Public Announcement for the attention of the equity shareholders of

Adlabs Films Limited

(Registered Office: Film City Complex, Goregaon (East), Mumbai – 400 065)

This public announcement (the "PA") is being issued by Ambit Corporate Finance Private Limited (the "Manager to the Offer") for and on behalf of Reliance Land Private Limited ("RLPL" or the "Acquirer") and Reliance Capital Limited ("RCL" and, collectively with RLPL, the "Acquirers") acting in concert with each other, pursuant to and in compliance with, among others, Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto (the "Regulations" or the "SEBI Takeover Code").

The Offer and its background

1. This offer (the "Offer") is being made by the Acquirers to the equity shareholders of Adlabs Films Limited ("AFL" or the "Target Company"). Other than RLPL and RCL, who are acting in concert with each other for the purpose of the Offer, no other person is acting in concert with the Acquirers for the Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Code, there could be persons who could be deemed to be acting in concert. However, they are not acting in concert for the purposes of the Offer.
2. On June 30, 2005, RLPL has entered into separate Share Purchase Agreements (the "SPAs") with two of the existing shareholders of AFL namely Mr. Vasanji A Mamania and Ms. Rubaiyat Arun Patel (together the "Sellers"), for acquiring from them 44,00,000 equity shares and 14,00,000 equity shares respectively of AFL. The 58,00,000 equity shares being acquired from the Sellers (the "SPAs Shares") form 23.20% of the present voting share capital of AFL and are proposed to be acquired at Rs.169/- per equity share, payable in cash. Mr. Vasanji A Mamania is part of the present Promoter Group of AFL while Ms. Rubaiyat Arun Patel is disclosed as a person acting in concert with effect from April 2005.

   Key terms of the SPAs are:
   - The Sellers shall deposit the SPAs Shares with Karvy Consultants Limited (the "Escrow Agent") who shall hold the SPAs Shares in escrow till the date on which the Merchant Banker files its report of completion of the open offer. Following this date, the SPAs Shares would be transferred in favour of RLPL;
   - Simultaneously with the execution of the SPAs, RLPL shall make payment to the Sellers at the rate of Rs.169/- per equity share of AFL;
   - In case of non-compliance with any of the provisions of the SEBI Takeover Code by RLPL, the SPAs shall not be acted upon either by RLPL or the Sellers and the Escrow Agent shall return the SPAs Shares to the respective Sellers and the Sellers shall refund the purchase consideration with interest at 18% p.a. to RLPL;
   - The Sellers as also any of their associates / affiliates shall cease to be the promoters of AFL / person acting in concert with the promoters of AFL, within the meaning of the Regulations;
   - Mr. Vasanji A Mamania shall resign as director from the board of directors of AFL;
   - Pending completion of transaction, the Escrow Agent shall exercise all voting rights on the SPAs Shares in support and in favour of all the resolutions which may be proposed for the approval of the shareholders of the Target Company.
3. On June 30, 2005, the board of directors of AFL has agreed to issue and allot on a preferential basis 1,10,00,000 fully paid up equity shares of Rs 5/- each of AFL for cash at a price of Rs.175.20/- per equity share including a premium of Rs.170.20/- per equity share and 38,00,000 warrants and / or other securities entitling the holders to apply for one equity share for each warrant held of the Target Company for cash at a price of Rs.175.20/- per equity share including a premium of Rs.170.20/- per equity share to RLPL. Further, the board of directors of AFL has agreed to issue and allot on a preferential basis 20,00,000 fully paid up equity shares of Rs 5/- each of AFL for cash at a price of Rs.175.20/- per share including a premium of Rs.170.20/- per equity share to the financial investors. The total preferential allotment is therefore of 1,30,00,000 equity shares and 38,00,000 warrants, together referred to as the Preferential Issue. This Preferential Issue would be made in accordance with the guidelines for Preferential Issue of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto ("Guidelines").

