

Determination of Share Swap Ratios

for the

**Scheme of Amalgamation
(Merger by Absorption)**

between

Kamat Hotels (India) Limited

and

Savarwadi Rubber Agro Private Limited

and

Treeo Resort Private Limited

submitted to

The Board of Directors

of

Kamat Hotels (India) Limited

and

Savarwadi Rubber Agro Private Limited

and

Treeo Resort Private Limited

1. DEFINITIONS

Act	Companies Act, 2013
Appointing Authority	Same as Transferee Company
Client	Same as Transferee Company
Companies	The Transferor Companies and the Transferee Company taken together
Engagement	Determination of Share Swap Ratios for the Scheme of Amalgamation between the Companies
Engagement Letter	Letter dated May 10, 2024 executed between the Valuer and the Client describing the Scope and Limitations of the Engagement
Rules	Companies (Registered Valuers and Valuation Rules), 2017
Transferee Company	Kamat Hotels (India) Limited, a company bearing CIN: L55101MH1986PLC039307 having registered office at 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (E), Mumbai – 400 099, Maharashtra, India
Transferor Company 1	Savarwadi Rubber Agro Private Limited, a company bearing CIN: U70100MH1985PTC035803 having registered office at KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai City, Mumbai – 400 099, Maharashtra, India
Transferor Company 2	Treoo Resort Private Limited, a company bearing CIN: U99999MH1993PTC073520 having registered office at 70-C, Nehru Road, Vile Parle (East), Mumbai – 400 099, Maharashtra, India
Transaction	Amalgamation of Transferor Companies with the Transferee Company
Valuation Date	31st March, 2024
Valuer	Suman Kumar Verma, an IBBI Registered Valuer bearing Registration No. IBBI/RV/05/2019/12376



2. EXECUTIVE SUMMARY

The Client envisages the amalgamation (merger by absorption) of Transferor Companies with Transferee Company, resulting in consolidation of Transferor Companies business into Transferee Company. This will strengthen the position of the merged entity, by enabling it to harness and optimize the synergies of the business, which is in the best interest of all the companies and their shareholders.

In consideration for the amalgamation (merger by absorption) of the Transferor Companies into the Transferee Company, it is proposed that the Transferee Company will issue and allot shares of the Transferee Company to all equity shareholders of the Transferor Companies as on Record Date (defined in the Scheme of Amalgamation), after cancelling all inter-company investments between Transferor Companies and Transferee Company.

The Client entered into an Engagement with the Valuer for recommendation of the Share Swap Ratio for the proposed Scheme of Amalgamation.

The Share Swap Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on various approaches / methods explained hereinafter in this Report and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions, and limitations.

The Valuer recommends the following Share Swap Ratio for the proposed Scheme of Amalgamation

- 1. 124 (One Hundred Twenty-Four) equity shares of Kamat Hotels (India) Limited of ₹10/- each fully paid-up will be issued for every 1 (One) equity share of Savarwadi Rubber Agro Private Limited of ₹100/- each fully paid-up; and**
- 2. 20 (Twenty) equity shares of Kamat Hotels (India) Limited of ₹10/- each fully paid-up will be issued for every 1 (One) equity share of Treeo Resort Private Limited of ₹100/- each fully paid-up.**

The same may be represented as follows:

Kamat Hotels (India) Limited	Savarwadi Rubber Agro Private Limited	Treeo resort Private Limited
Transferee Company	Transferor Company 1	Transferor Company 2
1	124	20



3. BACKGROUND OF THE ASSIGNMENT

The Transferor Company 1 is a company bearing CIN: U70100MH1985PTC035803 having registered office at KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai City, Mumbai – 400 099, Maharashtra, India. The Transferor Company 1 was originally incorporated in the name of Sarvodaya Amusements Private Limited on March 29, 1985. Subsequently the name of the company was changed to Kamats Amusements Private Limited w.e.f. January 10, 1991. The name of the Transferor Company was once again changed to Savarwadi Rubber Agro Private Limited w.e.f. April 17, 2017. The Transferor Company 1, is an unlisted private limited company, currently does not carry out any major business operations. It holds 0.79% equity stake in The Transferee Company.

