Public Announcement to the Shareholders of Reliance Capital Limited

This is a corrigendum to the Public Announcement ("PA") dated June 21, 2005, issued by Kotak Mahindra Capital Company Limited (the "Manager to the Offer") for and on behalf of AAA Enterprises Private Limited ("AAA" or the "Acquirer") and Shri Anil D. Ambani ("ADA" and, collectively with AAA, 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, as amended from time to time (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI").

We would like you draw your attention to the following facts:-

1. As described more particularly in paragraph 3 below, this Offer is being made under regulations 10 and 12 of the Regulations.

2. On June 19, 2005, Reliance Capital Limited ("RCL" or the "Target Company") had agreed to issue and allot on a preferential basis 6,00,00,000 fully paid up equity shares of Rs 10/- each of the Target Company for cash at a price of Rs 228/- per share including a premium of Rs 218/- per share aggregating to Rs 1368,00,00,000 ("Preferential Issue") and 4,10,00,000 warrants entitling the warrant holders to apply for one equity shares of Rs 10/- each per warrant, of the Target Company for cash at a price of Rs 228/- per share including a premium of Rs 218/- per share ("Warrants") to the Acquirers in accordance with the guidelines for Preferential Issue of DIP Guidelines.

   Further, RCL also agreed to issue on preferential basis upto 2,90,00,000 equity shares of Rs. 10/- each for cash at a price of Rs 228/- per share including a premium of Rs 218/- per share of the Target Company to financial investors not connected to the Acquirers. However, subsequent to the Board resolution, RCL has proposed to allot only 1,62,60,001 equity shares to the financial investors.

3. The shareholders of RCL ("Shareholders") approved the Preferential Issue at the Extraordinary General Meeting of the Shareholders on July 19, 2005, by way of a special resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions, the Preferential Issue and other related matters.

   Pursuant to the above the Acquirers have acquired, 29.47% of the equity capital post preferential issue of equity shares to the Acquirers and financial investors. The financial investors have also acquired 7.99% of the equity capital post the preferential issue of equity shares to the Acquirers and financial investors.

   As on the date of the PA, ADA held 180,933 equity shares of RCL (representing 0.14% of the present fully paid-up equity capital of the Target Company). Pursuant to the preferential issue the total shareholding of the Acquirers is 29.56% of the equity capital post preferential issue of equity shares. Further as on the date of the PA, Smt. Tina A. Ambani held 180,933 equity shares of RCL, and pursuant to the preferential issue, the total shareholding of the Acquirers and Smt. Tina A. Ambani collectively is 29.65% of the equity capital post preferential issue of equity shares.

   In addition to the above RCL also issued Warrants to the Acquirers. Post exercise of all the Warrants, the shareholding of the Acquirers will be 41.37% of the equity capital post the preferential issue and the total shareholding of the Acquirers and Smt. Tina A. Ambani collectively will be 41.45% of the equity capital post the preferential issue.

   Further, as stated above, the Acquirers have acquired, 29.47% of the equity capital of RCL. The Acquirers intend to exercise the entitlement as warrant holders to apply for additional equity shares which may result in the Acquirers becoming the largest shareholders in the Target Company. Given that the Acquirers would have acquired more than 15% interest in the Target Company, with the possibility of them being the largest shareholders, alongwith the intended reorganization as described in paragraphs 4 & 5 below; this Offer is pursuant to regulations 10 and 12 and other applicable provisions of the Regulations involving substantial acquisition of shares or voting rights accompanied with change in control or management.

4. The Target Company 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 equity share capital of RCL.

   On June 18, 2005, the Board of Directors of RIL met to take note of and initiate further steps with respect to the press statement issued by Smt. Kokilaben D. Ambani, wife of the Late Shri Dhirubhai H. Ambani, the founder chairman of RIL. As per the statement issued by Smt. Kokilaben D. Ambani, Shri Mukesh D. Ambani will have responsibility for RIL and Indian Petrochemicals Corporation Limited ("IPCL"), while Shri Anil D. Ambani will have responsibility for Reliance Infocomm, Reliance Energy and Reliance Capital. The Board expressed happiness at the amicable settlement arrived amongst the promoter family members of RIL. In the light of the said statement, the Board decided to reorganise RIL's businesses and investments, which would also include the shares held by RIL in RCL. ADA resigned as the Vice Chairman and Managing Director of RIL with effect from June 18, 2005.

5. On August 2, 2005 the Board of RIL proposed "in principle" to demerge the power, financial services, and telecommunication services businesses from RIL by transferring RIL's holdings and interests in these businesses into separate corporate entities.

   On August 5, 2005 the Board of RIL approved the scheme of demerger ("Scheme") of the businesses of RIL. As per the press release of RIL, this scheme is subject to such approvals as may be required including that of the Stock exchanges, High court and Shareholders' approval. The Scheme proposes to demerge assets and liabilities of RIL's telecommunications undertaking, coal based energy undertaking, financial services undertaking, and gas based energy undertaking. The appointed date for the Scheme would be September 1, 2005. The Scheme envisages the demerger of the aforesaid undertakings in 4 (four) separate companies as going concerns. All shareholders of RIL (except certain specified shareholders) would be issued shares of the demerged undertakings in 1:1 ratio.

