Public Announcement to the Equity Shareholders of

SUAVE HOTELS LIMITED (SHL)

(Formerly "Kotawala (India) Limited")

Regd. Office: F-72, Solaris, Opp. L&T Gate No. 6, Off. Saki Vihar Road, Andheri (East), Mumbai 400 072 Tel: (022) 6528 8394 Fax: (022) 2857 2853 E Mail: suave_hotels@yahoo.co.in, Website: suavehotels.in

This Public Announcement is being issued by Fedex Securities Limited, on behalf of Shri. Kamal Poddar, Shri. Anil Patodia, Smt. Vinita Patodia and Hotel Relax Private Limited (hereinafter referred to as "the Acquirers") pursuant to and in compliance with Regulations 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997[hereinafter referred to as "Regulations"] and subsequent amendments thereto.

1. The Offer

1.1 This public Announcement and the Offer are in compliance with Reg. 10 & 12 of SEBI (SAST) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as the "Regulations").

1.2 Shri. Kamal Poddar, residing at E-901, Sector A, Jalvayu Vihar, Hiranandani Garden, Powai Mumbai 400 076 (Tel No. (022) 25707351, Fax No (022) 2206800, E Mail Id : kamal@choiceindia.com), Shri. Anil Patodia, residing at N-45, Jalvayu Vihar, Hiranandani Garden, Powai Mumbai 400 076 (Tel No. (022) 4015 0010, Fax No (022) 2857 2853, E Mail Id : anilpatodia@thebyke.com), Smt. Vinita Patodia, residing at N-45, Jal Vayu Vihar, Powai, Mumbai 400 076 (Tel No. (022) 2847 7003, Fax: (022)2847 0511, E mail id: scpatodia@yahoo.com) and Hotel Relax Private Ltd, a Company incorporated under the Companies Act, 1956 and having its registered office at 369, Powai Plaza, Hiranandani Garden, Powai Mumbai 400 076 (Tel No. (022) 4015 0010, Fax No (022) 2857 2853, E Mail Id : info@thebyke.com) (hereinafter referred to as "the Acquirers") are making an Open Offer to the public Shareholders (i.e. Shareholders other than the Acquirers, parties to the Agreement and promoter group Shareholders of SHL) of SUAVE HOTELS LIMITED ("SHL", "the Target Company") to acquire 31,09,800 Equity Shares of Rs. 10/- each representing 20.00% of paid up & voting Capital of SHL ("the Offer") after the proposed exercise of Warrants by the Acquirers, at a price of Rs. 44/- (Rupees Forty four only) ("the Offer Price"), payable in cash, subject to the terms and conditions mentioned hereinafter. There are no partly paid Shares.

1.3 There are no Persons acting in Concert (PAC) with the Acquirers.

1.4 As on date of this PA, the Acquirers collectively hold 53,670 Equity Shares of SHL constituting 0.428% of the present voting capital. The Board of Directors of the Target Company, after complying with the provisions of the Companies Act, the listing agreement with the Stock Exchanges and SEBI(Issue of Capital and Disclosure Requirements) Regulations 2009, had on 17-07-2010 allotted 20,00,000 Warrants to Hotel Relax Private Limited, 5,00,000 Warrants to Shri. Kamal Poddar and 5,00,000 Warrants to Shri. Anil C Patodia , entitling them to 1 Equity Shares of the Target Company at a price of Rs. 44/- per Equity Share against exercise of each Warrant. The Acquirers have on September 3, 2010 informed the Target Company, their intention to exercise their option under the Warrants to collectively acquire 30,00,000 Equity Shares and the Target Company proposes to allot Equity Shares to the Acquirers. The Acquirers, on September 2, 2010, have also entered into a Share Purchase Agreement (SPA) with Shri. Satyanarayan Sharma, residing at 303, Dharam Palace, Shantivan, Borivali (East), Mumbai 400 066 representing himself and other promoter group shareholders of SHL, the Target Company, to acquire 22,50,000 Equity Shares of SHL, constituting 17.93% of the paid up and voting Capital of the Target Company (14.47% of the paid up capital after the proposed exercise of warrants by the Acquirers) at a price of Rs.4/- (Rupees Four only) per Equity Share for cash consideration (the Negotiated Price). The Agreement also provides that the Acquirers will also be given control of SHL. This Agreement & the proposed allotment of Equity Shares to the Acquirers, upon exercise of Warrants has necessitated the Open Offer in terms of Regulation 10 and 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997. The Offer is subject to the provisions of the Companies Act 1956, SEBI (SAST) Regulations as amended and listing agreement of the Target Company with the Stock Exchanges and other applicable Laws and Regulations in force.

