PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF THE

GL HOTELS LIMITED (*"GL Hotels"/ "Target Company"*)

Registered Office: *J-177, MIDC Industrial Area, Bhosari, Pune – 411 026, Maharashtra, India. Tel. No. +91 20 3068 1102, Fax. No. +91 20 2747 7996*

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM PUBLIC SHAREHOLDERS

This Public Announcement ("Public Announcement") is being issued by JM Financial Consultants Private Limited ("Manager to the Offer" or "JM Financial"), on behalf of Dunearn Investments (Mauritius) Pte Ltd ("Acquirer"), pursuant to Regulation 10 of, and in compliance with, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations").

1. **BACKGROUND TO THE OFFER**

1.1. 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.

1.2. The Target Company is listed on the Bombay Stock Exchange Limited ("**BSE**") and the Delhi Stock Exchange Association Limited ("**DSE**"). As on the date of this Public Announcement, the promoters of the Target Company hold 1,03,22,912 equity shares of the Target Company of face value of Rs. 10 each, constituting 80.16% of the present paid up share capital of the Target Company.

1.3. On May 24, 2007, the Acquirer, the Target Company and the promoters of the Target Company i.e Mr. Ravi Ghai, Mr. Gaurav Ghai, Mrs. Geeta Ghai, Kwality Frozen Foods Private Limited, Oregon Realtys Private Limited, and Amphitrite Investments Company Private Limited ("**Key Promoters**") have entered into a Warrant Subscription Agreement ("**WSA**") for the allotment of 44,10,462 warrants of the Target Company to the Acquirer ("**Acquirer Warrants**"). The Acquirer Warrants are convertible into 44,10,462 equity shares of the Target Company ("**Acquirer Shares**"), at the option of the Acquirer, at a price of Rs. 283.42 per converted Share ("**Conversion Price**") within 18 months from the date of allotment of the Acquirer Warrants.

1.4. 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) has been 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 Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("**SEBI DIP Guidelines**").

1.5. The Acquirer Shares will constitute 25.51% of the outstanding paid up share capital of the Target Company post the conversion of Acquirer Warrants into Acquirer Shares and 21.74% of the Emerging Voting Capital of the Target Company (as defined in Clause 1.17 herein below).

1.6. At its meeting held on May 11, 2007, the Board of Directors of the Target Company ("**Board**") approved the issue of the Acquirer Warrants to the Acquirer subject to approval of the shareholders of the Target Company ("**Shareholders**") in a general meeting. At an Extra-Ordinary General Meeting of the Shareholders ("**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 Companies Act, 1956, the SEBI DIP Guidelines, the provisions of the Memorandum and Articles of Association of the Target Company, the Listing Agreement and the guidelines issued by Reserve Bank of India ("**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 allotment of the Acquirer Warrants. Pursuant to the said Shareholders Approval, the Acquirer Warrants were allotted in favour of the Acquirer on June 21, 2007.

1.7. 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 at which the Acquirer Shares are to be issued upon conversion of the Acquirer Warrants is May 7, 2007, being the date falling 30 days prior to the date of the shareholders meeting. The average of the weekly high and low of the closing prices of the equity shares of the Target Company 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.

1.8. The Acquirer Warrants are convertible into the Acquirer Shares at anytime within 18 months from the date of allotment of the Acquirer Warrants. The Acquirer proposes to convert the Acquirer Warrants on or around August 6, 2007. The Acquirer will be 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) pursuant to such conversion. 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 exercising option for 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 proposes to convert the Acquirer Warrants on or around August 6, 2007, this open offer ("**Offer**" or "**Open Offer**") is being made in compliance with Regulation 10 read with Regulation 14(2) of the SEBI (SAST) Regulations to acquire up to 40,57,625 equity shares of the Target Company ("**Offer Shares**") constituting 20% of the Emerging Voting Capital of the Target Company.

1.9. In addition to the WSA, the Acquirer, the Target Company and Kwality Resorts & Hospitality Private Limited ("**KRHPL**"), a subsidiary of the Target Company have entered into a Share Subscription and Shareholders Agreement ("**SHA**") on May 24, 2007, whereby KRHPL has agreed to issue and allot 10 equity shares of KRHPL of face value of Rs. 10 each in favour of the Acquirer.

1.10. The following is a summary of the key terms of the WSA:

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

1.10.2. 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 KRHPL (either directly or through its subsidiaries or joint ventures), including any acquisition of land for such purpose.