   The subscription and allotment of the Preferential Issue is subject to various conditions precedent being fulfilled, including approval of the shareholders of the Target Company. The Target Company will convene an Extraordinary General Meeting of its shareholders to approve the Preferential Issue by way of a special resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions.
4. The above acquisition by Acquirers would lead to a change of control of AFL. Mr. Manmohan Shetty who holds 67,75,000 equity shares of AFL and is also a part of the present Promoter Group of AFL, is not party to the SPAs. On completion of the Preferential Issue, the Acquirers shall be the promoters of AFL and Mr Manmohan Shetty and his affiliates / associates shall cease to be the promoters of AFL / persons acting in concert. Similarly, the residual shareholding, if any, of the Sellers in AFL will also be treated as non promoter / person acting in concert shareholding.
5. As on the date of this PA, RCL holds 12,55,000 equity shares of AFL (representing 5.02% of the present fully paid-up equity capital of the Target Company). RLPL does not hold any equity shares of AFL as on date of this PA.
6. Pursuant to this Offer, the Acquirers propose to acquire 83,60,150 fully paid up equity shares of the Target Company (the "Offer Size") representing 20% of the fully expanded voting equity capital of the Target Company (assuming full allotment under the proposed Preferential Issue and conversion of warrants) at a price of Rs.183 (Rupees One Hundred and Eighty Three only) for each equity share of the Target Company (such price, the "Offer Price"), to be paid in cash in accordance with the Regulations.
7. The Acquirers, as a result of the above acquisition under the SPAs, the proposed Preferential Issue of 1,48,00,000 equity shares (assuming full exercise of warrants) and assuming full acceptance of the Offer will hold 3,02,15,150 equity shares representing 72.28% of the voting rights in the fully expanded voting equity capital (assuming full allotment under the proposed Preferential Issue and conversion of warrants) of the Target Company. If the Acquirers do not exercise the option of warrant conversion, they will hold 69.51% of the voting rights in the fully expanded voting equity capital (assuming full allotment under the proposed Preferential Issue and full acceptance of the Offer).
8. This Offer is not subject to any minimum level of acceptance.
9. The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of this PA.
10. The shares of AFL are listed on The Stock Exchange, Mumbai ("BSE") and National Stock Exchange of India Limited ("NSE"). Based on the information available, the shares of AFL are frequently traded on BSE and NSE (the "Stock Exchanges") and are most frequently traded on NSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI Takeover Code. The Offer Price of Rs.183 per equity share is justified in terms of Regulation 20 (4) of the SEBI Takeover Code in view of the following:
    1. Price payable under the SPAs: Rs.169 per equity share
    2. Proposed acquisition price under the Preferential Issue: Rs.175.20 per equity share
    3. Highest price paid by the Acquirers for acquisition of any equity share of AFL during the 12 months period preceding the date of the PA: Rs 71.78 per share
    4. The average of the weekly high and low of the closing prices of the equity shares of AFL during the 26 weeks preceding the PA - Rs.136.77 and during the 26 weeks preceding the date of the board meeting where the Preferential Issue was proposed - Rs. 135.18 (on NSE where the share is most frequently traded).
    5. The average of the daily high and low of the equity shares of AFL during the 2 weeks preceding the date of PA - Rs.182.15 and during the 2 weeks preceding the date of the board meeting where the Preferential Issue was proposed - Rs.177.68 (on NSE).

    (Source of all AFL price and volume data: respective stock exchange websites)

    The Offer Price of Rs.183 is higher than i, ii, iii, iv and v above, as required under the SEBI Takeover Code.
11. There is no non-compete agreement between Acquirers and Sellers and any other entity as envisaged under Regulation 20(8) of the Regulations.
12. To the extent of the Offer Size, all equity shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by RLPL.
13. The Acquirers are permitted to revise this Offer upward upto 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.

