PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

ADVANI HOTELS & RESORTS (INDIA) LIMITED [AHRL]

Registered Office: 1009/1010, Dalamal Towers, 211, Nariman Point, Mumbai, 400021 India

CASH OFFER OF RS. 102/- PER SHARE FOR ACQUISITION OF UPTO 92,43,850 EQUITY SHARES OF RS. 2/- EACH FROM SHAREHOLDERS / BENEFICIAL OWNERS ("OFFER")

This Public Announcement ("**PA**") is being issued by YES BANK Limited ("**YBL**"), [hereinafter referred to as the "**Manager to the Offer**"] on behalf of Fasttrack Impex Private Limited [hereinafter referred to as the "**Acquirer**" or "**FIPL**"] along with Arrow Webtex Limited [hereinafter referred to as "**Arrow**" / "**Person Acting in Concert**"/ "**PAC**"], pursuant to and in compliance with among others, Regulation 10 of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "**Takeover Regulations**" or the "**Regulations**"). Arrow is a person acting in concert with FIPL only for the purposes of this Offer. No other person / individual / entity is acting in concert with FIPL for the purposes of this Offer. This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of AHRL.

1. The Offer

The Acquirer has made a net acquisition of 68,99,077 fully paid up equity shares representing 14.93% of the voting paid up equity share capital of Advani Hotels & Resorts (India) Limited [hereinafter referred to as "AHRL"] from the open market through the stock exchange mechanism during the period from October 19, 2006 to January 24, 2008 at an average acquisition price of Rs. 61.61 per equity share. The above acquisition was made only through market purchases on the Bombay Stock Exchange Ltd ("**BSE**") and the National Stock Exchange of India Ltd ("**NSE**")

The highest price paid by the Acquirer or the PAC for acquisition of equity shares of AHRL during the twelve months preceding the date of this PA is Rs. 101.90 per equity share for 1,82,458 equity shares on December 19, 2007. The average price paid by the Acquirer or the PAC for acquisition of equity shares of AHRL during the twelve months preceding the date of this PA [The Acquirer has made a net acquisition of 52,40,757 fully paid up equity shares] is Rs. 72.00 per equity share.

Except as above, the Acquirer and the PAC do not hold any equity shares carrying voting rights in AHRL as on the date of this PA. Further, except as above, the Acquirer and the PAC have not acquired directly or through any person, any equity shares in AHRL during the twelve months preceding the date of this PA. The Acquirer and the PAC have not acquired any equity shares in AHRL during the last 26 weeks period prior to the date of this PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment.

The Acquirer and the PAC are hereby making this voluntary open offer, in compliance with Regulation 10 of the Takeover Regulations, to acquire upto 92,43,850 fully paid up equity shares of Rs. 2/- each, representing 20% of the voting rights in AHRL, from the equity shareholders of AHRL, at a price of Rs. 102/- per share ("**Offer Price**") payable in cash subject to the terms and conditions mentioned hereinafter. Equity shares that would be tendered in the valid form in terms of this Offer will be transferred in favour of FIPL.

Due to the operation of Regulation 2(1)(e) of Takeover Regulations, there may be persons who could be deemed to be persons acting in concert. However, they are not acting in concert with the Acquirer for the purpose of this offer.

The equity shares of the Company are listed on BSE, NSE and the Delhi Stock Exchange Association Ltd ("**DSE**") but most frequently traded on the BSE and NSE during the period of 6 months preceding this PA.

As on March 31, 2007 the paid up equity share capital of AHRL was Rs. 9,24,38,500/- comprising of 92,43,850 equity shares of Rs. 10/- each. The Board of Directors of AHRL, at its meeting held on August 24, 2007 approved the sub division of its equity shares of Rs. 10/- each into 5 equity shares of Rs. 2/- each and the members approved the same in the Annual General Meeting held on September 26, 2007. Therefore, while determining 20% of the paid up equity share capital for the purpose of minimum public offer, paid up equity share capital of Rs. 9,24,38,500/- comprising of 4,62,19,250 equity shares of Rs. 2/- each is to be considered in terms of Regulation 21(5) of Takeover Regulations which provides that for the purpose of determining minimum 20% of the voting capital of the Company, voting rights as at the expiration of 15 days after the closure of the proposed public offer shall be reckoned.

As far as the Acquirer is aware, there are no outstanding partly paid up equity shares or any other instruments convertible into equity shares at a future date, in the books of AHRL.

The Offer is not conditional upon any minimum level of acceptance and the Acquirer will be obliged to acquire all the equity shares tendered in response to the Offer, subject to a maximum of 92,43,850 equity shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in this PA and the Letter of Offer cum Form of Acceptance and acknowledgement [which includes Form of Withdrawal] ("**LOF and Acceptance Form**") to be mailed to the equity shareholders of AHRL.

The Acquirer and/or the PAC may purchase additional shares of AHRL from the open market or through negotiation or otherwise, after the date of this PA in accordance with Regulation 20(7) of Takeover Regulations and the details of such purchases will be disclosed by the Acquirer and/or the PAC to BSE, NSE and DSE where the equity shares of AHRL are listed and to the Manager to the Offer in terms of Regulation 22(17) of Takeover Regulations.

YBL, the Manager to the Offer, does not hold any equity shares in AHRL as on the date of this PA.

2. The Offer Price

The equity shares of AHRL are presently listed on BSE, NSE and DSE. As on the date of this PA, the paid up equity share capital of AHRL is Rs. 9,24,38,500/- comprising of 4,62,19,250 equity shares of Rs. 2/- each.

