



news flash

April 2015



EXIT TO NON RESIDENT INVESTORS AT PRE AGREED PRICING? – RBI SAYS NO!

We refer to our newsflash dated 6 February, 2015 wherein we had stated that according to the news reports the Reserve Bank of India (“**RBI**”) has permitted Tata Sons Limited (“**Tata Sons**”) to buy NTT Docomo INC’s in their joint venture company, namely Tata Teleservices Limited at the price which was pre – agreed between the parties even though the price was higher than the price computed as per RBI’s pricing guidelines.

According to latest new reports, this proposal has in fact been rejected by the RBI. Please refer our previous newsflash on this issue wherein we have discussed the circular in greater detail.

In a perplexing turn of events, according to latest round of news reports it appears that the GMR Group has also made an application to the RBI on the lines of Tata Sons’ application seeking exit for its investors at a pre agreed price despite the outcome of the proposal submitted by Tata Sons. While, it seems highly unlikely that the RBI will grant such an approval to GMR Group the market will surely be looking forward to the outcome of the purported application made by the GMR Group.

DISCLAIMER

This newsflash has been prepared based on information available in public domain and articles available in print and electronic media. This news flash has been written for the general interest of our clients and professional colleagues and is subject to change. This news flash is not to be construed as any form of solicitation. It is not intended to be exhaustive or a substitute for legal advice. We cannot assume legal liability for any errors or omissions. Specific advice must be sought before taking any action pursuant to this news flash.

For further clarification and details on the above, you may write to the Exchange Control team comprising of among others Mr. Aliff Fazelbhoy (Senior Partner) at afazelbhoy@almtlegal.com, Mr. Vaishakh Kapadia (Partner) at vkapadia@almtlegal.com, and Ms. Purti Minawala (Associate) at pminawala@almtlegal.com

ALMT Offices

Mumbai:

4th Floor, Express Towers
Nariman Point
Mumbai 400-021
India
Tel: +91 22 4001 0000
Email: mumbai@almtlegal.com

Bangalore:

2 Lavelle Road
1st Floor
Bangalore 560 001
India
Tel: +91 80 4016 0000
Email: bangalore@almtlegal.com