DETAILED PUBLIC STATEMENT TO THE PUBLIC SHAREHOLDERS OF

CINEMAX INDIA LIMITED

UNDER REGULATIONS 3(1) AND 4 READ WITH REGULATIONS 13(4), 14 AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Open offer ("Offer") for acquisition of up to 72,80,000 fully paid-up equity shares of face value of ₹ 5 each (each an "Equity Share"), representing 26% of the fully diluted voting equity share capital ("Voting Share Capital") of Cinemax India Limited ("Target Company"), as of the 10th working day from the closure of the tendering period, from the public shareholders of the Target Company by Cine Hospitality Private Limited ("Acquirer") and PVR Limited, in its capacity as a person acting in concert with the Acquirer ("PAC").

This detailed public statement ("**DPS**") is being issued by Enam Securities Private Limited (*The merchant banking business of Enam Securities Private Limited has vested with Axis Capital Limited, which is in the process of completing the formalities of SEBI registration.*), the manager to this Offer ("**Manager to the Offer**"), on behalf of the Acquirer and the PAC, in compliance with Regulations 13(4), 14 and 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI (SAST) Regulations**"), pursuant to the public announcement in relation to this Offer dated November 29, 2012 ("**PA**") made in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations and sent on November 29, 2012 to BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") and filed with the Securities and Exchange Board of India ("**SEBI**") on November 30, 2012 and sent to the Target Company at its registered office on November 30, 2012.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

A. Information about the Acquirer

A1. Cine Hospitality Private Limited

1. The Acquirer, a private limited company, was incorporated on May 1, 2012, under the laws of India. The registered office of the Acquirer is located at 61, Basant Lok, Vasant Vihar, New Delhi -110057, India. There has been no change in the name of the Acquirer since its incorporation.
2. The main objects of the Acquirer as per its memorandum of association is to engage in the business of acquiring, owning, managing, operating and maintaining restaurants, hotels, motels, resorts, lodging apartments, health clubs, sports complexes etc.
3. The Acquirer is a part of the PVR group.
4. The Acquirer is a wholly owned subsidiary of the PAC. As of the date of this DPS, the PAC holds 10,09,999 equity shares of face value of ₹ 10 each, representing 99.99% of the issued and paid-up share capital of the Acquirer. The PAC jointly with an individual holds the balance 1 equity share of face value of ₹ 10. The PAC is the promoter of and controls the Acquirer.
5. The equity shares of the Acquirer are not listed on any stock exchanges.
6. As of the date of this DPS, the Acquirer, its directors and key employees do not have any interest in the Target Company except for the transactions contemplated in the Share Purchase Agreement (detailed in Part II below – *Background to the Offer*) that has triggered this Offer.
7. The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, 1992 ("**SEBI Act**") or under any regulations made thereunder.
8. Since the Acquirer has recently been incorporated on May 1, 2012, no financial statements have been prepared under applicable laws.

B. Information about the person acting in concert

B1. PVR Limited

1. The PAC, a public limited company, was incorporated on April 26, 1995, under the laws of India. The registered office of the PAC is located at 61, Basant Lok, Vasant Vihar, New Delhi - 110057, India. The PAC was incorporated under the name 'Priya Village Roadshow Limited' and subsequently renamed to its current name, i.e. 'PVR Limited' on June 28, 2002.
2. The PAC is engaged in the business of production and exhibition of films. The PAC also earns revenue from in-cinema advertisements / product displays and in-cinema sale of food and beverages.
3. The PAC is a part of the PVR group.
4. The relationship of the PAC with the Acquirer is detailed in Part I paragraph A1.4 of this DPS.
5. As of the date of this DPS, the promoter shareholding in the PAC is as follows:

Sr. No.	Name of the promoter	No. of shares	Percentage of shares held
1.	Mr. Ajay Bijli	15,70,287 equity shares of face value of ₹ 10 each	5.44
2.	Bijli Holdings Private Limited	54,01,805 equity shares of face value of ₹ 10 each	18.73
3.	Priya Exhibitors Limited	46,30,000 equity shares of face value of ₹ 10 each	16.05
	Total	**1,16,02,092 equity shares of face value of ₹ 10 each**	**40.22**

Bijli Holdings Private Limited, Priya Exhibitors Limited and Mr. Ajay Bijli together control the PAC.