The Transferor Company 2 is a company bearing U99999MH1993PTC073520 having registered office at 70-C, Nehru Road, Vile Parle (East), Mumbai – 400 099, Maharashtra, India. The Transferor Company 1, is an unlisted private limited company, currently does not carry out any major business operations.

The Transferee Company is a company bearing CIN: L55101MH1986PLC039307 having registered office at 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (E), Mumbai – 400 099, Maharashtra, India. The Transferee Company is into the hospitality business. Currently, it operates a network of hotels across multiple locations in India. Its shares are listed and traded on the Bombay Stock Exchange and National Stock Exchange of India.

Purpose of Valuation

Both Transferor Companies and the Transferee Company are integral parts of the same group. The Transferor Company 1 is a part of the promoter and promoter group of the Transferee Company. However, neither of the Transferor Companies are engaged in significant business operations. The Transferor Company 1 owns a freehold land in Vile Parle East, Mumbai, which houses a Sewage Treatment Plant (STP) Unit utilized by the Transferee Company. The Transferee Company continues to utilize this property. The Transferor Company 2 owns a non-agricultural land and building situated on W. E. Highway in the village of Saye, Palghar District, Thane. Management of the Transferee Company is of the view that the proposed amalgamation will enrich stakeholders' wealth and streamline the group's structure, resulting in improved administrative and operational efficiency.

In order to consolidate the business of Transferor Companies and Transferee Company in one entity, the Transferor Companies and Transferee Company have formulated a Scheme of Amalgamation (merger by absorption) u/s 230-232 of the Companies Act, 2013, and other relevant provisions of the Act and Rules made thereunder.

The Client entered into an Engagement with the Valuer for recommendation of the Share Swap Ratio for the proposed Scheme of Amalgamation.



4. SOURCES OF INFORMATION

In connection with the Engagement, the Valuer has received the following documents/ information about the Companies:

a. For Kamat Hotels (India) Limited:

- i. Certificate of Incorporation, Memorandum and Articles of Association;
- ii. Shareholding Pattern for the quarter ended March 31, 2024;
- iii. Audited financials of the transferee company for the FY 2022-23;
- iv. Audited financial results for the quarter and financial year ended March 31, 2024;

b. For Savarwadi Rubber Agro Private Limited:

- i. Certificate of Incorporation, Certificate of Name Change, Memorandum and Articles of Association;
- ii. List of shareholders of the transferor company as on 31 March 2024;
- iii. Audited financial statement of the transferor company for the FY 2022-23 and 2023-24;
- iv. Market Value of Freehold Land;
- v. Market value of Quoted Investment in the Transferee Company;
- vi. Audited financial of unquoted investment in Investee Companies for the FY 2022-23.

c. For Treeo Resort Private Limited:

- i. Certificate of Incorporation, Memorandum and Articles of Association;
- ii. List of shareholders of the transferor company as on 31 March 2024;
- iii. Audited financial statement of the transferor company for the FY 2022-23 and 2023-24;
- iv. Market Value of Freehold Land;
- v. Audited financial of unquoted investment in Investee Companies for the FY 2022-23.

d. Regarding the Scheme of Amalgamation:

- i. Draft Scheme of Amalgamation.

In addition to the above, during the discussions with the Client, the Valuer has also obtained explanations and information considered reasonably necessary for the Engagement by way of emails and verbal communication.

The Valuer has also relied on various information available in the public domain including but not limited to industry reports, market trends, performance of competitors etc.




5. PROCEDURES & METHODOLOGY

Inspections and / or investigations undertaken

The Valuer has relied on information provided by the Client regarding the financial statements and other financial data. The Valuer has also relied on multiple market studies and the macroeconomic scenario while carrying out the valuation exercise.

Valuation Standards

The Institute of Chartered Accountants of India (ICAI) on 10 Jun 2018, has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after 1 Jul 2018. The Valuer has given due cognizance to the same in carrying out the valuation exercise.

It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

For the purpose of the Engagement, the Valuer has considered the valuation base as "Fair Value". The Report is based on the premise of "going concern value". Any change in the valuation base or the purpose of valuation could have significant impact on the valuation exercise, and therefore this Report.



Procedures

There are several commonly used and accepted methods under the market, income and asset approaches for determining the share swap ratio for the proposed transaction, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

- a. Market Approach
- b. Income Approach
- c. Cost Approach

a. Market Approach

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. But there could situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of share especially where market values are fluctuating in a volatile capital market.