1.5 The major terms and conditions of the Agreement are (i) The Acquirers, through a Merchant Banker, shall ensure compliance of SEBI Regulations (Defined as "SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 as amended") **(ii)** Subject to completion of all obligations of the Purchaser under the Takeover Regulations as amended, Delivery instructions to the Depository Participant shall be delivered to the DP for transfer of the Shares in favor of the Acquirers. **(iii)** Subject to completion of all obligations of the Purchaser under the Takeover Regulations as amended and issuance of Certificate of completion of formalities of SEBI Regulations by the Merchant Banker under Regulation 23(6) of Takeover Regulations, the Directors representing the present promoters shall resign from the Board of Directors of the Target Company and shall facilitate appointment of the nominees of the Acquirers as Directors on the Board of the Target Company. (iv) The parties agree and undertake that they shall not take any steps to transfer the Shares and further that the control of the Company shall not be handed over by the seller to the purchaser unless all obligations of the Purchaser under the Takeover Regulations are complied with by the Purchaser. (v) The Agreement for purchase of Shares will be acted upon by the parties only after completion of the Open Offer formalities including dispatch of consideration to the Shareholders who accept the offer made by the Purchaser pursuant to and under the Takeover Regulations. **(v)** The consideration for the Equity Shares will be paid by in two installments, 50% on signing the Agreement and balance on completion of all compliances and obligations relating to the Open Offer as set out under Takeover Regulations.

1.6 The consideration shall be paid in cash.

1.7 The Offer is not conditional on any minimum level of acceptance.

1.8 This is not a competitive bid.

1.9 The Acquirers will comply with the Regulations and complete the offer formalities irrespective of the compliance or fulfillment or outcome of the Share Purchase Agreement or its related conditions.

1.10 Fedex Securities Limited, Manager to the Offer does not hold any Equity Shares in the Target Company. They declare and undertake that they shall not deal in the Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the offer.

1.11 There is no agreement by the Acquirers with any other person/entity in connection with the Offer. The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other person/ entity proposes to take part in the acquisition.

1.12 The Equity Shares of the Target Company are listed at Bombay Stock Exchange Ltd, Mumbai (BSE) and The Madras Stock Exchange Ltd (MSE). The Shares are not admitted as permitted Security in any other Stock Exchange.

1.13 As on date of this Public Announcement, the Acquirers collectively hold 53,670 Equity Shares of SHL constituting 0.428% of the present voting capital. The relatives of the Acquirers hold 581699 Equity Shares of SHL constituting 4.635% of the present voting Capital.

2. Justification of Offer Price

2.1 The Acquirers have not been allotted any Equity Shares of SHL by way of allotment in a Public or Rights issue or preferential allotment in the 26 weeks preceding this Public announcement. In the 26 weeks preceding this Public Announcement, the Acquirers have not acquired any Equity Shares of SHL in any manner. The Equity Shares of SHL are not infrequently traded in terms of Explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations 1997 during the 6 months preceding the month in which this Public Announcement is made (i.e. during the months March 2010 to August 2010) at The Bombay Stock Exchange Ltd(BSE) as the traded volume is more than 5% (annualized) of the listed Capital. The Offer Price has been determined taking into account the parameters as set out under Regulations 20 (4) and the Offer price of Rs. 44/- (Rupees Forty four only) is higher than the average of the weekly high and low of the closing prices of SHL in the preceding 26 weeks from the date of this Public Announcement and is also higher than the average of the daily high and low of the traded prices during the 2 weeks preceding this Public Announcement at BSE. The Offer price is also the price at which the Acquirers are proposing to acquire Equity Shares of SHL by exercising Warrants allotted on a preferential basis. With respect to MSE where the Equity Shares are infrequently traded, the Offer Price is determined taking into account the parameters set out under Reg. 20(5) (c).

