Public Announcement ("PA") under Regulation 15(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Kamat Hotels (India) Limited ("KHIL"/ "the Target Company")

Regd. Office: KHIL House, 70/C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai-400 099.
Tel. No.: +91-22-26164000; Fax No.: +91-22-26164201; Email: cs@khil.com; Web: www.khil.com

Open Offer to the shareholders of the Target Company for acquisition of 4,964,283 equity shares on post-conversion equity share capital of the Target Company 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") Pursuant to and in Compliance with Regulation 3(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended ("SEBI (SAST) Regulations, 2011" or "the Regulations").

1. Offer Details

- **Offer Size (No. of equity shares):** The Offer is for acquisition of 4,964,283 fully paid-up equity shares of ₹ 10/- each constituting 26% of the post-conversion equity share capital of the Target Company.

  Note: If the ongoing 'Composite Scheme of Arrangement and Amalgamation' ("**the Scheme**") of promoters' group entities of KHIL is completed within 10 working days from the closure of the Tendering Period ("**TP**"), the Acquirer and the PAC will 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.

- **Offer Price / Consideration (in ₹)**: The Offer Price of ₹ 135/- (Rupees One Hundred and Thirty-Five only) per equity share is calculated in accordance with Regulation 8(2) & Regulation 8(6) of the Regulations ("**Offer Price**").

  The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 4,964,283 equity shares at ₹ 135/- per equity share aggregating to ₹ 670,178,205/- (Rupees Sixty-Seven Crore One Lac Seventy-Eight Thousand Two Hundred and Five Only) ("**Offer Consideration**").

- **Mode of payment (cash / security)**: The Offer Price is payable in "**Cash**" in accordance with Regulation 9(1)(a) of the Regulations.

- **Type of offer** (Triggered offer, voluntary offer/ competing offer etc.): This is a "**Triggered Offer**" under the Regulation 3(1) of the Regulations due to conversion of FCCBs ("**Bonds**") into equity shares of the Target Company. These Bonds are listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Acquirer is Bondholder of Bonds which are equivalent to US$ 5,966,000 and has served a "**Conversion Notice**" today to the Principal Paying and Conversion Agent.

2. Transaction which has triggered the open offer obligations (Underlying Transaction)

Details of underlying transaction						
Type of Transaction (direct/ indirect)	**Mode of Transaction (Agreement/ Allotment/ market purchase)**	**Shares / Voting rights acquired/ proposed to be acquired**		**Total Consideration for shares /Voting Rights (VR) acquired (Rs. in Crores)**	**Mode of payment (Cash/ securities)**	**Regulation which has triggered**
		Number	**% vis-a-vis total equity / voting capital**			
Direct	Conversion of FCCBs	1,954,196	10.23**^**	Not applicable since it is pursuant to the conversion of existing FCCBs	Not Applicable	Reg. 3(1)

*****As per Trust Deed and Supplemental Trust Deed dated March 13, 2007 and August 13, 2010 respectively.
^Calculated on post-conversion equity share capital of the Target Company.

3. Acquirer and PAC

Details	**Acquirer**	**PAC**	**Total**
Name of Acquirer and PAC	***Clearwater Capital Partners (Cyprus) Limited ("Clearwater-Cyprus")***	***Clearwater Capital Partners Singapore Fund III Private Limited ("Clearwater-Singapore")***	**-**
Address	12 Esperidon Street, 4th Floor, Nicosia, Cyprus (1087)	4 Battery Road # 34-01 Bank of China Building, Singapore (049908)	-
Name(s) of persons in control/promoters of acquirers/ PAC where Acquirers/PAC are companies	Seven different Clearwater Capital Partners' Funds	Clearwater Capital Partners Fund III, L.P. (Cayman Islands)	-
Name of the Group, if any, to which the Acquirer/PAC belongs to	Clearwater Capital Partners	Clearwater Capital Partners	-
Pre Transaction shareholding • Number of equity shares • % of total share capital/voting rights	3,941,803 23.00%	257,431 1.50%	**4,199,234** **24.50%**
Proposed shareholding after the acquisition of equity shares which triggered the Open Offer	5,895,999 30.88%**^**	257,431 1.35%**^**	**6,153,430** **32.23%^**
Any other interest in the Target Company	Mr. Aswini Sahoo ("**Clearwater Director**") is on the Board of the Target Company as on date of the PA	-	-

^Calculated on post-conversion equity share capital of the Target Company.

4. Target Company

- **Name:** Kamat Hotels (India) Limited ("**KHIL**")
- **Registered Office:** KHIL House, 70/C Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai – 400099.
- **Exchanges where equity shares of KHIL are listed with Symbol or Scrip code**: National Stock Exchange of India Limited ("KAMATHOTEL"), Bombay Stock Exchange Limited ("KAMATHOQ" or "526668")

5. Other details

- The PA is made in compliance with Regulation 13(2)(b) of the Regulations.
- The total outstanding equity shares of the Target Company upon conversion of all Bonds would be 19,093,394 fully paid-up equity shares of ₹ 10/- each.
- Bonds mean "Foreign Currency Convertible Bonds" or "FCCBs" issued by the Target Company through the Offering Circular dated March 13, 2007.
- Clearwater Director acting as a nominee director for the Acquirer and will not participate in any deliberations of the Board of Directors of KHIL or vote on any matter in relation to the Offer, in terms of Regulation 24(4) of the Regulations.
- Details of Selling Shareholders are not applicable to this Offer.
- The details of the open offer would be published in the newspapers vide a Detailed Public Statement ("**DPS**") on or before January 18, 2012 (Wednesday) in compliance with Regulation 13(4) of the Regulations.
- The Acquirer and the PAC are aware of and will comply with their obligations under the Regulations and have adequate financial resources to meet the Offer obligations.
- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Regulations and is not a competitive bid in terms of Regulation 20 of the Regulations.

Issued by Manager to the Offer on behalf of:

Clearwater Capital Partners (Cyprus) Limited ("Acquirer")
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, 2^{nd} Floor, British Hotel Lane,
Mumbai Samachar Marg, Fort, Mumbai – 400 001, India.
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

For and on behalf of the Acquirer

Sd/-
Authorised Signatory

For and on behalf of the PAC

Sd/-
Authorised Signatory

Place: Singapore.
Date: January 11, 2012.