The annualized trading turnover based on the trading volume in the shares of AHRL on BSE and NSE during August 2007 to January 2008 i.e. six months preceding the date of this PA, were 21.79% and 6.36% respectively as during the said period 50,34,533 shares and 14,69,526 shares were traded on BSE and NSE respectively. [Source: Capitaline] As the annualized trading turnover is more than 5% of the total number of listed shares on BSE and NSE, the equity shares are deemed to be frequently traded on BSE and NSE within the meaning of the Explanation (i) of Regulation 20(5) of the Takeover Regulations. The equity shares are, therefore, most frequently traded on BSE.

Consequently, the minimum offer price to be computed for this Offer would be governed by Regulation 20(4) of the Takeover Regulations as per the applicable parameters viz. (a) Negotiated price: Not Applicable, (b) Highest price paid by the Acquirer or the persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA: Rs. 101.90 per share, (c) Average of weekly high and low of the closing prices of AHRL for the 26 weeks period ended on February 28, 2008 i.e., the date preceding the PA, on the stock exchange, where shares are most frequently traded i.e. BSE: Rs. 75.35 per share and (d) Average of daily high and low prices of AHRL for the 2 weeks period ended on February 28, 2008 i.e., the date preceding the PA, on the stock exchange, where shares are most frequently traded i.e. BSE: Rs. 57.81 per share.

Equity shares of the Company are listed on DSE but the shares are deemed to be infrequently traded on DSE within the meaning of the Explanation (i) of Regulation 20(5) of the Takeover Regulations.

Consequently, the minimum offer price to be computed for this Offer would also be governed by Regulation 20(5) of the Takeover Regulations as per the applicable parameters viz. (a) Negotiated price: Not Applicable, (b) Highest price paid by the Acquirer or the persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA: Rs. 101.90 per share, (c) Other parameters based on the audited financial results for the year ended on March 31, 2007 i.e. Book Value per share ("**BV**") Rs. 22.57 per share, Return on Net Worth ("**RONW**") 69.53%, Earning Per Share ("**EPS**") Rs. 15.69 per share. P/E ratio 4.80 times and Offer P/E ratio 6.50 times. However, other parameters based on the audited financial results for the year ended on March 31, 2007 after factoring in sub division of equity shares of Rs. 10/- each into 5 equity shares of Rs. 2/- each would have been Book Value per share ("**BV**") Rs. 4.51 per share, Return on Net Worth ("**RONW**") 69.53%, Earning Per Share ("**EPS**") Rs. 3.14 per share. P/E ratio 24.00 times and Offer P/E ratio 32.50 times. Fair Value of the Equity Share of AHRL [as per the details given below] is Rs. 40.54 per share.

As the Equity Shares are deemed to be infrequently traded on DSE as per the details given above, so as to ascertain fair value of the equity shares of AHRL, in terms of the provisions of Regulation 20(5) of Takeover Regulations, the Acquirer has obtained a share valuation certificate dated February 28, 2008 from Mr. Dinesh C Bangar, Partner, (Membership No. 36247), Dinesh Bangar & Co, Chartered Accountants, 201, Rehman House, Nadirshah Sukhia Street, Off: Cawasji Patel Street, Fort, Mumbai 400001, an independent Chartered Accountant, keeping in view the decision of the Hon'able Supreme Court of India in the case of *Hindustan Lever Employee Union* v. *Hindustan Lever Limited*, (1995) 83 Comp Case 30. The said valuation report, prepared on the basis of Net Asset Value [Rs. 3.18 per share], Profit Earning Capacity Value [Rs. 24.40 per share] and Market Value [Rs. 75.35 per share] as per the erstwhile guidelines of the Controller of Capital Issues, indicated that the fair value of the equity share of AHRL based on the financial statements as on September 30, 2007 is **Rs. 40.54** per equity share after taking into consideration sub division of equity shares.

The average price paid by the Acquirer or the PAC for acquisition of equity shares of AHRL during the twelve months preceding the date of this PA [Acquirer has made a net acquisition of 52,40,757 fully paid up equity shares] is Rs. 72.00 per equity share. The highest price paid by the Acquirer or the PAC for acquisition of equity shares of AHRL during the twelve months preceding the date of this PA is Rs. 101.90 per equity share for 1,82,458 equity shares.

The Offer price of Rs. 102/- per share is therefore justified in terms of Regulation 20(4) of the Takeover Regulations, applicable for companies whose shares are frequently traded and Regulation 20(5) of the Takeover Regulations, applicable for companies whose shares are infrequently traded, in view of this price being more than the highest of the above parameters.

The Acquirer is 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 this PA has appeared and the revised offer price would be paid for all the shares tendered anytime during the Offer.

This PA is being released in Financial Express [English national daily – all editions], Jansatta [Hindi national daily – all editions] and Navashakthi [Marathi regional language daily – Mumbai edition] as the registered office of AHRL is situated in Mumbai and the equity shares of AHRL are most frequently traded on BSE and NSE as per Regulation 15(1) of the Takeover Regulations.

3. Information on the Acquirer and the Person Acting in Concert

Fasttrack Impex Private Limited ("FIPL") is the Acquirer and Arrow Webtex Limited ("Arrow") is the Person Acting in Concert for the purposes of this Offer.

No other person / individual / entity is acting in concert with FIPL for the purposes of this Offer.