Information about the Acquirers

14. Information on RLPL:
    - RLPL (formerly known as Reliance Land Limited) is a private company limited by shares. RLPL was incorporated on December 23, 1993. The registered office is situated at 2nd Floor, Avdesh House, Pritam Nagar, 1st Slope, Ellis Bridge, Ahmedabad – 380 006. The activities of RLPL are to deal in land and properties and hold strategic investments.
    - RLPL is promoted and controlled by RCL.
    - The issued and paid up equity share capital of RLPL consists of 1,00,00,000 equity shares of Rs.10 each.
    - The names of the directors of RLPL are Mr. Surendra Pipara and Mr. Dipan Dalal.
    - As per the audited accounts for the year ended March 31, 2005, RLPL recorded total income of Rs.0.78 lakhs and profit / (loss) after tax of Rs.(8.90) lakhs. The paid-up share capital is Rs.1,000 lakhs and networth is Rs.430.49 lakhs. The ratios of earnings per share and return on networth are not applicable since RLPL had incurred losses and book value per equity share is Rs.4.30.
15. Information on RCL:
    - RCL was incorporated on March 5, 1986, under the Companies Act, 1956 having its registered office at Village Meghpar/Padana, Taluka Lalpur, District Jamnagar – 361 280. It is mainly focused on the areas of funding of projects in the infrastructure and other sectors, while supporting the growth of its subsidiary and affiliate companies in the areas of insurance, asset management, etc.
    - RCL was promoted by Reliance Industries Limited ("RIL"). RIL holds 6,00,92,366 equity shares of Rs.10 each (representing 47.2% of the present voting equity share capital) of RCL.
    - Pursuant to a proposal of RCL's board of directors, to allot on a preferential basis, 6,00,00,000 fully paid up equity shares of Rs 10/- each at a price of Rs 228/- per share and 4,10,00,000 warrants, convertible into equity shares of RCL to AAA Enterprises Private Limited ("AEPL"), AEPL and Mr. Anil D. Ambani, acting in concert with each other, have announced an open offer under the provisions of the SEBI Takeover Code for the equity shareholders of RCL, in terms of the public announcement dated June 21, 2005.
    - The board of directors of RCL consists of Mr. Anil D Ambani, Mr. Rajendra P. Chitale, Mr. S S Thakur and Mr. Amitabh Jhunjhunwala.
    - As at March 31, 2005, RCL had a paid-up equity share capital of Rs.12,784 lakhs, comprising 12,73,06,244 fully paid-up equity shares of face value Rs. 10/- each, and Rs. 53 lakhs on account of forfeited equity shares. As on the date of this PA, there are no partly paid-up equity shares or outstanding convertible instruments of RCL. For the year ended March 31, 2005, RCL has reported total income of Rs.29,569 lakhs, profit after tax of Rs.10,581 lakhs, EPS of Rs. 8.31, book value per share of Rs.112.95 and return on networth of 7.36%. Its PE multiple was 45.08 as on the date preceding this PA. The above figures are for the standalone legal entity – on non consolidation basis. The financial figures stated above are audited and as reported to NSE and BSE, where RCL is listed.

Information about the Target Company

(The disclosures mentioned under this section have been sourced from publicly available sources)

16. The Target Company was incorporated on November 30, 1987 as a private limited company. The name of the company was changed from Adlabs Private Limited to Adlabs Films Limited on June 19, 2000. AFL's registered office is located at Film City Complex, Goregaon (East), Mumbai 400 065. The Target Company's main activities are film processing and film exhibition. AFL has also launched film production business.
17. As per the audited figures for the year ended March 31, 2004, AFL had issued, subscribed and paid-up equity share capital of Rs.1,075.04 lakhs, comprising 215,00,750 fully paid-up equity shares of face value of Rs. 5/- each, total net worth was Rs. 10,369.06 lakhs. For the year ended March 31, 2004, AFL has reported total income of Rs. 7,890.56 lakhs, profit after tax of Rs. 1,764.24 lakhs, return on net worth 17.01 %, book value Rs. 48.23 per equity share of Rs.5/- each, and EPS of Rs 8.21. The above figures are for the standalone legal entity – on non consolidation basis.
18. As per the figures reported to the Stock Exchanges, as at March 31, 2005, AFL had equity share capital of Rs.1075.04 lakhs, comprising 215,00,750 fully paid-up equity shares of face value Rs. 5/- each. As on the date of this PA, there are no partly paid-up equity shares or outstanding convertible instruments of AFL. For the year ended March 31, 2005, AFL has reported total income of Rs. 8,799.51 lakhs, profit after tax of Rs. 2,109.87 lakhs, EPS of Rs. 9.81 and its PE multiple was 24.61 as on the date preceding this PA. The above figures are for the standalone legal entity – on non consolidation basis. The financial figures for year ended March 31, 2005 are unaudited, as reported to the Stock Exchanges.
19. Subsequently, AFL has allotted 35,00,000 equity shares of Rs 5 each to FIIs on a preferential basis. Thus presently, the issued, subscribed and paid-up equity share capital of AFL is Rs 12,50,03,750 consisting of 2,50,00,750 fully paid-up equity shares of face value of Rs. 5/- each.
20. The shares of the Target Company are listed on NSE and BSE.

