

Education Sector

STATEMENT OF CAPABILITY

2011

Nishith Desai Associates

Legal & Tax Counseling Worldwide

Mumbai • Silicon Valley • Bangalore • Singapore • Basel • New Delhi

Nishith Desai Associates (NDA) is a research based international law firm with offices in Mumbai, Bangalore, Silicon Valley, Singapore, Basel and New Delhi. We specialize in strategic legal, regulatory and tax advice coupled with industry expertise in an integrated manner. We focus on niche areas in which we provide significant value and are invariably involved in select highly complex, innovative transactions. Our key clients include marquee repeat Fortune 500 clientele, of which over 60 per cent are US corporations.

Core practice areas include International Tax, International Tax Litigation, Litigation & Dispute Resolution, Fund Formation, Fund Investments, Capital Markets, Employment and HR, Intellectual Property, Corporate & Securities Law, Competition Law, Mergers & Acquisitions, JVs & Restructuring, General Commercial Law and Succession and Estate Planning. Our specialized industry niches include financial services, IT and telecom, education, pharma and life sciences, media and entertainment, real estate and infrastructure.

Our Tax, Investment Funds and Technology-Media-Telecom (TMT) practices have been consistently ranked in tier 1 by Legal 500, while Chambers & Partners have ranked us # 1 for Tax, TMT and Real Estate - FDI. We've received honorable mentions in Asian - Counsel Magazine for Alternative Investment Funds, International Arbitration, Real Estate and Taxation for the year 2010. We have been adjudged the winner of the Indian Law Firm of the Year 2010 for TMT by IFLR. We have won the prestigious "Asian-Counsel's Social Responsible Deals of the Year 2009" by Pacific Business Press, in addition to being Asian-Counsel Firm of the Year 2009 for the practice areas of Private Equity and Taxation in India. Indian Business Law Journal listed our Tax, PE & VC and Technology-Media-Telecom (TMT) practices in the India Law Firm Awards 2009 as also Legal 500 (Asia-Pacific) that has ranked us #1 in these practices for 2009-2010. We have been ranked the highest for 'Quality' in the Financial Times – RSG Consulting ranking of Indian law firms in 2009. The Tax Directors Handbook, 2009 lauded us for our constant and innovative out-of-the-box ideas. Other past recognitions include being named the Indian Law Firm of the Year 2000 and Asian Law Firm of the Year (Pro Bono) 2001 by the International Financial Law Review, a Euromoney publication. In an Asia survey by International Tax Review (September 2003), we were voted as a top-ranking law firm and recognized for our cross-border structuring work.

Our research oriented approach has also led to the team members being recognized and felicitated for thought leadership. Consecutively for the fifth year in 2010, NDAites have won the global competition for dissertations at the International Bar Association. Nishith Desai, Founder of Nishith Desai Associates, has been voted 'External Counsel of the Year 2009' by Asian-Counsel and Pacific Business Press and the 'Most in Demand Practitioners' by Chambers Asia 2009. He has also been ranked No. 28 in a global Top 50 "Gold List" by Tax Business, a UK-based journal for the international tax community. Nishith Desai is listed in the Lex Witness 'Hall of fame: Top 50' individuals who have helped shape the legal landscape of modern India.

Our Education Sector Practice Expertise

Education is an integral to humanity's progress and development. Globalization and the growth of international commerce coupled with the need for development has given rise to an unprecedented need for suitably educated human resources. This is of special relevance to a rapidly globalizing India. Add to that, the shortage of quality education providers and the huge population in India in need of education has, in the recent past, resulted in the education sector becoming an important investment destination for foreign investors. We, at Nishith Desai Associates ("NDA") have developed expertise and carved a niche in this area through comprehensive research, in-depth understanding and monitoring of the sector.

The Education Sector Practice of NDA is a unique blend of proficiency arising from deep understanding of the domestic laws with vast international cross-border experience. We are geared to advise clients on all facets of investments in the education sector including on investment strategies, tax and corporate structures, investment documentation, compliances, IP licensing and strategy, franchising and exits. NDA strives to provide its clients with creative and pragmatic solutions and effective strategies.