The PAC at its board meeting on November 29, 2012 has subject to shareholder's consent approved the issue of 6,93,878 and 3,26,531 fully paid equity shares of the PAC to Mr. Ajay Bijli and Mr. Sanjeev Kumar, respectively, at a price of ₹ 245 per equity share inclusive of premium or at a price computed as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, whichever is higher, on preferential issue basis. An extraordinary general meeting of the shareholders of the PAC is scheduled on December 29, 2012, for the purposes of the seeking their approval for this preferential issue.

6. The equity shares of the PAC (ISIN: INE191H01014) are listed on BSE (Scrip Code: 532689) and NSE (Symbol: PVR).
7. As of the date of this DPS, the PAC, its directors and key employees do not have any interest in the Target Company except for the transactions contemplated in the Share Purchase Agreement (detailed in Part II below – *Background to the Offer*) that has triggered this Offer.
8. The PAC has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any regulations made thereunder.
9. The key financial information of the PAC, as obtained from its audited consolidated financial statements as at and for the 12-month period ended March 31, 2012, March 31, 2011 and March 31, 2010 and the interim unaudited consolidated financial information, which has been subject to limited review by the PAC's auditors, as at and for the 6-month period ended September 30, 2012, are as follows. The said financial statements have been prepared in accordance with the Indian GAAP.

Particulars	For the 6-month period ended September 30, 2012	For the 12-month period ended March 31,		
		2012	2011	2010
Total Revenue	356.69	508.50	457.72	334.13
Net Income (Net Profit)	23.95	25.41	8.18	1.35
Earnings Per Share (EPS)				
- Basic	9.10*	9.50	3.02	0.57
- Diluted	9.04*	9.46	3.01	0.57
Net worth / Shareholder Fund	360.93	279.07	341.36	309.05

Note: All amounts are in ₹crore, except per share data.

** Not annualised*

B2. Other than the PAC, no other person is acting in concert with the Acquirer for the purposes of this Offer, within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.

C. Details of selling shareholders

1. The details of the Sellers are set out below:
   (i) Mr. Himanshu Kanakia, an individual residing at Vrushti, JVPD Scheme, 2nd Road, Vile Parle (West), Mumbai - 400 056 held 93,68,424 Equity Shares, representing 33.46% of the Voting Share Capital.
   (ii) Mr. Rasesh Kanakia, an individual residing at Ashish, JVPD Scheme, 4th Road, Vile Parle (West), Mumbai - 400 056 held 93,68,424 Equity Shares, representing 33.46% of the Voting Share Capital.
   (iii) Ms. Rupal Kanakia, an individual residing at Ashish, JVPD Scheme, 4th Road, Vile Parle (West), Mumbai - 400 056 held 3,28,844 Equity Shares, representing 1.17 % of the Voting Share Capital.
   (iv) Ms. Hiral Kanakia, an individual residing at Vrushti, JVPD Scheme, 2nd Road, Vile Parle (West), Mumbai - 400 056 held 3,28,844 Equity Shares, representing 1.17 % of the Voting Share Capital.
   (v) Kanakia Gruhnirman Private Limited, a private limited company, was incorporated on June 21, 1995, under the laws of India. The registered office of Kanakia Gruhnirman Private Limited is located at 215 Atrium, 10th Floor, Opp. Divine School, J.B. Nagar, Andheri Kurla Road, Andheri (East), Mumbai – 400 059. There has been no change in the name of Kanakia Gruhnirman Private Limited since its incorporation. Kanakia Gruhnirman Private Limited held 140 Equity Shares representing 0.00% of the Voting Share Capital.
   (vi) Kanakia Finance and Investments Private Limited, a private limited company, was incorporated on February 4, 1994, under the laws of India. The registered office of Kanakia Finance and Investments Private Limited is located at 215 Atrium, 10th Floor, Opp. Divine School, J.B. Nagar, Andheri Kurla Road, Andheri (East), Mumbai – 400 059. There has been no change in the name of Kanakia Finance and Investments Private Limited since its incorporation. Kanakia Finance and Investments Private Limited held 140 Equity Shares representing 0.00% of the Voting Share Capital.

