LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of The GL Hotels Limited (**"GL Hotels" or Target Company)**. If you require any clarifications about the action to be taken you should consult your stock-broker or investment consultant or the Manager/Registrar to the Offer. In case you have recently sold your Shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance, Form of Withdrawal and Transfer Deed (if applicable) to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER OF Rs. 283.42 (Rupees Two Hundred Eighty Three and Paise Forty Two only) (the **"Offer Price"**) PER FULLY PAID UP EQUITYSHARE OF Rs. 10 EACH

Pursuant to Regulation 10 and Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

TO ACQUIRE

Up to 4,057,625 fully paid up Equity Shares of face value Rs. 10 each, representing 20% of the Emerging Voting Capital **("Offer")**

OF

The GL Hotels Limited

having its registered office at

J-177, MIDC Industrial Area, Bhosari, Pune – 411 026, Maharashtra, India
Tel: +91 20 3068 1102; Fax: +91 20 2747 7996

BY

Dunearn Investments (Mauritius) Pte Ltd ("Acquirer")

having its registered office at

Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius
Tel. No. +230 212 9800 Fax. No. +230 212 9833

1 **ATTENTION:**

This is not a competitive bid.

RBI vide its letter dated September 13, 2007 has given its approval to the Acquirer for acquiring Shares validly tendered under this Offer (including Shares tendered by Non-Resident Indians).

To the best of the Acquirer's knowledge, there are no other statutory approvals required to implement the Offer other than the one specified above. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirer will have the right not to proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations in the event any of the statutory approvals that are required are refused.

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the Shareholders, subject to the Acquirer agreeing to pay interest for the delay period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in the Regulation 28(12) of the SEBI (SAST) Regulations.

To the best of its knowledge, the Acquirer does not require any approvals from financial institutions or banks for the Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in accordance with the terms of the Public Announcement and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closing of the Offer, in terms of Regulation 22(5)(a) of the SEBI (SAST) Regulations i.e. by March 19, 2008.

The Acquirer can revise the Offer Price upwards up to seven (7) working days prior to the closing of the Offer. If there is any upward revision in the Offer Price by the Acquirer until the last date of revision i.e., by March 13, 2008, the same will be informed by way of a public announcement in the same newspapers in which the Public Announcement has appeared. The Acquirer would pay such revised price for all the Shares validly tendered anytime during the Offer and accepted under the Offer.

If there is a competitive bid:

(i) The offers to the public shareholders of the Target Company under all of the subsisting bids shall close on the same date.

(ii) As the Offer Price can be revised until the period beginning seven (7) working days prior to the closing date of the offers/bids, it would therefore be in the interest of the Shareholders to wait until the commencement of that period to know the final offer price of each offer/bid and tender their acceptance accordingly.

There has been no competitive bid as of the date of this Letter of Offer.

Form of Acceptance and Form of Withdrawal are also enclosed with this Letter of Offer.

This Offer is not subject to any minimum level of acceptance by the Shareholders.

The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal would also be available on SEBI's website (www.sebi.gov.in) from the Offer opening date viz. March 7, 2008.

A schedule of the activities pertaining to the Offer is given below:-

ACTIVITY	ORIGINAL DATE & DAY	REVISED DATE & DAY
Public Announcement	July 30, 2007, Monday	Unchanged
Specified Date*	August 10, 2007, Friday	Unchanged
Last date for a competitive bid	August 20, 2007, Monday	Unchanged
Date by which Letter of Offer to be dispatched to Shareholders	September 13, 2007, Thursday	February 29, 2008, Friday
Date of opening of the Offer	September 21, 2007, Friday	March 7, 2008, Friday
Last date for upward revision of the Offer Price / number of Shares	September 28, 2007, Friday	March 13, 2008, Thursday
Last Date for withdrawing acceptance of the Offer	October 5, 2007, Friday	March 19, 2008, Wednesday
Date of closing of the Offer	October 10, 2007, Wednesday	March 26, 2008, Wednesday
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders and/or the unaccepted equity shares/share certificates will be dispatched/credited	October 25, 2007, Thursday	April 9, 2008, Wednesday

* *Specified Date is only for the purpose of determining the names of Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the Shares (except the Acquirer and the Key Promoters) are eligible to participate in the Offer anytime before the closing of the Offer.*

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
JM FINANCIAL **JM Financial Consultants Private Limted** 141, Maker Chambers III, Nariman Point Mumbai 400 021 Tel.: +91 22 6630 3030 Fax.: +91 22 2204 7185 Email: glhoffer@jmfinancial.in Contact Person: Ms. Poonam Karande	INTIME SPECTRUM REGISTRY LIMITED **Intime Spectrum Registry Limited** C-13 Pannalal Silk Mills Compound L.B.S Marg, Bhandup (West), Mumbai – 400 078 Tel: +91 22 25960320 Fax: +91 22 25960328 / 29 E-Mail: glhoffer@intimespectrum.com Contact Person: Ms Awani H Thakkar
OFFER OPENS ON : MARCH 7, 2008	**OFFER CLOSES ON : MARCH 26, 2008**

RISK FACTORS

RISKS ASSOCIATED WITH THE OFFER

- In the event of any regulatory approvals becoming applicable and not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed. In case of delay due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulation, SEBI may, if satisfied that the non receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer, subject to the Acquirer agreeing to pay interest to the Shareholders, if instructed by SEBI. Further, Shareholders should note that after the last date of withdrawal of acceptances under the Offer, i.e. March 19, 2008, Shareholders, who have tendered the Shares would not be able to withdraw them even if the acceptances of Shares under the Offer and the dispatch of consideration gets delayed.
- The Acquirer will have the right not to proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations in the event any of the statutory approvals that are required are refused.
- The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
- In the event of the response to the Offer being larger than the size of the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent on the level of subscription.

OTHER RISKS

- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer, but are only indicative. They do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. Shareholders are advised to consult their stock broker, investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

The Acquirer accepts no responsibility for statements made otherwise than in the Public Announcement or the Letter of Offer or in the advertisement or any materials issued by, or at the instance of the Acquirer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

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DEFINITIONS

Acquirer	Dunearn Investments (Mauritius) Pte Ltd
Acquirer Warrants	44,10,462 warrants of the Target Company converted on August 6, 2007 into the Acquirer Shares at the Conversion Price
Acquirer Shares	44,10,462 Shares issued upon conversion of Acquirer Warrants
Act	The Companies Act, 1956 as amended from time to time
Appointed Date	April 1, 2006, being the appointed date for the Merger of MBPL with the Target Company, pursuant to Sections 391 to 394 and other applicable provisions of the Act
Bank Guarantee	A bank guarantee dated July 25, 2007 issued by DBS Bank, 3rd Floor, Fort House, 221, D. N. Road, Mumbai 400 001, on behalf of the Acquirer in terms of Regulation 28 of the SEBI (SAST) Regulations
Board	Board of Directors of the Target Company
BSE	Bombay Stock Exchange Limited, Mumbai
CDSL	Central Depositories Services Limited
Conversion Price	Rs. 283.42, the price at which each Acquirer Warrant is converted into one Acquirer Share
DBS Bank	DBS Bank Ltd, a banking corporation incorporated under the laws of Singapore, having its Head Office at 6, Shenton Way DBS Building Tower One, Singapore – 088809 and a branch office at 3rd Floor, Fort House, 221, Dr. D. N. Road, Fort, Mumbai 400 001
DP or Depository Participant	Stockholding Corporation of India Limited
DSE	Delhi Stock Exchange Association Limited, New Delhi
Effective Date	July 21, 2007, the date of Merger becoming effective upon making requisite filings with the Registrar of Companies
EGM	Extra-ordinary general meeting of the Shareholders
Emerging Voting Capital	2,02,88,126 Shares, being the total share capital of the Target Company on April 9, 2008 (being the date which is 15 days from the date of closure of the Offer) on a fully diluted basis assuming conversion of all outstanding instruments convertible into Shares of the Target Company i.e. the Other Investor Warrants
Escrow Account	A non-interest bearing bank account in India (under the name and title of "Escrow Account – GL Hotels Open Offer") opened with the Escrow Agent, pursuant to the Escrow Agreement
Escrow Agent	DBS Bank
Escrow Agreement	Escrow Agreement dated July 26, 2007, between the Acquirer, JM Financial and DBS Bank in accordance with Regulation 28 of the SEBI (SAST) Regulations
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the Rules and regulations made thereunder
Form of Acceptance	Form of Acceptance cum Acknowledgement attached with this Letter of Offer
GL Hotels/ Target Company	The GL Hotels Limited
INR or Rs.	Indian Rupees
Key Promoters	means (i) Kwality Frozen Foods Private Limited, a company incorporated on July 27, 1967 under the Act and having its registered office at 254-C, Dr. Annie

	Besant Road, Worli, Mumbai - 400030, Tel: +91 22 4050111, (ii) Amphitrite Investments Company Private Limited, a company incorporated on May 21, 1984 under the Act and having its registered office at 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400030, Tel: +91 22 4050111, (iii) Oregon Realtys Private Limited, a company incorporated on September 14, 1988 under the Act and having its registered office at 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400030, Tel: +91 22 4050111 and (iv) Ravi Ghai, an Indian national residing at A-21, Maker Towers, Cuffe Parade, Colaba, Mumbai-400 005, (v) Gaurav Ghai, an Indian national residing at A-21, Maker Towers, Cuffe Parade, Colaba, Mumbai-400 005, and (vi) Geeta Ghai, , an Indian national residing at A-21, Maker Towers, Cuffe Parade, Colaba, Mumbai-400 005.
KRHL	Kwality Resorts & Hospitality Limited, an unlisted subsidiary of the Target Company, incorporated under the Act and having its registered office at 254 C, Dr. Annie Besant Road, Worli, Mumbai 400 030
Manager/Manager to the Offer/ JM Financial	JM Financial Consultants Private Limited
Maximum Consideration	Rs. 115,00,12,078 (Rupees One Hundred Fifteen Crore Twelve Thousand and Seventy Eight Only), being the total funds required for the Offer assuming full acceptance i.e total funds required for the acquisition of 40,57,625 Shares at the Offer Price of Rs. 283.42 per Share.
Merger	Merger of MBPL with the Target Company, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, with the appointed date being April 1, 2006
MBPL	Mayfair Banquets Private Limited
NSDL	National Securities Depositories Limited
OCB	Overseas Corporate Bodies, as defined in the Foreign Exchange Management (Deposit) Regulations, 2000
Offer or Open Offer	Open Offer to acquire 40,57,625 Shares being 20% of the Emerging Voting Capital pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations at the Offer Price
Offer Price	Rs. 283.42 per Share
Offer Shares	40,57,625 Shares of the Target Company being 20% of the Emerging Voting Capital
Other Investor Warrants	29,99,114 warrants issued by the Target Company on June 21, 2007 which are convertible into 29,99,114 Shares at a price of Rs. 283.42 per Share
Persons eligible to participate in the Offer	All Shareholders other than the Acquirer and the Key Promoters, whose names appear in the Register of Shareholders of the Target Company on the Specified Date and also persons who owns Shares any time prior to the Offer, whether or not they are registered Shareholders, including Shareholders in respect of Other Investor Warrants
Promoters	Key Promoters and Satinetta Finlease and Investments Private Limited
Public Announcement	Public Announcement of the Offer made by the Manager to the Offer on behalf of the Acquirer on July 30, 2007
RBI	Reserve Bank of India
Registrar to the Offer	Intime Spectrum Registry Limited
Scheme	Scheme of arrangement pertaining to the Merger

SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI DIP Guidelines	Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers), Regulations 1997 and subsequent amendments thereto.
Security Deposit	Cash deposit of Rs. 1,15,00,121 (Rupees One Crore Fifteen Lakh One Hundred and Twenty One Only) by Acquirer (being not less than 1% of the Maximum Consideration) in an escrow account with DBS Bank
SGD	Singapore Dollars
Share(s)	Fully paid up equity share of face value Rs. 10 each of The GL Hotels Limited
Shareholders	All owners (registered and unregistered) of Shares of the Target Company
Shareholders Approval	Approval of the Shareholders of the Target Company for the allotment of the Acquirer Warrants in favour of the Acquirer
Share Subscription and Shareholders Agreement or SHA	Agreement entered between the Acquirer, the Target Company and Kwality Resorts and Hospitality limited, (erstwhile Kwality Resorts and Hospitality Private limited which was converted to a public company on June 29, 2007) on May 24, 2007, whereby KRHL has agreed to issue and allot 10 equity shares of KRHL of face value of Rs. 10 each in favour of the Acquirer
Specified Date	August 10, 2007, being the date for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent
Warrant Subscription Agreement WSA	Warrant Subscription Agreement entered between the Acquirer, the Target **or** Company and the Key Promoters on May 24, 2007, for allotment of the Acquirer Warrants to the Acquirer
Warrant Consideration	The aggregate consideration of Rs.125,00,13,140 (Rupees One Hundred and Twenty Five Crore Thirteen Thousand One Hundred and Forty) payable by the Acquirer for the conversion of all Acquirer Warrants into Acquirer Shares at the price of Rs. 283.42 per converted Share
USD	United States Dollar

2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF GL HOTELS TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER. THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - JM FINANCIAL CONSULTANTS PRIVATE LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED AUGUST 10, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 This Offer is being made by the Acquirer to all Shareholders (except the Acquirer and the Key Promoters) to acquire the Offer Shares. This Offer is being made pursuant to Regulation 10, and as required by SEBI vide its observation letter dated February 4, 2008, under Regulation 12, of the SEBI (SAST) Regulations read with Regulation 14(2) of the SEBI (SAST) Regulations, consequent upon the conversion of the Acquirer Warrants into Acquirer Shares.

3.1.2 While in terms of the WSA, the Acquirer has no rights relating to the management of the Target Company, under the SHA with the Target Company and KRHL, the Acquirer has certain rights to veto certain actions by the management of KRHL as enumerated in Paragraph 3.1.13 below. Hence, although the Acquirer is neither in management of or control over the Target Company nor desirous of acquiring management or control over the Target Company, the Offer may also be considered to have been made under Regulation 12 of the SEBI (SAST) Regulations by way of abundant caution, in view of such contractual rights that the Acquirer has in relation to KRHL, a subsidiary of the Target Company. The Acquirer is a company incorporated on April 29, 2004 under the laws of Mauritius and having its registered office at Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius Tel. No. +230 212 9800 Fax. No. +230 212 9833.