2.2 In the opinion of the Acquirers and Manager to the Offer, the Offer price of Rs.44/- per fully paid Equity Share is justified.

2.3 There is no agreement for payment of non-compete fee to any person.

2.4 The Offer price is justified in terms of Regulation 20 (11) of the Regulations.

2.5 In the event of any further acquisition of Equity Shares by the Acquirers upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirers shall not be acquiring any Equity Shares of SHL during the period of 7 working days, prior to the date of closure of the Offer.

3. Information about the Acquirers

3.1.1 Shri. Kamal Poddar, aged 31 years, S/o.Shri. Santosh Kumar Poddar, B.Com, ACA, residing at E-901, Sector A, Jalvayu Vihar, Hiranandani Garden, Powai Mumbai 400 076 (Tel No. (022) 25707351, Fax No (022) 2206800, E Mail Id : kamal@choiceindia.com) is a Chartered Accountant. He is promoter and Managing Director of Choice International Limited, a listed Non Banking Finance Company engaged in Finance, Investments, Project Advisory services etc. He is a Director of Zenu Infotec Limited, a listed Company engaged in IT and IT enabled services but having insignificant level of activity at present. He is also Director in Upton Infrastructure Pvt. Ltd , and S K Patodia Advisory Services Private Ltd, an unlisted Company, engaged in Corporate advisory services. He has over 9 years experience in Audit, Finance, Investments etc.

3.1.2 Shri. Anil Patodia, aged 41 years, S/o. Shri. Chothmal Patodia, B Com, residing at N-45, Jalvayu Vihar, Hiranandani Garden, Powai, Mumbai 400 076 (Tel No. (022) 4015 0010, Fax No (022) 2857 2853, E Mail Id : anilpatodia@thebyke.com) is a businessman. He is Promoter and Director of Aqua Pumps Pvt. Ltd engaged in turnkey projects of large water supply schemes consisting of Electrical and Mechanical works in pumping machinery and allied equipment. The Client base of the Company comprises mainly of the city water supply and sewage departments. He is also Director of Manbhari Biofuels Pvt. Ltd. He is also Proprietor in Shree Shakambari Exims, an authorized distributor of Recron brand products. He is also on the Board of Directors of Vakrangee Softwares Limited as Independent Director.

3.1.3 Smt. Vinita Patodia, aged 39 years, BA, wife of Shri. Sunil Kumar Patodia residing at N-45, Jal Vayu Vihar, Powai, Mumbai 400 076 (Tel No. (022) 2847 7003,Fax:(022)28470511,Emailid:scpatodia@yahoo.com) is a housewife. She is not on the Board of Directors of any listed or unlisted Companies

3.1.4 Hotel Relax Private Ltd, a Company incorporated under the Companies Act, 1956 on 15-02-1983 and having its registered office at 369, Powai Plaza, Hiranandani Garden, Powai Mumbai 400 076 (Tel No. (022) 4015 0010, Fax No (022) 4015 0010, E Mail Id : info@thebyke.com) is engaged in Hotel and Hospitality business. The promoters/ persons presently in control are Shri. Sunil Kumar Patodia and his family members. The Company owns and operates The BYKE Resort at Matheran, a renowned Hill Station in Maharashtra.

3.1.5 Hotel Relax Private Limited has, as its main objects, "to carry on the business of running Hotels, Motels, Restaurants, holiday beach resorts, guest Houses etc. in India and abroad, to carry on the business of construction and or running clubs, cabarets, bars, exhibitions, television performance, entertainment etc."

3.1.6 Hotel Relax Private Ltd does not belong to any group. The Equity Shares of CIL are not listed at any Stock Exchanges. Hotel Relax Private Ltd has no Subsidiaries.

3.1.7 The Directors of the Company are Shri. Anil Patodia, Shri. Sunil Patodia and Shri. Chandrashekhar P Karundia.

3.1.8 Hotel Relax Private Ltd has no overdue liabilities to Banks/FIs/ Deposit holders. There was no default in the past.

