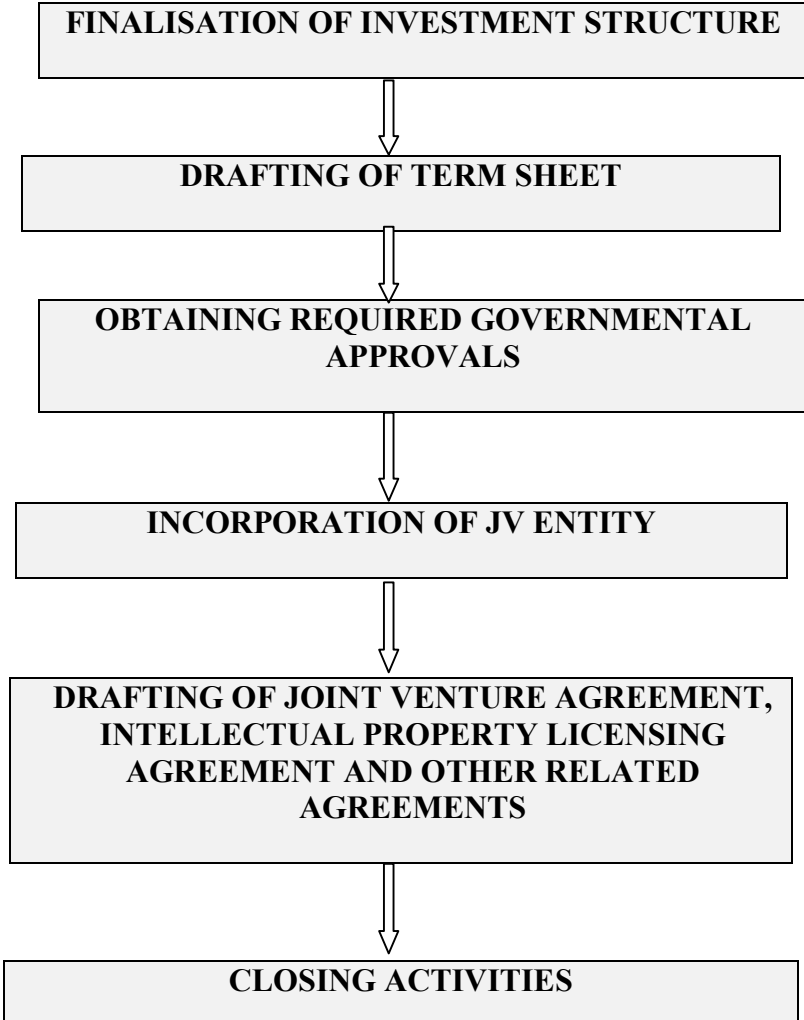


JOINT VENTURES AND TECHNICAL COLLABORATIONS

A joint venture is an arrangement where two or more parties collaborate their resources for a specific project. A joint venture is a business alliance between two or more entities wherein resources are mutually combined to achieve desired goals.

STEPS INVOLVED

We seek to add value to our clients and the projects at all stages - leading from planning to the initiation and culminating in the execution of the deal.



OUR SERVICES TO CLIENTS

Our firm has advised many domestic and international companies in forming joint ventures and technical and other collaborations in India. We assist companies in negotiating with their joint venture partner, conducting due diligence and drafting transaction documents. We also provide comprehensive advice to international companies pertaining to the regulatory framework governing their investment into India..

KEY SERVICES OFFERED UNDER THIS PRACTICE

A. STRUCTURING OF JOINT VENTURE

We assist our clients in deciding the nature of the legal entity to be incorporated for establishing a joint venture in India. Foreign entities contemplating to set up their business operations in India can start their business in any of the following manner:

- (a) By way of incorporating a company in India which may either be a joint venture with an existing Indian entity or by way of incorporating a wholly owned subsidiary of a foreign entity. Such company may either be a private company or a public company or a limited liability partnership;

OR

- (b) By way of entering into co-operation agreements or strategic alliances.

B. DRAFTING OF TERM SHEET

A Term Sheet (“TS”), as the name implies, covers the key terms of the investment. The important terms covered in the TS are the transaction structure, equity contribution of the JV Partners, roles and obligations of each of the JV Partners, board memberships etc.,. Once there is an agreement on all the terms, a non-binding Term Sheet is signed between the company and the investors.

C. REGULATORY APPROVALS

The importance of regulatory assessment plays a key role whilst structuring any transaction. We assist our clients in drafting, making applications, representing clients and liaising the approvals process with several regulatory authorities in India, including the Foreign Investment Promotion Board (FIPB) and Reserve Bank of India (RBI).

Foreign entities intending to set up their business operations in India are required to comply with India’s foreign exchange regulations, which govern



foreign direct investment in India. These regulations lay down the thresholds upto which foreign investment is permitted in various sectors. They may be categorized in the following manner:

- (a) Prohibited Sectors i.e. the industries where foreign direct investment is completely prohibited.
- (b) Sectors under Automatic Route i.e. areas where foreign investment is permitted into an Indian Company without prior approval of the Government.
- (c) Sectors under Approval Route i.e. areas where FDI is allowed only with the prior approval of the Central Government.
- (d) Sectors with partial automatic route and partial government route i.e. where foreign investment upto a certain percentage is allowed under the automatic route and the approval of the Government is required for investment beyond such prescribed percentage.

We provide valuable support, guidance and assistance right from the stage of drafting, filing and regular follow up till the time our clients have obtained the requisite approvals.

D. INCORPORATION OF JV ENTITY

We assist our clients in incorporation of the appropriate joint venture entity including obtaining all corporate approvals involved therein.

E. DRAFTING OF DEFINITIVE AGREEMENTS

Drafting, negotiating and reviewing transaction agreements, including joint venture agreement, shareholder agreements, etc, covering the inter-se rights between the joint venture parties and assisting in negotiation and finalisation of the agreements. Providing advice relating to licensing or assigning intellectual property to the JV company, if any, including appropriate documentation.

F. CLOSING

- (a) Advice and assistance with condition precedent and closing formalities.
- (b) Furnishing opinions on crucial issues.