3.1.3 The Target Company is listed on the BSE. The Promoters hold 1,03,22,912 Shares in the Target Company constituting 80.16% of the paid up share capital of the Target Company as on the date of Public Announcement. Pursuant to the conversion of the Acquirer's Warrants, the Promoters' holding constitutes 59.71% of the paid up share capital of the Target Company as on the date of this Letter of Offer .

3.1.4 At a meeting held on May 11, 2007, the issuance of the Acquirer Warrants in favour of the Acquirer was approved by the Board subject to approval of the Shareholders in general meeting. At an EGM held on June 6, 2007, which had been convened by the Board on May 11, 2007, the Shareholders approved (**"Shareholders Approval"**) the allotment of the Acquirer Warrants in favour of the Acquirer pursuant to the provisions of Section 81(1A) of the Act, the SEBI DIP Guidelines, the provisions of the Memorandum and Articles of Association of the Target Company, the listing agreement entered into by the Target Company with the BSE and the guidelines issued by the RBI, SEBI and all other concerned statutory and other authorities in this regard. The Acquirer Warrants and the Acquirer Shares issued to the Acquirers are to be locked-in for a period of one year from the date of the allotment of the Acquirer Warrants. Pursuant to the Shareholders Approval, the Acquirer Warrants were allotted in favour of the Acquirer on June 21, 2007.

3.1.5 The Conversion Price for each Acquirer Warrant has been determined in accordance with the provisions of the SEBI DIP Guidelines. As required under Clause 13.1.1 of the SEBI DIP Guidelines, the relevant date for the purpose of determining the minimum price for the issuance of the Acquirer Shares upon conversion of the Acquirer Warrants is May 7, 2007, being the date falling 30 days prior to June 6, 2007, being the date on which the Shareholders Approval was obtained. The average of the weekly high and low of the closing prices of the Shares on the BSE as per the certificate dated May 11, 2007 from the Statutory Auditors of the Target Company was: (a) Rs. 259.09 per Share for the 6 months ended on May 4, 2007, and (b) Rs. 279.38 per Share for the 2 weeks ended on May 4, 2007. Accordingly, the Conversion Price of Rs. 283.42 per Acquirer Warrant is higher than the averages set out in sub-clauses (a) and (b) above.

3.1.6 On May 24, 2007, the Acquirer, the Target Company and the Key Promoters executed the WSA for the allotment of the Acquirer Warrants. The Acquirer Warrants were convertible into the Acquirer Shares, at the option of the Acquirer, at the Conversion Price of Rs. 283.42 per Acquirer Share within 18 months from the date of allotment of the Acquirer Warrants. BSE vide their letter dated June 8, 2007, has granted in-principle approval for issue and allotment of the Acquirer Warrants.

3.1.7 The aggregate consideration payable on the conversion of all Acquirer Warrants into Acquirer Shares at the aforementioned price of Rs. 283.42 per converted Share is Rs.125,00,13,140 (Rupees One Hundred and Twenty Five Crore Thirteen Thousand One Hundred and Forty) (the **"Warrant Consideration"**) of which 10% i.e Rs. 12,50,01,314 (Rs. Twelve Crore Fifty Lakhs One Thousand Three Hundred and Fourteen) was paid by the Acquirer on June 19, 2007 prior to the allotment of the Acquirer Warrants on June 21, 2007 in accordance with the provisions of the SEBI DIP Guidelines.

3.1.8 On August 6, 2007, the Acquirer has converted the Acquirer Warrants into the Acquirer Shares after paying the remaining 90% of the Warrant Consideration amounting to Rs. 112,50,11,826 (Rs. One Hundred and Twelve Crore Fifty Lakhs Eleven Thousand Eight Hundred and Twenty Six)

3.1.9 Regulation 14(2) of the SEBI (SAST) Regulations requires any acquirer who has acquired convertible securities of any listed company which entitle him to voting rights in excess of the percentages specified in Regulation 10 or Regulation 11 of the SEBI (SAST) Regulations to make a public announcement to acquire shares of such company no later than four working days before acquiring voting rights upon conversion of such securities. Since the Acquirer Shares constitute 21.74% of the Emerging Voting Capital, which is more than the stipulated threshold of 15% in Regulation 10 of the SEBI (SAST) Regulations and the Acquirer Warrants were converted into Acquirer Shares on August 6, 2007, a Public Announcement of the Offer was made on July 30, 2007 in compliance with Regulation 10 read with Regulation 14(2) of the SEBI (SAST) Regulations to acquire the Offer Shares which constitute 20% of the Emerging Voting Capital of the Target Company. Further, as explained in paragraph 3.1.1 hereinabove, the Offer is also being made under Regulation 12 of the SEBI (SAST) Regulations

3.1.10 The Acquirer Shares constitute 25.51% of the outstanding paid up share capital of the Target Company as on the date of the Letter of Offer (post the conversion of Acquirer Warrants into Acquirer Shares) and 21.74% of the Emerging Voting Capital of the Target Company.

3.1.11 In addition to the WSA, the Acquirer, the Target Company and KRHL entered into the SHA on May 24, 2007, whereby KRHL agreed to issue and allot 10 equity shares of KRHL of face value of Rs. 10 each in favour of the Acquirer. The interest of the Acquirer in KRHL is a combination of direct interest and indirect interest through the Target Company. Since KRHL is intended to pursue some important business opportunities as better detailed herein, considering the combined interest of the Acquirer in KRHL, a separate SHA has been executed between the Acquirer, the Target Company and KRHL where customary provisions regarding the conduct of the affairs of KRHL have been made.

3.1.12 The following is a summary of the key terms of the WSA:

3.1.12.1 The Acquirer agreed to subscribe to, and the Target Company agreed to issue and allot to the Acquirer, 44,10,462 Warrants at a price of Rs. 283.42 per Warrant aggregating to a total sum of Rs. 125,00,13,140 (One Hundred Twenty Five Crores Thirteen Thousands One Hundred and Forty).

3.1.12.2 The Target Company shall utilize the proceeds from the issue and exercise of Acquirer Warrants solely for the purposes of owning, conducting, operating, development and management of hotels and expenses incidental to these activities whether through the Target Company or KRHL (either directly or through its subsidiaries or joint ventures), including any acquisition of land for such purpose.

3.1.12.3 The Acquirer has the right to appoint one director on the Board of the Target Company which shall comprise at least three directors. In addition, the Acquirer is entitled to nominate one person from time to time, who is an employee/agent of the Acquirer or its affiliates as an observer on the Board. The director appointed/ nominated by the Acquirer is also entitled to be appointed as a member of all committees of the Board of the Target Company, including the Audit Committee.

3.1.12.4 The WSA provides for a non-compete obligation on the Key Promoters and some of their affiliates for a period of 10 years from the date of execution of the WSA whereby the Key Promoters have agreed, subject to certain exceptions, not to carry on or engage directly or indirectly, whether through partnership or as shareholders, joint venture partners, collaborators, consultants or agents or otherwise, in any business of owning, conducting, operating, developing or managing a hotel, carrying on outdoor catering, carrying on banqueting business or owning restaurants which competes directly or indirectly with the whole or any part of the business of the Target Company or any of its subsidiaries. The consideration of such restriction is included in the Conversion Price and no separate non-compete fee is being paid to the Key Promoters.

3.1.12.5 The WSA also requires the Acquirer to first offer its equity shares of the Target Company to the Key Promoters in the event that the Acquirer proposes to transfer the equity shares of the Target Company to a competitor.

3.1.13 The following is a summary of the key terms of the SHA:

3.1.13.1 The Acquirer shall be entitled to appoint one director on the Board of KRHL whose Board shall not comprise more than twelve members. The Acquirer shall be entitled to nominate a person from time to time, who is an employee/ agent of the Acquirer or its affiliate as an observer on the board of directors of KRHL. The director appointed/ nominated by the Acquirer is also entitled to be appointed as a member of all committees of the board of directors of KRHL.

3.1.13.2 The SHA also provides that decisions on KRHL in respect of certain critical matters are to be taken only with the consent of the Acquirer (in case of general meetings of KRHL) or the director representing the Acquirer (in case of a meeting of the board of directors of KRHL or committee thereof). These matters include, inter alia, (i) sale, transfer, mortgage, charge, pledge, creation of a lien, lease, exchange or other disposition of material assets, sale or disposition of any part of the undertaking and/ or goodwill of KRHL, other than to secure bank loans; (ii) transactions involving mergers, acquisitions, disinvestments, creation of subsidiaries, consolidation, reconstitution, reconstruction, recapitalization, reorganization or other business combination involving KRHL and/or its subsidiaries; (iii) any change in the business scope, any diversification into business areas unrelated to its existing business, (iv) amendment of the Memorandum and Articles of Association of KRHL, (v) voluntary liquidation or dissolution of KRHL.

3.1.13.3 In the event that KRHL proposes to issue any further shares to a financial investor, such shares are to be first offered for subscription to the Acquirer.

3.1.13.4 In the event that the Target Company proposes to transfer any of the shares held by it in KRHL, the SHA requires the Target Company to first offer such shares to the Acquirer.

3.1.14 Neither the Acquirer nor the Target Company has been prohibited by SEBI from dealing in securities in terms of any direction issued under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.

3.1.15 The Acquirer is entitled to nominate one director on the Board under the provisions of the WSA, which right may be exercised by the Acquirer after completion of the Open Offer. '

3.1.16 The Acquirer has not exercised and will not exercise any voting rights in respect of the Acquirer Shares until completion of the formalities for the Open Offer.

3.2 Details of the proposed offer

3.2.1 As per Regulation 15(1) of the SEBI (SAST) Regulations, the Public Announcement is required to be made in all editions of one English language daily, one Hindi daily and one regional daily having wide circulation where the registered office of the Target Company is located. The Public Announcement was made in the following newspapers, in compliance with Regulation 15 (1) of the SEBI (SAST) Regulations:

Publications	**Date**	**Editions**
Financial Express (English)	July 30, 2007	All
Jansatta (Hindi)	July 30, 2007	All
Loksatta (Marathi)	July 30, 2007	Pune

(The Public Announcement is also available at SEBI website: www.sebi.gov.in)

3.2.2 As of the date of the Public Announcement, the paid up capital of the Target Company was Rs. 12,87,85,500 divided into 1,28,78,550 Shares. As of the date of this Letter of Offer, the paid up capital of the Target Company has increased to 1,72,89,012 Shares pursuant to the conversion of the Acquirer Warrants into the Acquirer Shares.

3.2.3 There are no partly paid up shares of the Target Company.

3.2.4 This Offer is being made by the Acquirer to all Shareholders (except the Acquirer and the Key Promoters) to acquire the Offer Shares. This Offer is being made pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations read with Regulation 14(2) of the SEBI (SAST) Regulations, consequent upon the conversion of the Acquirer Warrants into Acquirer Shares. This Offer is being made to acquire Offer Shares at the Offer Price of Rs. 283.42 per Share of the Target Company, payable in cash in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned hereinafter. The mode of payment for acquisition of Shares will be cash. The acquisition of Shares tendered pursuant to the Offer is subject to the receipt of regulatory approvals and other terms and conditions as set out in this Letter of Offer.

3.2.5 There are no "Persons Acting in Concert" with the Acquirer within the meaning of Regulation 2(1)(e) of the SEBI (SAST) Regulations in relation to the Offer.

3.2.6 The Acquirer can revise the Offer Price upwards up to seven (7) working days prior to the closing of the Offer (i.e., March 13, 2008). If there is any upward revision in the Offer Price by the Acquirer until the last date of revision i.e., March 13, 2008 the same will be informed by way of a public announcement in the same newspapers in which the Public Announcement was made. The Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.

3.2.7 This is not a competitive bid and there has not been any competitive bid until the date of this Letter of Offer.

3.2.8 The Offer is not conditional on any minimum level of acceptance by the Shareholders.

3.2.9 Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares of the Target Company that are the subject matter of litigation wherein the Shareholders may be prohibited from transferring the Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer.

3.2.10 Save as disclosed in this Letter of Offer the Acquirer has not made any further acquisitions in the Target Company

3.3 Objects of the acquisition/Offer and future plans

3.3.1 This Offer is being made consequent upon the conversion of Acquirer Warrants into Acquirer Shares resulting in substantial acquisition of shares and voting rights. The Offer is being made in accordance with Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations, although the Acquirer is not in control of the Target Company and does not intend to acquire control of the Target Company.

3.3.2 The Acquirer is a financial investor and is engaged in the business of carrying out activities relating to asset management and other relevant activities that are ancillary thereto. The object of acquisition of the Acquirer Shares is to make a financial investment in the business of the Target Company and its subsidiaries without any change in control or management of the Target Company

3.3.3 **Disclosure in terms of Regulation 16(ix) of the SEBI (SAST) Regulations:** The Acquirer is a financial investor in the Target Company and control over the Target Company remains with its Promoters. The Acquirer does not have ability to control major decisions with respect to the business and management of the Target Company. Accordingly, the Acquirer does not have any ability to make any major change to the existing lines of business of the Target Company or to dispose of or otherwise encumber any assets of the Target Company in the next 24 months. The Target Company may do so, in the ordinary course of business of the Target Company and its subsidiaries. It will be the discretion of the Board to take appropriate decision in these matters as per the requirements of the business and in line with opportunities available from time to time. Such steps shall be in compliance with applicable provisions of the SEBI (SAST) Regulations, the Act, and/or other applicable laws at the relevant time and will be subject to prior approval of Shareholders, wherever required. Further, during the said period of 24 months, the Acquirer shall not cause the Target Company to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the Shareholders during this period.

4 BACKGROUND OF THE ACQUIRER

4.1 Dunearn Investments (Mauritius) Pte Ltd ("Acquirer")

4.1.1 The Acquirer is a limited liability company having its registered office at Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The Acquirer was incorporated on April 29, 2004 under the Companies Act 2001 of the Republic of Mauritius. The contact details of the Acquirer are as follows: Tel. No +230 212 9800, Fax No. +230 212 9833.

4.1.2 The paid up capital of the Acquirer is USD 2 comprising of 2 ordinary shares of face value USD 1 each held by Seletar Investments Pte Ltd ("**Seletar**"). The networth of the Acquirer as of March 31, 2007 is Rs. 618,15,70,000 (Rupees Six Hundred Eighteen Crores Fifteen Lakhs Seventy Thousand Only - Please see Clause 4.1.10 below). The Acquirer has the financial strength and resources to independently discharge all its obligations under this Offer.

