DETAILED PUBLIC STATEMENT IN TERMS OF REGULATION 15(2) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

KAMAT HOTELS (INDIA) LIMITED

Registered Office: KHIL House, 70C Nehru Road, Near Santacruz Airport, Vile Parle (East); Mumbai – 400 099, Maharashtra, India.
Tel. No.: +91-22-26164000; Fax No.: +91-22-26194201 Email: cs@khil.com; Web: www.khil.com

OPEN OFFER ("THE OFFER") FOR ACQUISITION OF UPTO 4,964,283 EQUITY SHARES FROM THE SHAREHOLDERS OF KAMAT HOTELS (INDIA) LIMITED ("THE TARGET COMPANY" OR "KHIL") BY CLEARWATER CAPITAL PARTNERS (CYPRUS) LIMITED ("THE ACQUIRER" OR "THE BONDHOLDER" OR "CLEARWATER-CYPRUS") AND CLEARWATER CAPITAL PARTNERS SINGAPORE FUND III PRIVATE LIMITED ("THE PERSON ACTING IN CONCERT" OR "THE PAC" OR "CLEARWATER-SINGAPORE")

This Detailed Public Statement ("DPS") is being issued by Systematix Corporate Services Limited ("the Manager to the Offer") on behalf of the Acquirer and the PAC, in compliance with Regulation 13 (4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations, 2011" or "the Regulations") pursuant to the Public Announcement ("PA") with the Bombay Stock Exchange Limited, Mumbai ("BSE") and National Stock Exchange of India Limited, Mumbai ("NSE") on January 11, 2012 and subsequent filings with Securities and Exchange Board of India ("SEBI") and the Target Company in terms of Regulation 3(1) of the Regulations.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

1.1. THE ACQUIRER ("CLEARWATER CAPITAL PARTNERS (CYPRUS) LIMITED" OR "BONDHOLDER")

1.1.1. Clearwater-Cyprus is incorporated under the Companies Law, Cap. 113 as a 'Limited Liability Company' on February 10, 2004 in the Republic of Cyprus. The Corporate Identification Number (**"CIN"**) of Clearwater-Cyprus is 145518. There is no change in the name of the Clearwater-Cyprus since inception.

1.1.2. As per Memorandum of Association (**"MOA"**) of Clearwater-Cyprus, the objects for which it is established are to carry on the business of a holding and an investment company, to provide services as business consultants, to acquire and lease property and equipment and to acquire other businesses etc. The principal activity of Clearwater-Cyprus is investment in securities (equity and debt) particularly in Asia.

1.1.3. The Registered Office of Clearwater-Cyprus is situated at 12 Esperidon Street, 4th Floor, Nicosia, Cyprus (1087). Tel. No. +357-224-74000; Fax No. +357-224-74888; Email: ccpcyprus@clearwatercp.com

1.1.4. Clearwater-Cyprus is a financial investor and belongs to **"Clearwater Capital Partners"** group and the investment in the Target Company was to provide growth capital.

1.1.5. Clearwater-Cyprus has a wholly-owned subsidiary in India namely "Clearwater Capital Partners (India) Private Limited" (**"Clearwater-India"**) which is engaged into Non-Banking Financial Company (**"NBFC"**) activities.

1.1.6. Clearwater-Singapore, the PAC, is acting within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Offer with Clearwater-Cyprus. Both the Acquirer and the PAC belong to the same group as mentioned in para 1.1.4.

1.1.7. The total shareholding of Clearwater-Cyprus is held by six Clearwater Capital Partners Funds.

1.1.8. The equity shares of Clearwater-Cyprus are not listed on any stock exchange in India or/and abroad.

1.1.9. Clearwater-Cyprus had subscribed Foreign Currency Convertible Bonds (**"FCCBs" or "Bonds"**) issued by the Target Company equivalent to US$ 18,000,000 on March 13, 2007. Clearwater-Cyprus has converted Bonds equivalent to US$ 5,629,000 on August 23, 2010 and US$ 6,405,000 on the November 22, 2011. Clearwater-Cyprus currently holds Bonds equivalent to US$ 5,966,000 which are due for conversion and to effect the conversion a Conversion Notice is sent to the Principal Paying and Conversion Agent.

1.1.10. Due to conversion of US$ 12,034,000 Bonds, a total of 3,941,803 equity shares aggregating to 23% of the total existing paid-up and voting capital of the Target Company were allotted by KHIL to Clearwater-Cyprus. Clearwater-Cyprus has complied with Chapter V of the Regulations in time while conversion of US$ 12,034,000 Bonds into equity shares of the Target Company.

1.1.11. Mr. Aswini Sahoo (**"Clearwater Director"**) is the nominee director on behalf of Clearwater-Cyprus who is presently on the Board of the Target Company.

1.1.12. As on the date of the PA, the Board of Directors of Clearwater-Cyprus consists of the following members:

- Mr. Robert Dean Petty
- Mrs. Arlene Nahikian
- Mr. Costas Christoforou

1.1.13. Clearwater-Cyprus has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act, 1992 as amended (**"the SEBI Act"**).

1.1.14. Clearwater-Cyprus undertakes that it will not sell the equity shares of the Target Company held by them during the **"Offer Period"** in terms of Regulation 25(4) of the Regulations.