Acquirer

Fasttrack Impex Private Limited is a company incorporated on January 18, 2006 under the Companies Act, 1956 ("**Act**") to carry on the business of traders, distributors, dealers, exporters, importers, brokers etc as per its Memorandum of Association. FIPL is presently engaged in the business of hospitality and development of hotels. Its registered office, corporate office and principal office is situated at 16 A, Alli Chambers, Nagindas Master Road, Fort, Mumbai 400001. FIPL was promoted by Mr. Vijay Dargar and Ms. Reena Dargar. Arrow and Peninsula Land Limited ("**Peninsula**"), a company incorporated under the laws of India, are presently in control of FIPL with Arrow holding 74% and Peninsula holding the balance 26% of the total equity share capital. FIPL belongs to Arrow Group. As on the date of PA, the paid up equity share capital of FIPL is Rs. 1,00,00,000/- comprising of 10,00,000 fully paid up equity shares of Rs. 10/- each.

As per the audited accounts of FIPL for the year ended March 31, 2007, the financials are (a) Share Capital Rs. 100.00 lakhs, (b) Unsecured Loans Rs. 1,892.46 lakhs, (c) Investments Rs. 647.63 lakhs, (d) Net Current Assets Rs. 1,335.19 lakhs (f) Preliminary Expenditure Rs. 4.44 lakhs, (g) P&L a/c balance Rs. 7.37 lakhs, (h) Income Rs. 26.59 lakhs and (i) Profit After Tax Rs. 7.56 lakh. Relevant ratios are (a) Earning Per Share ["**EPS**"] Rs. 0.76, (b) Book Value ["**BV**"] Rs. 10.74 and (c) Return on Networth ["**RONW**"] 7.05%.

Person Acting in Concert ["PAC"]

Arrow Webtex Limited, through its predecessor-in-interest, was a public limited company incorporated on April 11, 1979 as a private limited company under the name and style as N & M Marketing Private Ltd under the Act for manufacture of narrow woven fabrics. Subsequently its name was changed to Arrow Webtex Private Ltd on June 11, 1990. It became a deemed public limited company on July 17, 1991 and changed its name to Arrow Webtex Limited. It became a public limited company on July 28, 1992. Through IPO in 1992, the Equity Shares of Arrow were listed on BSE, DSE and Ahmedabad Stock Exchange Ltd ("**ASE**"). Pursuant to a Composite Scheme of Arrangement and Amalgamation, it was amalgamated with Creole Holdings Company Limited in November, 2006, which, post amalgamation was renamed as Arrow Webtex Limited and a fresh certificate of incorporation dated May 18, 2007 was obtained consequent to change of name. Post amalgamation, the equity shares are listed on BSE, DSE and ASE in pursuance of Clause 8.3.5 of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended. Subsequently, it was listed on NSE. The last traded price is Rs. 61.95 on BSE and Rs. 62.90 on NSE on February 27, 2008.

Arrow is engaged *inter alia* in the manufacture of narrow woven fabrics and real estate consultancy. The registered office of Arrow is situated at Ground Floor, G 4, Clover Classic, North Main Road, Koregaon Park, Pune 411 001 whereas its corporate and principal office is situated at 16 A, Alli Chambers, Nagindas Master Road, Fort, Mumbai 400001. Arrow was promoted by Mr. Jaydev M. Mody and others. Mr. Jaydev M. Mody Ms. Zia J. Mody and their relatives / associates are presently in control of the Company holding 55.77% of the total equity share capital in Arrow. It belongs to Arrow Group.

As on the date of PA, the paid up equity share capital of Arrow is Rs. 13,55,28,130/- comprising of 13,55,28,130 equity shares of Re. 1/- each.

As per the consolidated audited accounts of Arrow as on March 31, 2007, (which includes the results of the subsidiary companies viz (i) Fasttrack Impex Pvt Ltd – 74% subsidiary, (ii) Highstreet Cruises & Entertainment Private Ltd – 100% subsidiary as on that date, Sailent Real Estate Developers (India) Pvt. Ltd and Aryanish Finance & Investment Private Ltd) the financials are (a) Equity Share Capital Rs. 1,050.48 lakhs, (b) Preference Share Capital Rs. 1,223.85 lakhs, (c) Reserves & Surplus Rs. 2,057.84 lakhs, (d) Secured Loans Rs. 6,280.15 lakhs, (e) Unsecured Loans Rs. 1,672.65 lakhs, (f) Net Fixed Assets including Capital Work In Progress Rs. 2,582.25 lakhs, (g) Investments Rs. 680.33 lakhs, (h) Net Current Assets Rs. 907.34 lakhs, (i) Deferred Taxation Assets - Nil, (j) Miscellaneous Expenditure Rs. 18.60 lakhs (k) Total Income Rs. 4,062.46 lakhs and (l) Net Profit Rs. 1,975.81 lakhs. Relevant ratios are (a) EPS Rs. 17.88, (b) BV Rs. 29.41, (c) RONW 45.80% and (d) PE multiple 3.46

For the purpose of determination of EPS, BV and RONW, ratios used are (a) EPS = Profit After Tax – Preference Dividend / Number of common equity shares and (b) Net worth = Paid up equity share capital + Preference Capital + Reserves & Surplus – Miscellaneous Expenditure, (c) BV = Net worth [excluding Preference Capital] / (Common equity shares) and (d) RONW = Profit After Tax/Net worth*100.