3.1.9 In the year 2009-10, the Company had a Gross Income of Rs. 254.46 Lacs and Net Profit of Rs. 3.30 Lacs. The Paid up Equity Share Capital as on 31-03-2010 is Rs. 102.50 Lacs and Reserves and Surplus excluding Revaluation Reserves is Rs. 5.12 Lacs. The EPS per each fully paid up Share of FV Rs. 100/- for the year 2009-10 is Rs. 6.58

3.2 There is no person acting in concert with the Acquirers.

3.3 There is no person on the Board of the Target Company, representing the Acquirers.

3.4 There are no pending litigations against the Acquirers or promoters/ Directors of Acquirers.

3.5 Among the Companies or ventures promoted by the Acquirers/ promoters of the Acquirer or in which they have substantial interest, Choice Equity Broking Private Ltd is registered with SEBI as a market intermediary. The registration details are (1) (SEBI Regn. No. INB11377331- Multiple Member, BSE INB231377335, Member – NSE, Regn. No. INE2613377335, Trading member – MCX Stock Exchange Ltd, Regn No. INE217377335 – Trading Member – United Stock Exchange of India Ltd). The Company is a Subsidiary of Choice International Limited.

3.6 No action has been taken by SEBI or Stock Exchanges against the Acquirers or ventures promoted by the Acquirers/its promoters.

4 Information about the Target Company

4.1 SHL was originally incorporated on 29th March 1990 at Mumbai, Maharashtra State under the Companies Act, 1956, as a private limited Company in the name and style "Kotawala Financial Consultancy Pvt. Ltd". The Company was converted to a public limited Company and name was changed to " Kotawala Securities Ltd" and consequently obtained fresh certificate of incorporation on 20th March 1995. SHL made its maiden public issue of Equity Shares in the year 1995 and got its Equity Shares listed at the Mumbai Stock Exchange Ltd, Mumbai (BSE), Madras Stock Exchange Ltd (MSE) and Jaipur Stock Exchange Ltd (JSE). The members of the Company, vide their resolution dated 30-09-2003 , resolved to delist from MSE and JSE . JSE, vide its letter dated 22-04-2008 confirmed delisting w.e.from 31-03-2008 but MSE is yet to delist the equity shares. At present the Equity Shares are listed BSE & MSE. The name of the Company was further changed to " Kotawala (India) Ltd", vide fresh certificate issued by Registrar of Companies, Maharashtra, Mumbai dated 5-11-1999 and again to "Suave Hotels Limited" and fresh certificate was issued by Registrar of Companies, Maharashtra, Mumbai on 02-04-2007.

4.2 The Registered Office is at present situated at 4, F-72, Solaris, Opp. L&T Gate No. 6, Off. Saki Vihar Road, Andheri (East), Mumbai 400 072 (Tel: (022) 6528 8394 Fax: (022) 2857 2853, E Mail: suave_hotels@yahoo.co.in, Website : suavehotels.in).

4.3 SHL is in the Hotels and Hospitality business. It is operating three Hotels with Restaurants, other amenities, Rooms etc. viz. (1) Sunshine Beach Resort, Calangute, Goa (2) Hotel Sunflower, Calangute, Goa and (3) Goan Holiday Resorts, Calangute, Goa.

4.4 SHL is promoted by Shri. Satyanarayan Sharma and his family members.

4.5 The Fixed Assets held by SHL as on 31-03-2010 are Land & Building, Plant & Machinery, Office Equipments, Computers & Software, Funiture, Fixtures and vehicles

4.6 The Directors of SHL are Shri. Satyanarayan Sharma (Managing Director), Shri. Samir Satyanarayan Sharma (Non Executive) Shri. Sandeep Sharma (Non Executive) Shri. Surendra Kumar Kulhari (Non Executive, Independent), Shri. Vinod Kumar Gupta (Non Executive, Independent) & Shri. Mohan Vithal Aravandekar (Non Executive, Independent).

4.7 None of the Directors of SHL represent the Acquirers.

4.8 The Authorized Capital of SHL is Rs.2100 Lacs, divided into 2,10,00,000 Equity Shares of Rs 10/- each. The issued, subscribed, paid up and voting Equity Share Capital is 1,25,48,900 Equity Shares of Rs. 10/- each, aggregating to Rs. 1254.89 Lacs. All the outstanding Equity Shares are fully paid up , listed and admitted for trading at BSE.

