

HELD AT \_\_\_\_\_ ON \_\_\_\_\_ TIME \_\_\_\_\_

**KAMAT HOTELS (INDIA) LIMITED**

Minutes of the Twenty-Sixth Annual General Meeting of the members of the Company held on Saturday the 21<sup>st</sup> September, 2013 at 3.30 p.m. at "Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai - 400 056.

**DIRECTORS PRESENT:**

Dr. Vithal V. Kamat	Executive Chairman and Managing Director
Mr. S. S. Thakur	Director - Chairman of Audit Committee
Mrs. Rajyalakshmi Rao	Director
Mr. Vikram V. Kamat	Executive Director

**ALSO PRESENT**

Mr. J. G. Verma and Mr. Arun Verma (Partners)	:Representing M/s. J. G. Verma & Co., Statutory Auditors Chartered Accountants
Kurian Chandy	: Chief Financial Officer
Mr. Mahesh Kandoi	:Company Secretary
Mr. Babu Devadiga	: Vice President - Finance

**MEMBERS PRESENT:**

117 members (including 2 member directors mentioned above and 14 representation pursuant to Section 113 of the Companies Act, 2013 from bodies corporate holding 87,69,842 shares) were present in person as per the Attendance Register. No proxy was received by the Company.

**CHAIRMAN:**

Dr. Vithal V. Kamat, Executive Chairman and Managing Director took the Chair.

The Chairman welcomed the members to the 26<sup>th</sup> Annual General Meeting and introduced the Directors present on the dais.

The Chairman then announced that the Register of Directors' shareholdings and Proxy Register were open for inspection by the members and the same were kept open throughout the meeting.

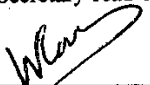
**QUORUM:**

After ascertaining that the required quorum for the meeting was present, the Chairman called the meeting in order.

**NOTICE:**

With the permission of the members present, the notice convening the meeting was taken as read.

At the request of the Chairman, Mr. Mahesh Kandoi, Company Secretary read out the Auditors' Report.

  
CHAIRMAN'S INITIALS

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The Chairman then delivered his speech in which he informed the shareholders about challenging period being faced by the economy and in particular the hotel and hospitality industry. The Chairman, in his speech, said that economic slow down, subdued demand with increased supply of rooms, interest burden on high debts and financial support to a subsidiary company caused adverse effect on the financials of the Company. He further said that, to improve the working, the Company has taken several steps including sale of non strategic assets, closure of non performing units and initiating cost cutting measures. He also mentioned about the reference made by the Company to Corporate Debt Restructuring (CDR) cell and contribution of Rs. 22 crores made by the promoters under CDR Package. The Chairman also mentioned about various awards won by the Company and the CSR initiatives taken by the Company.

The Chairman, thereafter, proposed the following resolution as an Ordinary Resolution.

**1. RESOLUTION FOR ADOPTION OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.**

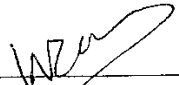
"RESOLVED THAT the reports of the Directors and the Auditors, the Audited Balance-sheet as at 31<sup>st</sup> March, 2013 and Statement of Profit and Loss of the Company for the year ended on that date together with the cash flow statement and notes thereon and consolidated balance sheet as at 31<sup>st</sup> March, 2013 and the consolidated Statement of Profit and Loss for the year ended on that date together with the consolidated cash flow statement and notes thereon, be and are hereby approved and adopted."

Mr. Joseph Benedict Martins seconded the resolution.

Before putting the resolution to vote, the Chairman invited the members to raise their questions or queries and to offer comments or seek clarifications, if any, in respect of the audited accounts of the Company.