1.1.15. The current paid-up capital of Clearwater-Cyprus is US$ 17,909 divided into 7000 equity shares of € 1.71 each.

1.1.16. The Financial Year (**"FY"**) for Clearwater-Cyprus starts from 1st January and ends on 31st December of every year. The brief financial of Clearwater-Cyprus as follows:

(Figures in million except EPS)

Sr. No.	Particulars	For nine months ended September 30, 2011		For the year ended December 31, 2010		For the year ended December 31, 2009		For the year ended December 31, 2008	
		Standalone Unaudited@		Consolidated Audited		Consolidated Audited		Consolidated Audited	
Currency		US$	₹	US$	₹	US$	₹	US$	₹
RBI Reference Rate		1	48.93	1	44.81	1	46.68	1	48.45
1.	Total Revenue	22.67	1109.21	49.69	2226.65	64.09	2991.58	43.55	2109.90
2.	Net Income	(1.05)	(51.52)	1.06	47.53	1.66	77.31	4.85	234.98
3.	Earning per Share ("**EPS**")	(150.42) #	(7359.23) #	176.79	7922.11	276.04	12885.73	808.34	39164.11
4.	Networth / Shareholders Funds*	9.73	476.00	10.78	483.04	9.31	434.36	7.10	343.93

*excluding Revaluation Reserves; @certified by Auditors; # not annualised

Note: Figures have been re-grouped and rounded-off wherever required.

1.2. THE PAC ("CLEARWATER CAPITAL PARTNERS SINGAPORE FUND III PRIVATE LIMITED")

1.2.1. Clearwater-Singapore is incorporated under the Companies Act (Cap. 50) as a 'Private Limited Company' limited by shares on August 28, 2007 in the Republic of Singapore and the 'Certificate of Incorporation' was obtained from Registrar of Companies & Business, Singapore on August 29, 2007. The Registration Number of the PAC is 200715814R. There is no change in the name of the PAC since inception.

1.2.2. As per MOA of Clearwater-Singapore, it has full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and for the purposes of the foregoing, has full rights, powers and privileges.

1.2.3. The Registered Office of Clearwater-Singapore is situated at 4 Battery Road, #34-01, Bank of China Building, Singapore 049908. Tel. No. +65-6827-9250; Fax No. +65-6827-9268; Email: clearwatersg@clearwatercp.com

1.2.4. Clearwater-Singapore is a financial investor and belongs to **"Clearwater Capital Partners"** group.

1.2.5. The total shareholding of Clearwater-Singapore is held by a Clearwater Capital Partners Fund.

1.2.6. The equity shares of Clearwater-Singapore are not listed on any stock exchange in India or/and abroad.

1.2.7. As on date of the PA, Clearwater-Singapore holds 257,431 equity shares aggregating to 1.50% of the total existing paid-up and voting capital of the Target Company. The equity shares held by Clearwater-Singapore is by way of market purchase during November 2009.

1.2.8. Compliances w.r.t. Chapter V of the Regulations is not applicable to Clearwater-Singapore.

1.2.9. As on date of this DPS, the Board of Clearwater-Singapore consists of the following members:

- Mr. Robert Dean Petty
- Mr. Jason Glenn Edwards
- Mr. Chiang Yao Chye

1.2.10. Clearwater-Singapore has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act.

1.2.11. Clearwater-Singapore does not have any relationship or interest including interest of directors or key employees in the Target Company except to the extent of its shareholding in the Target Company.

1.2.12. Clearwater-Singapore will not acquire any equity shares being tendered and accepted in the Offer. All the Open Offer equity shares will be acquired by Clearwater-Cyprus only.

1.2.13. Clearwater-Singapore undertakes that it will not to sell the equity shares of the Target Company held by them during the **"Offer Period"** in terms of Regulation 25(4) of the Regulations.

1.2.14. The current paid-up Capital of Clearwater-Singapore is US$ 55,000 of 55,000 equity shares of US$ 1 each.

1.2.15. The FY for Clearwater-Singapore starts from 1st January and ends on 31st December of every year. The brief financial of Clearwater-Singapore as follows:

(Figures in million except EPS)

Sr. No.	Particulars	For nine months ended September 30, 2011		For the year ended December 31, 2010		For the year ended December 31, 2009		For the year ended December 31, 2008	
		Unaudited@		Audited		Audited		Audited	
Currency		US$	₹	US$	₹	US$	₹	US$	₹
RBI Reference Rate		1	48.93	1	44.81	1	46.68	1	48.45
1.	Total Revenue	(3.38)	(165.43)	32.17	1441.75	4.25	198.45	8.55	414.24
2.	Net Income	(4.49)	(219.77)	27.73	1242.65	(12.29)	(573.85)	(26.24)	(1271.21)
3.	Earning per Share ("**EPS**")	(81.67) #	(3995.77) #	504.21	22593.65	(223.52)	(10433.71)	(477.05)	(23112.84)
4.	Networth / Shareholders Funds*	127.76	6250.74	132.25	5926.25	29.02	1354.71	11.31	548.19

*excluding Revaluation Reserves; @certified by Auditors; # not annualised

Note: Figures have been re-grouped and rounded-off wherever required.