4.9 There are 75,00,000 warrants, outstanding as on date, with option to convert into Equity Shares at a later stage. As on date of this Public Announcement, the Acquirers who collectively hold 30,00,000 Warrants have expressed his/her/their intention to exercise Warrants.

4.10 As on date of this Public Announcement, the promoters/person in control hold 34,85,900 Equity Shares, constituting 27.78% of the subscribed, paid up & voting Capital.

4.11 SHL has entered into agreement with Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) for offering Equity Shares in dematerialized form. The ISIN Number is INE319B01014.

4.12 SHL has, as its main objects, (1) To own, construct, run, render technical advice in construction, furnishing and running of, taking over, managing, carrying on the business of hotel, motel, resort, restaurant, café, tavern, bars, refreshment rooms, boarding and lodging, housekeepers, clubs in India and abroad (2) To provide lodging and boarding, restaurants, eating houses, bars, swimming pools and other facilities to the public including tourists, visitors and other delegates coming to India from foreign countries and to encourage and carry on and facilitate tourist trade in India (3) To act as financial and/or investment consultants on behalf of individuals, firms, companies and other persons in relation to stock, shares, bonds, securities, debentures, fixed deposits, estate, property and other assets.

4.13 SHL is at present engaged in Hotel and Hospitality business

4.14 SHL has no Subsidiaries.

4.15 SHL is not a Sick Company. SHL does not have any overdue liabilities to Banks/FIs.

4.16 There has not been any merger or demerger or spin-off of activity in the preceding 3 years.

4.17 There are no pending litigations against SHL.

4.18 The Equity Shares of SHL are at present listed at BSE & MSE. The Equity Shares are not admitted as a permitted security at any other Stock Exchange. All the outstanding issued Equity Shares of SHL are listed and admitted for trading. There are no partly paid Equity Shares. 33,29,519 Equity Shares held by promoters/public shareholders are subject to lock in.

4.19 SHL has no arrears of listing fee to BSE. SHL/its promoters have not faced action by Stock Exchanges or SEBI in the past.

4.20 The provisions of Clause 49 of the Listing Agreement are being complied with by SHL.

4.21 The filing under Regulations 6(2) & 6(4) for 1997 & 8(3) for the years 1998 to 2001 has been filed late by SHL. For violation of the provisions under Chapter II of the Regulations for the years 1997 to 2001, SEBI may initiate suitable action against SHL.

4.22 As per the Audited results as on 31.03.2010, SHL had Gross Income of Rs. 1504.03 Lacs, comprising of income from operations Rs. 1502.83 Lacs and Interest Income Rs. 1.20 Lacs. The total expenditure was Rs. 1362.48 Lacs, comprising of Operating expenses Rs. 1160.77 Lacs, Admin. & other Expenses Rs. 114.27 Lacs and Depreciation Rs. 87.44 Lacs. The Net Profit after tax for the year was Rs. 94.97 Lacs. The EPS for the year is Rs. 0.83. The Reserves and surpluses as on 31.3.2010 is Rs. 2142.44 Lacs. The Net Worth (net of miscellaneous expenses not written off) as on 31.03.2010 is Rs. 3390.22Lacs giving the equity Shares a Book value of Rs. 27.02. The Return on Net Worth for the year ended 31st March, 2010 is 2.80%.

4.23 The Market lot for the purpose of this Offer shall be 1(one) only.

4.24 The Compliance Officer of SHL is Shri. Sandeep Sharma, Executive Director who will be available at the Registered Office address of SHL and shall attend to all investor grievances.

5. Reasons for the Acquisition and Offer and future plans with respect to the Target Company

5.1 The objects of the acquisition are substantial acquisition of Shares of SHL followed by change in control. The Acquirers are proposing to acquire control from the present promoter.

5.2 Barring unforeseen circumstances, the Acquirers are confident of ensuring sustained growth. SHL is engaged in Hotel and Hospitality business. One of the Acquirer, Hotel Relax Pvt. Ltd is also in similar line of business. The Acquirers proposes continue with the present business. The Acquirers /promoters/Directors of one of the Acquirers are confident of utilizing their experience and contacts to further the business prospects of SHL and ensure sustained growth.