Reasons for the Acquisition and Future plan about Target Company

21. The Offer is being made in compliance with Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code, for the purposes of substantial acquisition of a total of 83,60,150 equity shares and voting rights, as disclosed earlier, accompanied with change in control and management of the Target Company thereby enabling the Acquirers to exercise control over AFL and its subsidiaries / affiliates / associates / joint ventures, inter-alia, through the right to appoint directors or through control over management or policy decisions, by virtue of their shareholding. The Acquirers reserves the right to seek reconstitution of the board of directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956. The Acquirers may also consider changing the name of the Target Company at a later date.
22. The Acquirers do not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years, except in the ordinary course of business and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of AFL, which will be done subject to receipt of statutory approvals where necessary.
23. Other than in the ordinary course of business or except with the prior approval of AFL's shareholders, the Acquirers undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of AFL.
24. The Acquirers and Target Company are not in the same line of business. The Acquirers may, if advised, in the ordinary course of business of the Target Company and / or to the extent required for the purposes of any arrangement / reconstruction, restructuring, merger / demerger, and/or for the purpose of streamlining of various operations, assets, liabilities, businesses or otherwise of AFL, dispose off or otherwise encumber any assets of the Target Company including and / or carry out merger / demerger or any arrangement / reconstruction with any group company of the Acquirers or any other entity. Such decisions will be governed by the provisions of the relevant laws and other applicable regulations or any other applicable laws or legislation at the relevant time. The Acquirers will evaluate and consider such proposals and may, if appropriate, support the same. It will be the responsibility of the board of directors of the Target Company to make appropriate decisions in these matters in accordance with the business requirements and in line with opportunities or changes in the economic scenario, from time to time.
25. Pursuant to the Preferential Issue, this Offer (assuming full acceptance) and the acquisition under the SPAs, the maximum public shareholding in AFL will not be reduced to a level below the limit specified in the Listing Agreement with the stock exchanges for the purpose of listing on continuous basis.

Statutory and Other Approvals required for this Offer

26. The Offer is subject to the receipt of approval from Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") for the acquisition of equity shares by the Acquirers from non-resident persons under the Offer.
27. To the best of knowledge and belief of the Acquirers, as of the date of this PA, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 27 of the Regulations. No approvals are required from FIs/Banks for the Offer.
28. It may be noted that in case of non-receipt of statutory approvals within time, SEBI, if satisfied that the non receipt of approvals was not due to willful default or negligence on part of the Acquirers, has a power to grant an extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest for the delay, to the shareholders, at such rates as may be specified by SEBI under Regulation 22(12) of the Regulations. Further, if the delay occurs due to willful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable. The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer.

Financial Arrangements

29. The total financial resources required for this Offer, assuming full acceptance will be Rs. 1,52,99,07,450 (Rupees One Hundred Fifty Two Crores Ninety Nine Lakhs Seven Thousand Four Hundred and Fifty only) ("Maximum Consideration"). In accordance with Regulation 28 of the Regulations, an escrow account has been created in the form of deposit of securities. RCL has created a pledge in favour of the Manager to the Offer, of 7,00,000 (Seven Lakhs only) fully paid equity shares of Reliance Industries Limited, having a closing market price of Rs.642.55 per equity share as on June 30, 2005 (Source: NSE website). The total value of securities pledged exceeds the escrow amount stipulated under Regulation 28(2). The Manager to the Offer is empowered to realise the value of the securities by sale or otherwise, provided if there is any deficit on realisation of the value of the securities, such deficit, if any shall be made good by the Manager to the Offer. The Acquirers have also made a cash deposit of Rs.2,00,00,000 (Rupees Two Crores only) with ICICI Bank Limited being more than 1% of the total consideration payable under the Offer. The Acquirers have arranged a lien on the cash deposit in favour of the Manager to the Offer. The Manager to the Offer is authorised to realise the value of the escrow in terms of the Regulations.
30. The Acquirers have made firm financial arrangements for the Maximum Consideration by way of internal accruals and / or borrowings. M/s Chaturvedi & Shah, Chartered Accountants (signing partner Mr. C.D. Lala having membership no. 35671, contact no. +91-22-30616100) have confirmed vide their letter dated June 30, 2005 that the Acquirers have made the firm arrangements for meeting their obligations under the SEBI Takeover Code. Based on the certificate from M/s Chaturvedi & Shah, Chartered Accountants, the Manager to the Offer confirms that adequate funds are available with the Acquirers through verifiable means to implement this Offer in full.