During the nine months period ended December 31, 2007 the following changes have taken place viz.:

On May 4, 2007 Fasttrack sold its shareholding in Salient Real Estate Developers (I) Pvt Ltd and the latter ceased to be a subsidiary. Aryanish Finance and Investments Pvt Ltd ceased to be a subsidiary of Arrow in June 2007. Peninsula Kenya Ltd and Delta Resources Ltd became the subsidiaries of Arrow in June 2007. AAA Real Land Developers Private Ltd., AAA Aviation Private Ltd., Jayem Realty Solutions Private Ltd., Richtime Realty Private Ltd., JM Real Estate Private Ltd. have become the subsidiaries of Arrow in December 2007. Further, Arrow diluted its holdings in Highstreet Cruises & Entertainment Private Ltd. in December 2007. Also, in December 2007, Victor Hotels and Motels Ltd. has become a subsidiary of Highstreet Cruises & Entertainment Private Ltd.

Group Restructuring Exercise

The Arrow Group has restructured its group operations as per the details given below:

Creole Holdings Company Limited ("**Creole**") was a company incorporated on November 5, 1990 under the Act as a private limited company under the name of Creole Holdings Company Private Limited. It became a deemed public limited company and name was changed to Creole Holdings Company Limited on June 2, 1992. The status was changed to a private limited company and it was named as Creole Holdings Company Private Limited by way of a fresh certificate consequent to change of name dated October 22, 2003. The name was further changed to Creole Holdings Company Limited by way of fresh certificate on change of name dated December 14, 2006. Creole was promoted by Mr. Jayesh Thakur and Ms. Asha Thakur.

It was engaged in the business of an investment company by investing, acquiring, holding and dealing in shares, securities, movable and immovable properties as per its Memorandum of Association. Creole, prior to amalgamation, was engaged *inter alia* in the business of real estate consultancy. Post amalgamation, the Company is engaged in the business of manufacture of narrow woven fabrics and real estate consultancy.

Arrow and Creole filed a Composite Scheme of Arrangement and Amalgamation with the Honourable Bombay High Court in June, 2006 ("**Scheme"**) and the Scheme provided for re organisation of share capital of Creole under Sections 100 to 103 of the Act and amalgamation of Arrow with Creole under Sections 391 to 394 of the Act. Aforesaid scheme was approved by the Hon'ble High Court of Bombay on November 17, 2006 and became effective from December 7, 2006 ("**Effective Date**") on filing of certified copy of the High Court Order with the Registrar of Companies, Maharashtra by Arrow and Creole. Post amalgamation of Arrow with Creole, it was renamed as Arrow Webtex Limited by a fresh certificate of incorporation dated May 18, 2007 consequent to its change of name.

Upon the Scheme coming into effect, (a) in consideration of the amalgamation, Creole issued and allotted 3.5 fully paid up equity shares of Rs. 10/- each of Creole, credited as fully paid up, for every 1 equity share of Rs. 10/- each held in Arrow, to the shareholders whose names appeared in the Register of Members of Arrow, on January 1, 2007, the Record Date, (b) Arrow was dissolved without being wound up without any further act by the parties and with effect from the Effective Date, the name of Arrow was struck off from the records of the Registrar of Companies, Maharashtra, Mumbai, (c) the existing Issued, Subscribed and Paid-up Capital of Creole has been reorganized into preference shares in the ratio of 1 Preference Share of Rs. 10/- each for every 2 equity shares of Rs. 10/- each fully paid up held by equity shareholders of Creole on the Record Date by cancellation of the existing issued and paid-up equity shares of Creole and issuance of Preference Shares, (d) equity shares were re organized into 8% Preference Shares which constituted a reduction of capital in accordance with Sections 100 to 103 of the Act and (e) the name of Creole was changed from "Creole Holdings Company Limited" to "Arrow Webtex Limited" and fresh certificate of incorporation dated May 18, 2007 was obtained consequent to its change of name. Information Memorandum dated May 21, 2007 for listing of 1,05,04,785 equity shares of Rs. 10/- each fully paid up was filed with BSE, DSE and ASE on May 25, 2007 and the equity shares were listed on BSE, DSE and ASE with effect from May 28, 2007 July 11, 2007 and June 27, 2007 respectively. The Equity Shares of the Company were listed on NSE on November 2, 2007.

Relation between the Acquirer and the PAC

The Acquirer i.e. FIPL and the PAC i.e. Arrow are under the common control of Mr. Jaydev Mody. Arrow is a person acting in concert with FIPL only for the purposes of this Offer on account of the fact that Arrow would be funding upto 100% of the consideration required by FIPL for the Offer. No other person / individual / entity is acting in concert with FIPL for the purposes of this Offer. No agreement was entered into between the Acquirer and the PAC for the acquisition of equity stake in AHRL including acquisition of shares of AHRL in the open offer except that it has been mutually decided by the Acquirer and the PAC that the equity shares that would be tendered in the valid form in terms of this Offer will be transferred in favour of FIPL.

4. Information on the Target Company

AHRL is a public limited company incorporated on March 13, 1987 under the Companies Act, 1956. Name of the Company was changed from Ramada Hotels (India) Limited to Advani Hotels & Resorts (India) Limited with effect from December 17, 1999. Registered Office of the Company is situated at 1009/1010, Dalamal Tower, 211, Nariman Point, Mumbai 400021.

AHRL was promoted by Mr. Sunder G Advani and Mr. Haresh G Advani and the company has a technical and financial collaboration with Ramada, UK and is also linked to Ramada's computerised reservation system worldwide. The Company entered the capital market with a public issue in September 1989 for its maiden venture, Ramada Resort, a five star luxury resort at Colva beach, Goa.