5.3 The Offer will result in change in control of SHL. Subject to satisfaction of the provisions under the Companies Act, 1956 and/or any other Regulation(s), the Acquirers intend to make changes in the management of SHL. It is proposed to induct new Directors representing the Acquirers on the Board of SHL but the Acquirers are yet to decide on the name of the persons who will be so inducted to the Board. The likely changes in the management/taking control by the Acquirers shall be subject to successful completion of the Open Offer formalities, including payment of consideration for the Shares accepted and shall be subject to compliance with Regulation 23(6) of the Regulations.

5.4 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of SHL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They undertake that they will not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

5.5 There is potential conflict of interest between the Acquirers/other Companies/ventures promoted by the Acquirers and the Target Company.

6. Statutory Approvals/ other approvals required for the Offer

6.1 As on the date of this Public Announcement, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

6.2 Barring unforeseen circumstances, the Acquirers would endeavor to obtain all approvals within 15 days from the date of closure of the Offer. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from the date of closure of Offer. In case the Acquirers fail to obtain requisite statutory approvals in time, on account of any willful default or neglect or inaction or no-action, then action in terms of Regulation 22(13) will be initiated by SEBI.

6.3 No approval is required to be obtained from Banks/Financial Institutions for the Offer.

7. Option to the Acquirers in terms of Regulation 21(2)/Compliance with Clause 40A of the Listing Agreement

7.1 The acquisition of 20% of the voting capital of SHL under this Offer, the Shares being acquired through the Share Purchase Agreement and the proposed exercise of Warrants by the Acquirers will not result in public Shareholding falling below the level required for continued Listing. Assuming full acceptance under this Offer, the post offer holding of the Public shall be more than 25 % , the level required for continued listing. If consequent to the Shares being acquired through the Share Purchase Agreement, exercise of Warrants allotted on a preferential basis, this offer and any further acquisitions by the Acquirers till 7 days prior to closure of the Offer, the public holding falls below the level required for continued listing, then the Acquirers/Target Company will comply with the relevant provisions of Clause 40A of the listing agreement in this regard, within the time limits stipulated therein. The Acquirers undertake and declare that they do not have any intention to delist the Equity Shares of Target Company after this Open Offer.

8. Financial Arrangements

8.1 The Acquirers have adequate resources to meet the financial requirements of the Offer. The funds requirements will be met from own sources/Net Worth and no borrowings from Banks/FIs or Foreign sources such as NRIs is envisaged

8.2 Assuming full acceptance, the total funds requirements to meet this Offer is Rs. 13,68,30,320/- (Rupees Thirteen Crores Sixty eight Lacs Thirty thousand three hundred and twenty only). In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirers have created an Escrow Account in the form of Deposit of acceptable Securities being Equity Shares listed at Stock Exchanges, with a margin of 25 % on Market Value as on 6th September 2010, with the Fedex Securities Ltd, Merchant Banker to the Offer. The value of the Escrow Account , based on Market Price as on 3rd September 2010 with a margin of 25% is Rs. 355.24 Lacs, which is more than 25% of the consideration payable under this Offer, assuming full acceptance.

8.3 Fedex Securities Ltd, Merchant Banker to the Offer undertakes that they will not return the securities offered, till after completion of all obligations under the Regulations.

8.4 The Acquirers have authorized Fedex Securities Ltd., Managers to the Offer to realize the value of the Escrow Account by sale or otherwise, in terms of the Regulations. Fedex Securities Ltd, Merchant Banker to the Offer undertake that they shall ensure that the Acquirers meet any shortfall in value of security forthwith to ensure that the value of Escrow Account do not fall below 25% of the consideration payable, at any time, assuming full acceptance. Fedex Securities Ltd, Merchant Banker to the Offer state that they are aware that if there is any deficit on realization of the value of the securities, they shall be liable to make good any such deficit and undertake to make good any such deficit.

8.5 In addition, the Acquirers have created a Security Deposit for Rs. 25,00,000/- (Rupees Twenty five Lacs only) in conjunction with Manager to the Offer , with The Federal Bank Ltd, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101 on September 6, 2010, which is more than 1% of the consideration payable, and a lien has been marked on the said account in favor of Fedex Securities Ltd., Manager to the Offer.

8.6 The Acquirers have authorized Fedex Securities Ltd., Managers to the Offer to realize the value of the Escrow Account and Security Deposit in terms of the Regulations.

