

Banking and Financial Services

Statement of Practice

May 2016

1. Our Banking and Financial Services Expertise

The entire Banking and Financial Services sector has seen tremendous transformation both globally and domestically and has significantly evolved over the last decade. With a view to match international trends and market expectations, Indian policy makers and regulators, lead by the Reserve Bank of India and the Ministry of Finance, have made several notable efforts to harmonize regulatory control with open market participation in this sector. Also, participants in the financial services industry are constantly developing and widening their product offerings as a part of their strategy to increase profits, improve time-to-market of new products and services, cope with regulatory changes and meet rising customer demands. We, at Nishith Desai Associates have developed expertise and carved a niche in this area through comprehensive research, in-depth understanding and monitoring of the sector.

We have successfully leveraged our cross-border specialization and experience to develop sound proficiency in the Banking and Financial Services sector. We endeavor to combine our rich international experience and expertise in domestic laws/regulations with our research capabilities to devise innovative structures and solutions for financing activities. We advise on structuring transactions and are actively involved in negotiating and drafting the documentation involved in both domestic and international matters. Having represented several major banks, non - banking financial institutions, investment banks and global corporations in the ventures into India, we draw additional strength from our specialist practice groups and industry expertise. We approach transactions with an interdisciplinary team of attorneys handling the various regulatory, tax, corporate, securities, and other inherent issues.

The Banking and Financial Services practice group of Nishith Desai Associates is geared to advise clients on all aspects of their business, including core fund based and non - fund based financing activities, investments, regulatory advise and compliances and other ancillary matters. 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 doing business in this space. We seek to add value to our clients and projects at all stages - leading from planning to the initiation and culminating in the execution of the deal.

Nishith Desai Associates has professionals working together seamlessly from our network of offices at Mumbai, Bangalore, Silicon Valley, Singapore, New Delhi, Munich and New York. Our experience and our ability to understand markets and industry specific issues, helps us in providing complete and customized strategic and legal solutions to each of our clients.

In addition to making presentations at reputed seminars and conferences, we endeavour to publish thought leadership articles in this space. Certain specific papers in the context include an evaluative study of '**Corporate Debt Markets in India**', an analysis of '**Debt Funding Realty in India**', a detailed reports on '**Doing Business in India**', on '**Globalization**', and several other incisive and detailed analyses on law and industries. In addition we also circulate regular analysis of recent regulatory and legal changes through our hotlines which have significant following amongst our Indian as well as international subscribers.

2. Scope of Services

The key services offered by our Banking and Financial Services practice group include:

- Advising clients on setting up banking and financial services companies in India, including acquisition of stake in existing private / public banks and non - banking financial companies.
- Structuring relating to banking and financial services companies both from the perspective of setting up / investing in such companies as well as operations and capital management.
- Providing regulatory and strategic advice, compliance support and assistance in making representations and applications before regulators and governmental authorities.
- Structuring financing transactions and investments from a legal, tax and regulatory perspective.
- Documentation drafting, review and negotiation for financial transactions, investments as well as user agreements, service agreements, privacy policy statements, and allied documentation.
- Structuring of new product offerings and rendering advice in relation thereto including documentation and regulatory interface.
- Rendering exchange control, corporate and securities advice.
- Providing advisory services and implementation assistance viz. appropriate risk management models, especially in the context of providing internet / electronic banking and financial solutions.
- Structuring of non - banking financial companies' activities.
- Security creation and enforcement, securitization transactions and asset reconstruction.
- Investments in and regulatory compliances with respect to the derivative transactions, micro finance and insurance sector activities.

3. Representative Clients

Listed below is our Banking and Financial Services practice group's experience in select matters:

- Provided assistance on setting up of online banking platform for Kotak Bank.
- Legal advice to Silicon Valley Bank in evaluating India entry strategy and helping them on their domestic lending business.
- Assisted the Bank of New York Mellon on setting up of back office in India.
- Provided assistance to Bank Sarasin on setting up of India operations.
- Advised CIMB Securities in relation to setting up of their India operations.
- Advised GIC in setting up a non – banking financial company platform with KKR to provide structured credit solutions to the real estate sector in India.
- Advised J.P. Morgan Chase Bank, N.A., USA on applicability of securities and bankruptcy laws on their operations in India.
- Advised Xander in the structural aspects of setting up their non – banking financial company.
- Advised GIC and Mr. Vikram Pandit in setting up an investment platform for investing into the Indian real estate sector.
- Advised Hinduja Bank (Switzerland) Ltd. on restructuring of their India investments.
- Legal Counsel for the Dewan Housing Finance Limited, along with its promoter group entity Wadhawan Housing Pvt Ltd and for Caledonia Investments plc for 100% acquisition of Deutsche Postbank Home Finance Ltd., a Housing Finance Company registered with National Housing Bank.
- Advised Wells Fargo Bank. N.A. on the Indian laws and regulations in respect of providing wealth management services to Indian residents; and subsequently to Wells Fargo Advisors on securities laws.
- Acted as legal and tax counsel for DBS Bank Ltd., for their entry into the non-banking financial business in India through this investment in Chola DBS.
- Represented DBS Bank Ltd., on its exit from Cholamandalam DBS Finance Limited.
- Acted as legal counsel to Blue Ridge for this investment in Shriram Transport Finance Company Limited.
- Acted as legal counsel for Sandstone Investment Partners I as well as a Silicon Valley Bank group for their investment in SKS Microfinance Private Limited. The investment into SKS has been quoted to be the largest private equity investment in the microfinance sector in the world.
- Assisted Australia and New Zealand Banking Group Limited (ANZ) in getting an in principle approval from RBI to set up a branch/s in India.
- Regulatory advice in relation to activities and specific transactions to Standard Chartered Bank, Barclays and BNP Paribas.

