

KAMAT HOTELS (INDIA) LIMITED

Registered Office : 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099.

Tel. No. 022-26164000, Fax No. 022- 26164115, Email: cs@khil.com, Website: www.khil.com

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Shareholders of the Target Company under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

1.	Date	8 th December, 2012															
2.	Name of the Target Company (TC).	KamatHotels (India)Limited (KHIL/ Target Company/TC).															
3.	Details of the Offer pertaining to TC.	The open offer is made by Clearwater Capital Partners (Cyprus) Limited (Acquirer) and Clearwater Capital Partners Singapore Fund III Private Limited (the person Acting in Concert - PAC) to the equity shareholders of Target Company for acquiring 49,64,283 fully paid up equity shares of face value of ₹10/- each of Target Company constituting 26% of post conversion equity share capital of Target Company at an Offer Price of ₹135/- (Rupees One Hundred Thirty Five Only) per equity share, payable in cash, pursuant to and in compliance with Regulation 3(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the Regulations). Note : The Hon'ble High Court of Bombay has sanctioned the Scheme of Arrangement and Amalgamation (the Scheme) between Kamat Holiday Resorts Private Limited, Kamats Restaurants Private Limited, Kamats Holiday Resorts (Silvassa) Limited and the Target Company on 13th January, 2012. Post conversion and post amalgamation, paid up equity share and voting capital of the Target Company shall stand increased from ₹1909.34 lacs consisting of 1,90,93,394 equity shares to ₹ 2195.44 lacs consisting 2,19,54,429 equity shares of ₹ 10/- each. The Acquirer and the PAC are required to increase the Offer Size to the extent of 26% of the post amalgamation equity share capital of the Target Company in accordance with Regulation 7(1) of the Regulations.															
4.	Name(s) of the acquirer and PAC with the acquirer.	Clearwater Capital Partners (Cyprus) Limited – Acquirer Clearwater Capital Partners Singapore Fund III Private Limited - the Person Acting in Concert (PAC)															
5.	Name of the Manager to the offer.	Systematix Corporate Services Limited J. K. Somani Building, 2nd Floor, British Hotel Lane, Mumbai Samachar Marg, Fort, Mumbai - 400 001, India. Tel. No: 022 3029 8281/80; 022 6619 8281/80 Fax No. 022 3029 8029; 022 6619 8029 Website: www.systematixshares.com Email: investor@systematixgroup.in															
6.	Members of the Committee of Independent Directors.	1) Mr. S. S. Thakur 2) Mr. T. M. Mohan Nambiar 3) Mr. Ved Prakash Khurana Mr. S. S. Thakur is the Chairman of the Committee.															
7.	IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any.	1) Mr. S. S. Thakur is a Director and holds no equity share of TC. 2) Mr. T. M. Mohan Nambiar is a Director and holds 1021 equity shares (as a First Joint holder) and 1230 equity shares (as a Second Joint holder) of TC. 3) Mr. Ved Prakash Khurana is a Director and holds no equity share of TC.															
8.	Trading in the Equity shares/other securities of the TC by IDC Members.	Mr. S. S. Thakur, member of IDC has not done any trading in the equity shares of TC since his appointment as a Director of TC. Mr. T. M. Mohan Nambiar, member of IDC had purchased 1021 equity shares (as a First Joint holder) and 1230 equity shares (as a Second Joint holder) of TC and he holds the same till date. Mr. Ved Prakash Khurana, member of IDC had sold 1500 equity shares of TC held by him after his appointment as a Director of TC.															
9.	IDC Member's relationship with the acquirer (Director, equity shares owned, any other contract / relationship), if any.	None of the IDC members is Director in Acquirer. None of the IDC members holds any equity shares of Acquirer. None of the IDC members has any relation with the Acquirer.															
10.	Trading in the equity shares/other securities of the acquirer by IDC Members.	None of the IDC members has ever done any trading in equity shares / other securities of the Acquirer.															
11.	Recommendation on the Open offer, as to whether the offer is fair and reasonable.	IDC believes that Open Offer is fair and reasonable.															
12.	Summary of reasons for recommendation.	IDC recommends acceptance of the Open Offer given by Acquirer and believes that the Open Offer Price of ₹135/- (Rupees One Hundred and Thirty Five Only) per equity share of TC is fair and reasonable in terms of Regulation 8(2) and 8(6) of the Regulations as it is higher of the following: <table> <tr> <td>1</td><td>Highest Negotiated Price per equity share for any acquisition under the Agreement attracting the obligation to make the Public Announcement (PA).</td><td>Not Applicable</td></tr> <tr> <td>2</td><td>The volume-weighted average price paid or payable for acquisition during the 52 weeks immediately preceding the date of the PA.</td><td>Not Applicable</td></tr> <tr> <td>3</td><td>The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of the PA.</td><td>Not Applicable</td></tr> <tr> <td>4</td><td>The volume-weighted average market price for a period of 60 trading days immediately preceding the date of the PA on NSE.</td><td>₹ 105.55/-</td></tr> <tr> <td>5</td><td>Outstanding convertible instruments convertible into equity shares of the Target Company at a Specific Price i.e. Conversion price of Bonds</td><td>₹ 135/-</td></tr> </table> The Open Offer Price is fair and reasonable considering the book value per equity share of the Target Company which is ₹ 130.32/- per equity share as on 31st March, 2012. (refer to the Audited Balance Sheet of Target Company on its website www.khil.com). The book value is lower than the Offer Price of ₹135/- (Rupees One Hundred Thirty Five Only) being offered by the Acquirer.	1	Highest Negotiated Price per equity share for any acquisition under the Agreement attracting the obligation to make the Public Announcement (PA).	Not Applicable	2	The volume-weighted average price paid or payable for acquisition during the 52 weeks immediately preceding the date of the PA.	Not Applicable	3	The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of the PA.	Not Applicable	4	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of the PA on NSE.	₹ 105.55/-	5	Outstanding convertible instruments convertible into equity shares of the Target Company at a Specific Price i.e. Conversion price of Bonds	₹ 135/-
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2	The volume-weighted average price paid or payable for acquisition during the 52 weeks immediately preceding the date of the PA.	Not Applicable															
3	The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of the PA.	Not Applicable															
4	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of the PA on NSE.	₹ 105.55/-															
5	Outstanding convertible instruments convertible into equity shares of the Target Company at a Specific Price i.e. Conversion price of Bonds	₹ 135/-															
13.	Details of Independent Advisors, if any.	Not Applicable															
14.	Any other matter(s) to be highlighted.	Not Applicable															

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Takeover Code.

For Kamat Hotels (India) Limited
S. S. Thakur
(Chairman)

Place: Mumbai

Date: 8th December, 2012

Committee of Independent Directors