8.7 As per Certificate from Shri. Mukesh Agarwal (Membership No. 408226), Sajjan Kanodia & Co, Chartered Accountants, 403, Raj Shila Building, JSS Road, Near Princess Street, Mumbai 400 102 (Tel. No. (022) 2200 9587/3200 5429, Email ID: sajjan.kanodia@gmail.com), the Net worth of Shri. Kamal Poddar as on 31-08-2010 is Rs. 1,10,69,426/-, of Shri. Anil Patodia Rs. 3,63,29,710/-, of Smt. Vinita Patodia Rs. 11,29,18,557/- .

8.8 As per Certificate from Shri. Mukesh Agarwal (Membership No. 408226), Sajjan Kanodia & Co, Chartered Accountants, 403, Raj Shila Building, JSS Road, Near Princess Street, Mumbai 400 102 (Tel. No. (022) 2200 9587/3200 5429, Email ID: sajjan.kanodia@gmail.com), the Net worth of Hotel Relax Private Ltd as on 31-03-2010 is Rs.1,07,61,821/-

8.9 Shri. Mukesh Agarwal (Membership No. 408226), Sajjan Kanodia & Co, Chartered Accountants, 403, Raj Shila Building, JSS Road, Near Princess Street, Mumbai 400 102 (Tel. No. (022) 2200 9587/ 3200 5429, Email ID: sajjan.kanodia@gmail.com), has, vide his Certificates dated 31-08-2010, certified that the Acquirers have adequate liquid resources to meet the obligations under this Offer. As per the certificate, the aggregate liquid resources with the Acquirers is Rs.15,73,94,417/-. This will be adequate to meet the funds requirements of the Offer.

8.10 Fedex Securities Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

9. Other terms of the Offer

9.1 This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.

9.2 The Letter of Offer shall be mailed to all shareholders/ beneficial owners holding Shares in dematerialized form (except the promoter group Shareholders of SHL) whose name appear in the Register of Target Company as on Friday, October 1, 2010, the Specified Date.

9.3 All shareholders/ beneficial owners holding Shares in dematerialized form (except the Acquirers & parties to the Agreement) who own Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

9.4 Shareholders holding Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer: M/s. Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 (Tel. Nos. (022) 22702485 / 22641376, Fax. No. (022) 22641349, E mail: sharexindia@vsnl.com) (**Contact person: Shri. B S Baliga**) either by hand delivery or by Registered Post, to reach them on or before the closure of the Offer, i.e. Tuesday, November 16, 2010 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and Transfer Deeds are lodged with SHL/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgment of the lodgment with, or receipt issued by SHL/its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent.

9.5 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 a photocopy of the delivery instructions in "Off –market" mode or counterfoil of the delivery instruction in "Off –market" mode, duly acknowledged by the Depository Participant (DP) in favor of a Special Depository account to be opened by the Registrar to the Offer, in accordance with instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-acknowledgement.

9.6 Accidental omission to despatch the Letter of Offer to any person will not invalidate the Offer in any way. In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of SHL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares Offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer before the closure of the Offer.

9.7 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications 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 photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in Off-market" mode, duly acknowledged by the DP, in favor of the special depository account, so as to reach the Registrar to the Offer on or before the closure of the Offer.

9.8 Persons who hold Equity Shares of SHL on the Specified Date but who are not registered as Shareholders/beneficial owners, on the Specified Date are also eligible to participate in the Offer. All such persons should send their applications in writing to the Registrar to the Offer along with necessary proof of ownership and other documents as specified in (f) or (g) above. All eligible Shareholders, including unregistered Shareholders have the option of applying in plain paper and they shall furnish the details listed above.

9.9 The Form of acceptance and other documents required to be submitted herewith, will be accepted by Registrar to the Offer, M/s. Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 (Tel. Nos. (022) 22702485 / 22641376, Fax. No. (022) 22641349, Email: sharexindia@vsnl.com) (**Contact person: Shri. B S Baliga**) between 10 a.m. to 4 p.m. on working days and between 10. a.m. to 2 p.m. on Saturdays, during the period, the Offer is open.