4.1.3 The Acquirer is a wholly owned subsidiary of Seletar which was incorporated on January 3, 1991 under the laws of Republic of Singapore and having its registered office at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891, Tel. No. + 65 6828 6828, Fax No. +65 6821 1170. Seletar currently holds investments directly or indirectly in various countries mainly in the Asia-Pacific region. Seletar is a wholly owned subsidiary of Temasek Capital (Private) Limited.

4.1.4 The Acquirer is engaged in the business of carrying out activities relating to asset management and other relevant activities that are ancillary thereto. The activities of the Acquirer also include carrying on the business of investments, to acquire and hold investments of all nature and to engage in any qualified global business or businesses whatsoever, which are not prohibited under the laws for the time being in force in the Republic of Mauritius.

4.1.5 The Acquirer has complied with its obligations under the provisions of Chapter II of the SEBI (SAST) Regulations. Upon conversion of the Acquirer Warrants on August 6, 2007 the Acquirer has filed a disclosure under Regulation 7(1) of the SEBI (SAST) Regulations on August 7, 2007.

4.1.6 The Acquirer has not promoted any company in India in the last three years

4.1.7 The Shareholding Pattern of the Acquirer as on the date of the Letter of Offer is:

Sl. No	Shareholder's Category	No. of Shares held	Percentage of Shares held
1.	Promoter (Seletar)	2	100%
2.	FII/ Mutual-Funds/ FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	2	100%

4.1.8 The table below provides the names, addresses, experience and qualifications of the Board of Directors of the Acquirer.

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
Mr. Ashraf Ramtoola	Director/ July 23, 2004	He has 15 years of experience in financial services sector. He has worked in UK for 5 years in the field of accountancy.	1. Chartered Certified Accountant in UK in 1987 2. Fellow Member of the Chartered Association of Certified Accountant (UK) in 1993	4 Bis Church Street, Port Louis Mauritius
Mr. Goh Yong Siang	Director/ August 13, 2007	He joined Temasek in August 2006 and is currently Managing Director, Strategic Relations/Country Head, Thailand. Before joining Temasek, he spent 8 years in the US, initially as President, ST Engineering (USA) and concurrently Chairman, Dalfort and Mobile Aerospace, Alabama between 1999 and 2000. He then joined Beta Capital, a Dallas-based private equity fund in 2001 and concurrently became VP of Sponsor Investments, another Texas investment firm since 2003.	1. Bachelor of Arts from National University of Singapore Attended the 2. Attended Advanced Management Program at Harvard Business School	28 Siglap Hill, Singapore 456083
Ms. Yeo Lee Choo	Director/ January 8,	2007 She has more than 20 years of experience in financial management and accounting, cash management and capital markets.	1. Bachelor in Accountancy from National University of Singapore in 1985	370E Alexandra Road #08-07 Singapore 159958

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
			2. Member of Institute of Certified Public Accountants of Singapore	
Mrs. Rooksana Shahabally	Director/ September 24, 2007	She started her career with the Rogers Group, the biggest conglomerate in Mauritius in 1993, as a manager in the Legal and Secretariat Department of the Group. Later she moved to International Management (Mauritius) Ltd in 2001 and has been responsible for the work of large clients, mainly corporates including funds. She acts as a Director for numerous companies.	Associate of the Institute of Chartered Secretaries and Administrators (UK)	Morcellement Cartin, Eau Coulee, Curepipe, Mauritius

4.1.9 None of the above directors are directors on the Board of the Target Company.

4.1.10 The equity shares of the Acquirer are not listed on any stock exchange.

4.1.11 Brief particulars of the audited financials of the Acquirer for the 12-month period ending March 31, 2005 and the 12-month period ending March 31, 2006 and the unaudited financials of the Acquirer for the 12-month period ending March 31, 2007 are as follows:

(Amount Rs. In lacs except otherwise stated)

Profit & Loss Statement	March 31, 2005	March 31, 2006	March 31, 2007
Income from operations	0.00	2,402.14	465.62
Other Income	0.00	692.39	5,946.61
Total Income	0.00	3,094.53	6,412.23
Total Expenditure.	(172.51)	(15.10)	(3,756.01)
Profit/(Loss) Before Depreciation Interest and Tax	(172.51)	3,079.43	2,656.22
Depreciation	0.00	0.00	0.00
Interest	0.00	0.00	0.00
Profit/(Loss) Before Tax	(172.51)	3,079.43	2,656.22
Provision for Tax	0.00	(80.37)	(79.97)
Profit/(Loss) After Tax	(172.51)	2,999.06	2,576.26

Balance Sheet Statement	March 31, 2005	March 31, 2006	March 31, 2007
Sources of funds			
Paid up share capital (Rs)	80.21	80.21	80.21
Reserves and Surplus (excluding revaluation reserves)	127.15	19,340.34	61,815.70
Networth	127.15	19,340.34	61,815.70
Secured loans	0.00	0.00	0.00
Unsecured loans	37,497.29	34,610.83	226,357.50
Total	37,624.44	53,951.18	288,173.19
Uses of funds	0.00	0.00	0.00
Net fixed assets	0.00	0.00	0.00
Investments	25,187.55	53,716.83	288,163.95
Net current assets	12,436.89	234.35	9.24
Total miscellaneous expenditure not written off	0.00	0.00	0.00
Total	37,624.44	53,951.18	288,173.19

Other Financial Data	March 31, 2005	March 31, 2006	March 31, 2007
Dividend (%)	0.00	0.00	0.00
Earning Per Share	(86.25)	1,499.53	1,288.13
Return on Networth*	(135.67%)	15.51%	4.17%
Book Value Per Share*	63.58	9,670.17	30,907.85

*Note: * Includes fair valuation reserves which relates to fair valuation gain/ loss derived from the fair valuation of all investments held by the entity (refer to the significant accounting policy described in clause 4.1.12 (d)).*

All currency conversion has been based on the exchange rate available on Bloomberg as on July 23, 2007, viz. 26.737 INR per SGD

4.1.12 Significant Accounting Policies followed by the Acquirer

The principal accounting policies adopted in the preparation of the financial statements of the Acquirer are set out below:

(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the fair valuation of available-for-sale investments and of derivative financial instruments.

(b) Associates

Associates are entities over which the Acquirer has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights.

Investment in associates is accounted for in the financial statements using the equity method of accounting and are initially recognised at cost. Investment in associates in the balance sheet includes goodwill identified on acquisition, where applicable.

The Acquirer's share of its associates' post-acquisition results is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Acquirer's share of losses in associates equals or exceeds its interest in the associates, including any other unsecured receivables, the Acquirer does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

In applying the equity method of accounting, unrealised gains on transactions between the Acquirer and its associates are eliminated to the extent of the Acquirer's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of the associates to ensure consistency of accounting policies with those of the Acquirer. Dilution gains and losses in associate are recognised in the income statement.

Investment in associates is stated at cost less accumulated impairment losses in the Acquirer's balance sheet. On disposal of investments in associates, the difference between the net disposal proceeds and the carrying amount of the investments are taken to the income statement.

(c) Joint Ventures

Joint ventures are entities over which the Acquirer has contractual arrangements to jointly share the control with one or more parties. The Acquirer's interests in joint ventures are accounted for in the consolidated financial statements using equity method of accounting, except for unincorporated joint ventures which are accounted for using proportionate consolidation.

Investments in joint ventures are stated at cost less accumulated impairment losses in the Acquirer's balance sheet. On disposal of investments in joint ventures, the difference between the net disposal proceeds and the carrying amounts of the investments are taken to the income statement.

(d) Available-for-sale investments

Financial assets intended to be held for an indefinite period, which may be sold in response to needs for liquidity or changes in interest rates are classified as available-for-sale. Management decides the appropriate classification of its investments at the time of the purchase and re-evaluates the classification at every reporting date.

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any other categories. These are included in non-current assets unless the management intends to dispose of the investment within 12 months from the balance sheet date in which case they are included in current assets.

Purchases and sales of available-for-sale investments are recognised on the trade date, the date on which the Acquirer commits to purchase or sell the asset. Available-for-sale investments are initially recognised at fair value plus transaction costs.

Available-for-sale investments and financial assets at fair vale through profit and loss are subsequently carried at fair value.

Gains and losses arising from changes in the fair value of non-monetary investments classified as available-for-sale are recognised in equity as fair value reserve.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale investments are sold or impaired, the cumulative fair value adjustments previously recognised in fair value reserve are recognised in the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques.

These includes the use of recent arm's length transactions, references to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value using techniques such as Tri-nominal Option Pricing Model.

For derivatives that do not qualify for hedge accounting and are accounted for at fair value through profit and loss, changes in fair value are recognised immediately in the income statement.

(f) Impairment of investment

The Acquirer assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. A significant or prolonged decline in the fair value of an available-for-sale investment below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale investment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that available-for-sale investment previously recognised in profit and loss, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement, until the available-for-sale investment is divested.

(g) Impairment of non-financial assets

Investments in associates and joint ventures are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Foreign currency transaction

The Acquirer has been granted a Category 1 Global Business Licence under the Financial Services Development Act 2001 which requires that the Acquirer's business or other activity is carried on in a currency other than the Mauritian rupee.

(i) Functional and presentation currency

Items included in the financial statements of the Acquirer are measured using the currency of the primary economic environment in which the Acquirer operates ("the functional currency").

The financial statements are presented in Singapore dollar (SGD) which is the Acquirer's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the available-for-sale reserve in equity.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Dividend income

Dividend income is recognised when the right to receive payment is established.

(k) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(l) Financial instruments

Financial instruments carried on the balance sheet include available-for-sale investments, derivative financial instruments, prepayments, cash at bank, accruals and amount due to holding company, related company and associates. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(m) Share capital

Ordinary shares are classified as equity.

(n) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the balance sheet date are included in current borrowings in the balance sheet. Other borrowings due to be settled more than 12 months after the balance sheet date are included in non-current borrowings in the balance sheet.

(p) Provisions

Provisions are recognised when the Acquirer has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

4.1.13 (a) The key reason for the increase in total income of the Acquirer from the financial year ended March 31, 2005 to the financial year ended March 31, 2007 is on account of additional investments made by the Acquirer during the year ended March 31, 2006 and March 31, 2007. Profit after tax is higher for the year ending March 31, 2006 compared to March 31, 2007 mainly due to higher management fees paid by the Acquirer for its direct fund investments paid during the year ending March 31, 2007 as there were several new direct fund investments made during the period.

(b) The key reasons for decrease in income from operations are as follows:

Income from Operations comprises dividend income and profit on sale of investments. Dividend income for both FY 2007-07 and FY 2005-06 remained approximately the same, while profit on sale of investments for FY 2005-06 is higher mainly due to more active divestment activities undertaken by the Acquirer in FY 2005-06 as compared to FY 2006-07. Active divestments in FY 2005-06 led to generation of profit on divestment which is higher by INR 1,992 lakh in FY 2005-06 when compared to FY 2006-07.

(c) "Other Income" comprises mainly unrealized exchange gain on USD denominated liabilities owed by the Acquirer to its affiliate companies. In FY 2006-07, due to the devaluation of the US Dollar against Singapore Dollar, total exchange gains generated is higher than such gains generated in FY 2005-06 by Rs. 3,253 lakhs. Separately, in FY 2006-07, the Acquirer also generated "Other Income" comprising interest related income amounting to Rs. 2,451 lakhs, which was not generated by the Acquirer in FY 2005-06.

(d) The key reasons for the increase in Reserves & Surplus from FY2005-06 to FY 2006-07 is increase in fair valuation reserves, which is derived mainly by marking-to-market the Acquirer's long term investments to comply with the requirements of International Financial Reporting (IFRS) Standard 39.

The fair valuation reserve has increased primarily because of increase in investments of the Acquirer, as well as better investment performance of Acquirer's existing investments resulting in unrealized gains captured under the fair valuation reserve.

(e) The "Other Income" of the Acquirer comprises the following:

(All amounts in INR lakhs)	**FY06**	**FY 07**
Exchange gain/loss	683.41	3,936.32
Other Income (interest earned on excess cash with investee co/ interest income received on pref share investment	-	2,450.51
Others	8.98	(440.22)

(f) Details of Unsecured Loans for the year ended March 31, 2007: Of the total unsecured loans of Rs. 226,357.5 lakhs, an amount of Rs.130,521.85 lakhs is owed to Seletar Investments Pte Ltd., the holding company of the Acquirer, an amount of Rs. 82,617.33 lakhs is owed to one of the group companies of the Acquirer and the balance amounts are owed to various parties, mainly the investee companies of the Acquirer.

5 DISCLOSURE IN TERMS OF REGULATION 21(2)

5.1 As per the listing agreement with the Stock Exchange, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

5.2 In the event the acquisition made in pursuance to the Open Offer results in the public shareholding in the Target Company being reduced below the minimum level required as per Clause 40A of the Listing Agreement, the Acquirer shall take necessary steps to ensure that the Public Shareholding of the Target Company is brought back to the minimum public listing requirements within the time period mentioned therein, in accordance with the provisions of Regulation 21(2) of he SEBI (SAST) Regulations.

6 BACKGROUND OF THE TARGET COMPANY

6.1 The Target Company was incorporated on August 5, 1959 under the Act having its Registered office located at J-177, MIDC Industrial Area, Bhosari, Pune – 411 026, Maharashtra, India. Tel. No. +91 20 30681102, Fax. No. +91 20 27477996.

6.2 The Target Company is promoted by the Promoters who hold 1,03,22,912 Shares in the Target Company constituting 59.71% of the paid up share capital of the Target Company as on the date of this Letter of Offer and 50.88% of the Emerging Voting Capital.

6.3 The Target Company operates in the hospitality sector. The Target Company owns and operates a 58 room boutique luxury hotel by the name of Intercontinental Marine Drive at Mumbai and four premium banqueting facilities (one each at Worli at Mumbai, Vashi, Pune and New Delhi).

6.4 The Target Company has two subsidiaries Leman International Private Limited ("Leman") and KRHL:

6.4.1 Leman was incorporated on January 2, 1978 under the Companies Act, 1956 and has its registered office at N 25, Panchsheel Park, New Delhi 110017 to undertake banqueting business.

