OFFER OPENING PUBLIC ANNOUNCEMENT

IN TERMS OF REGULATION 18(7) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

KAMAT HOTELS (INDIA) LIMITED

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This advertisement is being issued by Systematix Corporate Services Limited (**"Manager to the Offer"**), on behalf of Clearwater Capital Partners (Cyprus) Limited (**"the Acquirer"** or **"Clearwater-Cyprus"**) and Clearwater Capital Partners Singapore Fund III Private Limited (**"the PAC"** or **"Clearwater-Singapore"**) pursuant to Regulation 18(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended (**"the Regulations"** or **"SEBI (SAST) Regulations, 2011"**) in respect of the Open Offer (**"the Offer"**) to acquire upto 4,964,283 fully paid-up equity shares of ₹ 10/- each, representing 26.00% of post-conversion or existing the paid-up and voting capital of Kamat Hotels (India) Limited (**"the Target company"** or **"KHIL"**). The Detailed Public Statement ("DPS") with respect to the aforementioned Offer was published on **January 18, 2012** in the following newspapers:

Newspapers	Language	Editions
Business Standard	English	All India Editions
Business Standard	Hindi	All India Editions
Apla Mahanagar	Marathi	Mumbai Edition

The terms used but not defined in this Offer Opening Public Announcement shall have the same meanings assigned to them in the PA, the DPS and the LOF.

1. The Offer Price is ₹ 135/- (Rupees One Hundred and Thirty-Five Only) per fully paid-up equity share and there has been no revision in the Offer Price by the Acquirer. Further, the Offer Price is also justified in accordance with SEBI's letter bearing reference no. CFD/DCR/SKS/26869/2012 dated November 30, 2012:

1.1	Date of execution of the Inter-se Agreement	August 13, 2010
1.2	SEBI has observed in its Observation Letter that the Acquirer ought to have made August 14, 2010 an offer under Regulation 12 of the Old Regulations upon execution of the Inter-se Agreement. Accordingly, as per SEBI, the Acquirer ought to have issued a public announcement under Regulation 12 of the Old Regulations within 4 working days of the execution of the Inter-se Agreement.	August 14, 2010
1.3	Total number of equity shares traded on NSE during the six calendar months prior to August 2010, being the month in which the PA ought to have been made as per SEBI.	7,844,561
1.4	Total number of equity shares traded on BSE during the six calendar months prior to August 2010, being the month in which the PA ought to have been made as per SEBI.	5,132,118
1.5	Total no. of listed equity shares during the period (February 2010 to July 2010) on the stock exchanges	13,197,395
1.6	As per annualised trading of equity shares data, it is found that equity shares were frequently traded on both the stock exchanges in accordance with the Old Regulations	NSE (118.88%) BSE (77.77%)
1.7	**Calculation of Offer Price under Regulation 20(4) of the Old Regulations**	
1.7.1	Negotiated Price under the agreement referred to in Regulation 14(1) of the Old Regulations	Not Applicable
1.7.2	Highest price paid by the Acquirer or the PAC for acquisitions, if any, including by way of allotment in a Public or Rights or Preferential Issue, during the 26 week period prior to the date of PA as mentioned at 1.2 above	Not Applicable
1.7.3	The average of the weekly high and low of closing prices of the shares during 26 weeks period preceding the date of PA as mentioned at 1.2 above on NSE	₹104.88
1.7.4	The average of the daily high and low of the prices of the shares during two weeks period preceding the date of PA as mentioned at 1.2 above on NSE	₹117.12
1.8	Delay in no. of days from the date of PA mentioned at 1.2 above to the original date of the PA i.e. January 11, 2012	516 Days
1.9	Interest for the delayed period @ 10% Simple Interest on ₹117.12	₹16.56
1.10	Offer Price with interest for the delayed period under the Old Regulations	₹133.68

2. The Committee of Independent Directors (**"IDC"**) of the Target Company vide a public announcement dated December 18, 2012 in the above-mentioned newspapers has recommended that the Offer Price of ₹135/- per fully paid-up equity share of the Target Company is fair and reasonable. The relevant extracts of the recommendations by the IDC in relation to the Offer as follows:

2.1	Date of meeting for IDC	December 8, 2012
2.2	Members of the IDC	1. Mr. Shobhasingh R. Thakur (Chairman) 2. Mr. T. M. Mohan Nambiar 3. Mr. Ved Prakash Khurana
2.3	Recommendation on the Open Offer, as to whether the offer is fair and reasonable	IDC believes that Open Offer is fair and reasonable.
2.4	Summary of reasons for recommendation	IDC recommends acceptance of the Open Offer given by the Acquirer and believes that the Open Offer Price of ₹135/- (Rupees One Hundred and Thirty Five Only) per equity share is fair and reasonable in terms of Regulation 8(2) and 8(6) of the Regulations as it is higher of the following:

