

Fair Practice Code

Nomura Capital (India) Private Limited

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This code will be applicable to Nomura Capital (India) Private Limited (NCIPL) as a Non Banking Finance Company (the “**Company**” or “**NBFC**”) registered with Reserve Bank of India.

This document seeks to outline the policy to regulate practices to be followed while lending and also the disclosures to be made to the borrowers. This policy is a revision of the existing policy on fair practices code to comply.

RBI Master Directions and other guidelines issued from time to time.

1. Preamble

The Reserve Bank of India, with its powers under Section 45 L of the Reserve Bank of India Act, 1934 (Act 2 of 1934) has prescribed broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all NBFCs. NCIPL presently provides credit to medium and large corporate clients. Accordingly, these guidelines consolidate all the existing guidelines of fair practices code.

2. Applications for loans and their processing

Loan proposal details of NCIPL shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other lenders can be made and informed decision can be taken by the borrower. The loan proposal form shall indicate the documents required to be submitted with the loan proposal. The indicative time frame within which loan proposals will be processed would be indicated to the prospective borrowers.

3. Loan appraisal and terms/conditions

The Company will convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof. The acceptance of these terms and conditions by the borrower will be kept on the record by the Company.

The Company will furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans and will have an acknowledgement from the borrowers confirming receipt of the same.

4. Disbursement of loans including changes in terms and conditions

- The Company will give sufficient notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The changes in interest rates and charges will be effected only prospectively and a suitable condition in this regard would be incorporated in the loan agreement.
- The clause relating to Penal interest charged for late payment as well as the definition of overdue interest will be highlighted in bold in the facility agreement.
- Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.

- The Company would release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower. No Dues and Security Release letter will also be issued by the Company for the loans repaid by the borrowers within 14 days of the repayment. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/ paid.

5. General

- The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has come to the notice of the lender).
- In case of receipt of request from the borrower for transfer of borrowed account, the consent or otherwise i.e. objection by the Company, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- The policy on handling customers' grievances will be that all customer grievances will be promptly looked into and addressed appropriately. Accordingly, necessary controls and process will be put in place for handling customer correspondences. Thereafter, the customer grievance will be referred to the Legal and Compliance Department, and appointed staff will then track the same to monitor timely and appropriate redressal of the same.
- NCIPL may take a confirmation from the borrowers that they have understood our fair practices code and sanction letter.

6. Pricing and gradation of borrowers

The Company will compute the base rate of loans taking into account variables like cost of capital, interest rate curves, operating costs etc. Asset Liability Management Committee (ALCO) will review/approve the same on a quarterly basis. On review/approval by the ALCO, the base rate will be the minimum interest rates below which no loans can be disbursed. The base rate will be displayed on the website of NCIPL also. The computation of base rate is based on the interest rate model worked out by Finance and will follow the general principles enunciated in the excessive interest rate policy.

The sanction letter and the website also shall inform the borrowers that the actual rates chargeable to them shall depend upon the borrower's internal credit ratings or gradations determined based on creditworthiness of the borrowers from financial statements, annual reports, external rating reports, research reports, industry reports, media reports and any other information. Further, credit ratings are determined by not only creditworthiness of the borrowers but also credit conditions such as collateral, guarantee, tenor, senior and subordinated structure or other contract terms.

The Board of Directors shall review the compliance of the Fair Practices Code and the customer grievances redressal mechanism on an annual basis.

Fair Practices Code shall be displayed on the web-site of the Company.

7. Grievance Redressal Officer

The Grievance Redressal Officer can be approached by the complainant for resolution of complaints against NCIPL.

Mr. Ravi Sureka

Executive Director – Head of Compliance

Direct: +91 22 403 74030

Board: + 91 22 4037 4037

Fax: +91 22 4037 4111

Mobile: +9186570 06255

Email id: ravi.sureka@nomura.com

NCIPL endeavors to resolve all complaints at the earliest possible and in accordance with the Client Complaint policy & procedure. If the complaint is not redressed within a period of one (1) month, the complainant may appeal to the following Officer-in-Charge of the Regional Office of DNBS of RBI.

Officer-in-Charge

Reserve Bank of India

Department of Non-Banking Supervision,

Mumbai Regional Office

3rd Floor, Reserve Bank of India

Opp. Mumbai Central Railway Station

Byculla, Mumbai - 400 008

Telephone No: 022 23084121 / 23028436

Fax:022 23022011

8. Principal Nodal Officer under Ombudsman Scheme

The NBFCs covered under the Integrated Ombudsman Scheme introduced by RBI are required to appoint Principal Nodal Officers (PNO) at their Head Offices. The Nodal Officer so appointed shall be responsible for representing the company and furnishing information on behalf of the company in respect of complaints filed against the company. NCIPL's PNO details are as follows:

Name of PNO: Mr. Ravi Sureka

Address: Ceejay House, 11th Level, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018

Telephone No: +91 22 403 74030

Mobile No: +9186570 06255

Email ID: ravi.sureka@nomura.com

Version History

Versions

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3.0	Dec 2013	Update
3.1	Mar 2014	Annual Review
4.0	Mar 2015	Update
5.0	May 2016	Annual Review
6.0	Dec 2017	Annual Review
7.0	Mar 2019	Annual Review
8.0	Mar 2020	Annual Review
9.0	Mar 2021	Annual Review
10.0	Sep 2021	GRO details updated
11.0	Mar 2022	Annual Review
12.0	Jun 2022	PNO details updated
13.0	Nov 2022	PNO details updated
14.0	May 2023	Annual Review
15.0	Jan 2024	GRO and PNO details updated
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Author and Approval

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3.0	Dec 2013	India Compliance	Author
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6.0	Dec 2017	Pratiksha Tondwalkar/ Swarupanand Mantri	Author
		Jyoti Tandon	Reviewer
7.0	Mar 2019	Pratiksha Tondwalkar/ Swarupanand Mantri	Author
		Jyoti Tandon	Reviewer
8.0	Mar 2020	Pratiksha Tondwalkar, Atul Agrawal/ Swarupanand Mantri	Author
		Leon D'souza	Reviewer

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9.0	Mar 2021	Pratiksha Tondwalkar, Atul Agrawal/ Swarupanand Mantri	Author
		Veena Gadia	Reviewer
10.0	Sep 2021	Atul Agrawal	Author
		Veena Gadia	Approver
11.0	Mar 2022	Atul Agrawal/ Swarupanand Mantri	Reviewer
		Veena Gadia	Approver
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		Atul Agrawal	Approver
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		Ravi Sureka	Approver
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		Ravi Sureka	Approver