1.3 THE TARGET COMPANY ("KAMAT HOTELS (INDIA) LIMITED")

1.3.1. KHIL was incorporated on March 21, 1986 under the Companies Act, 1956 (No. I of 1956) in the state of Maharashtra as "Kamat Hotels (India) Limited" and received the 'Certificate of Incorporation' bearing number 39307/1986 from the Registrar of Companies, Maharashtra. The Target Company received 'Certificate for Commencement of Business' on March 31, 1986 from the Registrar of Companies, Maharashtra, Mumbai.

1.3.2. There has been no change in the name of the Target Company since inception. The CIN of KHIL is L55101MH1986PLC039307.

1.3.3. The Registered Office of KHIL is situated at KHIL House; 70C Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai – 400 099, Maharashtra, India. Tel. No.: +91-22-2616 4000; Fax No. +91-22-2616 4201; Email: cs@khil.com; Web: www.khil.com

1.3.4. The equity shares of the Target Company are listed on NSE and BSE only. The equity shares of KHIL are frequently traded within the meaning of Regulation 2(1)(j) of the Regulations on NSE and BSE. The Scrip ID of the equity shares of KHIL at NSE and BSE are "KAMATHOTEL" and "KAMATHOQ" respectively.

1.3.5. B W Highway Star Private Limited (**"BWHSPL"**), Fort Mahodadhi Private Limited (**"FMPL"**) and Kamats Restaurants (India) Private Limited (**"KRIPL"**) are the subsidiaries of the Target Company. The Target Company holds 79.17% of the total paid-up and voting capital of BWHSPL and 100% in FMPL and KRIPL. BWHSPL, FMPL and KRIPL are jointly referred to as **"Subsidiaries"** of the Target Company.

1.3.6. As on the date of the PA, the Authorised Share Capital of the Target Company is ₹ 3000.00 Lacs comprising of 30,000,000 equity shares of ₹ 10/- each. The issued, subscribed, paid up and voting equity share capital of the Target Company is ₹ 1713.92 Lacs comprising of 17,139,198 equity shares of ₹ 10/- each, fully paid. There are no partly paid equity shares in the Target Company.

1.3.7. Post-Conversion US$ 5,966,000 Bonds for which Clearwater-Cyprus has sent the Conversion Notice, the equity share capital and voting rights of the Target Company would be ₹ 1909.34 Lac consisting of 19,093,394 equity shares of ₹ 10/- each.

1.3.8. The Honourable Bombay High Court has sanctioned the 'Composite Scheme of Arrangement and Amalgamation' (**"the Scheme"**) under Sections 391-394 of the Companies Act, 1956 ("**the Companies Act**") on January 13, 2012. The Scheme envisages amalgamation of "Kamat Holiday Resorts Private Limited" and "Kamats Restaurants Private Limited" into the Target Company and the Demerger of "Lotus Resort Goa undertaking" of Kamats Holiday Resorts (Silvassa) Limited and merger thereof into the Target Company.

1.3.9. If equity shares are allotted pursuant to the Scheme by the Target Company prior to the expiration of ten working days from the closure of the Tendering Period (**"TP"**), then post-conversion & post-amalgamation, paid-up equity share and voting capital shall stand increased from ₹ 1909.34 Lac consisting of 19,093,394 equity shares to ₹ 2195.44 Lac consisting of 21,954,429 equity shares of ₹ 10/- each.

1.3.10. The FY for KHIL starts from 1st April of every year and ends on 31st March of subsequent next year. The brief financials of the Target Company as follows:

(₹ in million except EPS)

Sr. No.	Particulars	For Six months ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009
		Standalone Limited Reviewed$	Consolidated^ Audited	Consolidated^^ Audited	Standalone^^^ Audited
1.	Total Revenue	607.62	1289.65	1173.38	1264.82
2.	Net Income	5.19	(122.03)	(14.66)	56.61
3.	Earning per Share ("**EPS**") (in ₹)	0.34#	(7.00)	(1.11)	4.29
4.	Networth / Shareholders Funds*	1919.16	1716.01	1567.27	1637.46

*excluding Revaluation Reserves; # not annualised

$ Results for 6 month period ending September 30, 2011 have been limited reviewed by the statutory auditors of the Target Company and approved by the Board of Directors on November 5, 2011.

KRIPL became subsidiary of KHIL during FY 2011-12.

^ BWHSPL and FMPL were the subsidiaries of the Target Company for the year ended March 31, 2011.

^^ BWHSPL was the only subsidiary of the Target Company for the year ended March 31, 2010.

^^^ There was no subsidiary of the Target Company for the year ended March 31, 2009.

1.3.11. As on date of the PA, the Board of the Target Company consists of the following members:

- Mr. Vithal V. Kamat: Executive Chairman & Managing Director
- Mr. Ramesh N. Shanbhag: Whole-time Director
- Mr. Vikram V. Kamat: Executive, Non-Independent Director
- Mr. S. S. Thakur: Non-Executive, Independent Director
- Mr. Ved Prakash Khurana: Non-Executive, Independent Director
- Mrs. Rajyalakshmi Rao: Non-Executive, Independent Director
- Mr. T. M. Mohan Nambiar: Non-Executive, Independent Director
- Mr. Aswini K. Sahoo: Non-Executive, Nominee Director of Clearwater-Cyprus