2.4.1	Highest Negotiated Price per equity share for any acquisition under the Agreement attracting the obligation to make the PA.	Not Applicable
2.4.2	The volume-weighted average price paid or payable for acquisition during the 52 weeks immediately preceding the date of the PA.	Not Applicable
2.4.3	The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of the PA.	Not Applicable
2.4.4	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of the PA on NSE.	₹ 105.55
2.4.5	Outstanding Convertible instruments convertible into equity shares of the Target Company at a Specific Price i.e. Conversion Price of Bonds.	₹ 135.00

The Open Offer Price is fair and reasonable considering the book value per equity share of the Target Company also which is ₹130.32/- per equity share as on 31st March, 2012. The Book Value is lower than the Offer Price of ₹135/- being offered by the Acquirer.

3. There is no competing offer in terms of Regulation 20 of the Regulations to this Offer.

4. The copies of LOF have been dispatched to the Shareholders (except the Acquirer and the PAC) of the Target Company, holding equity shares in physical form and/or in dematerialized form and who are the registered members of the Target Company as on the Identified Date (i.e. December 6, 2012) through Speed Post by the Registrar to the Offer on December 13, 2012.

5. Shareholders are required to refer to Para 7 of the LOF (**Procedure for Acceptance and Settlement**) in relation to inter alia the procedure for tendering their equity shares in the Offer and are required to adhere to and follow the procedure outlined therein.

6. Please note that a copy of the LOF along with form of 'Acceptance-cum-Acknowledgement' is also available on SEBI website (http://www.sebi.gov.in). Registered / unregistered Shareholders if they so desire may also apply on the form of 'Acceptance-cum-Acknowledgement' downloaded from the SEBI's website. Further, in case of non-receipt / non-availability of the form of 'Acceptance-cum-Acknowledgement', the application can be made on plain paper along with the following details:

6.1 In case of Physical Shares: Name of the Shareholder, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio numbers together with the original equity share certificate(s), valid transfer deeds with the details of the buyer kept blank.

6.2 In case of Dematerialized Shares: Name of the Shareholder, address, number of equity shares held, number of equity shares tendered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account:

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 Number	IN303116
Beneficiary Account Number / Client ID	10921435
ISIN	INE967C01018
Mode of Instruction	Off-Market

Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slips for crediting their equity shares in favour of the Special Depository Account with NSDL.

6.3 The equity share certificate(s), transfer deed, form of 'Acceptance-cum-Acknowledgement' and other documents, as required should be sent **only** to the Registrar to the Offer i.e. Link Intime India Private Limited at their below mentioned collection centre; so as to reach them on or before January 3, 2013 (i.e. the date of closure of the Tendering Period).

Address of Collection Centre	Contact Person, Telephone No., Fax No., Email and Web	Mode of Delivery
Link Intime India Private Limited Unit: Kamat Hotels (India) Limited – Open Offer Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.	Contact Person: Mr. Pravin Kasare Tel. No.: +91-22-2596 7878 Fax. No.: +91-22-2596 0329 E-mail: khil.offer@linkintime.co.in Web: www.linkintime.co.in	Hand Delivery / Registered Post

Timings: Monday to Friday from 10.00 a.m. to 4.00 p.m. The collection centre will remain closed on Saturdays, Sundays and Public Holidays.

7. Equity Shares, once tendered through the form of 'Acceptance-cum-Acknowledgement' or through other valid modes in the Offer, cannot be withdrawn by the Shareholders in terms of Regulation 18(9) of the Regulations.

8. SEBI vide its letter bearing reference number CFD/DCR/SKS/26869/2012 dated November 30, 2012 issued its observations (**"Observation Letter"**) on the DLOF and these comments have been duly incorporated in the LOF in terms of Regulation 16(4) of the Regulations except as mentioned below:

8.1 SEBI, in its Observation Letter has inter-alia made the following observations:

8.1.1 that the Inter-se Agreement gives certain veto rights to the Acquirer which apparently relate to policy decisions to the Target Company;

8.1.2 that in view of the terms of the Inter-se Agreement, the Acquirer has acquired 'Control' over the Target Company pursuant to signing of the said agreement;

8.1.3 that the Acquirer was, therefore, bound to make a Public Announcement under Regulation 12 read with Regulation 14(3) of SEBI (SAST) Regulations, 1997 (**"the Old Regulations"**) which the Acquirer has failed to do;

8.1.4 that consequently, the Offer Price should be revised as being the higher of the following:

i. The price calculated assuming the execution of the Inter-se Agreement triggered an open offer under Regulation 12 of the Old Regulations along with interest @ 10% per annum for delay thereon i.e., from August 13, 2010 (being the date of execution of the Inter-se Agreement) until January 11, 2012 i.e. date of the PA (**"Delayed Period"**); or

ii. The price calculated for this Offer as disclosed in the DPS and the DLOF.