In the case of a Scheme of Amalgamation, where there is a question of evaluating the value of shares of one company against the value of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

The equity shares of both of the Transferor Companies are not listed on any of the stock exchanges. Hence, the valuer has not used market approach for the valuation of Transferor Companies.

The equity shares of the Transferee Company are listed and traded on the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE). Hence, the market price method has been used to value the Transferee Company.

The equity shares of the Transferee Company are frequently traded shares as per Regulation 164(5) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Extract from Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018

Regulation 164(5): For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:



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Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the Valuation date (31.03.2024).

The following table represents the calculation of frequently trading of the shares of the Transferee Company:

Particulars	National Stock Exchange of India	Bombay Stock Exchange Limited
Total No of Shares traded for 240 trading days (From 13-04-2023 to 28-03-2024)	2,17,23,446	32,06,298
Weighted Average No of Shares	2,47,25,990	2,47,25,990
% of Shares traded for 240 trading days	87.86%	12.97%

The Valuer has considered the Higher of Volume Weighted Average Price (VWAP) of 90 and 10 trading sessions preceding the valuation date i.e. 31-03-2024 for valuation of the Transferee Company under the Market Approach. The stock prices of National Stock Exchange of India have been considered as frequently traded % higher as compared to that of Bombay Stock Exchange Limited.

Valuation as Market Approach (VWAP Method)	31-March-2024
Total Turnover in 90 trading sessions (A)	3,17,87,84,478
Total No of shares traded in 90 trading sessions (B)	1,04,75,071
Volume Weighted Average Price (A)/ (B)	303.46
Total Turnover in 10 trading sessions (A)	15,47,86,655
Total No of shares traded in 10 trading sessions (B)	6,02,800
Volume Weighted Average Price (A)/ (B)	256.78
Higher of Above	303.46

b. Income Approach

The income approach is based upon the economic principle of expectation. This approach assumes that the value of the business is equal to the present value of the economic income expected to be generated. Expected returns on an investment are discounted or capitalized at an appropriate rate of return to reflect investor risks and hazards. From a theoretical perspective, enterprise value is based either on historical earnings or future cash flows.

Both the Transferor Companies did not any material revenue or expenses from operations during the recent periods. Further, based on our discussion with the management, future projections could



not be prepared with reasonable certainty. So, application of Income approach was not considered appropriate.

Since the market price with reasonable volumes of frequently traded stock in BSE and NSE are reasonably reflect the fair price of the transferee Company, hence income approach not considered for the valuation of the transferee Company.

c. Cost Approach

The asset approach is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The approach is applied by adding the value of the assets on the books of the company which reflects how much the business is worth to someone who buy the assets of the business on an as-is basis. This valuation approach is mainly used in case where the firm which does not meet the "going concern" criteria or in case where the asset base dominates the earnings capability.

The Scheme of Amalgamation would normally be proceeded with, on the assumption that the Companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated.

Since the bulk of value in case of the transferor companies is stored in the fixed assets and investment, the Valuer has considered the NAV for valuation, with inputs for different assets from other methods.

Valuation of Savarwadi Rubber Agro Private Limited (Transferor Company 1):

NET ASSET VALUE METHOD (NAV)

NET ASSET VALUE METHOD (NAV) :	Amount (Rs.'Lakhs) As on 31.03.2024
Market value of Freehold Land	1,968.75
Fair Market Value of Non-Current Investment in Quoted Equity Shares	512.41
Fair Market Value of Non-Current Investment in Unquoted Equity Shares	7,522.58
Long Term Loans & Advances	9.95
Cash & Bank Balances	0.12
Total Assets (A)	10,013.81
Less:	
Long Term Borrowings	147.01
Other Long-Term Liabilities	301.61
Other Current Liabilities	39.06
Total Outside liabilities (B)	487.68
Net Asset Value C = (A-B)	9,526.13
Fully Paid-up equity shares of the Company of Rs. 100/- each	25,400
NET ASSETS VALUE PER SHARE (NAV)	37,504.45



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Valuation of Treeo Resort Private Limited (Transferor Company 2):

NET ASSET VALUE METHOD (NAV)