1.10.3. 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

1.10.4. The WSA provides for a non-compete obligation on the Key Promoters of the Target Company 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.

1.10.5. 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.

1.11. The following is a summary of the key terms of the SHA:

1.11.1. The Acquirer shall be entitled to appoint one director on the Board of KRHPL whose Board shall not comprise of 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 KRHPL. 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 KRHPL.

1.11.2. The SHA also provides that decisions on KRHPL in respect of certain critical matters are to be taken only with the consent of the Acquirer (in case of general meetings of KRHPL) or the director representing the Acquirer (in case of a meeting of the board of directors of KRHPL 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 KRHPL, 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 KRHPL and/or its subsidiaries; (iii) any change in the business scope, any diversification into business segments or new business, (iv) amendment of the Memorandum and Articles of Association of KRHPL, (v) voluntary liquidation or dissolution of KRHPL.

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

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

1.12. The shareholding pattern of the Target Company, as on the date of this Public Announcement is as follows:

Shareholder Category	Number of Equity Shares of the Target Company	Percentage of Equity Capital
Promoters	1,03,22,912	80.16%
Public	25,55,638	19.84%
Total	**1,28,78,550**	**100.0%**

1.13. As of the date of this Public Announcement, the Target Company has 1,28,78,550 outstanding equity shares of face value of Rs. 10 each ("**Shares**").

1.14. There are no partly paid up shares issued by the Target Company.

1.15. Shareholding pattern for the Target Company after the proposed conversion of Acquirer Warrants into Acquirer Shares will be as follows:

Shareholder Category	Number of Equity Shares of the Target Company	Percentage of Equity Capital
Promoters	1,03,22,912	59.71%
Public		
Acquirer	44,10,462	25.51%
Other Public	25,55,638	14.78%
Total	**1,72,89,012**	**100.0%**

1.16. In addition to the Acquirer Warrants, the Target Company has, on June 21, 2007, issued and allotted 29,99,114 warrants ("**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 5.8 herein below.

1.17. Assuming conversion of the Other Investor Warrants and the Acquirer Warrants, the total share capital of the Target Company on a fully diluted basis will be 2,02,88,126 Shares ("**Emerging Voting Capital**").

1.18. 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. No ESOPs have been granted under the ESOS as of the date of this Public Announcement. There are no outstanding ESOPs as on the date of this Public Announcement.

1.19. Other than the Acquirer Warrants, the Other Investor Warrants and ESOS as described in Clauses 1.3, 1.16 and 1.18 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.

2. **THE OFFER**

2.1. This Offer is being made by the Acquirer to all the shareholders of the Target Company (except the Key Promoters and the Acquirer) to acquire the Offer Shares. This Offer is being made pursuant to Regulation 10 of the SEBI (SAST) Regulations read with Regulation 14(2) of the SEBI (SAST) Regulations, consequent upon the proposed conversion of the Acquirer Warrants into Acquirer Shares on or around August 6, 2007. This Offer is being made to acquire Offer Shares at a price of Rs. 283.42 per fully paid up equity share of the Target Company (the "**Offer Price**"), payable in cash in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned hereinafter.

2.2. The Acquirer does not hold any Shares in the Target Company as of the date of this Public Announcement. The Acquirer will directly hold 44,10,462 Shares comprising 21.74% of the Emerging Voting Capital in the Target Company, pursuant to the conversion of Acquirer Warrants into Acquirer Shares. Upon completion of the Offer, assuming full acceptances, the Acquirer will directly hold 41.74% of the Emerging Voting Capital of the Target Company.

2.3. The Manager to the Offer does not hold any Shares of the Target Company as of the date of this Public Announcement.

2.4. Subject to the receipt of regulatory approvals as set out in Clause 7 below, and other terms and conditions as set out in this Public Announcement and the Letter of Offer to be sent to the public shareholders of the Target Company, the Acquirer will acquire all Offer Shares validly tendered pursuant to the Offer.

2.5. This Offer is being made to all the public shareholders of the Target Company (except the Acquirer and the Key Promoters) and is not conditional on any minimum level of acceptance by the shareholders of the Target Company. During the offer period, the Acquirer may purchase additional Shares in accordance with the SEBI (SAST) Regulations and in such event 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.

2.6. 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.