In April, 1996, the Company ventured into flight catering by setting up a flight kitchen next to the airport in Goa. AHRL informed BSE that the Board of Directors, at its meeting held on December 21, 2007 approved the sale of flight catering unit for a price of Rs. 2,030.00 lakhs in terms of Memorandum of Understanding dated December 8, 2007 subject to appropriate approvals including the consent of shareholders. [Source: Corporate Announcement on December 24, 2007 in BSE website]

During FY 1999-00, the Company formed a joint venture company, Advani Pleasure Cruise Company Private Limited in collaboration with Casinos Austria for an offshore casino in Goa.

As on March 31, 2007 the paid up equity share capital of AHRL was Rs. 9,24,38,500/- comprising of 92,43,850 equity shares of Rs. 10/- each. The Board of Directors of AHRL, at its meeting held on August 24, 2007 approved the sub division of its equity shares of Rs. 10/- each into 5 equity shares of Rs. 2/- each and the members approved the same in the Annual General Meeting held on September 26, 2007. Therefore, as on the date of this PA, the paid up equity share capital of AHRL is Rs. 9,24,38,500/- comprising of 4,62,19,250 equity shares of Rs. 2/- each. There are no partly paid up equity shares

As per the stand alone audited accounts of the Company for the year ended March 31, 2007, the financials of the Company are as follows:

(a) Income Rs. 3,780.01 lakhs [Income from Rooms, Restaurant, Bar, Banquets, Flight Catering and other Income), (b) Net profit after tax and adjustments Rs. 424.06 lakhs, (c) Paid up equity share capital Rs. 924.38 lakhs, (d) Reserves and Surplus Rs. 961.71 lakhs, (e) Secured loans Rs. 2,378.42 lakhs, (f) Unsecured Loans of Rs. 79.70 lakhs, (g) Net Deferred Tax Liability Rs. 596.22 lakhs, (h) Net fixed assets [including capital work in progress] Rs. 4,541.61 lakhs, (i) Investments Rs. 223.85 lakhs and (j) Net Current Assets Rs. 174.98 lakhs. Relevant ratios are EPS Rs. 4.59, BV Rs. 20.40 and RONW 22.48%.

As per the consolidated audited accounts of the Company for the year ended March 31, 2007, the financials of the Company are as follows:

(a) Income Rs. 6,952.16 lakhs [Income from Rooms, Restaurant, Bar, Banquets, Flight Catering and other Income), (b) Net profit after tax and adjustments Rs. 1,450.72 lakhs, (c) Paid up equity share capital Rs. 924.38 lakhs, (d) Reserves and Surplus Rs. 1,283.74 lakhs, (e) Secured loans Rs. 2,378.42 lakhs, (f) Unsecured Loans of Rs. 113.33 lakhs, (g) Net Deferred Tax Liability Rs. 637.11 lakhs, (h) Net fixed assets [including capital work in progress] Rs. 5,109.69 lakhs, (i) Investments Rs. 2.00 lakhs and (j) Net Current Assets Rs. 908.56 lakhs. Relevant ratios are EPS Rs. 15.69, BV Rs. 22.57 and RONW 69.53%.

For the purpose of determination of EPS, BV and RONW, ratios used are (a) EPS = Profit After Tax / Number of common equity shares and (b) Net worth = Paid up equity share capital + Preference Capital + Reserves & Surplus – Miscellaneous Expenditure, (c) BV = Net worth / (Common equity shares), (d) RONW = Profit After Tax/Net worth*100.

Equity shares of the Company were listed on BSE, Ahmedabad Stock Exchange ('ASE") and DSE. Board of Directors of the Company at its meeting held on August 28, 2003 decided to delist the equity shares of the Company from ASE and DSE. As per the details given in the Annual Report of the Company for the year 2006-07, the equity shares of the Company are listed on BSE, NSE and DSE. However, the newspaper "Business Line" reported on August 25, 2007 that the Board of directors of AHRL had decided to delist the equity shares of AHRL from DSE subject to approvals.

Acquirer has made this voluntary offer under the Takeover Regulations and therefore publicly available information relating to AHRL has been relied upon for the purpose of disclosure in this PA. Therefore, the Acquirer, the PAC and the directors of the Acquirer and the PAC have not independently verified the accuracy of details of AHRL.

5. Reasons for the acquisition, rationale for the offer and future plans

Substantial acquisition of shares and voting rights without change in control and management is the reason and rationale for the acquisition of the above mentioned equity stake in the paid up equity share capital of AHRL by the Acquirer in accordance with Regulation 10 of the Takeover Regulations.

The Acquirer is not in control of the management of the Company and therefore, cannot act so as to dispose of or otherwise encumber assets of the Company. Management control continues to vest with the existing promoters of the Company. Therefore, the Acquirer has no plans of any nature in relation to disposal of the assets of AHRL in the next two years.

The Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Company in the next two years except with the prior approval of the shareholders.

6. Statutory Approvals & Conditions of the Offer

The shares that are tendered in the Offer may be those held by Non-Resident Indians or persons resident outside India who are not Non-Resident Indians, including Overseas Corporate Bodies, if any, holding shares in the Company who may be persons not covered by specific provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The Offer is therefore subject to the receipt of the approval of the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under for the acquisition of equity shares by the Acquirer from the aforesaid category of shareholders under the Offer and other related matters.

In case of delay in receipt of statutory approvals, as explained above, SEBI has power to grant extension of time to the Acquirer for payment of purchase consideration to eligible shareholders of the Company, subject to the Acquirer agreeing to pay interest as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the Takeover Regulations. If the delay occurs due to willful default of the Acquirer in obtaining requisite approvals, Regulation 22(13) of the Takeover Regulations will become applicable.

