PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

CONRAD TELEFILMS LIMITED

(Regd. Office:Doshi Bhawan, Paltan Bazar, Guwahati-781001)

This Public Announcement ("PA") is being issued by Ashika Capital Limited, Manager to the Offer, on behalf of Mr. Praveen Arora and Mr. Som Arora (hereinafter collectively referred to as "Acquirers") pursuant to Regulation 10 & 12 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "Regulations")

1. THE OFFER:

a) The Offer is being made by Mr. Praveen Arora and Mr. Som Arora, both residing at 120/500 (10), Lajpat Nagar, Kanpur-208005 (U. P.) to the Equity Shareholders of Conrad Telefilms Limited (hereinafter referred to as "Target Company" or "CTL").

b) The Acquirers have entered into Equity Share Purchase Agreements dated 27/08/2004 ("Agreement") to acquire in aggregate 12999560 fully paid-up equity shares of Rs.10/- each representing 74.70% of the paid-up equity and voting share capital from a group of shareholders (not belonging to the promoter/promoter group) of CTL (hereinafter collectively referred to as "Sellers") at a fixed price of Rs.1.15 per share ("Negotiated Price") payable in cash ("The Acquisition").

c) For the purpose of this offer, there are no persons acting in concert as per the provisions of Regulations 2(1)(e) of the Regulations.

d) The Acquirers are now making this Open Offer ("Offer") to the shareholders of CTL (other than the parties to the Agreement) to acquire from them upto 3480380 fully paid-up Equity Shares of Rs.10/- each, representing 20% of its paid up equity share and voting capital at a price of Rs.10/- per share ("Offer Price") payable in cash subject to terms and conditions mentioned hereinafter. CTL does not have any partly paid up equity shares.

e) The shares of CTL are listed on The Gauhati Stock Exchange Limited ("GSE"). The equity shares of CTL are infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations and therefore the Offer Price has been determined taking into account the following parameters:-

   i. The Negotiated price under the Agreement is Rs.1.15 per share.
   ii. The Acquirers have not acquired any equity shares of CTL during the 26 weeks prior to the date of PA including by way of allotment in a public, rights or preferential issue.
   iii. Other parameters as per unaudited certified results for the year ended 31.03.2004 such as the Earning per share is negligible and return on networth is 0.002% only. The book value per equity share as on 31.03.2004 is Rs.9.99.
   iv. The P/E multiple of the CTL considering the Offer Price of Rs.10/- per share works out to be very negligible. The average industry P/E for the sector in which CTL operates is 8.0. (Source: Dalal Street Journal Vol.XIX No.17 August 09-22, 2004 Industry-Finance-Investments)

The last traded price of the equity shares on GSE was on 31/03/2003 at Rs.2.65 per share. (Source: GSE Official Quotation).

The Offer Price of Rs.10/- per equity share of CTL is therefore justified in terms of Regulation 20(11) of the Regulations.

f) As on the date of this Public Announcement, the Acquirers do not hold any equity shares of CTL. The Acquirers have not acquired any shares of the Target Company during the twelve months preceding this Public Announcement.

g) For the purpose of this Offer, there are no persons acting in concert as per the provisions of Regulations 2(1)(e) of the Regulations.

h) The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer.

i) This is not a competitive bid.

j) The Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfilment or outcome of the Agreement with the Sellers.