1.4 Details of the Offer

1.4.1. Clearwater-Cyprus and Clearwater-Singapore have jointly made the Offer in accordance with the Regulation 3(1) of the Regulations vide the PA dated January 11, 2012 to the shareholders of the Target Company for the acquisition of 4,964,283 (Forty-Nine Lac Sixty-Four Thousand Two Hundred and Eighty-Three) equity shares of the face value of ₹ 10/- each representing 26% of the post-conversion paid-up equity share and voting capital of the Target Company (**"the Offer Size"**) at a price of ₹ 135/- (Rupees One Hundred and Thirty-Five Only) per equity share (**"the Offer Price"**) payable in **"Cash"** and subject to the terms and conditions set out in this DPS and Letter of Offer **("LOF").**

1.4.2. The Offer is being made to all the shareholders of the Target Company. The Acquirer will acquire all the equity shares of the Target Company that are validly tendered as per terms of the Offer up to a maximum of the Offer Size.

1.4.3. This Offer is neither conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Regulations nor it is a competitive bid in terms of Regulation 20 of the Regulations.

1.4.4. This Offer is subject to the receipt of the statutory and other approvals as mentioned in Section VI of this DPS. In terms of Regulation 23(1)(a) of the Regulations, if the statutory approvals are not received, the Offer will stand withdrawn.

1.4.5. The equity shares of the Target Company under the Offer will be acquired by the Acquirer as fully paid up, free from any lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

1.4.6. In event of allotment of equity shares under the Scheme as stated in para 1.3.9, the Acquirer and the PAC will consequently increase the Offer Size to the extent of 26% of the post-amalgamation paid-up equity share and voting capital of the Target Company in accordance with Regulation 7(1) of the Regulations.

1.4.7. The Acquirer and the PAC will deposit additional amount to the Escrow Account and also pay additional fee to SEBI in compliance with Regulation 17(2) and 16(2) of the Regulations respectively on allotment of equity shares under the Scheme before the expiration of ten working days from the closure of TP.

1.4.8. The Offer can not be withdrawn by the Acquirer in any event whatsoever as per the conditions stipulated in the underlying agreements in terms of Regulation 23(1)(c) of the Regulations.

1.4.9. The Acquirer and the PAC do not have any plans to dispose of or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding two years from the date of completion of the Offer except in the ordinary course of business as may be permissible. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to Companies Act and/or any other the applicable provision of the laws and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of the Regulations.

1.4.10. The Acquirer and the PAC also do not intend to delist the equity shares of the Target Company in the next 2 years from the stock exchanges where the equity shares are listed.

1.4.11. The Offer (assuming full acceptances) will not result in the public shareholding to fall below 25% of its outstanding equity share capital of the Target Company. If it happens under any unseen circumstances, the Acquirer will, in accordance with Regulation 7(4) of the Regulations, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing as per the Listing Agreement with the stock exchanges where the equity shares of the Target Company are listed within the specified time and in accordance with the prescribed procedure under clause 40A(ii) of the Listing Agreement and in compliance with the Regulations.

II. BACKGROUND TO THE OFFER

2.1 The Target Company had offered to issue US$18,000,000 5.50% coupon Bonds through the Offering Circular dated March 13, 2007 (**"Offering Circular"**) pursuant to the approval of the Board of Directors of the Target Company in their meeting held on April 30, 2006 and the Special Resolution passed in the 19th Annual General Meeting of the members of the Target Company held on September 23, 2006.

2.2 Clearwater-Cyprus had subscribed to the said Bonds with an option to convert those Bonds into equity shares of the Target Company as per the terms and conditions specified in the Offering Circular.

2.3 A Trust Deed dated March 13, 2007 (**"the Trust Deed"**) entered between the Target Company and the Bank of New York Mellon; One Canada Square, 40th Floor, London (**"the Trustee"**). Simultaneously, an Agency Agreement dated March 13, 2007 (**"the Agency Agreement"**) entered between the Target Company, Trustee, the Bank of New York Mellon; 101 Barclay Street, New York (**"Registrar"**), the Bank of New York Mellon; One Canada Square, 40th Floor, London (**"Principal Paying and Conversion Agent"**) and the Bank of New York Mellon; 101 Barclay Street, New York (**"Paying and Conversion Agent and Transfer Agent"**).

2.4 These Bonds were listed on Singapore Exchange Securities Trading Limited (**"SGX-ST"**) with a trading lot of US$2,000,000. The Common Code and International Securities Identification Number (**"ISIN"**) of these Bonds are 028940521 and XS0289405218 respectively.

2.5 Pursuant to the press note issued by the Government of India, Ministry of Finance being F. No. 9/3/2009 ECB dated February 15, 2010; the Board of Directors of the Target Company on May 8, 2010 and June 10, 2010 and the shareholders on June 10, 2010 have resolved and approved the amendment to: (i) certain provisions of the Trust Deed; (ii) certain provisions of the Conditions and (iii) the Agency Agreement.

2.6 The Shareholders of the Target Company at their Extra Ordinary General Meeting (**"EGM"**) held on June 10, 2010 passed a Special Resolution approving and authorizing the Board of Directors of the Target Company to revise the original conversion price of ₹ 225/- per equity share and to amend the terms and conditions of the Bonds and the Trust Deed dated March 13, 2007. The Board of Directors of the Target Company at its meeting held on June 10, 2010 revised and approved the conversion price of ₹ 135/- per equity share (**"Conversion Price"**) for mandatory conversion of FCCBs.