2.7. This is not a competitive bid.

3. **OFFER PRICE**

3.1. Based on the trading volumes of the Target Company for the six month period ending on June 30, 2007, the Shares are infrequently traded on the BSE and the DSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations

3.2. 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
	i. Return on Net Worth (%)#	50.98%
	ii) Book Value per share (Rs.)#	18.16
	iii) Earnings per share (Rs.)	11.12
	iv) P/E Multiple based on Offer Price	25.49
	v) Average of the P/E multiple of companies from the part of the Hotel industry (Source: Capital Market July 16- July 29, 2007)	21.5

Note: **Based on standalone unaudited financials for FY 2007 of GL Hotels, without consolidating for the merger with MBPL (as defined in Clause 5.4)*

 # Without taking into account the revaluation reserves.

3.3. Since this Public Announcement is being 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.

3.4. 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 5.4) and the share swap ratio specified therein.

3.5. 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 payable 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.

4. **INFORMATION ON 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 Act Number 15 of 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 Acquirer is not listed on any stock exchange.

4.1.3. 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 4.1.6 below).

4.1.4. 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.

4.1.5. 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 business 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.

4.1.6. 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:

Particulars	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007
	(Rs. in lakhs except Paid up Share Capital)		
Income from Operations	-	2,402.14	465.62
Other Income	-	692.39	5,946.61
Total Income	-	3,094.53	6,412.23
Profit After Tax	(172.51)	2,999.06	2,576.26
Paid up share capital (in Rs.)	80.21	80.21	80.21
Reserves and Surplus (excluding revaluation reserves)	127.15	19,340.34	61,815.70
Net worth (excluding revaluation reserves)	127.15	19,340.34	61,815.70
Earnings per share	(86.25)	1,499.53	1,288.13
Return on Net Worth (%)	(135.70%)	15.50%	4.20%
Book Value per Share	63.58	9,670.17	30,907.85

***Note**: The currency conversion in the above table is based on the exchange rate available on Bloomberg as on July 23, 2007, viz. 26.737 INR per SGD*

5. **INFORMATION ABOUT THE TARGET COMPANY**

5.1. The Target Company was incorporated on August 5, 1959 under the Companies Act, 1956 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.

5.2. The Target Company is promoted by (i) Kwality Frozen Foods Private Limited incorporated on July 27, 1967 under the Companies Act 1956 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 incorporated on May 21, 1984 under the Companies Act 1956 and having its registered office at 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400030, Tel: +91 22 4050111, (iii) Oregon Realtys Private Limited incorporated on September 14, 1988 under the Companies Act 1956 and having its registered office at 254-C, Dr. Annie Besant Road, Worli, Mumbai -400030, Tel: +91 22 4050111 (iv) Satinetta Finlease and Investments Private Limited incorporated on September 6, 1994 under the Companies Act 1956 and having its registered office at 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400030, Tel: +91 22 4050111 (v) Ravi Ghai, (vi) Gaurav Ghai, and (vii) Geeta Ghai (collectively the "**Promoters**"). 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).

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

5.4. Under a Scheme of Arrangement (the "**Scheme**") between Mayfair Banquets Private Limited ("**MBPL**"), the Target Company and their respective shareholders, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, MBPL was amalgamated with the Target Company (the "**Merger**"), with the appointed date being April 1, 2006 ("**Appointed Date**"). 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 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 MBPL whose names appear in the Register of Members of MBPL as on the Effective Date.

5.5. The total paid up capital of the Target Company post the Merger becoming effective, as on the date of this Public Announcement is Rs. 12,87,85,500 (Rupees Twelve Crores Eighty Seven Lakhs Eighty Five Thousand Five Hundred only) comprising 1,28,78,550 fully paid up equity shares of face value Rs. 10 each.

5.6. As on the date of this Public Announcement, there are no partly paid up shares issued by the Target Company.

5.7. The Shareholders of the Target Company in an EGM held on June 6, 2007 approved an ESOS for the grant of 50,000 ESOPs convertible into 50,000 Shares at a price of Rs. 283.42 per Share. No ESOPs have been granted under the ESOS as of the date of this Public Announcement. There are no outstanding ESOPs as on the date of this Public Announcement.

