Price (*in terms of Regulation 26 of the SEBI (SAST)* Regulations, 1997) by the Acquirer till the last day of revision, i.e., at any time up to seven (7) working days prior to the date of closure of the Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original PA had appeared. Such revised Offer would be payable for all the successful shares tendered anytime during the Offer.

8.2. In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, 1997, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of closure of the Offer i.e. 20.10.2009, Tuesday. The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before the last date of withdrawal i.e.15.10.2009, Thursday.

8.3. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it, the copy of the Form of Acceptance-cum- Acknowledgement / plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

8.3.1. In case of physical shares, name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares should be mentioned;

8.3.2. In case of dematerialised shares, name, address, number of shares tendered and to be withdrawn, DP Name, DP ID, beneficiary account number, Counterfoil/ Photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favour of the special depository account.

8.3.3. In either case: a copy of the acknowledgement received from the Manager to the Offer upon tendering of the shares, so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before 15.10.2009, Thursday.

9. General

9.1. If there is any upward revision in the Offer Price till the last date of revision i.e. 13.10.2009, Tuesday in terms of Regulation 26 of the SEBI (SAST) Regulations, 1997 or withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which this Public Announcement is being made. In case of an upward revision in the Offer Price, the revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and have been accepted under the Offer.

9.2. If there is competitive bid:

9.2.1. The public offer(s) under all the subsisting bids shall close on the same date.

9.2.2. As the Offer Price cannot be revised during seven (7) 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.

9.3. Neither Acquirer nor the Target Company has been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11B of SEBI Act.

9.4. The Acquirer has not acquired any shares of SQL in the last twelve (12) months

9.5. Pursuant to Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirer has appointed IBMBS, as Manager to the Offer.

9.6. The Acquirer and its Board of Directors accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 1997.

This Public Announcement would also be available on the website of SEBI at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the Letter of Offer and the Form of Acceptance-cum-Acknowledgement which would be available on the website of SEBI at www.sebi.gov.in from the Offer opening date, i.e. 01.10.2009, Thursday and send their acceptances by filling in the same.

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

INDBANK MERCHANT BANKING SERVICES LIMITED
1st Floor, Khiviraj Complex 1,
No. 480 Anna Salai, Nandanam, Chennai – 600 035
Phone No.: 91 044 – 24313094 – 97
Fax No. : 91 044 – 24313093
E-mail: mba@indbankonline.com
Contact Person: Ms. S. Rajalakshmi

Place : Chennai
Date : 07.08.2009