Leman is currently not engaged in any significant business activity. For FY 2006-2007, Leman had a Total Income of Rs. 297.82 lakhs and had incurred a loss before taxation of Rs. 30.41 lakhs.

The objects of Leman as specified in its Memorandum of Association are as follows:

a. To carry on business of buyers, sellers, importers, exporters, agents or dealers in all kinds and classes of leathers, in all its branches, and all kinds of articles in the manufacture of which, in any form, leather is used.

b. To carry on business of hotel, restaurant, café, tavern, warehouse, restaurant room, boarding and lodging house keepers, licensed wine, beer, and spirit merchant, maltsters, manufacturers of aerated mineral and artificial waters and their drinks puveyers, caterers for public amusements, generally coach cab, carriage and motor car proprietors, livery, stable and garage keepers, jobmasters, importers and brokers of food, live and dead stock, hairdressers, perfumers, chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds, and places of amusements and recreation, sport, entertainment and instruction of all kinds of tobacco and cigar merchants, agents for railways, road air and shipping companies and carriers, theatrical and opera box officer, proprietors and general agents, and to provide services and facilities for all kinds on a commercial basis, that may be required for the tourists and entertainment industry,

6.4.2 KRHL is an unlisted subsidiary of the Target Company, and was incorporated on February 6, 1996 as Kwality Desserts Private Limited under the Companies Act 1956. The registered office of KRHL is situated at 254 C, Dr. Annie Besant Road, Worli, Mumbai 400 030. The name of Kwality Desserts Private Limited was changed to Kwality Resorts and Hospitality Private Limited on January 5, 2007. KRHL was made a public limited company with effect from June 29, 2007.

As per the Memorandum of Association of KRHL, the main objects of KRHL include the following:

a. To carry on the business of and management and marketing of Hotels, Holiday Resorts, Villas, Lodgings, Stalls, Summer House, Chateaus, Castles, Inns, Hostels, Road House, Motels, Traverns, Rest House, Guest Houses

b. To sell, serve and to distribute and to manage and market the manufacture of selling, serving, distribution of comestible, eatables, victuals, meat, bread, bread stuffs and all type of food stuffs and consumables

c. To sell and serve and distribute and to manage and market, selling, serving and distribution of soft drinks, aerated waters, beverages, both natural and artificial, fresh and canned vegetables and meats, fresh and canned food stuffs, fresh and canned fruits, dried fruits and to manufacture, grow, produce, develop, process (including canning, cold storage, deep freezing de-hydration, baking, drying, bottling and packing) of all types of vegetables, fruits, meats, fish, spices and condiments

d. To carry on the business of cake shops, banquet halls, bakery shops, coffee shops, refreshment rooms, conduct indoor and outdoor catering assignment, hospitality services and lodging house keepers, manufacturers of aerated waters and other drinks and food stuffs, run places of amusements, recreations and entertainments.

KRHL has not undertaken any significant business activities in FY 2006-2007 Therefore, for the Financial Year ending March 31, 2007, KRHL does not have any income it has incurred a loss of Rs. 14,933.

KRHL intends to pursue the business of setting up Hotels. Recently KRHL has acquired two properties, one each at Jaipur and Goa. Further, KRHL is in the process of acquiring two more properties, one each at Shirdi and Alibaug. KRHL intends to set up Hotels on these properties.

6.5 There has been no change in the name of the Target Company since incorporation.

6.6 The share capital structure of the Target Company as on the date of the Public Announcement (without taking into account the Acquirer Shares issued upon conversion of the Acquirer Warrants) is as follows:

Paid Up Equity Shares of the Target Company	**No of Shares**		**Voting Rights**	
	No of Shares	**%**	**Voting Rights**	**%**
Fully Paid Up Equity Shares	1,28,78,550	100%	1,28,78,550	100%
Partly Paid Up Equity Shares	Nil	Nil	Nil	Nil
Total Paid Up Equity Shares	**1,28,78,550**	**100%**	**1,28,78,550**	**100%**
Total Voting Rights	**1,28,78,550**	**100%**	**1,28,78,550**	**100%**

6.7 Share capital structure of the Target Company as on the date of the Letter of Offer post conversion of the Acquirer Warrants into Acquirer Shares is as follows:

Paid Up Equity Shares of the Target Company	**No of Shares**		**Voting Rights**	
	No of Shares	**%**	**Voting Rights**	**%**
Fully Paid Up Equity Shares	1,72,89,012	100%	1,72,89,012	100%
Partly Paid Up Equity Shares	Nil	Nil	Nil	Nil
Total Paid Up Equity Shares	**1,72,89,012**	**100%**	**1,72,89,012**	**100%**

6.8 **A**s is evident from the table above, the total paid up capital of the Target Company as on the date of the Public Announcement was Rs. 12,87,85,500 comprising 1,28,78,550 Shares. As of the date of this Letter of Offer, the paid up share capital of the Target Company has increased pursuant to the conversion of the Acquirer Warrants into the Acquirer Shares on August 6, 2007 to Rs. 17,28,90,120 comprising 1,72,89,012 Shares. The Target Company has, on June 21, 2007, issued and allotted the Other Investor Warrants convertible into 29,99,114 Shares at a price of Rs. 283.42 per Share. The details of the same are provided in Clause 6.11 herein below. Assuming conversion of the Other Investor Warrants, the total share capital of the Target Company on a fully diluted basis is 2,02,88,126 Shares.

6.9 The Shareholders of the Target Company in the EGM held on June 6, 2007 have approved of an Employees Stock Option Scheme ("ESOS") consisting of 50,000 Employee Stock Options ("ESOPs") convertible into 50,000 equity shares of the Target Company having face value of Rs. 10 each. The ESOS has been approved by the Board of Directors of the Target Company in their Board Meeting held on October 26, 2007. The ESOPs were granted to eligible employees on November 28, 2007.

6.10 Other than the Other Investor Warrants and ESOP as described in clauses 6.8 and 6.9 above, there are no other outstanding Warrants / Convertibles / Options or other instruments which, when converted would result in an increase in the equity share capital of the Target Company. Accordingly, the total share capital of the Target Company on a fully diluted basis on April 9, 2008, being the date which is 15 days from the date of closure of the Offer would remain 2,02,88,126 Shares. The Offer Shares constitute 20% of the said fully diluted shares capital of 2,02,88,126 Shares.

6.11 As on the date of the Letter of Offer, there are no partly paid up shares issued by the Target Company.

6.12 The details of the outstanding warrants of the Target Company, as on the date of Letter of Offer are as follows:

Name of Allottee for the Warrants	Shareholder Category	Number of Warrants	Percentage of Emerging Voting Capital assuming full conversion of all outstanding Warrants
Inshield Insurance Consultants Private Limited	Private Corporate Body	9,00,000	4.44%
Conroe Finance Limited	Foreign Company	7,00,000	3.45%
Willastan Finance Limited	Foreign Company	5,00,000	2.46%
Anchor Ice & Plastics Private Limited Private	Corporate Body	8,99,114	4.43%
Subtotal of all Outstanding Warrants as mentioned above		2999114	14.78%
Total Emerging Voting Capital assuming full conversion of all outstanding Warrants		**2,02,88,126**	**100%**

6.13 The Shares are presently listed on the BSE. Pursuant to application for voluntary delisting by the Target Company, DSE vide their letter dated December 21, 2007 has approved the delisting of Shares from the DSE.

6.14 The table below provides the build up of the current capital structure of the Target Company since inception and till the date of the Letter of Offer. Also find below the status of compliance with the applicable provisions of the SEBI (SAST) Regulations/ other applicable provisions under the SEBI Act, 1992

Date of Allotment of the Equity Shares	No. of Equity Shares	% of Post Issue Capital	Mode of Allotment	Cumulative Paid-up Capital (Rs.)	Identity of the Allottees	Status of the Compliance
August 5,1959	10,000	100	Initial Subscription	100,000	Promoters	Pre- SEBI (SAST) Regulations
October 27, 1959	30,500	75.31	Further Issue	405,000	Promoters	Pre- SEBI (SAST) Regulations
August 20,1962	119,500	74.69	Further Issue	1,600,000	Promoters & persons acting in concert	Pre- SEBI (SAST) Regulations
September 10, 1970	40,000	20.00	Bonus	2,000,000	Existing Shareholders	Pre- SEBI (SAST) Regulations
January 29, 1973	300,000	60.00	Further Issue	5,000,000	Public issue	Pre- SEBI (SAST) Regulations
August 20, 1980	108,000	17.76	Conversion of Loan	6,080,000	IFCI	Pre- SEBI (SAST) Regulations
July 30, 1984	128,333	17.43	Amalgamation of Ghai Enterprises Pvt. Ltd. with the Target Company	7,363,330	Promoters & persons acting in concert	Pre- SEBI (SAST) Regulations

Date of Allotment of the Equity Shares	No. of Equity Shares	% of Post Issue Capital	Mode of Allotment	Cumulative Paid-up Capital (Rs.)	Identity of the Allottees	Status of the Compliance
January 3, 1997	736,333	50	Bonus	14,726,660	Existing Shareholders	Pre- SEBI (SAST) Regulations
October 27, 2000	4,666,666	76.01	Preferential Allotment	61,393,320	Promoters & OCB's (i. Novlon Limited, 2,83,330 Shares; ii. Tresad Limited, Cyprus, 2,83,340 Shares; iii. Banad Developments Limited, Cyprus, 2,83,330 Shares)	Compliant
September 28, 2001	877,047	12.50	Preferential Allotment	70,163,790	Hotel Inter Continental, USA	Compliant
July 24, 2007	5,862,171	45.52	Pursuant to the Scheme	128,785,500	Promoters	Compliant
August 6, 2007	44,10,462			17,289,012	Acquirer	Compliant
Total	**17,289,012**			**17,289,012**		

6.15 There have been certain delays in filing by Target Company with respect to Chapter II compliance of the SEBI (SAST) Regulations. In case of non-compliance with Chapter II of the SEBI (SAST) Regulations, suitable actions may be initiated by SEBI against the Target Company

6.16 The Promoters have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations.

6.17 GL Hotels has duly complied with the various requirements under the Listing Agreement with the Stock Exchanges from time to time. No penal actions have been initiated by the Stock Exchanges against GL Hotels till date.

6.18 BSE vide its letter dated March 1, 2007, Ref: DCS/AMAL/SS/NOC/854/2006-07, has confirmed that the Shares allotted pursuant to the Merger, i.e. 58,62,171 Shares will not be listed on the BSE until the Target Company complies with the provisions of Clause 40(1) of the listing agreement. BSE vide its letter bearing ref DCS/AMAL/AJ/TRD/1393/2007-08 dated September 20, 2007 has permitted the listing and trading of the said Shares.

6.19 As on the date of the Public Announcement, the Board is comprised of 7 directors, viz. Mr. Ravi Ghai, Mr. R. K. P. Shankardass, Mrs. Krishna Kumari Ghai, Mr. Gaurav Ghai, Mr. Mahendra V. Doshi, Mr. Gulshan Bijlani and Mr. Harindra Singh. None of these directors are representatives of the Acquirer. Under the provisions of the WSA, the Acquirer is entitled to nominate one director on the Board, the right for which may be exercised by the Acquirer after completion of the Open Offer. The table below provides the details of the Board as on the date of the Public Announcement:

No.	Name of Director	Designation	Date of Appointment	Qualification	Experience	Residential Address
1	Mr. Ravi Ghai	Chairman & Managing Director	November 4, 1977	B.Com, Masters in Hospitality Management	Mr. Ghai has more than 4 decades of experience in the hospitality business. He is on board of directors of various group companies	A-21, Maker Towers, Cuffe Parade, Colaba, Mumbai-400 005
2	Mr. R.K.P. Shankardass	Director	March 21, 1980	B.A., L.L.B Lawyer	Mr. Shankardass is a lawyer practicing in the Supreme Court of India.	B-12 Maharani Bagh, New Delhi - 110067
3	Mrs. Krishna Kumari Ghai	Director	September 22, 2006	B.Com	Mrs. Ghai has a rich experience of hotel management and administration of more than two decades.	N-25, Panchsheel Park, New Delhi-110017
4	Mr. Gaurav Ghai	Joint Managing Director	April 1, 1996	B.Com	Mr. Ghai has over 15 years of experience in project management, creation and launching new businesses and brands in India	A-21, Maker Towers, Cuffe Parade, Colaba, Mumbai-400 005
5	Mr. Mahendra V. Doshi	Director	September 22, 2006	M.B.A. (U.S.A)	Mr. Doshi has over 25 years experience in the field of finance, capital market, business administration. He is the Chairman of LKP Group of Companies	11, Sea Glims, Worli Hill Road, Worli, Mumbai - 400 018

No.	Name of Director	Designation	Date of Appointment	Qualification	Experience	Residential Address
6	Mr. Gulshan Bijlani	Director	April 30, 2007	B.A.	Mr. Bijlani has experience in production of motion pictures and is associated with film production industry	2nd Floor, Adibaba 16th Road, Santa Cruz West, Mumbai - 400054
7	Mr Harindra singh	Director	April 30, 2007	Bachelor of Science, Diploma in Hotel Management	Mr. Singh has over 25 years experience in the field of marketing communication business solutions and event and sport marketing management	31, Vijay Villa, 79 Worli Sea Face Mumbai - 400030

6.20 Apart from the following there has been no other merger/demerger of the Target Company since inception:

6.20.1 Under a Scheme of Arrangement (the **"Scheme"**) between MBPL, the Target Company and their respective shareholders, pursuant to Sections 391 to 394 and other applicable provisions of the Act, MBPL was merged with the Target Company (the **"Merger"**), with the appointed date being April 1, 2006 (**"Appointed Date"**). In their meeting held on April 17, 2007, Shareholders of the Target Company have approved the Scheme. The Hon'ble High Court of Judicature at Bombay had passed an order sanctioning the Scheme on June 22, 2007. The Merger became effective on July 21, 2007 (**"Effective Date"**) upon making of the requisite filings with the Registrar of Companies. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking of MBPL now stands transferred to and vested in or merged into the Target Company. Upon coming into effect of the Scheme and in consideration of the transfer and vesting of the undertakings of MBPL in the Target Company, the Target Company has issued and allotted 53 (Fifty Three) Equity Shares of the face value of Rs. 10 each credited as fully paid up in the share capital of the Target Company for every 1 (One) equity share of Rs. 100 each in MBPL held by the shareholders of erstwhile MBPL whose names appear in the Register of Members of MBPL as on the Effective Date.