The following shareholders expressed their views:

- Mr. Rohinton Framroze Batiwala
- Mr. Zahur Ismail Maniar
- Mrs. Ashalata Maheshwari
- Mr. Joseph Benedict Martins
- Mr. Michael Philip John Baptist Martins
- Mrs. Celestine Elizabeth Mascarenhas
- Mr. Babulal Ishwarlal Parekh
- Mrs. Smita Bharat Shah
- Mrs. Sandeepa J Batiwala
- Mr. Hasmukhlal T Vora
- Mr. Bharat Mulchand Shah
- Mr. Jehangir Rohinton Batiwala
- Mr. Hariram Jorawarmal Chaudhari
- Mr. Yusuf Yunus Rangwala
- Mr. Suresh Anant Khanolkar
- Mr. Mahesh Gendmal Jain
- Mrs. Homayun Beruz Pouredehi
- Mr. Prakash C Tamhane
- Mr. Hiren Arvind Vyas
- Mrs. Usha Ratnakar Karnad
- Mr. Amit Bagwe
- Mr. Ravi Dayanand Ochani

  
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Most of the above members congratulated the Company for caring towards environment and the use of recycle paper for printing of the Annual Report which, in the opinion of the members, was transparent, informative, attractive, easy to carry and received by them in time. While many shareholders supported the decision of the Board of Directors of the Company skipping dividend in view of loss suffered by the Company, a member suggested that considering comfortable reserve position at least ten percent dividend could be recommended. One member while expressing concern over performance of the Company, supported all the resolutions. Another shareholder appreciated the fact that all the Directors of the Company had attended all the Board meetings during financial year 2012-13, which showed seriousness and care for the Company and the shareholders. The shareholders congratulated the Chairman for various awards won by the Company and admired the several green initiatives like planting trees all around the city and Nirmalaya project.

Some members suggested to use alternate sources for energy generation which might save electricity cost for the Company, use of technology for room booking by the hotel units of Company, tie up for franchise abroad, arranging shareholders' visit and holding of Annual General Meeting at any of the hotel units of the Company. Some members requested to provide, in the Annual Report, financial highlights for consolidated financial results, email id of Registrar and Share Transfer Agent. One member expressed the view that the balance sheet should be signed by all the Directors of the Company.

Few members wanted to know road map for next five years, capex programme, current Occupancy and ARR, profile of Clearwater Capital Partners and its representation on the Board of the Company and break up of profit from franchise / management agreements. One member asked whether fall in rupee has profited the Company due to arrival of international tourists. Few other raised queries like duration of CDR package, restrictions on declaring dividend under CDR package, clarification as to addition of fixed assets, exercise of Employee Stock Option Scheme, issue price of equity shares to the promoters' of the Company under preferential allotment, staff strength and attrition rate, names of newspapers in which notice of this annual general meeting was published.

The Chairman thanked all the members for their participation and keen interest in the working of the Company. He also thanked the shareholders for being precise and to the point.

The Chairman appreciated the support extended by the shareholders to the Company. He then stated that Mr. Ved Prakash Khurana has withdrawn his offer for re-appointment as a Director of the Company and hence ceases to be a Director w.e.f 21<sup>st</sup> September, 2013. Mr. Ramesh N. Shanbhag has resigned as Whole-time Director of the Company w.e.f 30<sup>th</sup> August, 2013. Both of them were therefore not present in today's Annual General Meeting. The Chairman also appreciated the contribution and efforts by all the Directors and Secretary of the Company.

  
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Coming to the business of the Company, the Chairman said that there was cut-throat competition with reduced demand in the Industry. He further said that room was the most perishable item. The ARR and occupancy have dipped down due to number of factors like economic slow down, legal restrictions, cascading taxes to name a few. He further said that incidences of assaults on foreign travellers were deterrent for international tourists and hence advantage of fall of rupee might not be available. Reverse cost of imported consumables has also risen because of rupee fall.

The Chairman informed that the promoters' of the Company will be allotted equity shares of the Company for Rs. 22 crores infused by them under CDR package at Rs. 135/- per share.

The Chairman briefed the meeting about the cost cutting measures undertaken by the Company without compromising on the standards. In reply to a query by one of the members, the Chairman informed that the notice of the Annual General Meeting was published in Navshakti and Free Press Journal.