9.10 The Public Announcement, Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.

9.11 Unregistered owners and those who hold Shares in Street Name 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 offered, distinctive numbers, folio numbers together with the original share certificate(s) valid transfer deeds and the original contract notes issued by the SEBI Registered Broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

9.12 The Shares to be acquired should be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto.

9.13 The acceptance of this Offer by the Shareholders of SHL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

9.14 The Acquirers shall accept all valid Shares tendered (except those, which are withdrawn, within the date specified for withdrawal). If the number of Equity Shares Offered by the Shareholders is more than the Offer size, then the acquisition from each Shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis.

9.15 In case of acceptance on proportionate basis, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Share holder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Shares held in demat form to the extent not accepted will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

9.16 Consideration for Equity Shares accepted will be paid as given hereinafter: Acceptors of this Offer, having their Bank accounts at any of the Centres where Clearing Houses are managed by the Reserve Bank of India (RBI) will get payment of consideration through Electronic Credit Service (**ECS**), except where the acceptor is otherwise eligible to get payments through Direct Credit ("**DC**"), National Electronic Funds Transfer ("**NEFT"**) or Real Time Gross Settlement ("**RTGS**"). In case of other applicants, the consideration of value up to Rs. 1,500/- will be despatched "Under Certificate of Posting" and those of Rs. 1,500 and above by Registered Post or Speed Post, by Demand Drafts/Banker's Pay Order. Applicants to whom payments are made through Electronic transfer of funds will be sent a letter (Payment advice) "Under Certificate of Posting" intimating them about the mode of credit/payment within 15 days from the date of closure of the Offer. The Registrars to the Offer shall ensure despatch of Consideration/payment advice, if any, "Under Certificate of Posting" or Registered Post or Speed Post or Electronic Clearing Service or Direct Credit or RTGS, only in the name of the Sole or First shareholder and all communication will be addressed to the person whose name appears on Acceptance Form within 15 days of the date of Closure of the Offer and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirer. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

9.17 The Equity Shares Certificate(s) and the transfer form(s) or Shares transferred to the Special Depository Account together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirers pay the Offer Price.

9.18 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer, in terms of Regulation 22(5A). The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Thursday, November 11, 2010

9.19 The Withdrawal option can be exercised by making an application on plain paper along with the following details:

a. Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered/ withdrawn, if held in physical form

b. Name, Address, DP Name, DP ID, Client ID No. of the Account from where Shares were tendered and number of Shares tendered/ withdrawn, if held in electronic form (dematerialized form)

9.20 The Shares withdrawn by Shareholders, which are in physical form will be returned by Registered Post. Shares tendered in dematerialized form and withdrawn will be returned by credit to the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgment.

9.21 The schedule of the activities pertaining to the Offer are given below: -

Activity	Date
Public Announcement (PA)	Wednesday, September 08, 2010
Specified date	Friday, October 01, 2010
Last date for a competitive bid Letter	Wednesday, September 29, 2010
of Offer to be posted to shareholders	Friday, October 22, 2010
Date of opening of the Offer	Thursday, October 28, 2010
Last date for revising the Offer price/ number of shares.	Thursday, November 04, 2010
Last date for withdrawing acceptance from the Offer	Thursday, November 11, 2010
Date of closing of the Offer	Tuesday, November 16, 2010
Last date of communicating rejection/ acceptance and payment of consideration for applications accepted/return of unaccepted Share Certificates/credit of unaccepted Shares to demat account	Wednesday, December 01, 2010

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 Shares of SUAVE HOTELS LIMITED anytime before the closure of the Offer, are eligible to participate in the Offer

10. General

10.1 Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public announcement/Letter of Offer, can withdraw the same, upto 3 working days prior to the date of closure of the Offer i.e. on or before Thursday, November 11, 2010

10.2 The Acquirers can revise the number of Shares and price offered under this Offer upto 7 working days prior to closure of the Offer and revision, if any, in the number of Shares or Offer price would appear in the same newspapers where this Public Announcement appeared and the same price would be paid to all shareholders who tender their shares in the Offer. The last date for such revision is Thursday, November 4, 2010.

10.3 If there is competitive bid, the public Offers under all the subsisting bids shall close on the same date.

10.4 As the Offer price cannot be revised during 7 working days prior to the closing date of the Offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.

10.5 Pursuant to Regulation 13 of the Takeover Regulations, the Acquirers have appoint