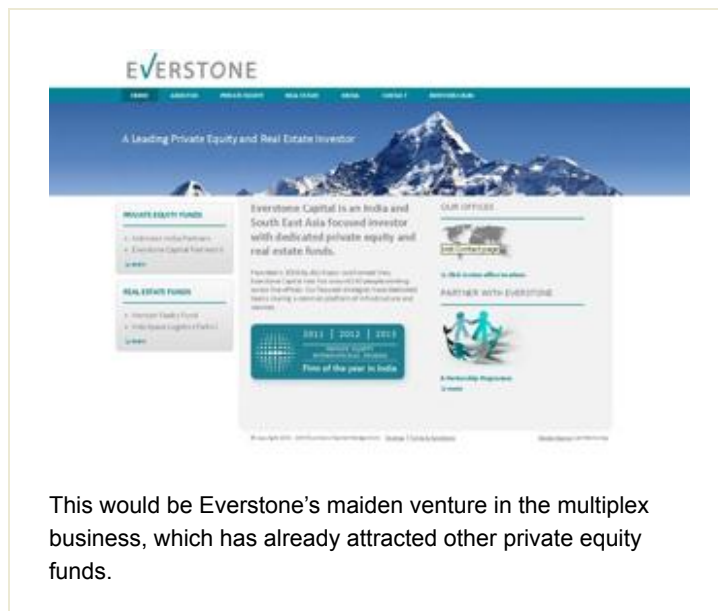


Everstone in talks with Shravan Shroff for Cinemasia venture

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This would be Everstone's maiden venture in the multiplex business, which has already attracted other private equity funds.

Mumbai: Private equity fund Everstone Capital may team up with two individuals with experience in the entertainment industry to start a venture called Cinemasia, three people familiar with the development said.

Everstone is in talks with **Shravan Shroff**, the former promoter and managing director of multiplex operator **Fame India Ltd**, and **Pramod Arora**, who recently quit **PVR Ltd** as group president, the people said on condition of anonymity.

"The business plan is in the drawing board stage and all three parties wanted to do something similar in the media and entertainment space," one of the people said. "The venture will not only look at acquiring multiplex assets in India but across Asia. It will focus mainly in the media and entertainment segment which includes digital, multiplexes, distribution and production aspects of the business."

Cinemasia will be competing with PVR and **Inox Leisure Ltd** in the multiplex business; it may also enter the digital space by distributing

content.

"The venture will have an initial corpus of `1,000 crore and all three will hold equity stakes in the business. Everstone will hold majority stake in the company followed by Shroff and Arora," said the second person.

Shroff sold his multiplex business Fame India to **Inox**, which completed the acquisition in January 2011 after acquiring a 43.3% stake in February 2010 for `66.48 crore.

Shroff currently runs angel-backed start-up accelerator **VentureNursery** with **Ravi Kiran** and is the managing partner of specialist investment group South Yarra Holdings.

After quitting his job at PVR on 1 September, Arora has been looking at launching his own venture.

"He has a few offers where private equity funds have offered to back his business plan. Cinemasia is one of the plans that he is working on, but he will take a final call only after a month's time," the first person added.

Everstone declined to comment.

This would be Everstone's maiden venture in the multiplex business, which has already attracted other private equity funds. **Renuka Ramnath**-promoted Multiples Alternate Asset Management Pvt Ltd and L Capital Asia, the third party private equity fund of LVMH Group, backed PVR Ltd to acquire **Cinemax India Ltd** in November 2012. Before selling off Fame, Shroff also raised capital from India Value Fund and Singapore's sovereign wealth fund Temasek Holdings (Private) Ltd.

Multiplex operators in India are seeking consolidation, partly to raise their bargaining power with film producers and distributors, and to gain a bigger share of box office receipts in India's `9,200 crore movie industry.

This year, Inox Leisure acquired Delhi-based **Satyam Cineplexes Ltd** for nearly `240 crore, paying `182 crore in cash and taking over its debt; and **Housing Development and Infrastructure Ltd** sold its multiplex business Broadway Cinemas to Carnival Cinemas for an undisclosed amount.

“The industry is in a growth phase and the listed players in the segment have already announced their intention to consolidate. Apart from the big players, new players and regional players are also looking to increase their presence as India is a huge market in multiplex business,” said **Vipul Shah**, director at RippleWave, an investment bank.