   (Himanshu Kanakia, Rasesh Kanakia, Rupal Kanakia, Hiral Kanakia, Kanakia Gruhnirman Private Limited and Kanakia Finance and Investments Private Limited are hereinafter collectively referred to as the "**Sellers**". All the Equity Shares held by the Sellers have been transferred to the escrow agent pursuant to the Share Purchase Agreement and the Escrow Agreement, details of which are provided in Part II below – *Background to the Offer*.)
2. The Sellers form a part of the promoter group of the Target Company.
3. The Sellers are a part of the Cinemax group.
4. The equity shares of Kanakia Gruhnirman Private Limited and Kanakia Finance and Investments Private Limited are not listed on any stock exchanges.
5. None of the Sellers have been prohibited by SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any regulations made thereunder.

D. Details of the Target Company

1. The Target Company, a public limited company, was incorporated on September 30, 2011, under the laws of India. The registered office of the Target Company is located at 215, Atrium, 10th Floor, J. B. Nagar, Andheri Kurla Road, Andheri East, Mumbai-400059, Maharashtra, India. The Target Company was incorporated with the name 'Cinemax Exhibition India Limited'. Subsequently, the name of the Target Company was changed to its current name, i.e., 'Cinemax India Limited' on June 22, 2012 and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Maharashtra. (*Source: BSE and NSE websites, MCA website and Information Memorandum of the Target Company available on the Target Company website*).
2. The Equity Shares (ISIN: INE460N01011) are listed on BSE (Scrip Code: 534711) and NSE (Symbol: CINEMAXIN). (*Source: BSE and NSE websites*).
3. The Equity Shares are not frequently traded on BSE and NSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations (further details provided in Part IV below - *Offer Price*).
4. Pursuant to a Composite Scheme of Arrangement between the Cinemax Properties Limited and Cinemax India Limited and their respective shareholders and creditors under sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956, sanctioned by the Honorable High Court of Judicature at Bombay vide its order dated March 9, 2012, the theatre exhibition business of Cinemax Properties Limited has been vested with the Target Company. April 1, 2012 and April 20, 2012 are the appointed date and effective date, respectively, of the referred scheme. The Target Company was incorporated on September 30, 2011 and had limited business operations prior to the theatre exhibition business of Cinemax Properties Limited being vested with it.

   The key financial information of the Target Company, as obtained from its audited standalone financial statements as at and for the 12-month period ended March 31, 2012, is as follows. The said financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the applicable Accounting Standards and Accounting Rules as notified by the Central Government under the Companies Act, 1956, to the extent applicable.

Particulars	For the 12-month period ended March 31, 2012
Total Revenue	Nil
Net Income (Loss after tax)	(0.16)
Earnings Per Equity Share (EPS) – Basic and diluted	(15.84)
Net Worth / Shareholder Fund	(0.11)

Note: All amounts are in ₹crore, except per equity share data.

Source: Information Memorandum of the Target Company available on the Target Company website.

The key financial information of the Target Company, as obtained from its interim unaudited consolidated financial information, which has been subject to limited review by its auditors, as at and for the 6-month period ended September 30, 2012, is as follows. The said financial statements are compiled from the Consolidated Financial Statements prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in the Accounting Standard 21 on 'Consolidation of Financial Statements' as notified under the Companies Act, 1956.

Particulars	For the 6-month period ended September 30, 2012
Total Revenue	201.96
Net Income (Net Profit)	25.14
Earnings Per Equity Share (EPS) – Basic and diluted (not annualized)	8.98
Net Worth / Shareholder Fund	131.33

Note: All amounts are in ₹crore, except per equity share data.

Source: Financial information filed with BSE (www.bseindia.com)

E. Details of the Offer

1. This Offer is being made by the Acquirer and the PAC to all the public shareholders of the Target Company, to acquire up to 72,80,000 Equity Shares, representing 26% of the Voting Share Capital, as of the 10th working day from the closure of the tendering period ("**Offer Size**").
2. This Offer is being made at a price of ₹ 203.65 (Rupees two hundred three and paise sixty five only) ("**Offer Price**") per Equity Share.
3. The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
4. If the aggregate valid responses to this Offer by the public shareholders of the Target Company are more than the Offer Size, then the offers received from the public shareholders of the Target Company will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. The Acquirer will acquire all the Equity Shares validly accepted in this Offer.
5. As detailed in Part II below (*Background to the Offer*), this Offer has been triggered upon the execution of a share purchase agreement dated November 29, 2012 ("**Share Purchase Agreement**") among the Acquirer, the PAC and the Sellers. The Acquirer's obligation to consummate the transactions contemplated in the Share Purchase Agreement is subject to (i) shareholders of the PAC granting their approval under Section 372A of the Companies Act, 1956, for performance of the Share Purchase Agreement ; (ii) there being no inaccuracy or misrepresentation in respect of any of the representations and warranties given by the Sellers under the Share Purchase Agreement; (iii) there being no breach of the interim period covenants specified in Part II paragraph (4)(d) below; and (iv) Closing (as defined in Part II paragraph 4(c) below) occurring on or before June 30, 2013.