6.20.2 Satinetta Finlease and Investments Private Limited ("Satinetta") and Kwality Frozen Foods Private Limited (**"KFFPL"**) were the shareholders of MBPL. Under the merger of MBPL with the Target Company, the Target Company has issued and allotted 53 equity shares of the face value of Rs. 10 each in the share capital of the Target Company for every 1 equity share of Rs 100 each in MBPL held by the erstwhile shareholders of MBPL. Prior to the Merger, Satinetta held 85,050 shares in MBPL and KFFPL held 25,557 shares in MBPL. Consequently Satinetta was allotted 45,07,650 shares of the Target Company and KFFPL was allotted 13,54,521 shares of the Target Company pursuant to the Merger. Other than Satinetta and KFFPL, none of the other Promoters held any shares in MBPL. Satinetta did not hold any shares in the Target Company prior to the Merger and it has become a promoter of the Target Company only upon allotment of shares by the Target Company under the Scheme.

6.21 The audited standalone financial statements of the Target Company for the financial year ending March 31, 2005, the financial year ending March 31, 2006 and the financial year ending March 31, 2007, are as follows:

(Amounts Rs. in lakhs, except per share data)

Profit & Loss Statement	**Year Ending March 31, 2005**	**Year Ending March 31, 2006**	**Year Ending March 31, 2007**
Income from operations	2,012.12	2,447.00	5,203.93
Other Income	66.52	60.07	127.99
Total Income	**2,078.64**	**2507.07**	**5,331.92**
Total expenditure	1,921.77	1,849.19	3,581.18
Profit before Depreciation, Interest and Tax	**156.87**	**657.88**	**1,750.74**
Depreciation	375.19	382.46	410.89
Interest	369.66	329.05	334.58
Profit before Tax	**(587.98)**	**(53.63)**	**1005.27**
Provision for Tax	190.67	(132.02)	(272.19)
Profit after Tax	**(397.31)**	**(185.65)**	**733.08**

Balance Sheet Statement	**Year Ending March 31, 2005**	**Year Ending March 31, 2006**	**Year Ending March 31, 2007**
Sources of funds			
Paid up share capital	701.64	701.64	701.64
Reserves and Surplus (excluding revaluation reserves)	1,587.21	1,587.20	13,341.38
Profit & Loss A/c (debit balance)	1,482.30	1,667.95	934.88
Total miscellaneous expenditure not written off	302.24	201.49	133.89
Networth	**504.31**	**419.40**	**12,974.25**
Secured loans	4,568.54	4,089.35	3,842.21
Unsecured loans	1,978.31	1,978.81	394.20
Total	**7,051.15**	**6,487.56**	**17,210.66**
Uses of funds			
Net fixed assets	5,430.61	5,197.77	15,310.47
Investments	0.82	151.99	398.82
Net current assets (including Deferred Tax Assets)	1619.73	1,137.80	1,501.37
Total	**7051.16**	**6,487.56**	**17,210.66**

Other Financial Data	**Year Ending March 31, 2005**	**Year Ending March 31, 2006**	**Year Ending March 31, 2007**
Dividend (%)	Nil	Nil	Nil
Earning Per Share	**(5.66)**	**(2.65)**	**10.45**
Return on Networth	**(78.78%)**	**(44.27%)**	**5.65%**
Book Value Per Share (excluding Share Capital Suspense)	**7.19**	**5.98**	**184.92**
Book Value Per Share (including Share Capital Suspense)	**N.A.**	**N.A.**	**100.74**

Note: The above financials are standalone financials of the Target Company not consolidated with the financials of its subsidiaries. Financials for the year ended March 31, 2007 reflect the post Merger financials of the Target Company.

6.22 The rise in the Total Income and Profits from the financial year ending March 31, 2006 to the financial year ending March 31, 2007 has been on account of

- Higher occupancy ratio in rooms;
- Increase in food and beverages revenue;
- Cost rationalization measures taken in key areas of operations;
- Merger of MBPL with the Target Company

The ‘reserves and surplus’ of the Target Company have increased for the year 2007 on account of the Merger.

In terms of the Scheme which has been sanctioned by the Hon’ble Bombay High Court and which became effective as on July 21, 2007, the Merger has been accounted for under the ‘purchase method’ as prescribed by Accounting Standard 14- “Accounting for Amalgamations”, issued by the Institute of Chartered Accountants of India. As provided in the Scheme and in terms of the Court Order:

- Rs 90,148,110 being the excess of amount of the fair value (as determined by the management) of the net assets of MBPL over the consideration has been credited to the General Reserve Account of the Target Company as Adjustment on Amalgamation
- The Target Company has revalued its land at Mumbai to Rs. 1,026,648,000 during the year and this amount being the revaluation amount has been credited to General Reserve Account of the Company on Amalgamation.

6.23 Pre and Post Offer share holding pattern of the Target Company:

The shareholding of the Target Company before the Offer and after the Offer (assuming full acceptance of the Offer) is given in the table below:

Shareholder's Category	Shareholding & voting rights prior to the agreement/ acquisition and the Offer		Shares/ voting rights acquired which triggered the Regulations		Shares/ voting rights acquired pursuant to possible conversion of Other Investor Warrants		Shares/ voting rights to be acquired in the Offer (Assuming full acceptances)		Shareholding/ voting rights after the acquisition and offer	
	(A)		(B)		(C)		(D)		E) = (A) + (B) + (C) + (D)	
	No.	%	No.	%	No.	%	No.	%	No.	%
(1) Promoter group										
a. (i) Kwality Frozen Foods Private Limited (ii) Amphitrite Investments Company Private Limited (iii) Oregon Realtys Private Limited (iv) Ravi Ghai (v) Gaurav Ghai (vi) Geeta Ghai	5,815,262	45.15%							5,815,262	28.66%
b. Satinetta Finlease & Investments Private limited	4,507,650	35.00%							4,507,650	22.22%%
Total 1 (a+b)	**10,322,912**	**80.16%**							**10,322,912**	**50.88%**
(2) Acquirers										
a. Acquirer			4,410,462	25.51%			4,057,625	20.00%	8,468,087	41.74%
Total 2 (a+b)			**4,410,462**	**25.51%**			**4,057,625**	**20.00%**	**8,468,087**	**41.74%**
(3) Parties to agreement other than (1)(a) & (2)										
(4) Public (other than parties to agreement and Acquirer)										
a. FIs/ MFs/ Banks/ SFIs	1,900	0.01%					4.057,625 (20.00%)			
b. Others	2,553,738	19.83%			2,999,114	14.78%				
Total (4) (a+b)	**2,555,638**	**19.84%**			**2,999,114**	**14.78%**	**(4,057,625)**	**(20.00%)**	**1,497,127**	**7.38%%**
Total	**12,878,550**	**100.00%**	**17,289,012**	**100.00%**	**20,288,126**	**100.00%**			**20,288,126**	**100.00%**

Note:

The above post-Offer shareholding pattern assumes that full acceptances are received in the Offer from all the existing public shareholders in the category 4.

Since Satinetta Finlease and Investments Pvt. Ltd. is not a party to the WSA / SHA, Satinetta is free to participate in the Open Offer. Satinetta Finlease and Investments Private limited has however communicated vide their letter dated August 21, 2007 to the Acquirer after the filing of the Letter of Offer with SEBI that it does not intend to participate in the Open Offer. Accordingly, Satinetta will continue to be a "promoter" of the Target Company after the Open Offer

** Percentage in Column B is as of enhanced voting capital after conversion of Acquirer Warrants into Acquirer Shares. Percentage in Column C, D and E are as of enhanced voting capital after assuming conversion of Other Investor Warrants into Shares.*

6.24 The number of public shareholders for the Target Company as of the date of letter of offer is 1,435

6.25 Find below the details of the change in shareholding of the Promoters in the Target Company as and when it happened till the date of the Public Announcement:

1) **Mr. Ravi Ghai**

Financial Year	Number of Shares / Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
1997	101,395			202,790	13.77%	1,472,666	Bonus	Pre- SEBI (SAST) Regulations
1998				202,790	13.77%	1,472,666		
1999		6,250		209,040	14.19%	1,472,666	Buy - open market	Complied
2000			1,000	208,040	14.13%	1,472,666	Sell - open market	Complied
2001	902,823			1,110,863	18.09%	6,139,332	Preferential Allottment	Compliant in terms of Regulations 3(1)(c) of the SEBI SAST Regulations
2002			135,000	975,863	13.91%	7,016,379	Interse transfer	Complied
2003			20,000	955,863	13.62%	7,016,379	Interse transfer	Complied
2004			320,570	635,293	9.05%	7,016,379	Interse transfer	Complied
2005				635,293	9.05%	7,016,379		
2006				635,293	9.05%	7,016,379		
2007				635,293	9.05%	7,016,379		
2007 (31st July)				635,293	4.93%	12,878,550	Persuant to Scheme	
2007 (6th Aug)				635,293	3.67%	17,289,012	Warrant shares - Dunearn	

2) **Mr. Gaurav Ghai**

Financial Year	Number of Shares / Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
1997	16,175			32,350	2.20%	1,472,666	Bonus	Pre- SEBI (SAST) Regulations
1998				32,350	2.20%	1,472,666		
1999				32,350	2.20%	1,472,666		
2000				32,350	2.20%	1,472,666		
2001	300,000			332,350	5.41%	6,139,332	Preferential Allottment	Compliant in terms of Regulations 3(1)(c) of the SEBI SAST Regulations

Financial Year	Number of Shares / Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
2002				332,350	4.74%	7,016,379		
2003		26,000		358,350	5.11%	7,016,379	Interse transfer	Complied
2004		93,583		451,933	6.44%	7,016,379	Interse transfer	Complied
2005				451,933	6.44%	7,016,379		
2006				451,933	6.44%	7,016,379		
2007				451,933	6.44%	7,016,379		
2007 (31st July)				451,933	3.51%	12,878,550	Persuant to Scheme	
2007 (6th Aug)				451,933	2.61%	17,289,012	Warrant shares – Dunearn	

3) Mrs. Geeta Ghai

Financial Year	Number of Shares / Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
1997	9,617			19,234	1.31%	1,472,666	Bonus	Pre- SEBI (SAST) Regulations
1998				19,234	1.31%	1,472,666		
1999				19,234	1.31%	1,472,666		
2000				19,234	1.31%	1,472,666		
2001				19,234	0.31%	6,139,332		
2002				19,234	0.27%	7,016,379		
2003				19,234	0.27%	7,016,379		
2004		5,840		25,074	0.36%	7,016,379	Buy - open market	Complied
2005				25,074	0.36%	7,016,379		
2006				25,074	0.36%	7,016,379		
2007				25,074	0.36%	7,016,379		
2007 (31st July)				25,074	0.19%	12,878,550	Persuant to Scheme	
2007 (6th Aug)				25,074	0.15%	17,289,012	Warrant shares - Dunearn	

4) **Kwality Frozen Foods Private Limited**

Financial Year	Number of Shares / Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
1997	197,215			394,430	26.78%	1,472,666	Bonus	Pre- SEBI (SAST) Regulations
1998				394,430	26.78%	1,472,666		
1999				394,430	26.78%	1,472,666		
2000				394,430	26.78%	1,472,666		
2001	2,613,843			3,008,273	49.00%	6,139,332	Preferential Allottment	Compliant in terms of Regulations 3(1)(c) of the SEBI SAST Regulations
2002				3,008,273	42.88%	7,016,379		
2003				3,008,273	42.88%	7,016,379		
2004				3,008,273	42.88%	7,016,379		
2005				3,008,273	42.88%	7,016,379		
2006				3,008,273	42.88%	7,016,379		
2007				3,008,273	42.88%	7,016,379		
2007 (31st July)	1,354,521			4,362,794	33.88%	12,878,550	Persuant to Scheme	
2007 (6th Aug)				4,362,794	25.23%	17,289,012	Warrant shares - Dunearn	

5) **Oregon Realtys Private Limited**

Financial Year	Number of Shares / Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
1997	19,950	-	-	39,900	2.71%	1,472,666	Bonus	Pre- SEBI (SAST) Regulations
1998	-	-	-	39,900	2.71%	1,472,666		
1999	-		1,450	38,450	2.61%	1,472,666	Sell - open market	Complied
2000	-	-	-	38,450	2.61%	1,472,666		
2001	-	-	-	38,450	0.63%	6,139,332		
2002			3,000	35,450	0.51%	7,016,379	Sell - open market	Complied
2003				35,450	0.51%	7,016,379		
2004		2,750		38,200	0.54%	7,016,379	Buy - open market	Complied
2005				38,200	0.54%	7,016,379		
2006				38,200	0.54%	7,016,379		
2007				38,200	0.54%	7,016,379		
2007 (31st July)				38,200	0.30%	12,878,550	Persuant to Scheme	
2007 (6th Aug)				38,200	0.22%	17,289,012	Warrant shares - Dunearn	

6) **Amphitrite Investments Company Private Limited**

Financial Year	Number of Shares /Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
1997	83,484			166,968	11.34%	1,472,666	Bonus	Pre- SEBI (SAST) Regulations
1998				166,968	11.34%	1,472,666		
1999				166,968	11.34%	1,472,666		
2000				166,968	11.34%	1,472,666		
2001				166,968	2.72%	6,139,332		
2002		135,000		301,968	4.30%	7,016,379	Interse transfer	Complied
2003				301,968	4.30%	7,016,379		
2004				301,968	4.30%	7,016,379		
2005				301,968	4.30%	7,016,379		
2006				301,968	4.30%	7,016,379		
2007				301,968	4.30%	7,016,379		
2007 (31st July)				301,968	2.34%	12,878,550	Persuant to Scheme	
2007 (6th Aug)				301,968	1.75%	17,289,012	Warrant shares - Dunearn	

7) **Satinetta Finlease and Investments Private Limited**

Financial Year	Number of Shares /Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition	Compliance/ Remarks
	Allotted	Purchased (net)	Sold (net)					
2007	-	-	-	-	0.00%	7,016,379		
2007 (31st July)	4,507,650			4,507,650	35.00%	12,878,550	Persuant to Scheme	
2007 (8th Aug)				4,507,650	26.07%	17,289,012	Warrant shares - Dunearn	

The Promoters of the Target Company have complied with applicable provisions of the SEBI (SAST) Regulations/ other applicable Regulations under the SEBI Act, 1992 and other statutory requirements in connection with the aforementioned change in shareholding of the Promoters as and when it happened in the Target Company.