2.7 The Reserve Bank of India (**"RBI"**) vide its letter dated July 13, 2010 has granted approval and permission to revise the Conversion Price of the Bonds as referred to in the Trust Deed.

2.8 The Target Company has entered into a Supplemental Trust Deed dated August 13, 2010 (**"the Supplemental Trust Deed"**) and Supplemental Agency Agreement dated August 13, 2010 (**"the Supplemental Agency Agreement"**) with respective parties.

2.9 Simultaneously, an Inter-se Agreement dated August 13, 2010 (**"the Inter-se Agreement"**) was executed between the Acquirer, the Target Company and the Specified Promoters of the Target Company. Some of the salient features of the Inter-se Agreement are as follows:

i. Neither of the Specified Promoters nor the Target Company shall take any action or omit to take any action which has or may have the effect of describing, treating, identifying, representing or holding out Clearwater-Cyprus as a "Promoter" of the Target Company.

ii. Neither of the Specified Promoters nor the Target Company shall enter into any arrangement, agreement or understanding which conflicts with, restricts or ender unenforceable any of the rights of Clearwater-Cyprus.

iii. The Target Company shall not and the Specified Promoters shall ensure that the Target Company does not, issue or commit to issue any equity shares at a price that is lower than the Conversion Price.

iv. Within 90 days from the conversion of the Bonds the Target Company shall ensure that the Conversion Equity Shares are listed on relevant stock exchanges.

v. The Target Company shall not take any actions with respect to altering its share capital, any corporate restructuring, setting up of/creation of subsidiaries, entering into joint ventures unless prior consent is obtained from the Acquirer or the Clearwater Director.

vi. Within 30 days of issue of Conversion Equity Shares, the Target Company file with RBI, Form FC-GPR and other relevant documents in accordance with Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (**"FEMR"**).

vii. The Target Company and the Specified Promoters expressly agree and undertake that Representations and Warranties contained in the Inter-se Agreement will be valid and enforceable against the Target Company and the Specified Promoters by Clearwater-Cyprus.

viii. Each of the Representations and Warranties are to be construed independently of the others and is not limited by reference to any other Representation or Warranty.

ix. Clearwater-Cyprus shall have the right to nominate one Director on the Board of the Target Company (**"Clearwater Director"**) and such director shall not be liable to retire by rotation and shall not be designated as a "Promoter" of the Target Company.

2.10 As per the Supplemental Trust Deed, the Bondholders were to convert, within a period of three months from the **"Effective Date"** i.e. August 13, 2010; to convert at least US$ 4,475,000 Bonds into equity shares of the Target Company. Clearwater-Cyprus converted Bonds equivalent to US$ 5,629,000 into equity shares of the Target Company on August 25, 2010. Further, the Bondholder of each Bond could convert all outstanding Bonds into equity shares of the Target Company on or before December 1, 2011 (**"Bondholder Conversion Date"**) as per the Supplement Trust Deed.

2.11 If all Bonds have not been converted by the Bondholder's Conversion Date; the Target Company is entitled, in the manner summarized in para 2.13, to convert these Bonds on or prior to the Bond's Maturity Date i.e. March 14, 2012 (**"Maturity Date"**). The Acquirer did not exercise its option to convert the remaining Bonds into equity shares of the Target Company till December 1, 2011.

2.12 On lapse of Bondholder's Conversion Date, the Board of Directors of the Target Company at its meeting held on December 13, 2011 has decided to cause a written notice (**"Company Mandatory Conversion Notice"**) dated December 13, 2011 to the Bondholder specifying the Target Company's Mandatory Conversion Date as January 30, 2012 (**"Company Mandatory Conversion Date"**).

2.13 The Bondholder has the right to convert the Bonds into equity shares of the Target Company not later than 7 Business Days (excluding Saturdays, Sundays and Bank Holidays in Mumbai, London, New York and Singapore) prior to Company Mandatory Conversion Date as per the terms and conditions specified in the Supplemental Trust Deed and the Offering Circular. If the bondholder does not exercise its right to convert Bonds into equity shares then the Bonds will be mandatorily converted into equity shares on the Company Mandatory Conversion Date.

2.14 Clearwater-Cyprus has exercised its right to convert the remaining Bonds into equity shares of the Target Company and to effect the conversion a written **"Conversion Notice"** is served on to the Principal Paying and Conversion Agent after the Board of Directors of Clearwater-Cyprus has passed a resolution to convert the remaining Bonds on January 11, 2012.

2.15 Simultaneously, the PA is also made with NSE and BSE on January 11, 2012 in compliance with Regulation 13(2) of the Regulations. The PA is also submitted with SEBI and the Target Company on the same day in compliance with the Regulations.

2.16 As on date of this DPS, Clearwater-Cyprus holds 3,941,803 equity shares aggregating to 23% of the total existing paid-up and voting capital of the Target Company. The equity shares held by Clearwater-Cyprus is due to part conversion of US$ 12,034,000 Bonds in two tranches during August 2010 and November 2011.

2.17 Upon conversion of remaining US$ 5,966,000 Bonds at Conversion Price of ₹ 135/- each per equity share at a pre-determined exchange rate of US$ to Rupees (₹) i.e. ₹ 44.22 per US$ a total of 1,954,196 equity shares (**"the Conversion Equity Shares"**) will be allotted to Clearwater-Cyprus by the Target Company.

