

Deal Destination

December 08, 2009

TRANSFER RESTRICTIONS – WOULD THEY HOLD UP IN COURT

Negotiating a private equity investment in India, particularly the complex ones tend to raise doubts on enforceability. Ultimately, such doubts are cast aside when deal terms are recorded in writing in a formal agreement. But it doesn't end with having a written contract alone. However exhaustive it may be!

Many who are accustomed to such transactions may be aware of the next step to take to ensure enforceability – inserting such rights in the charter documents of the company. Such is the practice that is widely followed globally.

We don't mean to alarm you, but in the Indian context, certain rights (even if documented in water tight agreements and reflected in the company's charter documents) ultimately may not be enforceable.

Deal Destination thus starts a series on 'Enforceability of Shareholder Rights', which discusses hotly negotiated rights and protections granted to private equity investors and the enforceability of such rights under Indian law. We start off with 'Transfer Restrictions - Would They Hold Up in Court' which discusses the various restrictions on share transfers that are typically sought (lock-in conditions, tag alongs, ROFRs, etc.) and the degree of their enforceability in India.

To read more, please click on the link [here](#).

- **Akshay Bhargav, Archana Rajaram & Amrita Singh**

You may direct your comments to **Ramya Krishnan-Anil**

+91 900465 0363

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Life Sciences 2025

June 11, 2025

The Tour d'Horizon of Data Law Implications of Digital Twins

May 29, 2025

Global Capability Centers

May 27, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025