NET ASSET VALUE METHOD (NAV) :	Amount (Rs.'Lakhs) As on 31.03.2024
Market value of Freehold Land & Buildings	3,982.50
Other Tangible Assets	0.64
In-tangible Assets	0.010
Fair Market Value of Non-Current Investment in Unquoted Equity Shares	2,066.75
Non-Current Investment in Unquoted Preference Shares	175.00
Long Term Loans & Advances	1.34
Other Non-Current Assets	0.36
Cash & Bank Balances	0.95
Short Term Loans & Advances	0.32
Total Assets (A)	6,227.87
Less:	
Long Term Borrowings	1,399.46
Short Term Borrowings	151.45
Trade Payables	7.75
Other Current Liabilities	6.85
Total Outside liabilities (B)	1,565.51
Net Asset Value C = (A-B)	4,662.36
Fully Paid-up equity shares of the Company of Rs. 100/- each	75,000
NET ASSETS VALUE PER SHARE (NAV)	6,216.48

Since the market price with reasonable volumes of frequently traded stock in BSE and NSE are reasonably reflect the fair price of the transferee Company, hence cost approach not considered for the valuation of the transferee Company.

Computation of Fair Share Exchange Ratio:

Valuation Approach	KAMAT HOTELS (INDIA) LIMITED		SAVARWADI RUBBER AGRO PRIVATE LIMITED		TREEO RESORT PRIVATE LIMITED	
	Value per Share	Weight (%)	Value per Share	Weight (%)	Value per Share	Weight (%)
Cost Approach	NA	-	37,504.45	100	6,216.48	100
Income Approach	NA	-	NA	-	NA	-
Market Approach	303.46	100	NA	-	NA	-
Relative Value per Share	303.46	100	37,504.45	100	6,216.48	100
Share Exchange Ratio (rounded off)	1		124		20	



6. VALUATION RESULTS

Major Considerations

- a. All the Companies under the merger are part of a common group and common management. In order to consolidate the business of Transferor Companies and Transferee Company in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the business, which is in the best interest of all the companies and their shareholders, the Transferor Companies and Transferee Company have formulated a Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013, and other relevant provisions of the Act and Rules made thereunder;
- b. Enhanced Utilization of Assets for Orchid Hotels Mumbai; and
- c. Considerable experience of the promoters in the present line of the activity of the company.

The Share Swap Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on various approaches / methods explained hereinafter in this Report and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions, and limitations.

The Valuer has independently applied methods discussed in this Report, as considered appropriate, and has arrived at the value per share of the Companies. To arrive at the consensus on the Share Swap Ratio for the Scheme of Amalgamation, suitable minor adjustments / rounding off has been done.

The Valuer recommends the following Share Swap Ratio for the proposed Scheme of Amalgamation

1. **124 (One Hundred Twenty-Four) equity shares of Kamat Hotels (India) Limited of ₹10/- each fully paid-up will be issued for every 1 (One) equity share of Savarwadi Rubber Agro Private Limited of ₹100/- each fully paid-up; and**
2. **20 (Twenty) equity shares of Kamat Hotels (India) Limited of ₹10/- each fully paid-up will be issued for every 1 (One) equity share of Treeo Resort Private Limited of ₹100/- each fully paid-up.**

The same may be represented as follows:

Kamat Hotels (India) Limited	Savarwadi Rubber Agro Private Limited	Treeo resort Private Limited
Transferee Company	Transferor Company 1	Transferor Company 2
1	124	20



7. DISCLOSURES

- a. The Valuer declares that there is no conflict of interest.
- b. The Client has been provided with the opportunity to review the draft report (excluding the recommended share entitlement ratio) as part of standard practice to make sure that factual inaccuracy and / or omissions are avoided in this Report.
- c. The fee for the Engagement is not contingent upon the results reported.

8. RESTRICTIONS ON USE OF THE REPORT

- a. This Report is subject to the scope limitations detailed in the Engagement Letter.
- b. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred herein.
- c. The valuation analysis does not constitute certification of the historical financial statements including the working results of the entities referred to in this report. Accordingly, the Valuer is unable to and does not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- d. Valuation analysis and results are specific to the purpose of valuation, the valuation date, and are based on the data detailed in this report. This report may not be valid or used for any other purpose or as at any other date.
- e. This report is not, nor should it be construed as the Valuer's opinion certifying the compliance of the proposed Transaction with the provisions of any law including companies, taxation and capital market laws or as regards any legal implications or issues arising from such proposed transaction.
- f. This report is prepared only in connection with the proposed Transaction exclusively for the use of the Client and for submission to any regulatory or statutory authority as may be required under the law.