2.18 The Conversion Equity Shares will be kept in a separate 'Demat Escrow Account' in compliance with Regulation 22(1) of the Regulations. The Manager to the Offer has opened a Demat Escrow Account in the name and style as **"Systematix Corporate Services Ltd Escrow A/c Clearwater Capital Partners – Open Offer"** (Client ID: 10935926) with IndusInd Bank Limited (DP ID: IN300159) (**"Escrow Agent"**) through **"Escrow Demat Agreement"** between the Acquirer, the Manager to the Offer and the Escrow Agent. The Manager to the Offer has right to operate the Demat Escrow Account as per conditions stipulated in the Escrow Demat Agreement. Upon fulfilment of all the Offer related formalities, the Conversion Equity Shares will be transferred to the Acquirer's DP account and the said account will be closed for good.

2.19 Upon allotment of the Conversion Equity Shares, the Acquirer's holding along with the PAC's holding in the Target Company would be 6,153,430 equity shares aggregating to 32.23% of the post-conversion equity share and voting capital or the diluted share capital of the Target Company.

2.20 This is a **"Triggered Offer"** under the Regulation 3(1) of the Regulations since Acquirer's holding in the Target Company would cross 25% of the post-conversion equity share capital and voting rights due to conversion of the remaining Bonds held by the Acquirer.

2.21 The Offer Price of ₹ 135/- each per equity share is payable in **"Cash"** in accordance with Regulation 9(1)(a) of the Regulations.

2.22 The prime object and purpose of the acquisition equity shares by the Acquirer is to comply with applicable provisions of the Regulations due to proposed conversion of Bonds into equity shares of the Target Company resulting in triggering of Regulation 3(1) of the Regulations without any change in control or management thereof.

2.23 The Acquirer is a financial investor and the existing stake has been as a result of conversion of the FCCBs. The Acquirer and the PAC intend to remain as financial investors in the Target Company. They will look for suitable exit options at the appropriate time and opportunity.

2.24 Neither the Acquirer nor the PAC want to take the control of the Target Company and the appointment of Clearwater Director is for safeguarding the investment made by the Acquirer in the Target Company.

2.25 The existing management of the Target Company shall continue with the current business of the Target Company without any day-to-day intervention in operations from the Acquirer and the PAC.

III. SHAREHOLDING AND ACQUISITION DETAILS

The current and proposed shareholding of the Acquirer and PAC in the Target Company and the details of their acquisition are as follows:

Details	Acquirer		PAC		Total	
	No.	%	No.	%	No.	%
Shareholding as on the PA date	3,941,803	23.00@	257,431	1.50@	4,199,234	24.50@
Shares acquired between the PA date and the DPS date	-	-	-	-	-	-
Post Offer shareholding (*) [assuming full acceptance] (On Diluted basis, as on 10th working day after closing of TP#)	10,860,282	56.88^	257,431	1.35^	11,117,713	58.23^

* Directors of the Acquirer and the PAC do not hold any equity shares in the Target Company.

@ Percentage calculated on the basis of existing paid-up and voting capital of the Target Company consists of 17,139,198 equity shares of ₹ 10/- each.

^ Percentage calculated on post-conversion equity share and voting capital of the Target Company consists of 19,093,394 equity shares of ₹ 10/- each.

If the equity shares under the Scheme are allotted prior to the 10th working days from closure of the TP; in that case the Acquirer and the PAC will increase the Offer Size in proportion to the 26% of the post-amalgamation paid-up equity share and voting capital of the Target Company.

IV. OFFER PRICE

4.1 The equity shares of the Target Company are listed and traded on NSE and BSE. The equity shares of the Target Company are frequently traded within the meaning of Regulation 2(1)(j) of the Regulations on the stock exchanges. Further, the equity shares of the Target Company are more frequently traded on NSE as compared to BSE in terms of annualised trading turnover.

4.2 The total trading turnover in the equity shares of the Target Company on NSE and BSE based on trading volume during the immediately preceding 60 days from the date of the PA is given below:

Name of the Stock Exchange	Total number of equity shares traded during 60 trading days immediately preceding the date of the PA	Total Number of Listed Equity Shares	Trading Turnover (in terms of % to Total Listed Equity Shares)
NSE	1,629,176	17,139,198	9.50%
BSE	936,805	17,139,198	5.47%

Source: www.nse-india.com; www.bseindia.com

4.3 The Offer Price of ₹ 135/- (Rupees One Hundred and Thirty-Five only) per equity share is justified in terms of Regulation 8(2) and 8(6) of the Regulations as it is higher of the following:

(a)	Highest Negotiated Price per equity share for any acquisition under the Agreement attracting the obligation to make the PA	Not Applicable
(b)	The volume-weighted average price paid or payable for acquisition during the 52 week immediately preceding the date of the PA	Not Applicable
(c)	The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of PA	Not Applicable
(d)	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of PA on NSE	₹ 105.55/-
(e)	Outstanding Convertible Instruments convertible into equity shares of the Target Company as a Specific Price i.e. Conversion Price of Bonds	₹ 135/-

4.4 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

4.5 If the Acquirer and/or PAC acquire equity shares of the Target Company during the period of twenty-six weeks after the closure of TP at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in this Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

4.6 As on date there is no revision in the Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer and PAC will comply with all the provisions of the Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size.

