

LEX FAVIOS ADVOCATES & SOLICITORS

NBFC Practice



NBFC SECTOR

- Non-banking finance companies (NBFCs) have been gaining market share across major asset classes, despite increasing competition from banks, which have sharpened focus on retail loans.
- NBFCs play an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation.
- In November 2018, Bombay Stock Exchange (BSE) has enabled offering live status of applications filed by listed companies on its online portal and also introduced weekly futures and options contracts on Sensex 50 index from October 26, 2018. The Government of India is planning to launch a global exchange traded fund (ETF) in FY20 to raise long term investments from overseas pension funds.



NBFC SECTOR - HOUSING FINANCE COMPANIES

- Continued policy initiatives with focus on affordable housing, supportive demographics in terms of a growing working age population and urbanisation are all giving the housing industry a leg to stand on.
- A report by SBICAP Securities showed that the mortgage to GDP ratio, a widely used metrics to map mortgage penetration, reveals that the Indian mortgage market is still under-penetrated in comparison to global peers. The brokerage house expects the ratio to improve to 12 per cent by 2022 from 9.40 per cent in FY17. Not just that, the market share is seen to go up for these HFCs on the back of incrementally faster growth rates.



THE PRACTICE AT LEX FAVIOS

- Lex Favios and its team members also offers to provide advise and assistance with respect to:
 - Debt finance, including domestic and cross border syndicated lending (both secured and unsecured), asset sales and corporate financing and refinancing;
 - Securitization, Acquisition and Leveraged Finance;
 - Real Estate Finance, including housing finance companies in transactions relating to securitization of housing loans and the subsequent public offering of the securitized portfolio;
 - Debt Restructuring and Re-Financing;
 - Debt Capital Market transactions, including issues of rupee denominated bonds and debentures, foreign currency convertible bonds and other securities;
 - NBFCs in India on structuring and strategizing, including capitalization norms, registration requirements and various regulatory and operational issues including applicable laws and regulations.



LIST OF KEY CLIENTS IN BANKING SECTOR

- *Reliance Home Limited;*
- *Vaastu Housing Finance Ltd.*
- *CLIX Capital Ltd;*
- *Umeed Housing Finance Ltd.;*
- *HDFC Limited;*
- *State Bank of India;*
- *Aditya Birla Housing Finance.*



THE PRACTICE AT LEX FAVIOS

- Lex Favios and its team members have advised and assisted its clients in this sector with respect to regulatory and policy issues under applicable laws and regulations, such as:
 - KYC and Anti-money laundering;
 - ALM and Risk Management
 - Resource raising and capital planning
 - Securitisation and assignment;
 - Implementation of Ind AS;
 - Advise on all circulars and Directions, Prudential Norms, Circulars on Corporate Governance, Disclosures, Fair Practices etc. prescribed by NHB;
 - Advise on corporate governance and regulatory compliance;;
 - Guidance on Securitization and Direct Assignment Transactions from a regulatory perspective.



THE PRACTICE AT LEX FAVIOS

The Firm has been advising Non-Banking Financial Companies (NBFCs) in India on structuring and strategizing, including capitalization norms, registration requirements and various regulatory and operational issues including applicable laws and regulations;

We advise on the following Financial Products:

- Debt finance, including domestic and cross border syndicated lending (both secured and unsecured), asset sales and corporate financing and refinancing;
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- Securitization;
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- Acquisition and Leveraged Finance;
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- Real Estate Finance, including housing finance companies in transactions relating to securitization of housing loans and the subsequent public offering of the securitized portfolio;