   In the event that the said conditions are not met for reasons outside the reasonable control of the Acquirer and / or the PAC and the Share Purchase Agreement is rescinded, the Acquirer shall have a right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to BSE, NSE, SEBI and the Target Company at its registered office.
6. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation19(1) of SEBI (SAST) Regulations.
7. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
8. Approval of the shareholders of the PAC under Section 372A of the Companies Act, 1956 is necessary for effecting the Share Purchase Agreement and the underlying transaction contemplated therein. Apart from the above mentioned corporate approval, as of the date of this DPS, the Acquirer and the PAC are not aware of any statutory approvals required by the Acquirer and / or the PAC to complete this Offer or for effecting the transactions contemplated under the Share Purchase Agreement. However, in case of any statutory approvals being required by the Acquirer and / or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and / or the PAC shall make the necessary applications for such approvals.
9. If the holders of the Equity Shares who are not persons resident in India (including non-resident Indian ("**NRI**"), overseas corporate body ("**OCB**") and foreign institutional investors ("**FIIs**")) had required any approvals (including from the Reserve Bank of India ("**RBI**"), the Foreign Investment Promotion Board ("**FIPB**") or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer.

F. The Acquirer may dispose-off or otherwise encumber any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring (including but not limited to amalgamation and / or demerger with its group companies) and / or re-negotiation or termination of existing contractual / operating arrangements, for restructuring and / or rationalizing the assets, investments or liabilities of the Target Company and / or it subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company.

G. The Equity Shares are listed on BSE and NSE. As per Clause 40A of the listing agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**"), the Target Company is required to maintain at least 25% public shareholding, on a continuous basis for listing. If, pursuant to this Offer, the public shareholding in the Target Company reduces below the minimum level required as per the listing agreement entered into by the Target Company with BSE and NSE read with Rule 19A of the SCRR, the Acquirer hereby undertakes that the promoter group shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