8.2 The Acquirer is aggrieved by the observation of SEBI that the rights granted to the Acquirer under the Inter-Se Agreement gives the Acquirer the ability to control the Target Company (as the term "control" is defined under the Regulations). The Acquirer proposes to file an appeal before the Securities Appellate Tribunal (**"SAT"**) challenging the said observation. Hence, Regulation 4 of the Regulations or Regulation 12 of the Old Regulations is not included to the Offer by the Acquirer and the PAC.

8.3 Without prejudice to the rights of the Acquirer in such appeal, for the purpose of this Offer, the Acquirer has computed the Offer Price as per the requirements of SEBI as set out in para 8.1 above. The price as per this formula is in any case lower than the Offer Price of ₹135 per equity share already offered by the Acquirer for this Offer. Therefore, there would be no variation to the Offer Price, although the Acquirer is challenging the direction of SEBI to treat the Offer as an offer triggered under Regulation 12 of the Old Regulations. Please refer to Para 1 above for detailed computation of the Offer Price as per the Observation Letter.

8.4 SEBI in its Observation Letter has also required the Merchant Banker to disclose that SEBI may initiate appropriate penal action against the Acquirer / the Promoters of the Target Company / the Target Company for alleged violations of Takeover Regulations and SEBI Act, 1992. As set out above, the Acquirer proposes to file an appeal before the SAT in relation to these observations of SEBI.

9. There are following material changes in relation to the Open Offer, since the date of the PA, save as otherwise disclosed in the DPS and the LOF. Shareholders are requested to read the following in continuation with the LOF:

9.1 The Securities Issue Committee of the Target Company had allotted 1,954,196 equity shares i.e. Conversion Equity Shares on January 30, 2012.

9.2 Conversion Equity Shares have been kept in Demat Escrow Account with the Escrow Agent, lien being marked to the Manager to the Offer.

9.3 Post Conversion of Bonds, the existing or diluted paid-up and voting capital of the Target Company consists of 19,093,394 equity shares of ₹ 10/- each aggregating to ₹190,933,940/-.

9.4 Post Conversion of Bonds, the Acquirer's holding along with the PAC's holding in the Target Company would aggregate to 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 upon transfer of Conversion Equity Shares to the Acquirer.

9.5 Mr. Aswini Sahoo (**"Clearwater Director"**) was the nominee director on behalf of Clearwater-Cyprus till July 2012. No Director has been appointed by the Acquirer as Clearwater Director on the Board of the Target Company till date. The Acquirer may appoint its nominee director on the Board of the Target Company after completion of the Offer.

9.6 The equity shares pursuant to the Scheme sanctioned by the Bombay High Court have not been allotted till date. 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 TP, the Acquirer and the PAC will 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.

9.7 The members of the Target Company has passed Special Resolutions on April 17, 2012 in compliance with Section 293(1)(a) of the Companies Act, 1956 and Regulation 26(2)(a) of the SEBI (SAST) Regulations, 2011 by way of Postal Ballot to sell, transfer, alienate material non-strategic assets of the Target Company whether operational or in-operational and to making any loan to, giving any guarantee or providing any security, in connection with any loan made by the other person to its subsidiary company namely Orchid Hotels Pune Private Limited formerly known as B W Highway Star Pvt. Limited. Clearwater-Cyprus and Clearwater-Singapore did not participate in the above-mentioned postal ballot.

9.8 Mr. Jason Glenn Edwards, one of the directors of the PAC has resigned from the board of the PAC and currently there are only two directors on the board of the PAC.

9.9 The Target Company has submitted a proposal to Corporate Debt Restructuring (**"CDR"**) Cell on July 12, 2012 for restructuring of its debts under CDR mechanism as per the guidelines issued by RBI. State Bank of India has been appointed as a Monitoring Institution. The final restructuring proposal is under discussion with the Lenders of the Target Company and once it is finalised it will be submitted to CDR Cell for approval.

9.10 All the relevant figures related to the Acquirer and the PAC have been converted into INR considering RBI Reference Rate as ₹52.2255 for each US$. As per the limited reviewed financials for the nine months period ended on September 30, 2012 the Networth of the Acquirer and the PAC jointly stands to US$ 159.32 million or ₹8320.18 Lacs.

9.11 Kindly read 'Kamat Holiday Resorts Limited' as 'Kamat Holiday Resorts Private Limited' as appearing on page 6-7 for 'Specified Promoters' under 'ABBREVIATIONS / DEFINITIONS' of the LOF.

9.12 Kindly ignore the word 'proposed' while reading para 2.3.1 on page 12 of the LOF since allotment of equity shares pursuant to conversion of Bonds is already done.

