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Subject: INDIA - M&A UPDATE

Attachments: India - Cross-border M&A Update [Majmudar & Partners] June 15, 2016.pdf

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INDIA - CROSS-BORDER M&A UPDATE

M&A transactions often include escrow and indemnification provisions.

Recently, the Reserve Bank of India (the "RBI") has amended the exchange control regulations and has permitted parties to defer the payment of a certain portion of the consideration. Further, the RBI has allowed parties to open escrow accounts (to deposit the deferred consideration) in case of transfer of shares of an Indian company from a non-resident seller to an Indian resident acquirer and vice versa.

The RBI has also imposed certain approval requirements on indemnity obligations.

This update discusses these recent changes and whether they make sense.

About Majmudar & Partners

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