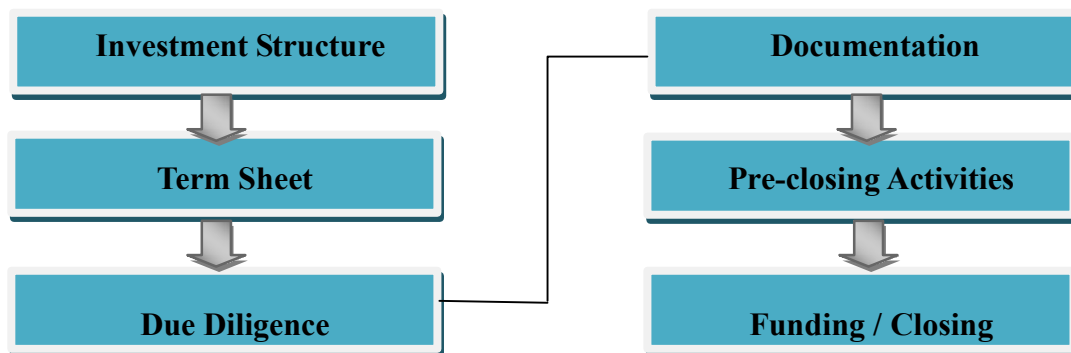


**CORPORATE TRANSACTION ADVISORY SERVICES**

Most growing businesses have to inevitably consider fund raising from investors. These transactions are often complex and require careful consideration. Once company has decided to explore the capital funding route, generally the Company has to go through the following process to raise funds. In India, the typical capital fund raising process involves the following steps:

**Components & Process**



**Signing the Term Sheet** - A Term Sheet (“TS”), as the name implies, covers the key terms of the investment. Two of the most important terms in the TS are the valuation of the company (price) and the transaction structure. There are a number of other important terms related to investor’s exit, board memberships etc., which are also covered in the Term Sheet. Once there is an agreement on all the terms, a non-binding Term Sheet is signed between the company and the investors.

**Due Diligence by the Investors** – After the Term Sheet, Investors conduct a due diligence process on the company. Generally investor’s due diligence process focuses on the following aspects of the company and its expansion plans:

- a. Leal & Financial
- b. Business
- c. Technological

**Signing the Shareholder agreements and Funds Transfer** – Once the investors are satisfied with the outcome of the due diligence process, a Shareholder’s Agreement (“SHA”) is generated. SHA covers all the terms of the Term Sheet and, in addition, it has a number of other important terms and conditions regarding dispute resolution, non-compete, lock-in, share transfer process etc. Generally lawyers from the company’s side and the investor’s side also get involved in this process. Once there is an agreement, all the shareholders of the company and the investors sign the SHA and investor transfers funds to the company.

## OUR SERVICES TO THE TARGET COMPANIES

Under this service, Samisti Legal gears up the Companies and makes them ready for attracting the investments. Our services help clients to maximize value throughout the transaction process. We apply the same framework of our investor services and enable sellers to identify and address potential areas of concern from an Investor perspective prior to the acquirer's due diligence process. We evaluate quality of the Company (**from legal angle**) from the Investor side due diligence process and minimize surprises at the negotiating table. In nutshell, we handhold the Company from structuring to Term Sheet stage and then from Definitive Agreements to Closing stage of the Transaction.

## KEY SERVICES OFFERED UNDER THIS PRACTICE

### A. Services Offered at Phase -1:

- Advise on a suitable structure for attracting the Investment.
- Advise on legal and regulatory implications concerning the Investment.
- Conduct of Legal Due Diligence & submission of Report. Legal Due Diligence will broadly include the following heads:
  - Corporate and Secretarial.
  - Approvals and Licenses.
  - Litigation.
  - Environmental.
  - Government regulation/compliance.
  - Material contracts.
  - HR and Industrial law compliance.
  - Intellectual Property Rights
- Advising on the action plan for the findings in the diligence process.
- Apprising the management on the general requirements of the Investor and the status of the Company on those requirements as on date.
- Advising on the gaps in the material contracts of the Company and action plan for fixing them.
- Creation of Data Room which will help the Company in the Investors diligence process.

### B. Services Offered at Phase -2:

- Drafting, negotiating and reviewing documentation (including share subscription agreement, share purchase agreement, shareholders agreement, employment agreement etc.) related to the investment, including structuring of and negotiating promoters and Companies rights.

- Advice and assistance with condition precedent and closing formalities.
- Furnishing opinions on crucial issues.
- Obtaining regulatory approval such FIPB, DIPP, RBI, etc., as and when required.

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