Other terms of this Offer

31. A letter of offer (the "Letter of Offer"), specifying the detailed terms and conditions of this Offer, along with a Form of Acceptance-cum-Acknowledgement (the "Form of Acceptance"), will be mailed to all the shareholders of AFL (other than the Acquirers and the Sellers) whose names appear on the register of members of AFL, and to the beneficial owners of the equity shares of AFL whose names appear on the beneficial records of the respective depositories, at the close of business hours on Friday, July 22, 2005 (the "Specified Date"). All the shareholders (except the Acquirers and the Sellers) who own the shares of AFL anytime before the closure of the Offer are eligible to participate in the Offer.
32. Shareholders who are holding equity shares in physical form and wish to tender their equity shares will be required to send the Form of Acceptance-cum-Acknowledgement, original Share Certificate(s) and transfer form(s) duly signed & witnessed to Karvy Computershare Private Limited, 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500 034, acting as the registrar to the Offer (the "Registrar to the Offer"), in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance so that the same are received on or before the close of the Offer, i.e. Monday, September 5, 2005. In case of registered shareholders non-receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer form(s) duly signed, the offer shall be deemed to be accepted.
33. For shareholders holding equity shares of AFL in dematerialised form, the Registrar to the Offer has opened a special depository account with Karvy Consultants Limited, as the Depositary Participant in National Securities Depository Limited ("NSDL") called "KCL Escrow Account – AFL Open Offer". Beneficial owners and shareholders holding equity shares in the dematerialised form who wish to accept the Offer, will be required to send their Form of Acceptance to the Registrars to the Offer at Karvy Computershare Private Limited, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034, either by hand delivery during business hours on weekdays or by registered post so that the same are received on or before the close of the Offer, along with a 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 special depository account mentioned above. The details on the delivery instructions are to be filled in as per the instructions given below:

DP Name	Karvy Consultants Limited
DP ID	IN300394
Client ID	15400697
Account name	KCL Escrow Account – AFL Open Offer
Depository	National Securities Depository Limited

    Shareholders having their beneficiary account in Central Depository Services India Limited ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL. In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to have been accepted. Shareholders holding dematerialised shares and tendering shares in the Offer should ensure the credit of the shares in favour of the special depository account mentioned above before the close of business hours on Monday, September 5, 2005.

    In addition to the above mentioned address of the Registrar to the Offer, all owners of equity shares of AFL, registered or unregistered who wish to avail of and accept the Offer can also 'hand deliver' the Form of Acceptance-cum-Acknowledgement along with all the relevant documents at any of the collection centres mentioned below in accordance with the procedure as set out in the Letter of Offer. All centres mentioned herein below would be open during the Offer period on all working days (except Sundays and Bank Holidays) during business hours as shown below:

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1.	Ahmedabad	201–203 "Shail" Opp Madhusudhan House, New Navrangpura Tel. Exchange Off CG Road, Ahmedabad – 380 006	Edward	edward@karvy.com	079-26420422/ 26400527/ 28	079-26565551	Hand Delivery
2.	Bangalore	TKN Complex No. 51/2 Vanivilas Road, Opp National College Basavanagudi, Bangalore - 560004	Kishore	nkishore@karvy.com	080-26621193/ 26621192	080-26621169	Hand Delivery
3.	Chennai	G-1 Swathi Court 22Vijay Raghava Road, T. Nagar Chennai – 600 017	Gunashekhar	chennaiirc@karvy.com	044-28153445/ 28151034/ 28153658	044-28153181	Hand Delivery
4.	Hyderabad	46, Avenue 4, Street No1 Banjara Hills, Hyderabad – 500034	A Anitha	irchyd@karvy.com	040-23312454	040-23311968	Hand Delivery / Registered Post
5.	Kolkata	49 Jatindas Road, Nr.Deshpriya Park Kolkata – 700 029	Sujit Kundu	sujitkundu@karvy.com	033-24634787-89	033-24644866/ 24634787	Hand Delivery
6.	Mumbai	7, Andheri Industrial Estate, Off Veera Desai Road, Andheri(W) Mumbai – 400 053	Vishakha Shringarapure	vishakhats@karvy.com	022-26730799/ 153	022-26730152	Hand Delivery
		16-22 Bake House Maharashtra Chmb. of Comm. Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Nutan Shirke	nutan.shirke@karvy.com	022-56382666	022-56331135	Hand Delivery
7.	New Delhi	105-108, Arunachal Building 19 Barakhamba Road, Conn. Place, New Delhi – 110 001	Michael George	michaelg@karvy.com	011-23324401/ 23353835/ 981	011-23324621	Hand Delivery