II. BACKGROUND TO THE OFFER

1. This Offer is being made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations and is being made as a result of a direct substantial acquisition of Equity Shares and voting rights in and control over the Target Company by the Acquirer, pursuant to the Share Purchase Agreement.
2. The Acquirer, the PAC and the Sellers have entered into the Share Purchase Agreement, whereunder the Acquirer has agreed to acquire 1,93,94,816 Equity Shares ("**Sale Shares**"), representing 69.27% of the Voting Share Capital from the Sellers, at a price of ₹ 203.65 per Sale Share, aggregating to an amount of ₹ 3,94,97,54,278.40 ("**Purchase Consideration**"), payable in cash, subject to the terms and conditions as contained in the Share Purchase Agreement.
3. The parties have simultaneously entered into an escrow agreement dated November 29, 2012, with Axis Trustee Services Limited and Axis Bank Limited as escrow agents ("**Escrow Agreement**") for deposit of the Sale Shares and the Purchase Consideration with the escrow agents in tranches as per the schedule agreed by the parties.
4. The key terms and conditions of the Share Purchase Agreement are as follows:
   (a) Upon expiry of 21 working days from the date of this DPS issued by the Acquirer and the PAC and there being no competitive bid to this Offer under the SEBI (SAST) Regulations, the Acquirer shall deposit the Maximum Consideration in the Offer Escrow Account (as defined in Part V paragraph 1 and 5, respectively).
   (b) The Share Purchase Agreement contains customary representations and warranties from the Sellers in relation to title to the Sale Shares, organization and authority to enter into the Share Purchase Agreement and other transaction documents. The Acquirer has also provided customary representations and warranties in relation to valid incorporation and authority to enter into the Share Purchase Agreement and other transaction documents.
   (c) The Sellers have agreed to exercise such rights as they have as shareholders of the Target Company to ensure that, between the date of the signing of the Share Purchase Agreement and the date of the sale and purchase of the Sale Shares ("**Closing**"), the Target Company conducts its business in the ordinary course of business and does not undertake certain actions, except in the manner provided in the Share Purchase Agreement.
   (d) Additionally, during the period between the date of the signing of the Share Purchase Agreement and the Closing date, the Sellers shall ensure (as shareholders of the Target Company) that the Target Company, does not:
      (i) Adopt or propose any change in the charter documents of the Target Company;
      (ii) Declare any dividends or other forms of distribution of profits;
      (iii) Merge or consolidate with any other person or make any materially significant acquisitions; or
      (v) Make any cash withdrawals from the Target Company in a manner that is fraudulent or malafide in nature.
   (e) During the period between the date of the signing of the Share Purchase Agreement and the Closing date, the Sellers shall promptly inform the Acquirer and the PAC of any material adverse change (i.e., material adverse effect on the financial condition, business, assets or results of operations of the Company or any material impairment of the ability of a Seller to perform its obligation), or of any notice, action, proceeding, suit, claim or investigation in any court or other dispute resolution forum initiated by or against the Company or the Sellers, or of any circumstance, event or action, the existence, occurrence or taking of which would result in any Sellers' warranties not being true and correct.
   (f) After the date of signing of the Share Purchase Agreement and until Closing, the Acquirer shall have the right to nominate 1 non-voting observer to attend meetings of the board of directors of the Target Company and the committees of the directors thereof.
   (g) Subject to receipt of approval of the shareholders of PAC under Section 372A of the Companies Act, 1956, for the performance of the Share Purchase Agreement, the Closing shall take place no later than January 21, 2013, or February 15, 2013, in the event of a force majeure resulting in the 372A resolution not being passed.
   (h) At the written request and option of the Sellers, the Acquirer shall take best efforts to acquire the Sale Shares from the Sellers through a block deal on the floor of the stock exchange in accordance with the Guidelines for Execution of Block Deals on the Stock Exchanges dated September 2, 2005, issued by SEBI. If for any reason, the block deal is not executed on the floor of the stock exchange in the manner and timeline specified above, the parties shall undertake the sale and purchase off-market in accordance with the terms of the Share Purchase Agreement.
   (i) The Share Purchase Agreement may be terminated prior to Closing in any of the following circumstances:
      (a) By the Acquirer and the PAC, if:
         (i) there is an inaccuracy or misrepresentation in respect of any of the representations and warranties given by the Sellers under the Share Purchase Agreement or a breach of the interim period covenants specified in Part II paragraph 2(4)(d) above; or
         (ii) this Offer is withdrawn in accordance with the SEBI (SAST) Regulations due to any reason that is not due to the act or omission of the Acquirer and the PAC (voluntary or otherwise);
      (b) By the Sellers if:
         (i) there is an inaccuracy or misrepresentation in respect of any of the representations and warranties given by the Acquirer and the PAC under the Share Purchase Agreement;
         (ii) the Sellers have transferred 193,00,816 Equity Shares (out of the total Sale Shares) to the escrow agent, but the Acquirer has failed to deposit at least ₹ 3,00,00,00,000 (out of the total Purchase Consideration) with the escrow agent on or before December 12, 2012;
         (iii) the Sellers have transferred all the Sale Shares to the escrow agent, but the Acquirer has failed to deposit the entire Purchase Consideration or if the Sellers have transferred 193,00,816 Equity Shares (out of the total Sale Shares) to the escrow agent, but the Acquirer has failed to deposit at least ₹ 3,93,06,11,178.40 (out of the total Purchase Consideration) on or before December 24, 2012; or
         (iv) the PAC does not obtain consent of its shareholders for the performance of the Share Purchase Agreement under Section 372A of the Companies Act, 1956 on or before January 10, 2012, except due to occurrence of a force majeure event; or if the PAC does not obtain such consent of its shareholders on or before February 15, 2012 consequent to occurrence of a force majeure event.
   (j) The Sellers shall have the right to forfeit ₹ 50,00,00,000 (of the Purchase Consideration) one-time and terminate the Share Purchase Agreement upon occurrence of any of the events specified in Part II paragraph 4(i)(b) (ii) and (iii) above.
   (k) The Share Purchase Agreement shall automatically expire if the Closing does not occur on or before June 30, 2013.
   (l) After Closing, Mr. Himanshu Kanakia (i.e., one of the Sellers) has agreed to provide transitional support and assistance to the chief executive officer or managing director of the Target Company for a period of 6 months as and when reasonably requested by the Acquirer and the PAC in order to facilitate a smooth hand-over of the management and operations of the Company. The Parties agree that such support or assistance provided by Mr. Himanshu Kanakia will not exceed 5 hours per week of his time.
   (m) It has been agreed that upon Closing, the Target Company shall grant to Cinemax Properties Limited a limited, non-exclusive and royalty-free license to use the word 'Cinemax' solely as part of its corporate name within the territory of India for a period not exceeding 6 months from the Closing date. The said right is not sub-licensable by Cinemax Properties Limited to any person.
5. Simultaneous with the execution of the Share Purchase Agreement, the Sellers have executed a non-compete and non-solicitation agreement in favour of and with the Acquirer and the PAC, which shall become effective on the Closing date. As per the terms of this agreement, the Sellers and their affiliates have agreed to not directly or indirectly engage in the business of movie exhibition (all exhibition formats including multiplexes and single screens) for a period of 5 years within the territory of India. The amount payable as consideration under the Share Purchase Agreement includes consideration for the non-compete and non-solicitation obligations of the Sellers.
6. The object and purpose for the Acquirer and the PAC to enter into the transactions contemplated in the Share Purchase Agreement is to create one of the largest movie exhibition chains in India and to effectively utilise the synergy potential and cost benefits that accrue from the larger scale of operations of the combined network thereby creating value for all the stakeholders.
7. The Acquirer proposes to continue and expand the existing business of the Target Company.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer in the Target Company and the details of its acquisitions are as follows:

Details	Acquirer		PAC	
	No.	%	No.	%
Shareholding as of the date of the PA	Nil	Nil	Nil	Nil
Equity Shares acquired between the date of the PA and the date of this DPS	Nil	Nil	Nil	Nil
Post Offer shareholding (On diluted basis, as on 10th working day after close of the tendering period)*	2,66,74,816**	95.27**	Nil	Nil

***As of the date of this DPS, the Acquirer, the PAC and their directors do not hold any Equity Shares.**

****** *The Acquirer will acquire: (i) 1,93,94,816 Equity Shares representing 69.27% of the Voting Share Capital from the Sellers under the Share Purchase Agreement; and (ii) 72,80,000 Equity Shares representing 26% of the Voting Share Capital in this Offer (assuming full acceptance).*

IV. OFFER PRICE

1. The Equity Shares are listed on BSE and NSE.
2. The trading turnover of the Equity Shares for BSE and NSE from October 18, 2012 (i.e., date of commencement of trading of the Equity Shares on BSE and NSE) to October 31, 2012 (i.e., last day of the preceding month in which the PA is made) are set forth below:

Stock Exchange	Number of Equity Shares traded	Total number of listed Equity Shares	Trading turnover (as a percentage of total listed Equity Shares)
BSE	4,78,264	2,80,00,000	1.71%
NSE	10,95,010	2,80,00,000	3.91%

(*Source for BSE and NSE trading information: www.bseindia.com and www.nseindia.com*)

Therefore, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are not frequently traded on BSE and NSE.

3. The Offer Price of ₹ 203.65 (Rupees two hundred three and paise sixty five only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, in view of the following:

	Parameters prescribed under the SEBI (SAST) Regulations for the determining the offer price in case of direct acquisitions, where the equity shares of the target company are not frequently traded.	
(a)	Highest negotiated price per Equity Share under the Share Purchase Agreement.	₹ 203.65*
(b)	Volume-weighted average price paid by the Acquirer or by any person acting in concert with him, during the 52 weeks immediately preceding the date of the PA.	Not applicable
(c)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the 26 weeks immediately preceding the date of the PA.	Not applicable
(d)	Volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period.	Not applicable as the Equity Shares are not frequently traded**
(e)	The price determined by taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.	₹ 164.74***

** The price payable to the Sellers under the Share Purchase Agreement includes consideration for the non-compete and non-solicitation obligations of the Sellers.*

*** The Target Company received the approval from BSE and NSE for commencement of trading of the Equity Shares with effect from October 18, 2012. Therefore, considering the trading volume of 9 trading days in the month preceding the month of the PA, i.e., October 2012, the Equity Share are not frequently traded. Further, as of the date immediately preceding the date of the PA, the Equity shares have traded for only 27 days. Accordingly, for purposes of determining the Offer Price, this parameter is not applicable. However, for the purpose of disclosure, the volume-weighted average market price of the Equity Shares for a period of 27 trading days immediately preceding the date of the PA as traded on NSE, i.e., the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, is ₹131.28.*

**** An extract of the report by SSPA & Co. (Chartered Accountants) dated November 28, 2012 is reproduced below:*

"*For the purposes of our valuation we have adopted the following approaches, viz,*

(a) the "Underlying Asset" approach;

(b) the "Income" approach.