4.7 If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to the period prior to three working days before the date of commencement of the TP and would be notified to the shareholders by way of a public announcement in the same newspapers where this DPS has appeared.

V. FINANCIAL ARRANGEMENTS

5.1 The total fund requirement for the Offer (assuming full acceptance) is ₹ 670,178,205/- (Rupees Sixty-Seven Crore One Lac Seventy-Eight Thousand Two Hundred and Five only). In accordance with Regulation 17(1) of the Regulations, the Acquirer has opened a **"Cash Escrow Account"** in the name and style as **"Clearwater Capital Partners (Cyprus) Limited – Open Offer Escrow A/c"** bearing Account No. 0352-LH0056-050 with IndusInd Bank Limited **("Escrow Bank"),** Branch: Glacis Tower, Plot No. 391, CST No. E1271, Linking Road, Khar (West), Mumbai – 400 052, Maharashtra and made a cash deposit of ₹ 168,984,196/- (Rupees Sixteen Crore Eighty-Nine Lac Eighty-Four Thousand One Hundred and Ninety-Six only) in the account in accordance with the Regulation 17(3)(a) of the Regulations, being more than 25% of the total consideration payable to the shareholders under the Offer.

5.2 A lien has been marked on the said Cash Escrow Account in favour of the Manager to the Offer by the Escrow Bank. The Manager to the Offer has been solely authorised by the Acquirer to operate and realise the value of Cash Escrow Account in terms of the Regulations.

5.3 The Acquirer and the PAC have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their Networth. The combined networth of the Acquirer and the PAC as per their financial statements for 9 months period ended on September 30, 2011 and duly certified by their respective auditors stood to US$ 137,490,175. Based on the basis of necessary information and explanation given by the Acquirer and the PAC and on the verification of their assets, liabilities, and the requirement of the funds, the Acquirer and the PAC have adequate resources to fulfil the obligations under this Offer in full. The financial obligations of the Acquirer and the PAC under the Offer have been fulfilled through internal resources of the Acquirer and the PAC and no borrowings from Banks or NRIs or Financial Institutions is envisaged.

5.4 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and the PAC to implement the Offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

VI. STATUTORY AND OTHER APPROVALS

6.1 As on date of this DPS, to the best of the knowledge of the Acquirer and the PAC, there are no statutory or other approvals from Banks / Financial Institutions of the Target Company is required to implement this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the TP, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approvals.

6.2 The Acquirer and the PAC, in terms of Regulation 23(1)(a) of the Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has appeared.

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6.3 In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirer and the PAC for payment of consideration to the shareholders of the Target Company whose equity shares have been accepted in the Offer, subject to the Acquirer and the PAC agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 18(11) of the Regulations.

VII. TENTATIVE SCHEDULE OF ACTIVITY

ACTIVITY	DATE	DAY
Date of the Public Announcement (PA)	January 11, 2012	Wednesday
Date of the Detailed Public Statement (DPS)	January 18, 2012	Wednesday
Last date for a Competitive Bid / Offer	February 8, 2012	Wednesday
Last date for SEBI Observations on Draft LOF	February 16, 2012	Thursday
Identified Date*	February 21, 2012	Tuesday
Date by which LOF to be posted to the equity shareholders of the Target Company	February 28, 2012	Tuesday
Last date for upward revision of the Offer Price or any increase in the Offer Size	March 1, 2012	Thursday
Last date for public announcement by the Independent Directors committee of the Target Company on the Offer	March 2, 2012	Friday
Offer Opening Public Announcement	March 5, 2012	Monday
Date of Opening of the Tendering Period (TP)	March 6, 2012	Tuesday
Date of Closure of the Tendering Period (TP)	March 20, 2012	Tuesday
Date of releasing Post-Offer Public Announcement (Post PA)	March 28, 2012	Wednesday
Last date for communicating the rejection /acceptance; Completion of payment of consideration or refund	April 4, 2012	Wednesday
Transfer of Conversion Equity Shares to the Acquirer	April 9, 2012	Monday
Last date for submission of the Final Report with SEBI	April 13, 2012	Friday

* Identified 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. All the owners (registered or unregistered) of equity shares of Target Company, (except the Acquirer and the PAC) anytime before the closure of the TP, are eligible to participate in the Offer.

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER (LOF)

8.1. All owners of equity shares of the Target Company (except the Acquirer and the PAC) whether holding equity shares in dematerialised form or physical form, registered or unregistered, are eligible to participate in the Offer any time before closure of the TP.