The Target Company has complied with the reporting formalities regarding the change in the shareholding of all the promoters of the Target Company since February 1997 till date under the applicable provisions of Chapter II of the SEBI (SAST) Regulations.

The table below provides the change in shareholding of all the promoters of the Target Company:

Financial Year	Number of Shares / Allotted/ Purchase/Sold			Cumulative number of shares	% holding	Total shareholding	Mode of Allotment/ Acquisition
	Allotted	Purchased (net)	Sold (net)				
1997	4,27,836			8,55,672	58.10%	14,72,666	Bonus
1998				8,55,672	58.10%	14,72,666	
1999		4,800		8,60,472	58.43%	14,72,666	
2000			1,000	8,59,472	58.36%	14,72,666	
2001	38,16,666			46,76,138	76.17%	61,39,332	Preferential Allottment 3(1)(C) of SEBI (SAST) Regulations
2002			3,000	46,73,138	66.60%	70,16,379	
2003		6,000		46,79,138	66.69%	70,16,379	
2004			2,18,397	44,60,741	63.58%	70,16,379	
2005				44,60,741	63.58%	70,16,379	
2006				44,60,741	63.58%	70,16,379	
2007				44,60,741	63.58%	70,16,379	
2007 (31st July)	58,62,171			1,03,22,912	80.16%	1,28,78,550	Persuant to Scheme
2007 (6th Aug)				1,03,22,912	59.71%	1,72,89,012	

6.26 Till the date of the Public Announcement, the trading of Shares has not been suspended on the BSE and the DSE. The Target Company has not been prohibited by the SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1972 and subsequent amendments thereto.

6.27 The Acquirer will be responsible along with the Promoters for the purpose of compliance with all applicable regulations/ guidelines including those relating to Listing Agreement, SEBI DIP guidelines and SEBI (SAST) Regulations.

6.28 The Target Company has complied with the corporate governance requirements of Clause 49 of the Listing Agreement from time to time.

There are two pending litigation against the Target Company, details of which are provided below:

1. **Complaint (ULP) No. 269 of 2000 filed by Mr.Premdas Vithal Pawar before the IXth Labour Court against Hotel Natraj.**

   Mr. Premdas Vitthal Pawar filed a complaint against Hotel Natraj for unfair labour practices under item numbers 1(a), 1(b), 1(d) and 1(f) of Schedule IV of MRTU & PULP Act, 1971 before the V Honorable Labour Court, Maharashtra at Mumbai.

   In the above case, Mr. Premdas V. Pawar has complained that he was terminated by the Hotel Natraj in January 1999 when the Hotel Nataraj was taken up for renovation and he was assured that he would be taken back on service on completion of the renovation. He has contended that he was last paid salary for December 1998.

   He has demanded in the case that he be allowed to resume duty immediately and paid full back wages from January 1999.

   The current status of the case is that it is for taking evidence of the complainant and it is learnt that he has expired and his legal heirs are contesting his claim. The matter is now kept for arguments on April 07, 2008

   According to the Target Company the complainant was in service up to 1995 when he voluntarily resigned and collected his full and final settlement of Rs.54,029.40 by cheque.

2. **Complaint (ULP) No. 310 of 2001 filed by Mr.Vinod G. Shinde before the XII th Labour Court at Mumbai.**

   Mr Vinod G Shinde filed a complaint against the GL Hotels Limited for unfair labour practices under item numbers 1(a), 1(b), 1(d) and 1(f) of Schedule IV read with section 28(1) of MRTU & PULP Act, 1971 before the XII Honorable Labour Court, Maharashtra at Mumbai.

In this matter, Shri Vinod Shinde has contended that the termination letter dated March 22, 2001 issued to him is illegal and he be reinstated with full back wages. The Target Company has contended that prior to the issuance of the termination letter, a show cause notice dated March 17, 2001 was issued to the complainant for having committed theft.

The Target Company has also contended that Mr..Shinde is not a 'workman' under applicable law which contention was rejected by the Labour Court. The Target Company has filed an appeal before the Industrial Court which is pending. The revision application has been filed and the case is now kept for Arguments on March 11, 2008

6.29 Mr Milind Wagh is the Compliance Officer for the Target Company, Address: 254-C Annie Besant Road, Worli, Mumbai – 400 020, Tel: +91 22 40501111, Fax: +91 22 24915555.

7 OFFER PRICE AND FINANCIAL ARRANGMENTS

7.1 Justification of Offer Price

7.1.1 The Shares of the Target Company are presently listed on the BSE. At the date of the Public Announcement, Shares were also listed on DSE and have subsequently been delisted pursuant to a voluntary delisting application made by the Target Company. Based on the information available, the Shares of the Target Company are infrequently traded on the BSE and the DSE (within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations)

7.1.2 The annualized trading turnover during the preceding 6 calendar months prior to the month in which the Public Announcement is made in terms of number and % of total listed Shares in each stock exchange is as follows:

Name of Stock Exchange	Total No of shares traded during the 6 calendar months prior to the month in which the PA was made	Total No of Listed Shares as on June 30, 2007	Annualized Trading Turnover (in terms of % to total listed shares)
BSE	127854	7016379	3.64%
DSE	Nil	7016379	Nil

Source: (www.bseindia.com)

7.1.3 The Offer Price is justified in terms of Regulations 20 (5) of the SEBI (SAST) Regulations in view of the following:

A	Negotiated Price	The Conversion Price contracted in the WSA is Rs. 283.42
B	The highest price paid by the Acquirer for acquisitions, if any, including by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA	Rs. 283.42 in terms of the WSA
C	**Other Financial Parameters***	March 31, 2007
	Return on Net Worth (%)	5.65%
	Book Value per share (including Share Capital Suspense, in Rs.)	100.74
	Earnings per share (Rs.)	10.45
	P/E Multiple based on Offer Price	27.12
	Average of the P/E multiple of companies forming part of the Hotel industry (Source: Capital Market July 16- July 29, 2007)	21.5

*Note: *Based on standalone audited financials of the Target Company for FY 2007 (reflecting post Merger financials of the Target Company)*

7.1.4 Since the Public Announcement was made pursuant to the proposed conversion of Acquirer Warrants into Acquirer Shares, there is no negotiated price paid by the Acquirer for directly acquiring shares of the Target Company.

7.1.5 Valuation of the Shares was done by Haribhakti & Company, Chartered Accountants, 43, Free Press House, 215, Nariman Point, Mumbai - 400021 signing through partner, Mr. Manoj Daga (Membership No. 48523) vide their report dated July 25, 2007 ("Valuation Report"). As per the Valuation Report, the price per Share in terms of Regulation 20(5)(c) of the SEBI (SAST) Regulations, is Rs. 264.00 (Rupees Two Hundred and Sixty Four Only) also taking into account the Merger and the allotment of shares in terms of the Scheme (as defined in Clause 6.19.1) and the share swap ratio specified therein.

7.1.6 The Offer Price of Rs. 283.42 per Share of the Target Company is higher than the fair value determined under the Valuation Report and is equal to the Conversion Price of Rs. 283.42 per Share paid by the Acquirer upon conversion of each Acquirer Warrant. The Offer Price is therefore justified in terms of Regulation 20 of the SEBI (SAST) Regulations.

7.1.7 The Acquirer has not agreed to pay any separate non compete fee under any agreement with the Target Company. The Offer Price is in full compliance with the provisions of, and is justified in terms of, Regulation 20(11) of the SEBI (SAST) Regulations.

7.1.8 During the Offer period, the Acquirer may purchase additional Shares in accordance with the SEBI (SAST) Regulations. In the event that the Acquirer purchases additional Shares during the Offer Period in accordance with Regulation 20(7) of the SEBI (SAST) Regulations, such purchase shall be disclosed to the stock exchanges where the Shares are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. The Acquirer undertakes to ensure that the Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of Shares of the Target Company from the date of the Public Announcement up to March 13, 2008 (i.e. 7 working days prior to the closure of the Offer).

7.1.9 As per the SEBI (SAST) Regulations, the Acquirer can revise the Offer Price / Offer size upwards up to 7 (seven) working days prior to the closure of this Offer, and the revision, if any, would be announced in the same newspapers where the Public Announcement has appeared and the revised price will be paid for all Shares acquired pursuant to this Offer. The Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of Shares of the Target Company from the date of the Public Announcement up to 7 (seven) working days prior to the closure of the Offer

7.2 Financial Arrangements

7.2.1 The total funding requirement for the Offer (assuming full acceptance) i.e for the acquisition of up to 40,57,625 Shares at Rs. 283.42 per share is Rs. 115,00,12,078 (Rupees One Hundred Fifteen Crore Twelve Thousand and Seventy Eight Only) (the **"Maximum Consideration"**).

7.2.2 The Acquirer, JM Financial and DBS Bank Ltd, a banking corporation incorporated under the laws of Singapore, having its Head Office at 6, Shenton Way DBS Building Tower One, Singapore – 088809, acting through its branch office at 3rd Floor, Fort House, 221, Dr. D N Road, Fort, Mumbai - 400 001, India, (hereinafter referred to as the "**Escrow Agent"** or **"DBS Bank"**) have entered into an Open Offer Escrow Agreement (the **"Escrow Agreement"**) in accordance with Regulation 28 of the SEBI (SAST) Regulations whereby the Acquirer has, inter alia, made a cash deposit (**"Security Deposit"**) of Rs. 1,15,00,121 (Rupees One Crore Fifteen Lakh One Hundred and Twenty One Only) (being not less than 1% of the Maximum Consideration) in an escrow account with DBS Bank (**"Escrow Account"**). JM Financial has been duly authorized to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

7.2.3 By way of security for performance of its obligations under the SEBI (SAST) Regulations, an unconditional, irrevocable and on demand bank guarantee (**"Bank Guarantee"**) dated July 25, 2007 has been issued on behalf of the Acquirer in terms of Regulation 28 of the SEBI (SAST) Regulations by DBS Bank Ltd, 3rd Floor, Fort House, 221, D. N. Road, Mumbai 400 001. The Guarantee issued in favour of the Manager to the Offer, is valid until April 30, 2008 and is for a sum of Rs. 26,50,01,207.80 (Rupees Twenty Six Crores Fifty Lakhs

One Thousand Two Hundred Seven and Paise Eighty Only) which is equivalent to 25% of the value of the total consideration up to Rs. 100 Crores and 10% of the value of the total consideration beyond Rs. 100 Crores payable under the Open Offer (assuming full acceptances). JM Financial has been duly authorized to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations.

7.2.4 Over and above the foregoing, the Acquirer has access to free cash balances and the liquid investments on its books amounting to Rs. 3,500,000,000 (Rs. Three Hundred Fifty Crores only) and Rs. 168,000,000 (Rs Sixteen Crores and Eighty lakhs only) respectively as on August 27, 2007.

7.2.5 DBS Bank Ltd, vide their letter dated July 27, 2007 stated that based on information and explanations provided by the Acquirer, and on the basis of funds available with the Acquirer, the Acquirer has sufficient means and capability for purposes of discharging its obligations under the Open Offer.

7.2.6 Based on the above and in light of the Security Deposit and the Bank Guarantee, JM Financial is satisfied with the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are already in place to fulfill the obligations under the SEBI (SAST) Regulations.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 Statutory Approvals required for the Offer

8.1.1 The Offer is subject to receipt of approval by the Acquirer from the Reserve Bank of India (**"RBI"**) under the Foreign Exchange Management Act, 1999 and / or the regulations made for acquiring Shares validly tendered under this Offer (including Shares tendered by Non-Resident Indians). RBI vide its letter dated September 13, 2007 has given its approval for the same.

8.1.2 To the best of the Acquirer's knowledge, there are no other statutory approvals required to implement the Offer other than the approval specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirer will have the right not to proceed with the Offer in the event that the statutory approvals indicated above are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.

8.1.3 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders of the Target Company, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

8.1.4 To the best of its knowledge, the Acquirer does not require any approvals from any financial institutions or banks for the Offer.

8.2 The Letter of Offer relating to the Offer together with the Form of Acceptance cum Acknowledgement will be mailed to all public Shareholders of the Target Company (except the Acquirer and the Key Promoters) whose names appear on the Registrar of Members of the Target Company and to the beneficial owners of the Shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective Depositories, in either case, at the close of the business on the Specified Date i.e. August 10, 2007.

8.3 All Shareholders other than the Acquirer and the Key Promoters, whose names appear in the register of shareholders on the Specified Date and also persons who own Shares any time prior to the closure of the Offer, whether or not they are registered Shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

8.4 Pursuant to the Merger, the Target Company has undertaken to the BSE to lock-in the Shares issued pursuant to the Merger i.e. 58,62,171 Shares, for a period of three years from the date of listing of the new Shares at the BSE. Such Shares shall not be capable of being transferred to the Acquirer under the Offer unless the BSE permits such transfer.

8.5 Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favor of the special depository account with NSDL.

8.6 All Shares tendered and accepted under the Offer will be acquired by the Acquirer, subject to the terms and conditions set out herein. All necessary requirements for the valid transfer of the Shares will be the pre-conditions for valid acceptance. The acceptance of the Offer is entirely at the discretion of the Shareholders. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

8.7 Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Applications in respect of Shares of the Target Company that are subject matter of litigation wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

The securities transaction tax will not be applicable to the shares accepted in the Offer.