5.8. The details of the outstanding warrants of the Target Company, as of the date of this Public Announcement 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
Dunearn Investments (Mauritius) Pte Ltd	Foreign Company	44,10,462	21.74%
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		74,09,576	36.52%
Total Emerging Voting Capital assuming full conversion of all outstanding Warrants including Acquirer Warrants		**2,02,88,126**	**100%**

5.9. The Shares are listed on the BSE and the DSE. The shareholders of the Target Company through a postal ballot pursuant to Section 192A of the Companies Act 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 on June 4, 2007, have approved the voluntary delisting of Shares from the DSE. The Target Company, is in the process of making an application for delisting the Shares from the DSE.

5.10. Brief particulars of the audited financials of the Target Company for the financial years 2004-2005 and 2005-2006 and unaudited financials for the financial year 2006-2007 are as follows:

Particulars	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007
	(Rs. in lakhs except per share data)		
Total Income	2078.64	2508.14	3834.80
Profit After Tax	(397.31)	(185.65)	780.14
Paid up share capital	701.64	701.64	701.64
Reserves and Surplus (excluding revaluation reserves)	1587.21	1587.21	1587.21
Net worth (excluding revaluation reserves)	504.30	419.40	1008.11
Earnings per share (Rs)	(5.66)	(2.65)	11.12
Return on Net Worth (%)	(78.79%)	(44.27%)	50.98%
Book Value per Share (Rs)	7.19	5.98	18.16
Price to Earning Multiple (Based on Closing price on July 27, 2007)	NA	NA	34.31

***Note**: Pursuant to the Merger becoming effective, the Target Company will be drawing its Audited Accounts for FY 2007 on a consolidated basis, after consolidating the financials of MBPL with the standalone financials of the Target Company, before Merger. Accordingly audited financial of FY 2007 will vary significantly from the unaudited financial presented above.*

5.11. As of the date of this 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.

6. **REASONS FOR THE OFFER AND FUTURE PLANS**

6.1. The Offer is being made consequent upon the proposed conversion of Acquirer Warrants into Acquirer Shares resulting in substantial acquisition of shares and voting rights by the Acquirer in the Target Company without change in control or management thereof.

6.2. The Acquirer is a financial investor in the Target Company and control over the Target Company remains with the promoters. The Acquirer does not have ability to influence major decisions with respect to the business and management of the Target Company. Accordingly, the Acquirer does not have any plans 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, except 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 from time to time. Such steps shall be in compliance with applicable provisions of the SEBI (SAST) Regulations, Companies Act, 1956, and/or other applicable laws at the relevant time and will be subject to prior approval of shareholders of the Target Company, wherever required. Further, during the said period of 24 months, the Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the shareholders of the Target Company during this period.

7. **STATUTORY APPROVALS FOR THE OFFER**

7.1. The Offer is subject to the receipt of approval by the Acquirer in terms of the Reserve Bank of India's ("RBI") Master Circular No. 02/2007-08 dated July 2, 2007.

7.2. The Acquirer will make the necessary applications to, and filing with, the requisite authorities to obtain the statutory approval described above.

7.3. To the best of the Acquirer's knowledge, as of the date of this Public Announcement, 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.

7.4. 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.

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

8. **DELISTING OPTION**

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

8.2. Pursuant to the Offer the public shareholding of the Target Company is not expected to fall to less than 25% of the Emerging Voting Capital of the Target Company.

9. **FINANCIAL ARRANGEMENTS**

9.1. 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"**).

9.2. 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.

9.3. 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 November 24, 2007 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 acceptance). JM Financial has been duly authorized to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations.

9.4. 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 the purpose of the Open Offer.

9.5. 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 in place to fulfill the obligations under the SEBI (SAST) Regulations.

10. **OTHER TERMS OF THE OFFER**

10.1. The Letter of Offer relating to the Offer (the **"Letter of Offer"**) together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of the Target Company (except the Acquirer and the Key Promoters), whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Shares in dematerialized form whose names appear on the beneficial records of the respective Depositories, in either case, at the close of business on August 10, 2007, Friday (the **"Specified Date"**).

10.2. Shareholders of the Target Company 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,** C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078 ("**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 October 10, 2007, Wednesday, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.3. 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

10.4. Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares of the Target Company 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 25960329 / 328, Fax: +91 22 25963838, 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 October 10, 2007, Wednesday, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. 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 October 10, 2007, Wednesday. Shareholders of the Target Company 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.