THE TEAM AT LEX FAVIOS

- **The NBFC Advisory Practice at Lex Favios**
- **Mr. A P Saxena (ap.saxena@lexfavios.com)**, is an expert in the field of Government and Regulatory affairs. He has 29 years worth of experience in different capacities at various functional levels with National Housing Bank. Before joining NHB, he served with the Central Statistical Office (CSO) for more than 6 years, as an officer of Indian Statistical Service. He has worked in different functional areas of Regulation and Supervision of Housing Finance Companies, Risk Management, Compliance, Refinance, Accounts, Audit & Taxation, and Promotional and Development areas.
- Of his many contributions, some have been in the areas of the review of Policy and Directions relating to Regulation and Supervision of HFCs, Product and Development of Refinance Schemes of NHB, Policy on measures relating to Risk Management and Transition of NHB's operations and accounts to ERP Platform. He has also been associated with Inter Regulatory Meetings with RBI, SEBI, IRDAI on various regulatory and compliance issues of group NBFCs/HFCs, and was on the Board of CERSAI for a period of about four years, as nominee Director of NHB.



THE TEAM AT LEX FAVIOS

Mr. A P Saxena areas of expertise include:

- Transition in the proposed Regulatory Framework of HFCs
- Review of Regulatory and supervisory compliance of HFCs/NBFCs etc.
- Policy reviews relating to Regulatory /Supervisory compliance in Corporate Governance, Credit , KYC/AML, Fair Practice Code, Liquidity and Risk Management, Fraud Monitoring and Reporting Framework, Regulatory Guidance on Implementation of Ind AS, IT Framework, Outsourcing , Grievance Redressal System etc.,
- Review of Regulatory Compliance on Resource/ capital raising instrument., NCDs on Private Placements, Securitization and Direct Assignment , Co-origination, etc.
- Faculty support on training programmes for executives of HFCs
- Business Strategic support in Corporate Governance, Capital and Risk Planning, Portfolio Management, Impact of Economic /Regulatory Policy on Business of Housing Finance.

THE TEAM AT LEX FAVIOS

- **Mr. Sumes Dewan (sumes.dewan@lexfavios.com)** is the Managing Partner of Lex Favios and is a corporate and banking lawyer with a broad range of experience in M&A transactions and Banking & Finance Transactions with over twenty five (25) years' experience. His background and experience proves particularly valuable on international transactions.
- Mr. Dewan has significant experience in setting up NBFC/Housing Finance Companies, advise on regulatory issues with NHB, advising major corporates, banks and financial institutions on some of their most complicated and largest transactions involving project financing, corporate financing, lending, asset financing, external commercial borrowings, corporate debt restructuring, banking and financial regulation(s) compliances and disputes, ranging from domestic to complex cross border transactions.



THE TEAM AT LEX FAVIOS

- **Ms. Rupul Jhanjee** (rupul.jhanjee@lexfavios.com), Associate Partner and Head of Banking & Finance Practice and her areas of expertise include project financing, Debt Restructuring (CDR), Joint Lender Forum (JLF), Transaction Advisory. She has participated in the consortium meeting for finalization of the documents, handled and managed regulatory compliances under RBI, statutory audits and has extensive dealing with National Housing Bank (NHB) and advising NBFCs.
- Ms. Jhanjee has been involved in drafting and execution of documents for Consortium for various banks under Corporate Debt Restructuring (CDR) and Joint Lender Form of Companies and drafting of Working Capital and Term Loan documents for various banks.



THE PRACTICE AND THE TEAM AT LEX FAVIOS

Commercial Agreements



- Drafting, vetting, negotiating and concluding commercial agreements, such as - consulting arrangements; research and manufacturing arrangements; licensing arrangements; supply arrangements, marketing and distribution arrangements; technology transfer arrangements, branding/co-branding arrangements, etc.

Intellectual Property Rights



- Protection strategy and managing portfolio of IP assets, such as registration, prosecution; examination, opposition, appeal, infringement; counterfeiting defense; representation etc. across the globe.

Investment and Transactions



- Fund raising through private equity investment;
- Joint ventures and partnerships;
- Acquisitions and strategic investments (domestic and cross-border);
- Asset sale and spin-offs; etc.

LEX FAVIOS - AWARDS



- Awarded Rising Star Law Firm by India Business Law Journal
- Recommended Law Firm IN LEGAL 500



Thank you

LEX FAVIOS Advocates & Solicitors

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