Working Hours: Monday to Friday 11.00 am to 3 pm Saturday 11 am to 1 pm

Holidays: Sundays and Bank Holidays

The equity shareholders who cannot hand deliver their documents should send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Karvy Computershare Private Limited, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034 and not to any other collection centre.

34. In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centres set out above clearly marking the envelope "Adlabs Films Limited - Open Offer" or make an application on plain paper stating their name, address, folio number, number of equity shares held, distinctive numbers, number of equity shares offered, DP name, DP ID, beneficiary account number, bank particulars along with original share certificate(s), duly signed & witnessed transfer form(s) or a photocopy of the delivery instructions (as the case may be) in "Off market" mode or a counterfoil of the delivery instructions in "Off market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centres on or before the date of closure of the Offer i.e. Monday, September 5, 2005. The application should be signed by all the shareholders as per the registration details available with AFL and should be sent to the Registrar to the Offer in an envelope clearly marked "Adlabs Films Limited - Open Offer".
35. In case any person has submitted his physical equity shares in AFL for dematerialisation and such dematerialisation has not yet been effected the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such equity shareholders should ensure the process of getting the equity shares dematerialised is completed well in time so that the credit of the equity shares to the special depository account is on or before the Offer closing date otherwise the application would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the close of the Offer.
36. In case any person has lodged shares of AFL for transfer and such transfer has not yet been effected, the concerned person may apply as per instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of equity shares for transfer. Such persons should also instruct AFL and/or its registrar & transfer agents – Intime Spectrum Registry Limited - to send the transferred equity share certificate(s) directly to the collection centre located at Karvy Computershare Private Limited, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034. The applicant should ensure that the equity share certificate(s) reach the designated collection centre on or before the Offer closing date. No indemnity is required from unregistered equity shareholders.
37. The Acquirers shall purchase the equity shares from the shareholders of AFL who have validly tendered the equity shares under the Offer (i.e. equity shares and /or other documents are in order in terms of the Offer) and remit the consideration in respect thereof within 15 days from the date of closure of the Offer, in cash, by Account Payee Cheque/Demand Draft at the shareholders' sole risk. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and the consideration payable would be sent by registered post. The payment instrument will be drawn in favour of the Sole/First named shareholder in case of joint registered holders.
38. The Registrar to the Offer will hold in trust the equity shares/share certificates, equity shares lying in credit of the special depository account, Form of Acceptance, if any, and the transfer form(s) on behalf of the shareholders of AFL who have accepted the Offer, until the Acquirers complete the Offer obligations in accordance with the Regulations.
39. Any equity shares of AFL that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment order(s) / restriction from other statutory authorities, wherein the shareholder(s) of AFL may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected in case directions/orders of the Court/relevant statutory authority permitting transfer of these equity shares are not received together with the equity shares tendered under the 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.
40. As per the provisions of Section 196D(2) of the Income Tax Act, 1961 ("Income Tax Act"), no deduction of tax at source shall be made before remitting the consideration for equity shares tendered under the Offer by Foreign Institutional Investors ("FIIs") as defined in Section 115 AD of the Income Tax Act. However, while tendering their equity shares under the Offer, NRIs, OCBs and other non resident shareholders will be required to submit a No Objection Certificate (NOC) or Tax clearance certificate indicating the amount of tax to be deducted by the Acquirers before remitting the consideration, from Income Tax authorities under the Income Tax Act. In case the aforesaid NOC or Tax clearance certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders, on the entire consideration amount payable to such shareholders. The Acquirers also reserve the right to reject such tenders from non-resident shareholders, where the aforesaid 'no-objection' certificate is not submitted. While tendering shares under the Offer, NRIs/OCBs/foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring shares of AFL. In case the RBI approvals are not submitted, the Acquirers reserves the right to reject the shares tendered.
41. If the aggregate of the valid responses to the Offer exceeds 83,60,150 fully paid-up equity shares, then the Acquirers shall accept the valid applications received on a proportionate basis from each shareholder as per Regulation 21(6) of the Regulations. The equity shares of AFL are compulsorily traded in dematerialised form and the minimum marketable lot for the purposes of acceptance, for both physical and demat will be one equity share.
42. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post/ Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Equity shares held in dematerialised 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 Form of Acceptance or otherwise. It will be the responsibility of the equity shareholders to ensure that the unaccepted equity shares are accepted by their respective Depository Participants when transferred by the Registrar to the Offer.
43. A schedule of some of the key events in respect of the Offer is as follows:

