



ROSY BLUE

MORE THAN DIAMONDS

PRESS RELEASE Antwerp, April 6th 2016

ROSY BLUE DENIES INVOLVEMENT IN 'PANAMA PAPERS' COMPANIES

We refer to certain publications in the Indian press, regarding the so called Panama Papers, in which insinuations have been made regarding the involvement of the Rosy Blue Alliance of companies in creating off-shore structures for illegitimate purposes.

The conclusions made in these publications are untrue and misleading as the Rosy Blue Alliance has currently no shareholding, directorship or involvement in any of the mentioned structures.

We do not deny that during the mid-2000's, the Rosy Blue Alliance of companies was studying the possibility of becoming active in the mining activity. For that purpose, Rosy Blue FZE, which was an operating company based out of Dubai, had taken a minority participation in a company specialized in the exploration of such mining possibilities. This company was incorporated under the laws of BVI serving a fully legitimate business activity. However, this activity did not materialize and hence the company was liquidated.

As to the involvement of Mr. Harshad Mehta in the incorporation of companies in his personal name and capacity, we would like to refer to his personal statement herewith attached.

Mr. Harshad Mehta and his son Rihen Mehta are since 2014 no longer part of any Rosy Blue company and have created their separate line of business.

Mr. Amit Bhansali
Managing Director Rosy Blue NV

About Rosy Blue

Rosy Blue – De Beers Sightholders, clients of Alrosa and Dominion Diamond Corporation -- is one of the world's foremost diamantaires, with a long and distinguished history of excellence in the diamond industry and fulfilling exacting requirements of our customers around the globe. Rosy Blue is a global leader in the trading of rough diamonds, manufacturing and distribution of polished diamonds and jewellery, a signatory to the United Nations Global Compact, participant of the Global Compact LEAD, and a founding and certified member of the Responsible Jewellery Council Please visit www.rosyblue.com.

HARSHAD R. MEHTA

Date: April 6th, 2016

Dear Ms. Ritu Sarin,

I refer to your publication titled "*Rosy blue also in HSBC list: Diamond dealers are tax haven's best friends*" in the print and electronic editions of Indian Express on 6th April 2016.

You had sent me an email on 5th late afternoon (yesterday) seeking clarifications. There has never been any attempt from your side to contact me earlier by phone or any other method as claimed.

I understand that the information was available with you for several months during which time clarification could have been sought from me.

The article contains several conclusions which are untrue or misleading. Consequently, I would like clarify to you and for you to publish, as prominently as the reference article, my clarification as the article is extremely damaging to my personal and business interests.

You are no doubt aware that I have been a non-resident (under applicable provisions of FEMA and Indian IT Act) at the time when I, either incorporated, acquired or participated in these companies. These companies were operating companies and the structures are all according to globally accepted and followed corporate holding structures. The locations are typically chosen for ease of incorporation, established legal systems and succession clarity.

Being a non-resident based in the UAE, tax avoidance was not a requirement for me nor was it my intention to establish companies in "tax haven" jurisdictions such as the BVI for tax avoidance, as erroneously implied by you.

I have already passed on the operations baton to my son Rihen. In the mid-2000s, when Rihen became a non-resident Indian, shareholding of certain companies were transferred to Rihen and he was appointed a director in my stead. This was all a part of prudent succession planning and nothing out of place.

HARSHAD R. MEHTA

Rosy Blue FZE was an operating company based out of Dubai had participated in a company carrying out a legitimate business activity. I understand that it is for this reason that certain offshore entities were tagged to "client – rosy blue FZE". FYI: I also clarify that since 2014, I am no longer part of any of the Rosy Blue Companies.

Also I must stress that there is no participation or ownership by a resident Indian or Belgian in any of the referenced offshore entities.

You have also mentioned about certain internal communication concerning my brother Dilip. You are fully aware that Dilip was never investigated in India and there are no cases pending against him in any matter in India.

I am responding to only some of the key observations from the article and inference may not be taken that all other points carried in the article are accepted.

Regards,



Harshad R. Mehta