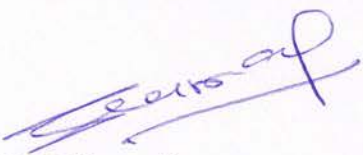

- g. This report and the information contained herein is confidential. This report does not intend to nor provides professional advice or due-diligence to any person and / or party intending to provide finance or invest in the shares or business of any of the entities mentioned herein. It is to be noted that any reproduction, copying or otherwise quoting of this report or part thereof in any registration statement, prospectus, offering memorandum, annual report, loan agreement, or any other agreement or document given to third parties, other than in connection with the proposed transaction as aforesaid, can be done only with the prior permission of the Valuer in writing.

9. CAVEATS, LIMITATIONS, AND DISCLAIMERS

- a. No investigation of the Companies' claims to title of assets has been made for the purpose of this Engagement and their claims to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liens or encumbrances disclosed by the Client. Therefore, no responsibility is assumed for matters of legal nature.
- b. The valuation analysis has considered various factors including those impacted by prevailing market, financial, economic and other conditions in general and industry trends in particular. This report is issued on the understanding that the Client has drawn the Valuer's attention to all the material information which it is aware of concerning the financial position of the Companies and any other matter, which may have impact on the Valuer's opinion, including any significant changes that may have taken place or are likely to take place in the financial position, subsequent to the report date. The valuer has no responsibility to update this report for events and circumstances occurring after the date of the report.
- c. In the course of the valuation analysis, the Valuer was provided with both written and verbal information. The Valuer has evaluated the information provided by the Client through broad inquiry, analysis, and review but has not carried out a due-diligence or audit of the information provided. The Valuer assumed no responsibility as to the accuracy, reasonableness, or completeness of the information provided by the Client and consequential impact on the valuation analysis.
- d. Valuation will have to involve the exercise of judicious discretion and judgement. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from documentary information but which will strongly influence the valuation analysis. This concept is also recognized in various judicial decisions.



- e. Valuation analysis is not a precise science and the conclusions arrived at many cases will, necessarily, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed result of valuation. The Valuer has provided his recommendation of the Share Swap Ratios based on the information available and within the scope of his engagement. Nevertheless, others may have a different opinion. The final responsibility of the determination of the Share Swap Ratio at which the proposed transaction will be effected will be with the Client and / or the Companies who shall take into account other factors such as their own assessment of the proposed transaction and inputs of other valuers and / or advisors.
- f. This report does not look into the business reasons or commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed transaction as compared with other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are achievable.
- g. Notwithstanding anything contrary in this Report, the liability of the Valuer, is any, arising in relation to or in connection with the Engagement, shall at all times be limited to the extent of the professional fees paid to the Valuer for the Engagement
- h. This Report is subject to the laws of India.


Suman Kumar Verma
Registered Valuer
IBBI Regn No. IBBI/RV/05/2019/12376

Date: 23rd May, 2024
Place: New Delhi



“Asia’s Pioneering Hospitality Chain of Environmentally Sensitive Hotels & Resorts”

To,
Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Code: 526668
ISIN: INE967C01018

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra –KurlaComplex,
Bandra (E), Mumbai – 400 051

Symbol: KAMATHOTEL
ISIN (DEBT): INE967C07015

Dear Sir/Madam,

**Sub: Undertaking from the Listed Entity pursuant to Master Circular
SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.**

Pursuant to Para (I)(A)(2) of Master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, Kamat Hotels (India) Limited (“the company”) hereby provides the undertaking that no material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

For Kamat Hotels (India) Limited


Nikhil Singh
Company Secretary & Compliance Officer
Date: June 26, 2024
Place: Mumbai



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Email-Id : cs@khil.com | Website: www.khil.com | CIN: L55101MH1986PLC039307



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Port
Jadhav GADH
A Gadhi Heritage Hotel
Ladh, Jhagadh, Aage Badh...


**MAHODADHI
PALACE**
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