



## Srei Infrastructure Finance Limited

### CUSTOMER EDUCATION

Dear Customer,

#### Most Important

**Srei Infrastructure Finance Limited (“the Company” or “SIFL”) in compliance with RBI’s Clarification on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated November 12, 2021 (“RBI IRACP Norms Clarifications”) as amended from time to time and /or as required / directed by RBI, shall classify and notify facility as overdue, SMA/NPA.**

This communication is to increase the awareness of our customers on the concepts of date of overdue, SMA and NPA classification and up gradation with specific reference to day-end-process in line with RBI Regulations.

Below is the manner in which such classification and up gradation will be undertaken by the Company.

**I. Clarification on Overdue:** An amount is to be treated as overdue if it is not paid on the due date fixed by the Lender (before the Lender runs the day-end process for that day). Due Date is the date as specified in the Repayment Schedule / Statement of Account on which the instalment is due to be paid.

**Example:** If due date of a loan account is March 31, 2024, and full dues are not received before the Company runs the day-end process for this date, the date of overdue shall be March 31, 2024.

The failure of the borrower to pay the instalments/other amounts, if any, on or before the due date leads to the classification of the loan account as special mention account (SMA) or non-performing asset (NPA). The classification of SMA or NPA is done at the borrower level which means all the loan accounts of the borrower will be classified as applicable for the loan with highest overdue days.

**II. Special Mention Account (SMA) and Non-Performing Asset (NPA) classification:** The Company will flag an account as SMA or NPA if the default subsists (as per timeline prescribed) at time of running its day-end process. The classification parameter as provided in RBI IRACP Norm Clarifications is as follows-

<b>Classification Categories</b>	<b>Basis for classification – Instalment or any other amount wholly or partly Overdue</b>
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days
NPA	More than 90 days



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### **Examples:**

- If due date of a loan account of the borrower is March 9, 2024 and full dues are not received on this date, the date of overdue shall be end of the day on March 9, 2024 and the loan account shall be classified as SMA-0.
- If the loan account continues to remain overdue on April 8, 2024 i.e. upon completion of 30 days of being continuously overdue, then this account shall be classified as SMA-1 on April 8, 2024.
- If the loan account continues to remain overdue upon running day-end process on May 8, 2024 i.e. upon completion of 60 days of being continuously overdue, it shall be classified as SMA-2 on May 8, 2024.
- If the loan account continues to remain overdue upon running day-end process on June 7, 2024 i.e. upon completion of 90 days of being continuously overdue, it shall be classified as NPA on June 7, 2024 along with all other loan accounts, if any, of the borrower/s with Srei Infrastructure Finance Limited.

### **III. What is "Days Past Due (DPD)"**

It indicates whether you have been consistent in your repayments and if you have missed any, how many instalments you have missed and by how many days.

The counting of DPD will be considered based on the oldest payment due date and the number of days falling due shall be counted to classify the loan account as NPA.

In case the due date and billing date are different, the former would be considered for the purpose of calculating the DPD (days past due).

### **IV. Receipt of Payment Instrument**

In the situation wherein the payments instrument has been collected from the borrower but the same is pending for clearance or has not been deposited in the bank, only the actual collection of repayment shall be considered as sufficient discharge of payment obligation by the borrower.

**V. Upgradation of accounts classified as NPAs:** Borrower account classified as NPAs shall only be upgraded as 'standard' only if entire arrears of interest and principal are paid by the borrower at the time of running the day-end activity of that particular day. Partial payment, such as payment of only interest or only one instalment, shall not result in the up gradation of the loan account.

### **VI. Impact on Credit Score**

As the classification of loan account as SMA/NPA is getting reported to the Credit Information Companies, the same will affect the credit score of the borrower and the guarantor, if any.

In light of the above, the Company advises all its customers to pay the instalments and other amounts, if any, on or before the respective due dates without any delay or default and avoid classification of their accounts as SMA or NPA.