   As a part of the Scheme, RIL's interests in the financial services undertaking including the holding of RIL in RCL, will be transferred to Reliance Capital Ventures Limited (RCVL). All shareholders of RIL (except certain specified shareholders) would get one share of RCVL of face value Rs.10 each fully paid up for each share held in RIL. The specified shareholders will not receive shares of the resulting companies and RIL shareholders will get proportionate benefit of this also. As a result thereof, the total number of shares to be issued by each of the resulting companies would be approximately 122 crores. Given this, and the current holding of RIL in RCL, a simple arithmetic computation indicates that the derived interest of the RIL shareholders in RCL would be approximately 5 shares of RCL for every 100 shares held in RIL.

   RCVL may in turn be merged into RCL subject to regulatory and other approvals. Consequent to such merger (if effected), the shareholders of RIL are expected to become direct shareholders of RCL. The Acquirer as a result of such merger may also acquire additional shares in the Target Company.

6. Pre and post Offer share holding pattern of the Target Company is as follows:

	Shareholders' Category	Shareholding & voting rights prior to the preferential allotment [1]		Shareholding & voting rights acquired under preferential allotment [2]		Shareholding & voting rights to be acquired in the Offer (assuming full acceptance)		Shareholding and voting rights after the acquisition and Offer		Shareholding and voting rights after the acquisition, the Offer and after exercise of all the warrants	
		A		B		C		A+B+C=D		A+B+C+D=E	
		No.	%	No.	%	No.	%	No.	%	NO	%
1	RIL & its associates	6,09,45,968	47.87	-	-	-	-	6,09,45,968	29.94%	60,945,968	24.92%
2	Acquirers										
	(a) AAA	-	-	60,000,000	29.47%	51,461,249	25.28%[3]	111,461,249	54.75%	152,461,249	62.34%[5]
	(b) ADA and his Associates [4]	3,61,866	0.28%	-	-	-	-	3,61,866	0.18%	361,866	0.15%
3.	Institutions										
	Domestic Financial Institutions	25,695	0.02%					This will depend on response from and within each category of (3) and (4)		This will depend on response from and within each category of (3) and (4)	
	Banks & Mutual Funds	1,687,792	1.33%								
	Indian Corporate Bodies	6,361,753	5.00%	16,260,001	7.99%						
	FIIs	26,835,349	21.08%								
								30,797,162	15.13%	30,797,162	12.59%
4.	Public (Other than 1 to 3)	31,087,821	24.42%								
		127,306,244	**100%**	**76,260,001**	**37.46%**	**51,461,249**	**25.28%**	**203,566,245**	**100%**	**244,566,245**	**100.00%**

[1] Shareholding Pattern as on June 17, 2005 as per the data supplied by the Target Company

[2] Percentages calculated based on post issue share capital

[3] Shares to be acquired under the Offer (assuming full acceptance) would be 21.04% of the equity capital post Preferential Issue, in case the entire Warrants are exercised before 15 days of closure of the Offer.

[4] Associates represent shareholding of Smt. Tina A. Ambani, wife of ADA, who holds 180,933 equity shares of RCL. Subject to the provisions of Chapter XIII of the DIP Guidelines, all Shareholders (except the Acquirers and Smt. Tina A. Ambani) are eligible to participate in the Offer.

[5] Conversion of Warrants will be in accordance with the applicable provisions of the Regulations, depending on the response to the Open Offer.

7. The Offer Programme is as under:

Activity	Date	Day
Issue of Public Announcement	June 21, 2005	Tuesday
Specified Date	June 24, 2005	Friday
Last date by which Letter of Offer will be dispatched to the Shareholders	August 13, 2005	Saturday
Offer Opening Date	August 18, 2005	Thursday
Offer Closing Date	September 6, 2005	Tuesday
Last date for a competitive bid, if any	July 11, 2005	Monday
Last date for revising the Offer Price/ Offer Size	August 26, 2005	Friday
Last date for withdrawing acceptance of the Offer	September 1, 2005	Thursday
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired Shares and / or the share certificate(s) / demat delivery instruction for the rejected Shares will be dispatched / issued	September 21, 2005	Wednesday

The terms used but not defined in this announcement shall have the same meaning assigned to them in the PA. This announcement is expected to be also available on the SEBI web-site at http://www.sebi.gov.in.

The Board of Directors of AAA and ADA 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 accept responsibility for the obligations of acquirers laid down in the Regulations.

Issued by the Manager to the Offer
For and on behalf of the Acquirers

kotak Investment Banking

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Contact Person: Mr. Ajay Vaidya
Vice President (Compliance) and Company Secretary

Dated : August 9, 2005
Place : Mumbai