10.5. In addition to the above-mentioned address, the shareholders of the Target Company 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/ 259603229	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	Skystock Financial Services, c/o ABC Solution Pvt Ltd., No 233/F 4, 1st floor, Katcheri Road, Mylapore, Chennai -600004	Rajeshwari	044-42035314	044-24994885	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.

10.6. All owners (registered or unregistered) of Shares (except the Acquirer and the Key Promoters) are eligible to participate in the Offer anytime before the closing of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares 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. No indemnity is required from the unregistered owners.

10.7. In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same 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 October 10, 2007, Wednesday, 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 October 10, 2007, Wednesday.

10.8. Applications in respect of Shares that are the subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these Shares are not received together with the Shares tendered under the Offer.

10.9. Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, equity shareholders of the Target Company 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 October 5, 2007, Friday.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, which is enclosed with the Letter of Offer.

(ii) 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:

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

10.10. 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.

10.11. If the aggregate of the valid responses to the Offer exceeds the Offer size of 40,57,625 Shares (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 Shares of the Target Company are compulsorily traded in dematerialized form, hence the minimum acceptance will be one Share.

10.12. 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.

10.13. 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 October 10, 2007, Wednesday, or else their application will be rejected.

10.14. While tendering the shares under the Offer, NRI/ OCB/ Non-domestic companies/ Other persons who are not resident in India will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such shares tendered. While tendering shares under the Offer, NRI/ OCB/ Non-domestic companies/ Other persons who are not resident in India will be required to submit a No Objection Certificate / Tax Clearance Certificate from the Income Tax authorities, under the Income Tax Act, 1961 (the "**Income Tax Act**"), indicating the rate at which the tax has to be deducted by the Acquirer before remitting the consideration. In case the aforesaid No Objection Certificate / Tax Clearance certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

10.15. As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ("**FII**") as defined in Section 115 AD of the Income Tax Act.

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

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

Activity	**Day & Date**
Specified Date *	August 10, 2007, Friday
Last date for a competitive bid	August 20, 2007, Monday
Date by which Letter of Offer to be dispatched to shareholders	September 13, 2007, Thursday
Date of opening of the Offer	September 21, 2007, Friday
Last date for upward revision of the Offer Price / Number of Shares	September 28, 2007, Friday
Last date for withdrawing acceptance of the Offer	October 5, 2007, Friday
Date of closing of the Offer	October 10, 2007, 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

** 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.*

11. **GENERAL**

11.1. Shareholders of the Target Company who have accepted the Offer by tendering the requisite documents, in accordance with the terms of this 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(5A) of the SEBI (SAST) Regulations i.e. October 5, 2007, Friday.

11.2. If the Acquirer decides to make upward revisions in the Offer Price/Number of Shares to be acquired, in accordance with regulation 26 of the Regulations, such upward revision will be made no later than September 28, 2007 (seven working days prior to the date of closure of the Offer). Such revisions/amendments would be effected by making a Public Announcement in the same newspapers in which the original Public Announcement is being made.

11.3. If there is a withdrawal of the Offer by the Acquirer, the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared.

11.4. **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 Offer / bids, it would, therefore, be in the interest of the shareholders of the Target Company to wait until the commencement of that period to know the final offer price of each offer/bid and tender their acceptance accordingly.

11.5. None of the Acquirer or the Target Company has been prohibited by 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.

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

11.7. Pursuant to Regulation 13 of the SEBI (SAST) Regulations, Acquirer has appointed JM Financial as the Manager to the Offer. As of the date of this Public Announcement, JM Financial does not hold any Shares.

11.8. The Acquirer and its board of directors accepts full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in terms of the SEBI (SAST) Regulations.

This Public Announcement will also be available on SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of the Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at (www.sebi.gov.in) from the opening date of the Offer, i.e., September 21, 2007, Friday.

Issued by the Manager to the Offer

MANAGER TO THE OFFER

JM FINANCIAL

JM Financial Consultants Private Limited
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: Poonam Karande

REGISTRAR TO THE OFFER

INTIME SPECTRUM REGISTRY LIMITED

Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound, L.B.S Marg,
Bhandup (West), Mumbai – 400 078, India
Tel: +91 22 25963838 Extn 2267; Fax: +91 22 25960329 / 328
E-Mail: glhoffer@intimespectrum.com
Contact Person: Ms Awani H Thakkar

On behalf of:
The Acquirer
Dunearn Investments (Mauritius) Pte Ltd

Place: Mumbai

Date: July 28, 2007