- Assisted various corporations in banking transactions with domestic and overseas banks including for availing external commercial borrowings.
- Rendered legal advice to EFG Bank and Bank Muscat in their entry in India through the Foreign Institutional Investor route.
- Advised Warba Bank in relation to providing banking products in India
- Provided assistance to Citibank in relation to their Corporate Credit Business in India.
- Assisted one of India's most prominent microfinance lenders in raising debt through an innovative multi-jurisdiction structure.
- Advised both domestic and offshore clients on setting up / acquiring and / or making investments in non – banking financial companies in India and in their domestic operations / lending activities. Some of the clients / non – banking financial companies whom we have assisted in relation to the same include:
 - » Silicon Valley Bank
 - » General Atlantic
 - » Sandstone Capital
 - » India Capital RA
 - » Pacific Alliance Group
 - » Gray Matters
 - » DMI Private Limited
 - » Piramal Healthcare
 - » Bank Sarasin
 - » Sun Apollo
 - » Bellwether NBFC
 - » Indostar
 - » Ivin India
 - » Grofin Asia
 - » Equitas MFI

In addition to our work with some of the industry leaders in the sector, we are also very active in the policy space, striving to bring about reforms in the foreign investment regime of India, we have actively participated in the consultation process for policy drafting for sectors such as Non-Banking Financial Companies, E-Commerce in India, Bitcoins etc. We also have a rich research practice where we regularly publish articles and research papers providing detailed analysis on developments in political and legal discourse in India. We are also members of several industry associations with whom we engage on a regular basis and take lead initiatives to facilitate discussions with regulators for easing foreign investment into India.

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About NDA

Nishith Desai Associates (NDA) is a research based international law firm with offices in Mumbai, Bangalore, Silicon Valley, Singapore, New Delhi, Munich & New York. 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.

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

Nishith Desai Associates has been ranked as the Most Innovative Indian Law Firm (2014 & 2015) at the Innovative Lawyers Asia-Pacific Awards by the Financial Times - RSG Consulting. Nishith Desai Associates has been awarded for “Best Dispute Management lawyer”, “Best Use of Innovation and Technology in a law firm”, “Best Dispute Management Firm”, and “M&A Deal of the year” by IDEX Legal 2015 in association with three legal charities; IDIA, iProbono and Thomson Reuters Foundation. Nishith Desai Associates has been recognized as a Recommended Tax Firm in India by World Tax 2015 (International Tax Review’s directory). IBLJ (India Business Law Journal) has awarded Nishith Desai Associates for Private equity & venture capital, structured finance & securitization, TMT and Taxation in (2014/2015). IFLR1000 has ranked Nishith Desai Associates in Tier 1 for Private Equity (2014). Chambers and Partners ranked us as # 1 for Tax and Technology-Media-Telecom (2014/2015). Legal 500 ranked us in # 1 for Investment Funds, Tax and Technology-Media-Telecom (TMT) practices (2011/2012/2013/2014). IDEX Legal has recognized Nishith Desai as the Managing Partner of the Year (2014).

Legal Era, a prestigious Legal Media Group has recognized Nishith Desai Associates as the Best Tax Law Firm of the Year (2013). Chambers & Partners has ranked us as # 1 for Tax, TMT and Private Equity (2013). For the third consecutive year.

International Financial Law Review (a Euromoney publication) has recognized us as the Indian “Firm of the Year” (2012) for our Technology - Media - Telecom (TMT) practice. We have been named an Asian-Mena Counsel ‘In-House Community Firm of the Year’ in India for Life Sciences practice (2012) and also for International Arbitration (2011). We have received honorable mentions in Asian Mena Counsel Magazine for Alternative Investment Funds, Antitrust/Competition, Corporate and M&A, TMT and being Most Responsive Domestic Firm (2012).

We have been ranked as the best performing Indian law firm of the year by the RSG India Consulting in its client satisfaction report (2011). Chambers & Partners has ranked us # 1 for Tax, TMT and Real Estate – FDI (2011). We’ve received honorable mentions in Asian Mena 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 Socially 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. Legal 500 (Asia-Pacific) has also 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. NDAites have won the global competition for dissertations at the International Bar Association for 5 years. 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. He is listed in the Lex Witness 'Hall of fame: Top 50' individuals who have helped shape the legal landscape of modern India. He is also the recipient of Prof. Yunus 'Social Business Pioneer of India' – 2010 award.