We are a research based organization and our focus on the sector has given us an in-depth knowledge of the various issues that may arise while investing in the sector. This has enabled us in creating pioneering structures for investment and operations from both regulatory and tax perspectives, including the extraction of returns. 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 range of services, *inter alia*, includes:

- Devising unique and commercially viable investment strategies for the entry of foreign investors in the sector
- Creating and implementing innovative and effective structures for investments including the use of intermediary jurisdictions
- Incorporation of the appropriate entities including all compliances involved therein
- Conducting a legal and corporate due diligence exercise on any existing entities including proposed partners or investee companies
- Drafting the investment documentation including shareholders' and share subscription/purchase agreements
- Drafting the constitution documents for any trusts, societies or Section 25 companies that maybe set up
- Assisting in counterparty negotiations or providing advice for negotiations as preferred
- Providing advise relating to licensing or assigning intellectual property, including appropriate documentation and tax structures for the extraction of IP income
- Advising on exits

Some of our accolades are:

- Nishith Desai has been voted 'External Counsel of the Year 2009' by Asian Counsel and Pacific Business Press
- Nishith Desai the 'Most In Demand Practitioners' by Chambers Asia 2009
- Nishith Desai has been ranked No. 28 in a global Top 50 "Gold List" by Tax Business, a UK-based journal for the international tax community.

Deal Experience

Involvement with the National Knowledge Commission

The National Knowledge Commission is a high-level advisory body to the Prime Minister of India, with the objective of establishing a platform to support the education system in the country. Nishith Desai, our Founder and Managing Partner, has been involved as an active member of the Working Group. He has been involved in recommending

changes to address the challenges relating to curriculum, teaching, infrastructure, administration and access to legal education in India.

Involvement in America India Foundation

America India Foundation is a not for profit American development organization that is devoted to accelerating social and economic change in India formed under the presidential leadership of Bill Clinton and Mr. Nishith Desai is a trustee (India) in the organization.

Assistance to Illinois Institute of Technology

We assisted the Illinois Institute of Technology in setting up a technology institute in India and developing the entry strategy for the same.

Assistance to Global Heritage Fund

We assisted the Global Heritage Fund in proving legal and tax foundation for development and setting up of the international research center and educational museum called The Indus Heritage Centre, in collaboration with Maharaja Sayajirao University of Baroda. This institute is primarily focuses on Indology studies i.e. studies of the Indus Civilization and continuing through the legacy of these cities in later periods and modern India.

Assistance to a Venture Capital Fund

We have advised a domestic venture capital fund in relation to their proposal to invest into educational trusts and societies. In this matter, we assisted in analyzing the nature of these domestic entities as well as the nature of the regulations governing the establishment and administration of colleges and universities in India. We counseled them on the regulations governing universities, deemed universities, colleges, autonomous colleges and minority institutions. We also completed a legal diligence on the target group and the multiple entities covered thereunder. Transaction structuring assistance on the tax and regulatory aspects of the investment was also provided by the firm.

Assistance to a Foreign Investor

We assisted a foreign investor in structuring with respect to their proposal to invest into a company which is providing services in relation to the education sector. In this transaction, we counseled them on the structuring, tax and regulatory aspects of the investment into the target company, apart from analyzing the regulations governing the setting up of and administration of schools.

Assistance in Private Equity Investment

We have assisted a prominent private equity investor in structuring its investment into an educational institution. In this transaction, we had the opportunity to review different models adopted for the management of education institutions, like trusts, societies and charitable companies, from the viewpoint of inducing private equity investment into them. We have also advised on the tax aspects of this transaction. We have also assisted one of the management and technology institutes ("Group") in the city of Mumbai, having presence in other States of India, in the matter of the proposed private equity investments that the Group is to receive. The Group includes several entities which have been organized as a charitable trust, a society or as a company as per the Indian laws. Our scope of services prominently featured the proposed corporate re-structuring of the entire group to make it investment-ready, as well as the tax structuring of the proposed investments so as to ensure that the same are commercially and

legally viable as a whole. We also assisted in the due diligence on the Group and the subsequent deal documentation process. The matter has currently been kept on hold in the background of the global economic downturn.

Assistance in setting up of a School

We have assisted a subsidiary of a public company, Mukta Arts, in setting up a performing arts school, Whistling Woods, in Mumbai, India. This school has been set up to offer training in the fields of acting, directing and various other media arts. Our firm was involved in providing directional perspective for setting up the school, strategy for raising funds from the U.S. investors and the structuring of the transaction from a US perspective.

Assistance to EuroKids International Limited

We have assisted EuroKids, specialists in the pre-school education sector in India and overseas and in the business of publishing and distribution of children books, with respect to their franchise operations across India and overseas. Our firm has advised them with respect to setting up of primary, secondary and higher secondary schools and has provided them assistance in the setting up and acquiring of trusts for the purpose of running these schools. A legal diligence was also undertaken by the firm on the trust that was acquired.

Further, we assisted EuroKids in receiving an investment of INR 390 million from Educomp Services Limited, a globally diversified education solution provider. The transaction involved extensive negotiations between both parties. As a result of this investment, both companies are strategically working together towards further expansion of EuroKids' presence globally in pre-school education.

We have also provided, and continue to provide, advice to them on a number of litigations, arbitrations and tax related matters.

Contacts

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