9.13 Kindly read the first sentence of para 4.6 on page 19 of the LOF as:

As on date of this LOF, the Authorised Share Capital of the Target Company is ₹3425.00 Lacs comprising of 34,250,000 equity shares of ₹10/- each.

9.14 Kindly read the following in continuation with para 4.7 on page 19 of the LOF:

The name of 'B W Highway Star Private Limited' has changed to 'Orchid Hotels Pune Private Limited' w.e.f. April 13, 2012. Further, the details of subsidiaries of the Target Company as on the date of the LOF is as under:

Sr. No.	Name of Subsidiary of the Target Company	% of holding in subsidiary company
1.	Orchid Hotels Pune Private Limited (Formerly known as B W Highway Star Pvt. Ltd.)	83.33%
2.	Kamats Restaurants (India) Private Limited	100%
3.	Fort Jadhavgadh Hotels Private Limited	100%
4.	Fort Mahodadhinivas Palace Private Limited	100%
5.	Jadhavgadh Hotels Private Limited (Subsidiary of Fort Jadhavgadh Hotels Pvt. Ltd.)	100%

9.15 Kindly note that the Pre and Post Offer Shareholding Pattern as mentioned at para 4.15 on page 23 of the LOF as of the date of the DLOF.

10. As on date, there are no statutory or other approvals pending to implement this Offer by the Acquirer and the PAC.

11. The Acquirer and the PAC has no objection to the computation of interest for the Delayed Period. The Manager to the Offer has found that the current Offer Price is higher than the price calculated for the Delayed Period as shown at para 1 above. Hence, the Offer Price (₹135 per fully paid-up equity share) prevails as the Offer Price for this Offer.

12. Due to typographical error, the Rupee symbol (₹) is printed as (`) in the LOF. Shareholders are requested to read such symbols in the LOF as INR/₹/Rs.

13. Due to delay, the timeline for major activities of the Offer are revised. The original and revised schedule of activities under the Offer are represented below in a tabular form:

Major Activities of the Offer	Original (Date, Day)	Revised (Date, Day)
Date of the Public Announcement (PA)	January 11, 2012 Wednesday	January 11, 2012 Wednesday
Date of the Detailed Public Statement (DPS)	January 18, 2012 Wednesday	January 18, 2012 Wednesday
Last date for a Competitive Bid / Offer	February 8, 2012 Wednesday	February 8, 2012 Wednesday
Last date for SEBI Observations on DLOF / Date of receipt of SEBI Observations on DLOF	February 16, 2012 Thursday	December 4, 2012 Tuesday
Identified Date	February 21, 2012 Tuesday	December 6, 2012 Thursday
Last date by which LOF to be posted to the equity shareholders of the Target Company	February 28, 2012 Tuesday	December 13, 2012 Thursday
Last date for upward revision of the Offer Price or any increase in the Offer Size	March 1, 2012 Thursday	December 17, 2012 Monday
Last date for public announcement by the Independent Directors committee (IDC) of the Target Company on the Offer	March 2, 2012 Friday	December 18, 2012 Tuesday
Offer Opening Public Announcement	March 5, 2012 Monday	December 19, 2012 Wednesday
Date of Opening of the Tendering Period / Offer	**March 6, 2012 Tuesday**	**December 20, 2012 Thursday**
Date of Closure of the Tendering Period / Offer	**March 20, 2012 Tuesday**	**January 3, 2013 Thursday**
Date of releasing Post-Offer Public Announcement (Post PA)	March 28, 2012 Wednesday	January 10, 2013 Thursday
Last date for communicating the rejection /acceptance of equity shares in the Offer and /or corresponding payment for the acquired equity shares and / or refund or credit of the rejected share certificate(s) or equity shares to corresponding shareholders or accounts holders	April 4, 2012 Wednesday	January 17, 2013 Thursday
Last date for submission of the Final Report with SEBI	April 13, 2012 Friday	January 24, 2013 Thursday
Tentative Date by which underlying transaction which triggered open offer will be completed*	April 9, 2012 Monday	January 31, 2013 Thursday

*On completion of obligations pertaining to the Acquirer under the Offer, the Manager to the Offer will instruct the Escrow Agent to transfer the Conversion Equity Shares lying in the Demat Escrow Account to the Acquirer which attracted the obligation to make an Offer not later than twenty-six (26) weeks from the closure of the Tendering Period in terms of Regulation 22(3) of the Regulations.

ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRER AND THE PAC

SYSTEMATIX GROUP™
Investments Re-defined

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Sd/-
Clearwater Capital Partners (Cyprus) Limited
Clearwater Capital Partners Singapore Fund III Private Limited

Place : Mumbai
Date : December 18, 2012.