2. INFORMATION ABOUT THE ACQUIRERS:

a) Mr. Praveen Arora, son of Shri Dilbagh Rai, aged about 34 years is residing at 120/500 (10), Lajpat Nagar, Kanpur-208005 (U.P.). He has more than 7 years of experience in finance, investment & real estate activities. His networth as on 31/03/2003 as certified by Mr. Nikhil Tandon, partner of Tandon & Mahendra (Membership No.72824) Chartered Accountants, having office at 26/73, Karachi Khana, Kanpur-208001 Ph: (0512) 2312064, 2351238 Fax: (0512) 2316788 vide their certificate dated 28/02/2004 is Rs.2034.08 Lacs.

b) Mr. Som Arora, son of Shri Dilbagh Rai, aged about 31 years is residing at 120/500 (10), Lajpat Nagar, Kanpur-208005 (U.P.). He has more than 5 years of experience in finance, investment and real estate activities. His networth as on 31/03/2003 as certified by Mr. Nikhil Tandon, partner of Tandon & Mahendra (Membership No.72824) Chartered Accountants, having office at 26/73, Karachi Khana, Kanpur-208001 Ph: (0512) 2312064, 2351238 Fax: (0512) 2316788 vide their certificate dated 28/02/2004 is Rs.2044.64 Lacs.

3. INFORMATION ABOUT THE TARGET COMPANY:

a) CTL having its registered office at Doshi Bhawan, Paltan Bazar, Guwahati-781001 was originally incorporated under the Companies Act, 1956 on 24/03/1988 under the name of Doom Dooma Roller Flour Mills Pvt. Ltd. with the main object of carrying on the business of millers and to set up mills for milling grains and cereals etc. The company was converted into public limited company u/s 44 of the Companies Act 1956 w.e.f 25.01.1989 vide special resolution passed on 25.01.1989. Subsequently, the company changed its name to Conrad Telefilms Limited and received a fresh certificate of incorporation on 06/10/1999. The company also amended its main object clause to incorporate activities of manufacturing films, cameras and other related appliances. Presently, the company derives its income from finance and investment activities. As per the available information, the company is not registered with RBI as Non Banking Financial Company.

b) As on the date of this Public Announcement, the paid-up and voting equity share capital of CTL is Rs.17,40,19,000/- comprising of 17401900 Equity Shares of Rs.10/- each fully paid-up. There are no partly paid-up shares.

c) The Equity Shares of CTL are listed at The Gauhati Stock Exchange Limited only.

d) As per the certified unaudited financial results for the year ended 31.03.2004, the total income and net profit of CTL was Rs.72.30 lacs and Rs.0.04 lacs respectively. The networth and book value per share of CTL as on 31.03.2004 are Rs.1739.21 Lacs and Rs.9.99 respectively. The Earning per share is negligible and return on networth is 0.002%.

4. REASONS FOR THE OFFER AND FUTURE PLANS ABOUT TARGET COMPANY:

a) This offer has been made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the Regulations.

b) The acquisition is for substantial acquisition of shares and voting rights accompanied with change in control / management.

c) CTL is engaged in the business of finance and investment activities. The Acquirers are also well versed in these activities and therefore they propose to expand their scope of operations. By virtue of this acquisition the Acquirers will get majority shareholding entitling them to exercise management control over the Target Company.

d) The Acquirers do not have any plans to dispose off or otherwise encumber any assets of CTL in the next two years except in the ordinary course of business of CTL.

e) The Acquirers shall not sell, dispose of or otherwise encumber any substantial assets of CTL except with the prior approval of the shareholders.

5. STATUTORY APPROVALS/ OTHER APPROVALS REQUIRED FOR THE OFFER:

a) The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any.

b) As on the date of this PA, to the best of the knowledge of the Acquirers, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

c) In case of delay in receipt of statutory approvals beyond 16/12/2004, SEBI has power to grant extension of time to Acquirers for payment of consideration to shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of

Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the regulations will become applicable.

d) The Acquirers do not require any approval from its bankers / lending Institutions for the aforesaid Offer.

6. DELISTING OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21(3):

If, pursuant to this Offer and any acquisition of shares by the Acquirers from the open market or through negotiations or otherwise made in compliance with the Regulations, the public shareholding is reduced to 10% or less of the paid up and voting share capital of CTL, then in accordance with Regulation 21(3) of the Regulations, the Acquirers will make an Offer to acquire the outstanding shares remaining with the public shareholders in accordance with the SEBI (Delisting of Securities) Guidelines, 2003.