The Chairman gave reply to all the queries raised by the members to their satisfaction.

Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

**2. RESOLUTION FOR RETIREMENT OF MR. V. P. KHURANA AS A DIRECTOR OF THE COMPANY.**

The following resolution was proposed as an Ordinary Resolution by Mrs. Ashalata Maheshwari and seconded by Mr. Suresh Anant Khanolkar.

“RESOLVED THAT Mr. Ved Prakash Khurana, Director retiring by rotation at this Annual General Meeting, who had withdrawn his offer for re-appointment as Director of the Company by his letter dated 26<sup>th</sup> August, 2013, not be appointed as a Director and the resulting vacancy not be filled up at this Annual General Meeting or any adjournment thereof.”


Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

The Chairman stated that he was interested in few of the next Resolutions and therefore requested Mr. S. S. Thakur to chair the meeting for considering those Resolutions. Accordingly, Mr. S. S. Thakur took the Chair with the consent of members.

**3. RESOLUTION FOR RE-APPOINTMENT OF MR. VIKRAM V. KAMAT AS DIRECTORS OF THE COMPANY.**

The following resolution was proposed as an Ordinary Resolution by Mr. Zuhur Ismail Maniar and seconded by Mr. Hasmukhlal T. Vora.

“RESOLVED THAT Mr. Vikram V. Kamat who retires by rotation from the office of Director of the Company and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

  
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Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

**4. RESOLUTION FOR APPOINTMENT OF AUDITORS.**

The following resolution was proposed as an Ordinary Resolution by Mr. Hariram Jorawarmal Chaudhari and seconded by Mr. Babulal Ishwarlal Parekh.

“RESOLVED THAT M/s. J. G. Verma and Company, Chartered Accountants, Mumbai registration number FRN: 111381W the retiring Statutory Auditors, be and are hereby reappointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed to between the Auditors and the Board of Directors of the Company plus reimbursement of actual out of pocket expenses.”

Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

**5. RESOLUTION FOR RE-APPOINTMENT OF DR. VITHAL V. KAMAT AS EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY.**

The following resolution was proposed as Special Resolution by Mr. Michael Philip John Baptist Martins and seconded by Mrs. Smita Bharat Shah.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to approval of Central Government, Dr. Vithal V. Kamat be and is hereby re-appointed as an Executive Chairman and Managing Director of the Company who shall not be liable to retire by rotation, for a period of 3 years from 1st October, 2013 on the terms of appointment including remuneration and perquisites as set out in the annexed Explanatory Statement in respect of Item No. 5 with authority to the Board of Directors to alter and vary the said terms of appointment including remuneration and perquisites in such manner as may be agreed to between the Board of Directors and Dr. Vithal V. Kamat.

RESOLVED FURTHER THAT in case of inadequacy or absence of profit in any financial year of the Company during the term of office of Dr. Vithal V. Kamat as Executive Chairman and Managing Director, the remuneration and perquisites mentioned in the preceding paragraph shall nevertheless be paid as minimum remuneration, provided that the remuneration and perquisites shall not exceed the ceiling provided in the applicable slab of Schedule XIII to the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this Resolution including payment of remuneration and perquisites in excess of the limits provided in Schedule XIII to the Companies Act, 1956, with the approval of the Central Government.”

  
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Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

**6. RESOLUTION FOR CONSENT FOR WAIVER OF EXCESS REMUNERATION PAID TO DR. VITHAL V. KAMAT DURING THE FINANCIAL YEAR 2012-13.**

The following resolution was proposed as Special Resolution by Mr. Yusuf Yunus Rangwala and seconded by Mr. Amit Bagwe.

“RESOLVED THAT pursuant to Section 309(5B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the members of Company be and is hereby accorded for waiver of excess remuneration of Rs. 48,77,614/- paid to Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company over and above the limits prescribed under Section 198, 309 read with Schedule XIII of the Companies Act, 1956 during the period from 1st April, 2012 to 31st March, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and are hereby severally authorized to do all acts deeds and things, furnish any clarifications, information and to settle any question, difficulty or doubt that may arise in this regard.”

Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

**7. RESOLUTION FOR RE-APPOINTMENT OF MR. RAMESH N. SHANBHAG - NO REAPPOINTMENT IN VIEW OF HIS RESIGNATION W.E.F 30.08.2013.**

The following resolution was proposed as an Ordinary Resolution by Mr. Jitendra Prakash Maheshwari and seconded by Mr. Devidas Shrinivas Nayak.

“RESOLVED THAT Mr. Ramesh N. Shanbhag, who has resigned from the office of Whole-time Director of the Company by his letter dated 30<sup>th</sup> August, 2013, not be re-appointed as a Whole-time Director at this Annual General Meeting or any adjournment thereof.”

Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

**8. RESOLUTION FOR CONSENT FOR APPOINTMENT OF MR. VISHAL V. KAMAT AS CHIEF EXECUTIVE OFFICER OF FORT JADHAVGADH, A UNIT OF THE COMPANY.**

The following resolution was proposed as an Ordinary Resolution by Mr. Mahesh Gendmal Jain and seconded by Mr. Hiren Arvind Vyas.

“RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and any other competent authority, if required, consent of the Company be and is hereby accorded to the appointment of Mr. Vishal V. Kamat, a

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relative of Directors of the Company, to hold office or place of profit as the Chief Executive Officer (CEO) of Fort Jadhavgad, a Heritage Hotel, at Saswad Pune, with effect from 1st December, 2012 on a monthly gross salary of ₹ 1,00,000/- per month, other statutory benefits such as P.F., ESIC, Gratuity, Leave, Medclaim and Personal Accident Policy etc., Leave Travel Allowance of ₹ 15,000/- per annum and on the other terms and conditions as mentioned in the letter of appointment issued to Mr. Vishal V. Kamat by the Company.

RESOLVED FURTHER THAT consent of the shareholders of the company be and is hereby also given for any alterations/variations in the terms of appointment including remuneration to Mr. Vishal V. Kamat in such manner as the Board of Directors of the Company may decide, subject to the ceiling prescribed in Section 314 of the Companies Act, 1956.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all the acts, deeds or things as may be necessary or required to deal with the matter and take all such steps as may be necessary to give effect to this resolution."

Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

Mr. S. S. Thakur then requested Dr. Vithal V. Kamat to take the Chair to which Dr. Vithal V. Kamat agreed and took the Chair.

9. **RESOLUTION FOR APPROVAL FOR EMPLOYEE STOCK OPTION SCHEME-2013.**

The following resolution was proposed as an Ordinary Resolution by Mr. Prakash C Tamhane and seconded by Mr. Bharat Mulchand Shah.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being and in accordance with SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and any other rules, regulations as may be prescribed by appropriate authorities and subject to any approval, consent, permission as may be required, provisions of Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, approval of the Company be and is hereby accorded to the 'Employee Stock Option Scheme-2013' (Scheme) and the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any committee of Directors duly authorized in this behalf) be and is hereby authorized to introduce, implement, offer, grant, issue and allot upto 11,80,000 equity shares of ₹ 10/- each fully paid up in the capital of the Company or any instruments or options convertible into equity shares of the Company in one or more tranches to eligible employees and/or Directors other than promoter Directors of the Company on terms and condition explicitly set out in Scheme and as the Board may, in its absolute discretion, decide.

  
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RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board is authorised to do all such acts, matters and things as may be necessary, to formulate, amend, alter, ~~to~~ adopt any modifications or re-define the proposal, scheme, plan and to settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of the powers herein conferred to any committee of Directors of the Company to give effect to this resolution."

Thereafter, the Chairman put the resolution to vote on show of hands and declared the same carried with requisite majority.

**10. VOTE OF THANKS:**

Thereafter the Meeting was terminated with a vote of thanks to the chair proposed by Mrs. Ashalata Maheshwari.

Dated: 1st October, 2013  
Place: Mumbai

  
CHAIRMAN