Activity	Day & Date
Specified Date *	Friday, July 22, 2005
Last date for a competitive bid	Friday, July 22, 2005
Date by which Letter of Offer to be dispatched to shareholders	Thursday, August 11, 2005
Date of opening of the Offer	Wednesday, August 17, 2005
Date of closure of Offer	Monday, September 5, 2005
Last date for revising the Offer Price	Thursday, August 25, 2005
Last date for withdrawing acceptance from the Offer	Wednesday, August 31, 2005
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	Tuesday, September 20, 2005

** 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 the equity shares of AFL (except the Acquirers and the Sellers) are eligible to participate in the Offer any time before the closure of the Offer.*

General

44. If there is any upward revision in the Offer Price or number of equity shares by the Acquirers till the last date of revision viz. Thursday, August 25, 2005, or if the Offer is withdrawn, the same would be informed by way of a public announcement in the same newspapers in which this PA has appeared. Such revised price would be paid for all the equity shares validly tendered any time during the Offer and accepted under the Offer.
45. The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act, 1992.
46. Pursuant to Regulation 13 of the Regulations, the Acquirers have appointed Ambit Corporate Finance Private Limited, Mumbai as the Manager to the Offer and Karvy Computershare Private Limited, Hyderabad as the Registrar to the Offer. The office of the Registrar to the Offer is at 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500 034. Ph.No.: 040-23312454 / 23320751; Fax No.: 040-23311968; email: murali@karvy.com; Contact Person: Mr. Murali Krishna; Contact Number: 040-2343 1553.
47. For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.
48. In terms of Regulation 22(5A) of the Regulations, 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. The withdrawal option can be exercised by submitting the documents, including the Form of Withdrawal, as per the instructions to be contained in the Letter of Offer, so as to reach the Registrar to the Offer at the collection center where the original tender was submitted, on or before Wednesday, August 31, 2005.
49. **If there is a competitive bid:**
    - **The public offers under all the subsisting bids shall close on the same date.**
    - **As the Offer Price cannot be revised during seven working days period prior to the closing date of the Offer/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 equity shares accordingly.**
50. RLPL and RCL, represented by their respective board of directors accept full responsibility for the information (except that which pertains to the Target Company and has been compiled from publicly available sources) contained in this PA and also for fulfilling their obligations as laid down in the Regulations.
51. This PA is issued on behalf of the Acquirers by the Manager to the Offer
52. **This PA would be available on the SEBI's website at www.sebi.gov.in. Eligible persons 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 and apply using the same.**

Ambit Corporate Finance Private Limited
Ambit RSM House,
449, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Tel. No: (022) 3982 1819; Fax No: (022) 3982 3020
Email:aflopenoffer@ambitpte.com
Contact Person: Gautam Gupte / Kashyap Choksi

On behalf of the Acquirers:

Reliance Land Private Limited
2nd Floor, Avdesh House, Pritam Nagar, 1st Slope, Ellis Bridge, Ahmedabad – 380 006

and

Reliance Capital Limited
Village Meghpar/Padana, Taluka Lalpur, District Jamnagar – 361 280

Dated : July 1, 2005 Place : Mumbai