The shares of the Company have been listed on the BSE Limited and the National Stock Exchange of India Limited from October 18, 2012. Since, the trading history of shares of the Company is not much, we have thought fit not to use the 'market price' approach.

Considering the fact that the valuation is carried out on a "going concern" basis, we have considered it appropriate to give a higher weightage of 80% to the value determined under the "income" approach as compared to the weightage of 20% to the value determined under the "underlying asset" approach, to arrive at the fair value of shares of the Company.

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, the fair value per share of CIL comes to ₹ 164.74."

Therefore, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, the Offer Price of ₹ 203.65 (Rupees two hundred three and paise sixty five only) per Equity Share is justified.

4. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (*Source: BSE and NSE websites*).
5. There has been no revision in the Offer Price or to the Offer Size as of the date of this DPS.
6. In the event of acquisition of the Equity Shares by the Acquirer and / or the PAC during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and / or the PAC shall not acquire any Equity Shares after the 3rd working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 3 working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC shall (i) make further deposits into the Offer Escrow Account (as defined in Part V paragraph 4 below) ; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform BSE, NSE, SEBI and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

1. The total funding requirement for this Offer is ₹ 1,48,25,72,000, assuming full acceptance of this Offer ("**Maximum Consideration**").
2. The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer and the Acquirer is able to implement this Offer.
3. M/s Narender Singh & Co. (Chartered Accountants) has by its certificate dated November 29, 2012 certified that based on the facility agreement dated November 27, 2012 for loan facilities made available by certain domestic lenders to the Acquirer., it has firm financial arrangements to the extent of ₹ 150 crore, which is adequate to meet the financial requirements of this Offer.
4. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and Axis Bank Limited having its registered office at Axis Bank Limited, "TRISHUL", Third Floor, Opp. Samartheshwar Temple, near Law Garden, Ellisbridge, Ahmedabad – 380 006 and acting through its branch at Universal Insurance Bldg. Ground Floor, Sir. P. M. Road, Fort, Mumbai 400001, Maharashtra, India ("**Escrow Bank**") have entered into an escrow agreement on November 29, 2012,("**Offer Escrow Agreement**"). Pursuant to the Offer Escrow Agreement, the Acquirer has established an escrow account under the name and title of "*Cinemax India Limited – Open Offer Escrow Account*" ("**Offer Escrow Account**") with the Escrow Bank and has made a cash deposit of ₹ 37,06,50,000 in the Offer Escrow Account which is equal to at least 25% of the Maximum Consideration. The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the Offer Escrow Account in terms of the SEBI (SAST) Regulations.
5. Based on the above, the Manager to the Offer is satisfied that firm financial arrangements for funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirer under this Offer.

VI. STATUTORY AND OTHER APPROVALS

1. Approval of the shareholders of the PAC under Section 372A of the Companies Act, 1956, is necessary for effecting the Share Purchase Agreement and the underlying transaction contemplated therein. Apart from the above mentioned corporate approval, as of the date of this DPS, the Acquirer and the PAC are not aware of any statutory approvals required by the Acquirer and / or the PAC to complete this Offer or for effecting the transactions contemplated under the Share Purchase Agreement. However, in case of any statutory approvals being required by the Acquirer and / or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and / or the PAC shall make the necessary applications for such approvals.
2. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer.
3. In case of delay in receipt of any statutory approvals which may be required by the Acquirer and / or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and / or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the public shareholders of the Target Company for delay beyond 10 working days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer has the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.
4. The Acquirer and the PAC will have the right to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused or for the reasons specified in Part I paragraph E(5) above. In the event of withdrawal of this Offer, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to BSE, NSE, SEBI and the Target Company at its registered office.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Nature of the Activity	Day and Date
Issue of PA	Thursday, November 29, 2012
Publication of this DPS in newspapers	Wednesday, December 5, 2012
Filing of the draft Letter of Offer with SEBI	Wednesday, December 12, 2012
Last date for public announcement for competing offer(s)	Thursday, December 27, 2012
Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Thursday, January 3, 2013
Identified Date*	Monday, January 7, 2013
Last date for dispatch of the Letter of Offer to the public shareholders of the Target Company	Monday, January 14, 2013
Last date for upward revision of the Offer Price and / or the Offer Size	Tuesday, January 15, 2013
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the public shareholders of the Target Company for this Offer	Thursday, January 17, 2013
Publication of advertisement containing announcement of the schedule of activities of this Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances, in the newspapers where this DPS was published and notification to SEBI, BSE, NSE and the Target Company at its registered office	Friday, January 18, 2013
Commencement of tendering period	Monday, January 21, 2013
Closure of tendering period	Monday, February 4, 2013
Last date of payment of consideration to the public shareholders of the Target Company whose Equity Shares have been accepted in this Offer	Monday, February 18, 2013
Last date for issue of post-offer advertisement	Monday, February 25, 2013

