

Recommendations of the Committee of Independent Directors ("IDC") on the open offer to the shareholders of Cinemax India Limited ("Target Company") under Regulation 26(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

1.	Date	21 st January 2013
2.	Name of the Target Company	Cinemax India Limited
3.	Details of the Offer pertaining to the Target Company	Open offer for acquisition of up to 72,80,000 fully paid-up equity shares of face value of Rs. 5 each, representing 26% of the fully diluted voting equity share capital of Cinemax India Limited, 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"), under Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
4.	Name(s) of the acquirer and PAC with the acquirer	Cine Hospitality Private Limited (Acquirer) PVR Limited (Person acting in concert with the Acquirer)
5.	Name of the Manager to the Issue	Axis Capital Limited* Axis House, 1st Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025, India <i>*The merchant banking business of Enam Securities Private Limited has vested with Axis Capital Limited which has been given SEBI registration under the SEBI (Merchant Bankers) Regulations, 1992, as amended, in lieu of the earlier registration.</i>
6.	Members of the Committee of the Independent Directors	Mr. Vikram Bakshi Mr. Sanjay Khanna
7.	IDC Member's relationship with the Target Company (Director, Equity Shares owned, any other contract/ relationship), if any	IDC members are Independent Directors of the Company and do not hold any equity shares in the Target Company.

8.	Trading in the Equity Shares/ other securities of the Target Company by IDC Members	None of the members of the committee has traded in any of the equity shares/ other securities of the Target Company after the date of Public Announcement made in respect of this offer.
9.	IDC Member's relationship with the acquirer (Director, Equity Shares owned, any other contract/ relationship), if any.	There is no relationship between the members of the committee and the Acquirer.
10.	Trading in the Equity Shares / other securities of the acquirer by the IDC Members	None of the members of the committee has traded in any of the equity shares/ other securities of the Acquirer or the PAC after the date of Public Announcement made in respect of this offer.
11.	Recommendations on the Open Offer, as to whether the offer is fair and reasonable	Based on the review of the detailed public statement issued by the Manager to the Open Offer on behalf of the Acquirer and the PAC, the committee is of the opinion that the offer price is fair and reasonable and in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
12.	Summary of reasons for recommendation	The proposed substantial acquisition of equity shares and consequent change in control of the Target Company by the Acquirer along with the PAC would help the Target Company to cater to a larger customer base and scale up the operations as well as geographic reach. Further, the expertise and management potential of the Acquirer and the PAC would certainly go a long way in ensuring the increased profitability of the Target Company. The Target Company would stand to benefit from the existing business activities of the Acquirer and the PAC by effectively utilising 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. In view of the past and prevailing market price and other relevant factors, the offer price of Rs. 203.65 /- per share can be considered as fair and reasonable.
13.	Details of Independent Advisors, if any	N.A.
14.	Any other matter(s) to be highlighted	Nil

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the SEBI (SAST) Regulations.

For Cinemax India Limited



Vikram Bakshi

Chairman of the Committee of Independent Directors

Place: Delhi

Date: 21st January, 2013