To the best of the Acquirers' knowledge, (a) no approval from banks / financial institutions of the Company is required for the Acquirer to make this Offer and (b) other than the approvals mentioned aforesaid, no other statutory or regulatory approval is required for the Acquirer to proceed with the offer. If any other approvals are required or become applicable subsequently, the Offer would be subject to such approvals. The Acquirer will have a right not to proceed with the Offer in the event the approvals are refused, in terms of Regulation 27(1)(b) of the Takeover Regulations.

7. Continuous Listing

The minimum public shareholding required for continuous listing of the equity shares of AHRL is 25% (twenty five) of the total issued equity share capital. Pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of AHRL with the stock exchanges on which its equity shares are listed and the equity shares will continue to be listed as, pursuant to this Offer, the public shareholding of AHRL is not expected to fall to a level below the limit for continuous listing specified in the listing agreement.

Pursuant to this Offer, if the public shareholding of AHRL falls to a level below the limit for continuous listing specified in the listing agreement i.e. 25%, Acquirer undertakes to take necessary steps to facilitate compliance of AHRL with the relevant provisions thereof in terms of the provisions of Regulation 21(2) of the Takeover Regulations and enable AHRL to raise the level of public shareholding, to the level specified for continuous listing specified in the listing agreement with the stock exchanges, within the prescribed period.

8. Funding Arrangement

The maximum purchase consideration payable by the Acquirer in case of full acceptance of this Offer would be Rs. 94,28,72,700/- for acquisition of 92,43,850 equity shares at the offer price of Rs. 102/- per share.

The Acquirer has opened an cash escrow account with YES Bank Ltd, in their capacity as the Escrow Banker , having their office at 9th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 under the name and style of " FIPL – AHRL - Open Offer Escrow Account" and bearing No. 000180200000470 and deposited Rs. 23,57,18,176/- being more than 25% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid offer price in accordance with Regulation 28 of the Takeover Regulations. Acquirer has confirmed that the funds lying in the above mentioned cash escrow account will be utilized exclusively for the purpose of the Offer. The Acquirer has authorized the Manager to the Offer to operate the cash escrow account in compliance with Regulation 28 of the Takeover Regulations. The Acquirer and the Escrow Banker have marked a lien on the a/c in favour of the Manager to the Offer.

Mr. Amit Desai, FCA [Membership No: 32926], Amit Desai & Co, Chartered Accountants, 4/51, Tardeo Airconditioned Market, 5, Tardeo Road, Mumbai 400034, Telefax No: 91 022 2351 2240, e-mail ID: amit_desai26@hotmail.com has certified, based on (i) the latest audited balance sheet of FIPL, (ii) Rs.23,57,18,176/- deposited into cash escrow account by FIPL, (iii) Arrow's management certificate dated February 27, 2008 that Rs. 78,74,58,472/- are lying in Reliance Liquid / FMP Funds in the name of Arrow, (iv) Arrow's Chartered Accountants' certificate dated February 27, 2008 that Rs. 78,74,58,472/- are lying in Reliance Liquid / FMP Funds in the name of Arrow [The Management of Arrow has confirmed vide letter dated February 27, 2008 that the said funds will be made available to FIPL for the above offer] and (v) other relevant details incidental to finance the acquisition of up to 92,43,850 Equity shares of Rs.2/- each of AHRL, by way of his letter dated February 27, 2008 that Acquirer has adequate liquid financial resources to finance the above mentioned acquisition of 92,43,850 equity shares to the extent of their obligations of the Offer. Firm arrangement for financial resources required to implement the offer is already in place. No borrowings from banks / financial institutions / foreign sources is envisaged.

In view of above, the Manager to the Offer is satisfied that firm arrangements for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirer and the PAC under the Offer and is satisfied that the Acquirer and the PAC have adequate resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the Takeover Regulations.

9. Other Terms of the Offer

The **LOF and Acceptance Form** will be mailed to the shareholders of AHRL [except the Acquirer and the PAC] whose names appear on the Register of Members of AHRL and beneficial owners of the equity shares, whose names appear as beneficiaries on the records of the respective depositories i.e., National Securities Depository Limited ["**NSDL**"] and Central Depository Services (India) Limited ["**CDSL**"], at the close of business hours on Friday – March 7, 2008 ("**Specified Date**"). All owners (registered or unregistered) of shares of AHRL [except the Acquirer and the PAC] who own/hold equity shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

Mondkar Computers Pvt. Limited, having their office at 21, Shakil Niwas, Opp: Satya Saibaba Temple, Mahakali Caves Road, Andheri East, Mumbai 400093 is acting as the Registrar to the Offer ("**Registrar**"). The Registrar has opened a special depository account with NSDL in the name and style of "MCPL Escrow A/c – AHRL Open Offer" **("Special Depository Account")** through HDFC Bank Ltd, Trade World, Wing "A", Ground Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 ["**DP**"].

Beneficial owners holding equity shares in dematerialized form will be required to send on or before the closure of the offer, along with their Form of Acceptance-cum-Acknowledgment, a photocopy of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, for transferring the shares in favor of "MCPL Escrow A/c - AHRL Open Offer" as per the instructions given below:

Depository	NSDL
Depository Participant / DP	HDFC Bank Ltd
Client ID	24310184
DP ID	IN301151
ISIN	INE 199 C 01018

Shareholders of AHRL having their depository account with 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.

Beneficiary owners (holders of shares in dematerialized form) who wish to tender their equity shares will be required to send their Acceptance Form along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the depository participant in favour of the special depository account, to the Registrar in accordance with the instructions to be specified in the LOF and Acceptance Form.