8.8 A schedule of the activities pertaining to the Offer is given below:

Activity	**Original Date & Day**	**Revised Date & Day**
Public Announcement	July 30, 2007, Monday	Unchanged
Specified Date*	August 10, 2007, Friday	Unchanged
Last date for a competitive bid	August 20, 2007, Monday	Unchanged
Date by which Letter of Offer to be dispatched to Shareholders	September 13, 2007, Thursday	February 29, 2008, Friday
Date of opening of the Offer	September 21, 2007, Friday	March 7, 2008, Friday
Last date for upward revision of the Offer Price / number of Shares	September 28, 2007, Friday	March 13, 2008, Thursday
Last Date for withdrawing acceptance of the Offer	October 5, 2007, Friday	March 19, 2008, Wednesday
Date of closing of the Offer	October 10, 2007, Wednesday	March 26, 2008, Wednesday
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders and/or the unaccepted equity shares/share certificates will be dispatched/credited	October 25, 2007, Thursday	April 9, 2008, Wednesday

* *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 and all owners (registered or unregistered) of the shares of the Target Company (except the Acquirer and the Key Promoters) are eligible to participate in the Offer anytime before the closing of the Offer*

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Procedure for accepting the Offer by eligible persons, unregistered shareholders, owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer

9.1.1 Shareholders who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at **Intime Spectrum Registry Limited,** C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078, Tel: +91 22 25960320 Fax: +91 22 25960328/29, E-Mail: glhoffer@intimespectrum.com, Contact person: Ms Awani H Thakkar either by hand delivery on weekdays or by Registered Post, on or before the Closure of the Offer, i.e., no later than March 26, 2008 or at the Collection Centres, so as to reach the Registrar/ Collection Centres on or before the close of business hours, i.e., no later than 4:30 pm on March 26, 2008 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects; otherwise the same is liable to be rejected. In the case of dematerialized shares, the Shareholders are advised to ensure that their Shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance of such dematerialized shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.

9.1.2 **For Shares held in physical Form:**

a. Shareholders who are holding Shares in physical form and who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer **Intime Spectrum Registry Limited** ("**Registrar to the Offer**"), either by hand delivery on weekdays or by Registered Post, so as to reach on or before the close of the Offer, i.e., no later than March 26, 2008, (by 4:30 pm) in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

b. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of share held, number of shares tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares and valid share transfer forms. No indemnity is required from the unregistered owners

9.1.3 **For Shares held in dematerialized form:** Beneficial owners (holders of shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account to **Intime Spectrum Registry Limited,** C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078, Tel: +91 22 25960320 Fax: +91 22 25960328/29 E-Mail: glhoffer@intimespectrum.com, Contact person: Ms Awani H Thakkar, either by hand delivery on weekdays or by Registered Post acknowledgement due, so as to reach on or before the close of the Offer, i.e., no later than March 26, 2008, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. For each delivery instruction, the beneficial owner should submit separate Form of Acceptance. The credit for the delivered shares should be received in the special depository account on or before the close of the Offer, i.e., no later than March 26, 2008.

9.1.4 The Registrar to the Offer on behalf of the Acquirer has opened a special depository account as detailed below:

Depository	National Securities Depositories Limited ("NSDL")
Account Name	Escrow Account – GL Hotels Offer
Depository Participant	Stockholding Corporation of India Limited
DPID	IN 301330
Client ID	20134085

9.1.5 Shares and other relevant documents should not be sent to the Acquirer/Target Company/Manager to the Offer.

9.1.6 In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the Letter of Offer and Form of Acceptance from the SEBI website,(http://www.sebi.gov.in) (ii) obtain a copy of the same by writing to the Registrar to the Offer, or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., no later than March 26, 2008, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the 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 special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than March 26, 2008. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

9.1.7 If the aggregate of the valid responses to the Offer exceeds the Offer size of 40,57,625 fully paid-up Shares of the Target Company (representing 20% of the Emerging Voting Capital), then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The minimum acceptance will be one Share.

9.1.8 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed in time for the credit in the special depository account to be received on or before the closing date of the Offer, i.e., no later than March 26, 2008, or else their application will be rejected.

9.1.9 TAX TO BE DEDUCTED AT SOURCE

As per the provisions of Section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable).

Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the Income Tax Act or as business profits as the case may be, Acquirer will need to deduct tax at source (including surcharge and education cess) at the applicable tax rate on the gross consideration payable to the following categories of Shareholders, as given below:

a) Non-resident Indians: The Acquirer will deduct tax at source at the rate of 30% on the Offer Price in case of short-term capital gains or business profits, and at the rate of 20% on the Offer Price in case of long-term capital gains. In the event that the aforesaid amount of gross proceeds exceeds Rs. 10,00,000 the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived at will be further increased by an education cess of 3% of the aggregate of the tax and surcharge to be deducted in all cases.

b) Non-domestic companies: The Acquirer will deduct tax at source (including education cess and surcharge) at the rate of 40% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 20% on the Offer Price on the case of long-term capital gains. In the event that the aforesaid amount of gross proceeds exceeds Rs.1,00,00,000 the aforesaid rate will be increased by a surcharge of 2.5% of the sum. The amount so arrived at will be further increased by an education cess of 3% of the aggregate of the tax and surcharge to be deducted in all cases.

c) Foreign Institutional Investors ("FII"): FIIs enjoy exemption from tax deduction at source on capital gains under Section 196D (2) of the Income Tax Act, 1961 and hence no tax shall be deducted on amount payable to FIIs subject to receipt of an undertaking from them stating their residential status, that it does not have a permanent establishment in India, the amount received by them constitutes capital gains and does not constitute business income for them and that similar gains have been taxed as capital gains by the tax authorities in India in the past.

   If the FII is a company, tax will be deducted at source at 40% on the Offer Price if shares are held on trade account and it is established that the FII has a permanent establishment in India or if the FII fails to certify in the Bid Form that the Shares are held by it on investment / capital account. If the FII is a person (firm or trust) other than a company, then tax will be deducted at the rate of 30% if shares are sold on trade account and will be further increased by a surcharge and education cess as indicated above viz., (1) in the case of a person other than a company in the event the aforesaid amount exceeds Rs.10,00,000 the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived at will be further increased by an education cess of 3% of the aggregate of the tax and surcharge to be deducted. (2) in the case of a company, if the aforesaid amount of gross proceeds exceeds Rs.1,00,00,000 the aforesaid rate will be increased by a surcharge of 2.5% of the sum. The amount so arrived at will be further increased by an education cess of 3% of the aggregate of the tax and surcharge to be deducted in all cases

d) Other persons who are not resident in India: The Acquirer will deduct tax at source at the rate of 30% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 10% on the Offer Price in the case of long-term capital gains. In the event that the aforesaid amount exceeds Rs.1,000,000 the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived at will be further increased by an education cess of 3% of the aggregate of the tax and surcharge to be deducted in all cases in the case of firms, the surcharge would be 10% and further increased by an education cess of 3%.

e) For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take actions based on the information submitted by the Shareholders.

f) In the case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, the capital gain shall be assumed to be short-term in nature.

g) In the event the aforementioned categories of Shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirer while submitting the Bid Form. In the absence of any such certificate from the Income Tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

h) The aforementioned categories of Shareholders should certify in the Form of Acceptance whether the equity shares are held by them on investment/capital account or on trade account.

i) No tax will be deducted at source for any other category of Shareholders who are residents in India.

9.1.10 In addition to the above-mentioned address, the Shareholders who wish to avail themselves of accepting the Offer can also deliver the Form of Acceptance cum Acknowledgement along with all of the relevant documents at any of the collection centers below in accordance with the procedure as set out in the Letter of Offer. All of the centers mentioned herein below will be open as follows:

Sl. No.	City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
1	Mumbai	Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W), Mumbai -400078.	Awani Thakkar	022-25960320 to 27	022-25960328/ 25960329	Hand Delivery & Registered Post
2	Bangalore	Intime Spectrum Registry Limited, 1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G.Road, Bangalore 560 009	Chandra Shekhar	080-41242623/ 41242624	080-41242623 (Telefax)	Hand Delivery
3	Kolkata	Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020	S.P. Guha	033-22890539/ 22890540	033-22890539/ 22890540 (Telefax)	Hand Delivery
4	New Delhi	Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028.	Swapan Naskar	011-41410592/ 41410593/ 41410594	011-41410591	Hand Delivery
5	Pune	Intime Spectrum Registry Limited, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	P. N Albal	020- 65203395	020 -26053503	Hand Delivery
6	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Solly Soy	044- 2815 2672 044- 4207 0906	044- 2815 2672 Telefax	Hand Delivery

Collection Timings for all the locations mentioned above will be 10 a.m. to 1 p.m. & 2 p.m. to 4.30 p.m. for Monday to Friday except public holidays.

9.1.11 Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing the acceptance tendered by them in the Offer may do so up to three (3) working days prior to the closing date of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before March 19, 2008. The withdrawal option can be exercised by submitting the Form of Withdrawal, which is enclosed with the Letter of Offer.

a. For Equity Shares held in demat form:

Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original / Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

b. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.

c. In case of partial withdrawal, valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

d. Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.

e. In case of non receipt of the Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details

i. In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered; and

ii. In case of dematerialized shares: name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favor of the special depository account

f. The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account. The intimation of returned shares to the Shareholders will be at the address through Registered post as per the records of the Target Company/Depository as the case may be. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Target Company. Partial withdrawal of tendered shares can be done only by the registered Shareholders / Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

9.1.12 Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by Acquirer. In case of joint registered holders, cheques /demand drafts will be drawn in the name of the sole/first named holder/ unregistered owner and will be sent to him. It is desirable that Shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that same can be incorporated in the cheque / demand draft.

9.1.13 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. Unaccepted shares held in dematerialized form 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 cum Acknowledgement.

9.1.14 The Registrar to the Offer will hold in trust the Shares/Share certificates, shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, until the cheques/drafts for the consideration or the unaccepted Shares/Share certificates are dispatched/returned.

9.1.15 The marketable lot of the shares of the Target Company is one Share

10 DOCUMENTS FOR INSPECTION

10.1 Material Documents for inspection by the Public will be available at the registered office of the Target Company provided on the cover page of the Letter of Offer, between 2:00 pm to 4:00 pm on any day except Saturdays, Sundays and the Public Holidays. till the closure of the Offer

10.1.1 Certificate of incorporation and constitution documents of the Acquirer

10.1.2 WSA

10.1.3 SHA

10.1.4 A copy of the Letter of DBS Bank dated July 27, 2007 certifying the adequacy of financial resources of the Acquirer to fulfill the open offer obligations.

10.1.5 Audited annual reports of the Target Company for the last three years.

10.1.6 A letter from the DBS Bank, the Escrow Bank confirming the amount kept in the Escrow Account, and a lien in favour of JM Financial.

10.1.7 A letter from the DBS Bank, the Escrow Bank confirming the Bank Guarantee, and a lien in favour of JM Financial.

10.1.8 A published copy of Public Announcement dated July 28, 2007 and corrigendum PA.

10.1.9 A copy of the letter from SEBI in terms of proviso to Regulation 18(2).

10.1.10 A copy of the Escrow Agreement dated July 26, 2007 entered into by the Acquirer with the Manager and the Escrow Agent

10.1.11 A copy of the Agreement entered into with Depository Participant for opening a special depository account for the purpose of the offer.

10.1.12 RBI Approval for the Offer

11 DECLARATION BY THE ACQUIRER

11.1 Information received from the Target Company has been relied upon for the purpose of making disclosures in relation to the Target Company in this Letter of Offer. Subject to the aforesaid, the Acquirer and its Directors accept full responsibility for the information contained in the Letter of Offer, and also for the obligations of the Acquirer as laid down in terms of the SEBI (SAST) Regulations.

11.2 Information given herein is as on the date of the Public Announcement unless otherwise stated.

11.3 JM Financial confirms that the person signing the Letter of Offer is duly and legally authorized by the Acquirer.

FOR Dunearn Investments (Mauritius) Pte Ltd (THE "ACQUIRER")

Signed on behalf of the Acquirer

Authorized Signatory

PLACE: Mumbai

DATE: February 29, 2008

Tear along this line

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer dated February 29, 2008)

(*To be filled in by the Shareholder)*

Folio No. / DP ID / Client ID	Sr. No.	No. of Shares held

OFFER SCHEDULE	
OPENS ON	**: MARCH 7, 2008**
CLOSES ON	**: MARCH 26, 2008**

From :

Name :

Address :

Status : Resident / Non-Resident

Tel. No.____________________ Fax No. ______________________ E-mail :___________________

To,

Dunearn Investments (Mauritius) Pte Ltd.

C/o. Intime Spectrum Registry Limited

C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West),

Mumbai – 400 078

Dear Sir / Madam,

Sub.: Cash Open Offer to acquire upto 4,057,625 FULLY PAID UP Equity Shares of Rs. 10/- each representing 20.00% of the enhanced share capital of The GL Hotels Limited (GLH) ("The Offer") at a price of Rs. 283.42/- per Share ("Offer Price") in accordance with the above referred Letter of Offer.

I/We refer to the Letter of Offer for acquiring the Equity Shares held by me/us in **(GLH).**

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We hold the following shares in physical form and accept the offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
1.					
2.					
3.					
		Total No. of Equity Shares			

(In case of insufficient space, please use an additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our Equity Shares as detailed below :

DP Name	DP ID	Client ID	Name of Beneficiary	Total No. of Shares

I/We have done an off-market transaction for crediting the shares to the Special Depository Account with Stockholding Corporation of India Ltd., opened with NSDL, as "Escrow Account – GL Hotels Offer" **whose particulars are,**

DP Name – Stockholding Corporation Of India Ltd.	DP Id : IN301330	Client ID : 20134085

Shareholders having their Beneficiary account with CDSL have to use Inter-Depository Slip for the purpose of crediting their shares in favour of Special Depository Account with NSDL.

Documents enclosed with the Form of Acceptance are stated below

For NRIs/OCBs/FIIs/Foreign Shareholders:

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐ Copy of Permanent Account Number (PAN) Letter / PAN Card

☐ Previous RBI approvals for holding the shares of GLH hereby tendered in the Offer.

For FII Shareholders : I/We confirm that the Equity Shares of GLH are held by me/us on o Investment/Capital Account OR o Trade Account. (þ whichever is applicable in your case)

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence/ Incorporation and that you do not have a "permanent establishment" in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence.

In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

For NRIs/OCBs Shareholders:

1. I/We confirm that the equity shares of GLH are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account. ([✓])whichever is applicable in your case)
2. I/We confirm that the equity shares of GLH are held by me/us as ☐ Long Term Capital Asset OR ☐ Short Term Capital Asset.([✓]) whichever is applicable in your case)

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence/ Incorporation and that you do not have a "permanent establishment" in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence.

In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

I/We confirm that the Equity Shares of GLH which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents

I/We note and understand that the Shares would lie in the said A/c. i.e. "Escrow Account – GL Hotels Offer " until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorize the Acquirer to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer;

I/We confirm that in case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by me/us; and

I/We further authorize the Acquirer to return to me/us, the Equity Share Certificate(s) in respect of which the offer is not found valid / not accepted, specifying the reasons thereof and in the case of dematerialized shares, to the extent not accepted will be released to my Depository Account at my sole risk.