8.2. Persons who have acquired the equity shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the equity shares of the Target Company after the Identified Date or those who have not received the LOF, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer. The application is to be sent to **Link Intime India Private Limited ("Registrar to the Offer")** at the address and the **"Collection Centre"** mentioned in para 9.11 below during the collection centre's timings (Monday to Friday from 10.00 AM to 5.00 PM and on Saturdays from 10.00 AM to 1.00 PM) so as to reach the Registrar to the Offer on or before the date of closure of the TP, together with:

a. In the case of equity shares held in physical form, the name, address, number of equity shares held, number of shares offered, distinctive numbers and folio number together with the original equity share certificate/s and valid transfer deeds. Persons who have acquired equity shares of the Target Company should send to the Registrar to the Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such equity shares were acquired and/or such other documents as may be specified; or

b. In the case of equity shares held in dematerialized form, Depository Participant **("DP")** name, DP ID, beneficiary account number together with photocopy or counterfoil of the delivery instruction slip in **"off-market"** mode duly acknowledged by the DP for transferring the equity shares in favour of the Offer filled in as per the instructions given below:

Name of the Escrow Account	**LIIPL KHIL Open Offer Escrow Demat Account**
Depository Name	National Securities Depository Limited ("**NSDL**")
Depository Participant (DP) Name	Ventura Securities Limited
DP ID	IN303116
Beneficiary Account Number / Client ID	10921435
ISIN	INE967C01018
Mode of Instruction	Off-Market

Shareholders having their beneficial account with Central Depository Services (I) Limited (**"CDSL"**) have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL.

c. Such shareholders may also (a) download the Letter of Offer from the SEBI website (http://www.sebi.gov.in) or (b) obtain a copy of Letter of Offer by writing to the Registrar to the Offer or Manager superscripting the envelope **"KHIL – Open Offer"** with suitable documentary evidence of ownership of the said equity shares.

d. No indemnity is needed from the unregistered equity shareholders.

DETAILED PROCEDURE FOR TENDERING THE SHARES IN THE OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER ("LOF").

IX. OTHER INFORMATION

9.1. **Offer Period** means the period between the date of entering into an agreement, formal or informal, to acquire equity shares, voting rights in, or control over a target company requiring a public announcement, or the date of the public announcement, as the case may be and the date on which the payment of consideration to shareholders who have accepted the open offer is made, or the date on which open offer is withdrawn, as the case may be.

9.2. **Tendering Period** means the period within which shareholders may tender their equity shares in acceptance of an open offer to acquire equity shares made under these Regulations.

9.3. **Specified Promoters** includes 17 entities of promoters' group of the Target Company who entered into the Inter-se Agreement dated August 13, 2010.

9.4. The name of the promoters of the Acquirer under para 3 in the PA was inadvertently written as "Seven different Clearwater Capital Partners Funds". Kindly read it as "Six Clearwater Capital Partners Funds".

9.5. Pursuant to receipt of the Conversion Notice of the Acquirer; the Target Company has informed stock exchanges that a meeting of "Securities Issue Committee" of the Target Company is scheduled to be held on January 30, 2012 to consider the issue and allotment of the Conversion Equity Shares.

9.6. Words mentioned in bold under inverted commas are the common name assigned to respective parties or relevant information.

9.7. Shareholders are also requested to read the opinion of Independent Directors of the Target Company before tendering their equity shares in the Offer.

9.8. The tentative schedule as mentioned at Section VII of this DPS may change if the Manager to the Offer does not receive final observations from SEBI within the time due to any reasons whatsoever.

9.9. If the Offer gets delayed, the Manager to the Offer will release a revised schedule for the activities one working day prior to the revised TP in the same newspapers in which this DPS is published.

9.10. The Acquirer and the PAC refrain themselves to send the LOF to non-resident shareholders in accordance with Regulation 18(2) of the Regulations since the local laws or regulations of any jurisdiction outside India may expose to them or to the Target Company to material risk of civil, regulatory or criminal liabilities in case the LOF is sent in its original form. However, non-resident can participate in the Offer even if LOF is not sent to them.

9.11. The Acquirer and the PAC along with their directors severally and jointly accept the responsibility for the information contained in the PA and this DPS. The Acquirer and the PAC are also responsible for the fulfilment of its obligations under the Regulations.

9.12. Pursuant to Regulation 12 of the Regulations, the Acquirer has appointed **Systematix Corporate Services Limited as "Manager to the Offer".**

9.13. The Acquirer has appointed **Link Intime India Private Limited** having their office and the collection centre at Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078. Tel. No. +91-22-2596 0320; Fax No. +91-22-2596 0329; Toll Free No. 1-800-22-0320; Email: khil.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare as **"Registrar to the Offer".**

9.14. The Acquirer has appointed **Alliance Corporate Lawyers** having their office at 805, Arcadia, NCPA Marg, Nariman Point, Mumbai – 400 021 as **"Legal Advisor to the Offer".**

9.15. This DPS and the PA would also be available on the websites of SEBI (www.sebi.gov.in); NSE (www.nse-india.com) and BSE (www.bseindia.com). LOF would be available on SEBI's website.

ISSUED BY MANAGER TO THE OFFER ON BEHALF OF CLEARWATER CAPITAL PARTNERS (CYPRUS) LIMITED ("ACQUIRER") AND CLEARWATER CAPITAL PARTNERS SINGAPORE FUND III PRIVATE LIMITED ("PAC")

SYSTEMATIX GROUP™
Investments Re-defined

Systematix Corporate Services Limited
SEBI Registration No. INM 000004224
J. K. Somani Building, 2nd Floor, Mumbai Samachar Marg, British Hotel Lane, Fort, Mumbai – 400 001.
Tel. No: +91-22-3029 8281/80; +91-22-6619 8281/80
Fax No. +91-22-3029 8029; +91-22-6619 8029
Website: www.systematixshares.com
Email: investor@systematixgroup.in
Contact Person: Mr. Hari Surya / Mr. Amit Kumar

Place : Mumbai
Date : January 17, 2012.

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