We believe strongly in constant knowledge expansion and have developed dynamic Knowledge Management ('KM') and Continuing Education ('CE') programs, conducted both in-house and for select invitees. KM and CE programs cover key events, global and national trends as they unfold and examine case studies, debate and analyze emerging legal, regulatory and tax issues, serving as an effective forum for cross pollination of ideas.

Our trust-based, non-hierarchical, democratically managed organization that leverages research and knowledge to deliver premium services, high value, and a unique employer proposition has now been developed into a global case study and published by John Wiley & Sons, USA in a feature titled 'Management by Trust in a Democratic Enterprise: A Law Firm Shapes Organizational Behavior to Create Competitive Advantage' in the September 2009 issue of Global Business and Organizational Excellence (GBOE).

The following research papers and much more are available on our Knowledge Site: www.nishithdesai.com

	EdTech: From IT to AI		Social Impact Investing in India		The Curious Case of the Indian Gaming Laws
	July 2016		May 2017		January 2017
	Corporate Social Responsibility & Social Business Models in India		Incorporation of Company LLP in India		Preparing For a Driverless Future
	May 2017		April 2017		September 2017
	Internet of Things		Doing Business in India		Private Equity and Private Debt Investments in India
	January 2017		June 2016		June 2015

NDA Insights

TITLE	TYPE	DATE
Blackstone's Boldest Bet in India	M&A Lab	January 2017
Foreign Investment Into Indian Special Situation Assets	M&A Lab	November 2016
Recent Learnings from Deal Making in India	M&A Lab	June 2016
ING Vysya - Kotak Bank : Rising M&As in Banking Sector	M&A Lab	January 2016
Cairn – Vedanta : 'Fair' or Socializing Vedanta's Debt?	M&A Lab	January 2016
Reliance – Pipavav : Anil Ambani scoops Pipavav Defence	M&A Lab	January 2016
Sun Pharma – Ranbaxy: A Panacea for Ranbaxy's ills?	M&A Lab	January 2015
Reliance – Network18: Reliance tunes into Network18!	M&A Lab	January 2015
Thomas Cook – Sterling Holiday: Let's Holiday Together!	M&A Lab	January 2015
Jet Etihad Jet Gets a Co-Pilot	M&A Lab	May 2014
Apollo's Bumpy Ride in Pursuit of Cooper	M&A Lab	May 2014
Diageo-USL- 'King of Good Times; Hands over Crown Jewel to Diageo	M&A Lab	May 2014
Copyright Amendment Bill 2012 receives Indian Parliament's assent	IP Lab	September 2013
Public M&A's in India: Takeover Code Dissected	M&A Lab	August 2013
File Foreign Application Prosecution History With Indian Patent Office	IP Lab	April 2013
Warburg - Future Capital - Deal Dissected	M&A Lab	January 2013
Real Financing - Onshore and Offshore Debt Funding Realty in India	Realty Check	May 2012

Research @ NDA

Research is the DNA of NDA. In early 1980s, our firm emerged from an extensive, and then pioneering, research by Nishith M. Desai on the taxation of cross-border transactions. The research book written by him provided the foundation for our international tax practice. Since then, we have relied upon research to be the cornerstone of our practice development. Today, research is fully ingrained in the firm's culture.

Research has offered us the way to create thought leadership in various areas of law and public policy. Through research, we discover new thinking, approaches, skills, reflections on jurisprudence, and ultimately deliver superior value to our clients.

Over the years, we have produced some outstanding research papers, reports and articles. Almost on a daily basis, we analyze and offer our perspective on latest legal developments through our "*Hotlines*". These *Hotlines* provide immediate awareness and quick reference, and have been eagerly received. We also provide expanded commentary on issues through detailed articles for publication in newspapers and periodicals for dissemination to wider audience. Our *NDA Insights* dissect and analyze a published, distinctive legal transaction using multiple lenses and offer various perspectives, including some even overlooked by the executors of the transaction.

We regularly write extensive research papers and disseminate them through our website. Although we invest heavily in terms of associates' time and expenses in our research activities, we are happy to provide unlimited access to our research to our clients and the community for greater good.

Our research has also contributed to public policy discourse, helped state and central governments in drafting statutes, and provided regulators with a much needed comparative base for rule making. Our *ThinkTank* discourses on Taxation of eCommerce, Arbitration, and Direct Tax Code have been widely acknowledged.

As we continue to grow through our research-based approach, we are now in the second phase of establishing a four-acre, state-of-the-art research center, just a 45-minute ferry ride from Mumbai but in the middle of verdant hills of reclusive Alibaug-Raigadh district. The center will become the hub for research activities involving our own associates as well as legal and tax researchers from world over. It will also provide the platform to internationally renowned professionals to share their expertise and experience with our associates and select clients.

We would love to hear from you about any suggestions you may have on our research reports.

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