I/We authorize the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by Registered Post / UCP / Speed Post, the draft/cheque, in settlement of the amount to the sole/firstholder at the address mentioned above.

Yours faithfully,

Signed and Delivered Place: Date:

	Full Name(s) of the Holders	PAN No.	Signature(s)
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of Joint holdings, all holders much sign. In case of Bodies Corporate a stamp of the Company should be affixed and necessary Board Resolution should be attached.

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first / sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank particulars as recorded with the Depository Participant and stated below will be printed on the cheque, demand draft. In case of any change in Bank Details, please indicate below:

	INDICATE CHANGES, IF ANY
Name of the Bank	
Branch	
A/c. No. and Type	

*** Enclosures:**

Power of Attorney	☐	No Objection Certificate and Tax exemption Certificate under Income-Tax Act, 1961, for NRIs/ OCBs/Foreign Shareholders as applicable.
Death Certificate / Succession Certificate	☐	Corporate authorization in case of Companies / FIIs along with Board Resolution and Specimen Signatures of Authorised Signatories
Attested copies of PAN Card of all shareholders		Others (please specify) : ________________________

Tear along this line

INTIME SPECTRUM REGISTRY LIMITED **Acknowledgement Slip**

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078.
Contact person: Ms Awani Thakkar

FOLIO NO./ DPID / Client ID ______________________________ **Sr. No.** ____________

Received from Mr. /Ms. ____

Form of Acceptance along with (Please put tick mark in the box, whichever is applicable)

☐ Physical Form: Certificate for __________ Shares along with Transfer Deed.

☐ Electronic Form : Copy of DP Delivery Instruction Slip

Copy of Inter-Depository Delivery Slip (for beneficiary holders maintaining an account with CDSL).

Signature of official and Date of Receipt	Stamp of Collection Centre

Note: All future correspondence, if any, should be addressed to Registrar to the Offer : Intime Spectrum Registry Limited, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078. Payment for accepted shares / the unaccepted shares, if any, will be dispatched / credited by April 9, 2008.

INSTRUCTIONS

1. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited into the special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares not credited into the special depository account, before the closure of the Offer will be rejected.

2. Shareholders should enclose the following :

   I. All shareholders, besides providing their PAN No. in the Form of Acceptance, should also enclose a self attested copy of their PAN Cards in their applications.

   II. For Equity Shares held in demat form :- Beneficial owners should enclose :

   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
   - Photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
     a. Photocopy of the interdepository delivery instruction slip if the beneficiary holders having an account with Central Depository Services (India) Ltd
   - For each Delivery instruction, the beneficial owner should submit separate Form of Acceptance

   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 be accepted

   II. For Equity Shares held in physical form :-

   a) Registered Shareholders should enclose :

   - **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificate(s).
   - **Original Share Certificate(s).**
   - **Valid Share Transfer Form(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with GLH and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer.
   - Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.

   In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates along with the duly completed transfer form, the Offer shall be deemed to be accepted.

   b) Unregistered owners should enclose :

   - **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein.
   - **Original Share Certificate(s)**.
   - **Original broker contract note.**
   - **Valid Share Transfer form(s)** as received from the market, duly stamped and executed as the proposed transferee(s) along with blank transfer form duly signed as transferor(s) by the said proposed transferee(s) and witnessed at the appropriate place. The details should be left blank. The details of the Acquirer as transferee will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be precondition for acceptance.

3. The share certificate(s) share transfer form(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer of GLH.

4. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.

5. Non-Resident shareholders should enclose a copy of the permission received from RBI for the Equity Shares held by them in GLH. If, the shares are held under General Permission of RBI, the non-resident shareholder should furnish a copy of the relevant notification / circular pursuant to which the shares are held and state whether the shares are held on repatriable or non-repatriable basis.

6. NRIs, OCBs and foreign shareholders are required to furnish Bankers Certificates certifying inward remittance of funds for acquisition of shares of GLH.

7. Non-resident shareholders should enclose No Objection Certificate / Exemption Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted, if any, by the Acquirer before remittance of consideration. Otherwise tax will be deducted, at maximum marginal rate as may be applicable to the category and status of the shareholder, on the full consideration payable by the Acquirer.

8. FIIs are requested to enclose the SEBI Registration Letter; OCBs are requested to enclose Form OAC of the current year.

Sl. No.	City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
1	Mumbai	Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W), Mumbai -400078.	Awani Thakkar	022-25960320 to 27	022-25960328/ 25960329	Hand Delivery & Registered Post
2	Bangalore	Intime Spectrum Registry Limited, 1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G.Road, Bangalore 560 009	Chandra Shekhar	080-41242623/ 41242624	080-41242623 (Telefax)	Hand Delivery
3	Kolkata	Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020	S.P. Guha	033-22890539/ 22890540	033-22890539/ 22890540 (Telefax)	Hand Delivery
4	New Delhi	Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028.	Swapan Naskar	011-41410592/ 41410593/ 41410594	011-41410591	Hand Delivery
5	Pune	Intime Spectrum Registry Limited, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	P. N Albal	020- 65203395	020 -26053503	Hand Delivery
6	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Solly Soy	044- 2815 2672 044- 4207 0906	044- 2815 2672 (Telefax)	Hand Delivery

Collection Timings for all the locations mentioned above will be 10 a.m. to 1 p.m. & 2 p.m. to 4.30 p.m. for Monday to Friday and excluding public holidays

Applicants who cannot hand deliver their documents, at the Collection Centres, may send their documents only by Registered Post, at their own risk, to the Registrars at **Intime Spectrum Registry Limited,** C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078, Tel: +91 22 25960320, Fax: +91 22 25960328 / 29, E-Mail: glhoffer@intimespectrum.com, Contact person: Ms Awani H Thakkar, so as to reach the Registrars on or before the closure of the Offer.

Checklist of Documents to be submitted by the Shareholders
(to be read along with Letter of Offer)

I. **Physical Form**

- Registered ShareholdersForm of Acceptance duly completed and signed
- Original Share Certificate(s)
- Valid Share Transfer Deed(s) duly signed as transferors by all shareholder(s) and duly witnessed.
- Self attested copy of PAN Card of the accountholders

Unregistered Shareholders

- Form of Acceptance duly completed and signed and
- Valid Share Transfer form(s) as received from the market duly stamped and executed in their favour as proposed transferee along with another valid transfer form duly signed as transferor(s) by the said purposed transferee and witnessed.
- Original Share Certificate(s)
- Original broker contract note, if any
- Photocopy of the acknowledgement of lodgement or receipt by the Registrars.

Self attested copy of the PAN card of the proposed transferees

II. **Dematerialised Form**

- Form of Acceptance duly completed and signed
- Photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions in "Off-Market" mode, duly acknowledged by the DP.
- Photocopy of the Interdepository Delivery Instruction Slip (for beneficiary owners maintaining an account with CDSL)
- Self attested copy of the PAN card of the accountholders

III. **Non-Resident Shareholders**

- RBI approval
- Bankers Certificate Certifying Inward Remittance
- No objection certificate / Tax exemption certificate from ITO
- For FIIs, SEBI Registration Letter
- For OCBs, Form OAC of the Current year.
- Self attested copy of the PAN card of the accountholders

Tear along this line

All queries in this regard to be addressed to the Registrar to the Offer
at the following address quoting your Reference Folio No. / DPID / Client Id

Intime Spectrum Registry Limited,
C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai
Tel: +91 22 25960320, Fax: +91 22 25960328 / 29, E-Mail: glhoffer@intimespectrum.com,

Tear along this line

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF WITHDRAWAL

(*To be filled in by the Shareholder*)

From :

Name :

Address :

Tel : **Fax** :

Email :

THE GL HOTELS LIMITED – OPEN OFFER	
OPENS ON	MARCH 7, 2008
LAST DATE OF WITHDRAWAL	MARCH 19, 2008
CLOSES ON	MARCH 26, 2008
THIS FORM SHOULD BE USED BY THE SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWAL OPTION AS PROIVDED IN THE LETTER OF OFFER.	

To,
Dunearn Investments (Mauritius) Pte Ltd
C/o. Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West),
Mumbai – 400 078

Dear Sir,

Sub.: Cash Open Offer to acquire upto 4,057,625 FULLY PAID UP Equity Shares of Rs. 10/- each representing 20.00% of the enhanced share capital of The GL Hotels Limited (GLH) ("The Offer") at a price of Rs. 283.42/- per Share ("Offer Price") in accordance with the above referred Letter of Offer.— **Withdrawal of the shares tendered in the Offer**

I/We refer to the Letter of Offer dated February 29, 2008, for acquiring the Shares held by me/us in **The GL Hotels Limited.**

I/We, the undersigned have read the letter of Offer, understood its content and unconditionally accept the terms and conditions and procedure as mentioned therein.

I/We, the undersigned, have read the procedure for withdrawal of equity shares tendered by me/us in the offer as mentioned in the Letter of Offer an unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal i.e., no later than 1630 hours on March 19, 2008.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the Depository account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depository from time to time.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
		TENDERED			
1.					
2.					
3.					
		WITHDRAWN			
1					
2.					
3.					
				Total	

(In case of insufficient space, please use an additional sheet and authenticate the same).

I/We hold the following Shares in dematerialised Form and have tendered the shares in the Offer and had done an off-market transaction for crediting the Shares to the special depository account **"Escrow Account – GL Hotels Offer"** as per the following particulars:

DP Name – Stockholding Corporation of India Ltd.	**DP Id : IN301330**	**Client ID : 20134085**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) (TIFD) duly acknowledged by the Depository Participant. The particulars of the account from which my/our Shares have been tendered that I/We wish to withdraw ,are as detailed below:

DP Name	**DP ID**	**Client ID**	**No of Shares Tendered**
Name of the Beneficiary		**No of Shares to be withdrawn**	

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised Shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and delivered

	FULL NAME(S) OF THE HOLDERS	**SIGNATURE(S)**	**VERIFIED AND ATTESTED BY US. PLEASE AFFIX THE STAMP OF DP (IN CASE OF DEMAT SHARES) / BANK (IN CASE OF PHYSICAL SHARES)**
First/Sole Shareholder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings, all holders must sign. A Corporation must affix its rubber s tamp and necessary Board Resolution should be attached.

Place :

Date :

.... **Tear along this line** ....

The GL Hotels Limited – Open Offer (subject to verification) **Acknowledgement Slip**

FOLIO NO./DP ID / Client ID ______________________

Received from Mr. /Ms. ______________________

Form of Withdrawal alongwith Acknowledgement / Delivery Instructions / Copy of Form of Acceptance

☐ For Physical Form –

Physical Shares -

No. of Shares tendered__________ / Withdrawal request for ________ shares

Fresh Transfer Form for __________shares (in case of partial withdrawal)

☐ Demat Form –

Demat Shares

No. of Shares tendered__________ / Withdrawal request for ________ shares

Signature of official and Date of Receipt	**Stamp of Collection Centre**

Note : All future correspondence, if any, in connection with this Offer, should be addressed to the Registrar to the Offer. **Intime Spectrum Registry Limited,** C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078, Tel: ++91 22 25960320, Fax: +91 22 25960328 / 29, E-Mail: glhoffer@intimespectrum.com

INSTRUCTIONS

1. **Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. no later than 1630 hours on March 19, 2008.**

2. Shareholders should enclose the following:-

   i. <u>For Equity Shares held in demat form</u>: - Beneficial owners should enclose

      - ❑ Duly signed and completed Form of Withdrawal.
      - ❑ Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
      - ❑ Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction (TIFD) in "Off-market" mode, duly acknowledged by the DP.

   ii. <u>For Equity Shares held in physical form</u>: - Registered Shareholders should enclose:

      - ❑ Duly signed and completed Form of Withdrawal.
      - ❑ Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
      - ❑ In case of partial withdrawal, Valid Share Transfer form(s) for the remaining equity shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **The GL Hotels Limited** and duly witnessed at the appropriate place.

   iii. <u>Unregistered owners should enclose:</u>

      - ❑ Duly signed and completed Form of Withdrawal.
      - ❑ Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.

4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.

5. The Form of Withdrawal should be sent only to the Registrar to the Offer.

6. Request for withdrawal from unregistered shareholders can be considered to the extent the shares tendered an received are found to be valid

7. Separate Request for withdrawal should be submitted for each Folio / DP Id Client Id

8. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.

9. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

10. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of **Intime Spectrum registry limited as stated below**.

11. Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at **Intime Spectrum Registry Limited, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078, Tel: +91 22 25960320, Fax: +91 22 25960328 / 29, E-Mail: glhoffer@intimespectrum.com, Contact person: Ms Awani H Thakkar,** so as to reach the Registrars on or before the last date of withdrawal i.e. **no later than 1630 hours on March 19, 2008.**

12. **Table featuring details of collection centers is given below .**

Sl. No.	City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
1	Mumbai	Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W), Mumbai -400078.	Awani Thakkar	022-25960320 to 27	022-25960328/ 25960329	Hand Delivery & Registered Post
2	Bangalore	Intime Spectrum Registry Limited, 1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G.Road, Bangalore 560 009	Chandra Shekhar	080-41242623/ 41242624	080-41242623 (Telefax)	Hand Delivery
3	Kolkata	Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020	S.P. Guha	033-22890539/ 22890540	033-22890539/ 22890540 (Telefax)	Hand Delivery
4	New Delhi	Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028.	Swapan Naskar	011-41410592/ 41410593/ 41410594	011-41410591	Hand Delivery
5	Pune	Intime Spectrum Registry Limited, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	P. N Albal	020- 65203395	020 -26053503	Hand Delivery
6	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Solly Soy	044- 2815 2672 044- 4207 0906	044- 2815 2672 (Telefax)	Hand Delivery

Collection Timings for all the locations mentioned above will be 10 a.m. to 1 p.m. & 2 p.m. to 4.30 p.m. for Monday to Friday only and excluding public holidays

Tear along this line

All queries in this regard to be addressed to the Registrar to the Offer
Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound, L.B.S Marg,
Bhandup (West), Mumbai – 400 078,
Tel: ++91 22 25960320, Fax: +91 22 25960328 / 29,
E-Mail: glhoffer@intimespectrum.com,