(*) *Date falling on the 10th working day prior to the commencement of the tendering period, for the purposes of determining the public shareholders of the Target Company to whom the Letter of Offer shall be sent.*

VIII. PROCEDURE OF TENDERING THE EQUITY SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

1. All public shareholders holding the Equity Shares, whether in dematerialized or physical form, registered or unregistered, are entitled to participate in this Offer, any time during the tendering period of this Offer.
2. Persons who have acquired the Equity Shares 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 not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details set out below and in the Letter of Offer. In the alternate, such holders of the Equity Shares may apply in the form of acceptance-cum-acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (http://www.sebi.gov.in/) and Sharepro Services India Private Limited ("**Registrar to the Offer**"). The application is to be sent to the Registrar to the Offer at any of the collection centers that shall be mentioned in the Letter of Offer, so as to reach the Registrar to the Offer during business hours on or before 5:00 pm on the date of closure of the tendering period of this Offer, together with:
   (a) In the case of the Equity Shares held in physical form, the name, address, number of the Equity Shares held, number of the Equity Shares offered, distinctive numbers and folio number together with the original Equity Share certificate(s) and valid transfer deed(s), 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 in the Letter of Offer; or
   (b) In the case of the Equity Shares held in dematerialized form, the depository participant ("**DP**") name, DP ID, account number together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares to the special depository account ("**Escrow Demat Account**"), as per the details given below:

Depository Participant Name	Enam Securities Direct Private Limited
DP ID	**12049200**
Client ID	**00147581**
Account Name	Cinemax India Limited – Open Offer Escrow Demat Account
Depository	Central Depository Services (India) Limited (CDSL)

Note: Shareholders having their beneficiary account with National Securities Depository Limited (NDSL) must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.

IX. DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER

X. OTHER INFORMATION

1. The Acquirer and the PAC including their directors accept full responsibility for the obligations of the Acquirer and the PAC as laid down in terms of the SEBI (SAST) Regulations and for the information contained in this DPS. All information pertaining to the Target Company has been obtained from publicly available sources.
2. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed Enam Securities Private Limited as the Manager to the Offer.
3. Sharepro Services India Private Limited has been appointed as the Registrar to the Offer, whose details are set out below:

   Name: Sharepro Services India Private Limited
   Address: 13AB Samhita Warehousing Complex
   Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,
   Sakinaka, Andheri (East), Mumbai – 400 072
   Contact Person: Mr. Prakash Khare / Mr. Anand Moolya
   Telephone: +91 22 6191 5400 / 402 / 418
   Email: offer@shareproservices.com
   SEBI Registration Number: INR000001476
4. This DPS and the PA will also be available on the SEBI website (http://www.sebi.gov.in/).
5. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and / or regrouping.
6. In this DPS, all references to "₹" are references to the Indian Rupee.
7. Legal Advisor to the Acquirer and the PAC

   Amarchand & Mangaldas & Suresh A. Shroff & Co.
   Amarchand Towers, 216, Okhla Industrial Estate, Phase-III, New Delhi-110020

Issued by the Manager to the Offer

For and on behalf of:

Cine Hospitality Private Limited (as the Acquirer) and PVR Limited (as the PAC)

Enam Securities Private Limited*
Axis House, 1st Floor, C-2, Wadia International Centre,
P.B. Marg, Worli, Mumbai 400 025, India
Telephone: +91 22 4325 3150;
Email: cinemax.offer@axiscap.in
Contact person: Mr. Vivek Toshniwal

****The merchant banking business of Enam Securities Private Limited has vested with Axis Capital Limited, which is in the process of completing the formalities of SEBI registration.***

Place : Mumbai
Date : December 04, 2012

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