Shareholders of AHRL holding equity shares in physical form and who wish to tender their equity shares will be required to send the Acceptance Form, original share certificate/s and transfer deed/s, duly signed, to the Registrar on or before the closure of the Offer in accordance with the instructions to be specified in the LOF and Acceptance Form.

The equity shareholders of AHRL who wish to avail of the Offer will be required to deliver the Acceptance Form with relevant documents to the Registrar on all days (excluding holidays and Sundays) at the collection centre mentioned below, in accordance with the instructions to be specified in the LOF and Acceptance Form.

The collection centre mentioned below would remain open on Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm.

Address of the Collection Centre	Contact Person	Mode of delivery	Phone / Fax / Email
Mondkar Computers Pvt Limited 21, Shakil Niwas, Opp: Satya Saibaba Temple, Mahakali Caves Road, Andheri East, Mumbai 400093	Devanand Dalvi	Hand Delivery/ Regd Post/ Courier	Tel: 91 022 2825 7641 / 2836 6620 Fax: 91 022 2820 7207 Email: info@mondkarcomputers.com

All owners (registered or unregistered) of shares of AHRL [except the Acquirer and the PAC] who own/hold equity shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

Unregistered owners can send their written applications to the Registrar, on a plain paper stating (a) the name, address, number of equity shares held, number of equity shares offered, distinctive numbers and folio number together with the original share certificate/s and valid transfer deeds in the case of equity shares held in physical form or (b) DP name, DP ID and client ID (collectively called "**Shareholding Details**") together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode in the case of equity shares held in dematerialized form and (c) the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners of equity shares.

In case of non-receipt of the LOF and Acceptance Form, the eligible persons / shareholders of AHRL may send their consent to the Registrar, on a plain paper giving their shareholding details as above and submitting the documents as mentioned above so as to reach the Registrar on or before the date of closure of the Offer. Beneficial owners may send their written application on plain paper to the Registrar, giving their Shareholding Details as above along with beneficiary account number and either a photocopy or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar, on or before the date of closure of the Offer. Such shareholders of AHRL may also obtain a copy of LOF and Acceptance Form by writing to the Registrar to the Offer superscribing the envelope "**AHRL Open Offer**".

The equity shares are traded in dematerialized mode hence, the minimum marketable lot is one equity share.

Equity shares, if any, that are the subject matter of litigation wherein the shareholder/s is/are/ may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders from competent authority regarding these equity shares are not received together with the equity shares tendered under the Offer. The LOF and Acceptance Form, in such cases, would be forwarded to the concerned competent authority for further action at their end. In case the equity shares are in the name of tainted persons or the transfer of the equity shares was kept in abeyance due to the inclusion of the tainted persons as declared by the Special Custodian under the Special Act, such shares will not be accepted until the equity shares are cleared by the Special Court appointed for this purpose.

Shareholders of AHRL who have sent their equity shares for dematerialization need to ensure that the process of getting the equity shares dematerialized is completed well in time so that the credit in the special depository account should be received on or before the date of closure of the Offer, else the application would be rejected.

Shareholders of AHRL who have lodged equity shares for transfer may either download the LOF and Acceptance Form from the SEBI's site (www.sebi.gov.in) or request for the Acceptance Form from the Registrar to the Offer. The Acceptance Form, duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper stating the name, address, number of equity shares held, number of equity shares offered, distinctive numbers and folio number shall be sent to the Registrar to the Offer along with the acknowledgement, if any, received from AHRL for having lodged the equity shares for transfer. Shareholders of AHRL who are attaching the acknowledgement are requested to direct AHRL in writing to retain the share certificates for onward submission to the Registrar to the Offer.

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

In accordance with Regulation 22(5A) of the Takeover Regulations, shareholders of AHRL who have tendered the requisite documents in terms of the PA and the LOF and Acceptance Form shall have the option to withdraw acceptances tendered upto three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrar to the Offer at the collection centre mentioned above as per the mode of delivery indicated therein on or before Thursday – May 8, 2008.

The withdrawal option can be exercised on submitting (a) the form of withdrawal which will be sent to shareholders of AHRL along with the LOF and Acceptance Form and (b) the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptances together with (a) name, address, distinctive numbers, folio number, and number of equity shares tendered in respect of equity shares held in the physical form and (b) name, address, number of equity shares tendered, DP name, DP ID, beneficiary account number i.e., client ID and photocopy of the delivery instruction in "off market" mode duly acknowledged by DP, in respect of dematerialized equity shares. In case of non-receipt of the form of withdrawal, the above withdrawal application can be made on a plain paper.

The consideration for equity shares accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such payments and documents i.e., share certificates etc. in case of unaccepted equity shares, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk. Consideration up to Rs. 1,500/- will be dispatched "Under Certificate of Posting". Equity shares held in dematerialized form to the extent not accepted will be credited back to the account of the beneficial owner specified in the Acceptance Form. The payment of consideration for the accepted equity shares will be made by the Acquirer by cheque/demand draft to the shareholders of the accepted equity shares within 15 days from the date of closure of the Offer i.e. Wednesday – May 28, 2008.

A schedule of the activities in respect of the Offer is given below:

Activities	Days & Dates
Specified Date *	Friday – March 7, 2008
Last date for Competitive Bid	Friday – March 21, 2008
Date by which letter of offer to reach the shareholders	Monday – April 14, 2008
Date of opening of the Offer	Thursday – April 24, 2008
Last date for revising the Offer Price / number of equity shares	Sunday – May 4, 2008
Last date up to which shareholders may withdraw	Thursday – May 8, 2008
Date of Closure of the Offer	Tuesday – May 13, 2008
Date for communicating acceptance/rejection under the Offer and payment of consideration for applications accepted.	Wednesday – May 28, 2008

* Specified Date is only for the purpose of determining the names of shareholders of AHRL as on such date to whom the letter of offer would be sent.