7. FINANCIAL ARRANGEMENTS:

a) The Acquirers have adequate financial resources and have made firm financial arrangement for the implementation of the Offer in full out of their own sources / networth and no borrowings from Banks/ FIs or Foreign sources is envisaged. Mr. Nikhil Tandon, partner of Tandon & Mahendra (Membership No. 72824), Chartered Accountants, having office at 26/73,Karachi Khana, Kanpur-208001 Ph: (0512) 2312064, 2351238 Fax: (0512) 2316788 vide certificate dated 18/08/2004 that sufficient resources are available with the Acquirers for fulfilling the obligations under this “Offer” in full.

b) The total fund requirement for the Offer is Rs.3,48,03,800/- (Three Crores Forty Eight Lacs Three Thousand Eight Hundred Only). In accordance with Regulation 28 of the Regulations, the Acquirers have opened an Escrow account in Tamilnad Mercantile Bank Limited, 58D, N. S. Road, Kolkata-700 001 in the form of a fixed deposit of Rs.87,50,000/- being more than 25% of the total consideration payable to shareholders under the Offer.

c) The Manager to the Offer, Ashika Capital Limited has been duly authorised by the Acquirers to operate & realize the value of Escrow Account in terms of the Regulations.

d) The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the offer obligations.

8. OTHER TERMS OF THE OFFER:

a) The Letter of Offer ("LO") together with Form of Acceptance cum Acknowledgement shall be mailed to those equity shareholders of CTL (other than the shareholders who are parties to the agreement) whose names appear on the Register of Members of CTL and to those beneficial owners of the Equity shares of CTL, whose names appear as beneficiaries on the records of the respective Depository Participant ("DP"), at the close of business hours on 31/08/2004 (“Specified Date”). The LO along with Form of Acceptance (“FoA”) and Form of Withdrawal (“FoW”) would also be available at SEBI Website: www.sebi.gov.in from the date on which Offer opens. Eligible persons to the offer may download these forms for their use.

b) 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 a photocopy of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant in favour of the special Depository Account, to the Registrar to the Offer, in accordance with the instructions to be specified in the LO.

c) Shareholders holding equity shares in physical form who wish to accept the Offer and tender their shares, will be required to send their (i) duly signed Form of Acceptance, (ii) original share certificate(s), (iii) duly signed and executed transfer deed(s) and other documents to the Registrar to the Offer, in accordance with the instructions specified in the LO.

d) All owners (registered or unregistered) of the shares of CTL (except parties to the agreement) are eligible to participate in the Offer. Unregistered shareholders / Owner of shares who have sent shares for transfer can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, No. of shares offered, Distinctive Nos., Folio No., together with Original share certificate(s), valid share transfer deeds and the Original contract notes issued by the broker through whom they have acquired their shares. No indemnity is required from unregistered shareholders.

e) In case of non-receipt of Letter of Offer, the eligible persons may send their consent, to the Registrar to the Offer, on a plain paper stating the Name & address of the first holder, Name(s) & address(s) of joint holders(s) if any, Regd. Folio No., Share Certificate No., Distinctive Nos., No of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. 18/11/2004 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, No. of shares held, No. of Shares offered, DP Name, DP ID No., Beneficiary account number and a photocopy of the delivery instruction in “Off Market” mode, duly acknowledged by the DP, in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer i.e.18/11/2004.

f) The Acquirers have appointed ABS Consultant Pvt. Ltd. as the Registrar to the Open Offer ("Registrar"). The Registrar has opened a special depository account with Shree Bahubali International Limited in National Securities Depository Limited ("NSDL") styled "ABS Consultant Pvt. Ltd.-CTL-Open Offer Escrow A/c”. The DP ID is IN300773 and Beneficiary Client ID is 10122795 Shareholders having their beneficiary account in Central Depository Services India Limited (“CDSL”) have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Special Depository Escrow Account with NSDL.

g) Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer, else the application would be rejected.

h) In case the shares tendered in the Offer by the shareholders of CTL are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis. The marketable lot for both physical and demat shares is 1(One).

i) The Registrar will hold in trust the share certificates, shares lying to the credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of CTL who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

j) The consideration for the shares accepted by the Acquirers will be paid by crossed account payee cheques/ demand drafts. Such payments and documents in case of unaccepted shares will be returned by registered post/ speed post at the shareholders / unregistered owners' sole risk. Shares held in dematerialised form to the extent not accepted will be credited back to the account of beneficial owner specified in the acceptance form. Communication of acceptance / rejection and the payment of consideration for the accepted shares will be made by the Acquirers in cash through cheque/ demand draft to the shareholders of accepted shares within 30 days from the date of the closure of the Offer.

k) In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered upto three working days prior to the date of closure of the Offer by submitting the documents as specified below, so as to reach the Registrar to the Offer. The withdrawal can be exercised by submitting Form of Withdrawal enclosed with Letter of Offer. In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making plain paper application alongwith the following details:
   - In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
   - In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of 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 Depository Escrow Account.

l) The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

m) The Acquirers undertake to pay interest pursuant to Regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.

n) A schedule of some of the major activities in respect of the Offer is given below:

Activity	Date	Day
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be sent)	31/08/2004	Tuesday
Date by which the Letter of Offer will be despatched to shareholders	12/10/2004	Tuesday
Date of Opening of the Offer	20/10/2004	Wednesday
Date of Closing of the Offer	18/11/2004	Thursday
Last Date for a Competitive Bid	21/09/2004	Tuesday
Last date for revising the Offer Price / No.of Shares	08/11/2004	Monday
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	15/11/2004	Monday
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	16/12/2004	Thursday

9. GENERAL:

a) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto 15/11/2004 i.e. three working days prior to the date of Closure of the Offer.

b) If there is any upward revision in the Offer Price upto seven working days prior to the closure of the Offer i.e.18/11/2004 or withdrawal of the Offer, the same would be informed by way of PA in the same newspapers where this PA appears and the revised Price would be payable to all the shareholders who have tendered their shares any time during the Offer.

c) The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of the direction issued u/s 11B of the SEBI Act or under any other regulations made under the SEBI Act.

d) If there is a competitive bid:

- **The Open Offers under all the subsisting bids shall close on the same day.**

- **As the Offer price can not be revised during 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.**

e) There is no non-compete agreement.

f) Pursuant to Regulation 13 of the Regulations, the Acquirers have appointed Ashika Capital Limited, Kolkata, as the Manager to the Offer.

g) ABS Consultant Pvt. Ltd. of 99, Stephen House, 6th Floor, 4, B. B. D. Bag (East), Kolkata-700 001, Tel: (033) 22201043 Fax: (033) 22430153, E-mail: absconsultant@vsnl.net is the Registrar to the Offer. The contact person is Mr. Vijay Chand Sharma.

h) The Acquirers accept full responsibility for the information contained in this Public Announcement and also for their obligations as laid down in the Regulations.

i) This PA will be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the LO along with Form of Acceptance and Form of Withdrawal which will also be available on the SEBI's website from the Offer opening date i.e.20/10/2004 and apply in the same.

j) For further details, please refer to the LO & Acceptance Form.

Issued by Manager to the Offer on behalf of the Acquirers:

Your trust is our strength

Ashika Capital Limited
(Contact Person: Ms. Astha Singhania)
7, B. B. Ganguly Street,
4th Floor, Kolkata-700 012
Tel: (033) 2221-5031/ 5032/ 5112/ 5113
Fax: (033) 2215-9418
Email: ashika@cal2.vsnl.net.in

Place: Kolkata
Date: 31/08/2004