The Offer is not conditional on any minimum level of acceptance. In the event that the Shares tendered in the Offer by the Shareholders of AHRL 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 Takeover Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form.

While tendering equity shares under the Offer, non resident shareholders (Non Resident Indians/Overseas Corporate Bodies/Foreign shareholder) will be required to submit the previous RBI approval (specific or general) that they would have been required to submit to acquire the shares of AHRL. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares tendered. While tendering the shares under the Offer, NRI/OCBs/foreign shareholders will be required to submit a Tax Clearance Certificate ("**TCC**") from Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income-tax Act, 1961 (the "**Income Tax Act**") before remitting the consideration. In case the aforesaid TCC is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ("**FII**") as defined in section 115AD of the Income Tax Act. However, the interest payment for delay in payment of consideration, if any, shall not be governed by this provision. For interest payments, if any, FIIs shall also have to provide their TCC, indicating the amount of tax to be deducted. In absence of the same, Acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the category of shareholder under the Income Tax Act, 1961.

Securities transaction tax will not be applicable to the shares accepted in this Offer.

In case of resident shareholders of AHRL, the Acquirer will deduct the tax on the interest component exceeding Rs. 5,000/- at the current prevailing rates, as applicable, if applicable. If the resident shareholder of AHRL requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit No Objection Certificate from the income tax authorities or a self declaration in Form 15H as may be applicable indicating the rate at which tax is to be deducted by the Acquirer. Shareholders of AHRL eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only in the event of the Acquirer becoming liable to pay interest for delay in release of purchase consideration.

10. General

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / LOF and Acceptance Form, can withdraw the same up to three working days prior to the date of closure of the Offer i.e. upto Thursday – May 8, 2008.

The Acquirer can revise the Offer price upwards up to 7 working days prior to the closure of the Offer i.e. Sunday – May 4, 2008 and if there is any upward revision in the Offer Price up to 7 (seven) working days prior to the date of closure of the Offer, the same would be informed by way of a public announcement in the same newspapers where this PA appears and the revised price would be payable to all shareholders of AHRL who have tendered their equity shares anytime during the Offer.

The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the Securities and Exchange Board of India Act ("**SEBI Act**") or under any other regulations made under the SEBI Act.

The Acquirer retains the option of acquiring equity shares of AHRL outside this Offer, subject to the provisions of the Takeover Regulations.

If there is a competitive Offer / bid, (i) the public offers under all the subsisting bids shall close on the same day and (ii) as the Offer Price cannot be revised during 7 working days prior to the date of closure of the Offer / bids, it would be in the interest of the shareholders of AHRL to wait till the commencement of that period to know the final Offer Price of each offer/bid and tender their acceptance accordingly.

Pursuant to Regulation 13 of the Takeover Regulations, the Acquirer has appointed YBL, Mumbai as Manager to the Offer and YBL does not hold any equity shares in the paid up equity share capital of AHRL.

Acquirer has made this voluntary offer under the Takeover Regulations and therefore publicly available information relating to AHRL has been relied upon for the purpose of disclosure in this PA. Therefore, the Acquirer, the PAC and the directors of the Acquirer and the PAC have not independently verified the accuracy of details of AHRL. Therefore, the directors of the Acquirer and the PAC, under Regulation 22(6) of the Takeover Regulations, have exempted themselves from and do not accept responsibility for the details relating to AHRL which are disclosed in this PA.

Subject to the aforesaid, the Acquirer i.e. FIPL and the PAC i.e. Arrow and the directors of the Acquirer and the PAC accept full responsibility for the information contained in this PA and also for the obligations of the Acquirer and the PAC to the extent as required and as laid down in the Takeover Regulations and subsequent amendments made thereof.

All financial data contained in this PA have been rounded off to the nearest lakhs except where stated otherwise.

SEBI web site

This PA would also be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the LOF and Acceptance Form which will be available on SEBI's website from the date of opening of the Offer i.e., Thursday – April 24, 2008 and send their acceptances by filling in the same.

For further details, please refer to the LOF and Acceptance Form.

Manager to The Offer	Issued by: Manager to the Offer
Mondkar Computers Pvt Limited 21, Shakil Niwas Opp: Satya Saibaba Temple Mahakali Caves Road Andheri East, Mumbai 400093 Tel: 91 022 2825 7641 / 2836 6620 Fax: 91 022 2820 7207 Email: info@mondkarcomputers.com SEBI Registration No: INR 000000 114 Contact: Ravi Utekar	YES BANK EXPERIENCE OUR EXPERTISE **YES BANK Limited** 12th Floor, Discovery of India Building Nehru Centre, Dr. Annie Besant Road Worli, Mumbai 400 018 Tel. No: 91 022 6669 9000 Fax No: 91 022 2497 4158 E-mail: merchantbanking@yesbank.in SEBI Registration No: MB / INM 0000 10874 Contact: Dhanraj Uchil / Ajay Shete

Issued by Manager to the Offer on behalf of the Acquirer i.e. Fasttrack Impex Private Limited, 16 A, Alli Chambers, Nagindas Master Road, Fort, Mumbai 400 001 and the PAC i.e. Arrow Webtex Limited, 16 A, Alli Chambers, Nagindas Master Road, Fort, Mumbai 400 001.

Place : Mumbai
Date : February 29, 2008

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