

## NISSAN RENAULT FINANCIAL SERVICES INDIA PRIVATE LIMITED

### CUSTOMER AWARENESS

**Nissan Renault Financial Services India Private Limited** (NRFSI/Company) in compliance with Reserve Bank of India (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 Loan facility as overdue, Special Mention Account (SMA) or Nonperforming Asset (NPA).

Below is the way such classification and upgradation will be undertaken by the Company.

#### **RETAIL /PERSONAL LOAN FACILITIES:**

<b>SMA /NPA Subcategories</b>	<b>SMA/NPA Subcategories Basis for classification – Instalment (EMI) 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

#### **Examples:**

- *If due date of a loan account is 5<sup>th</sup> March 2022, and full dues are not received as on this day, the date of overdue shall be end of the day on 5<sup>th</sup> March 2022 and the loan account shall be classified as SMA-0.*
- *If the loan account continues to remain overdue on 4<sup>th</sup> April 2022 i.e., upon completion of 30 days of being continuously overdue, then this account shall be classified as SMA-1 on 4<sup>th</sup> April 2022.*
- *If the loan account continues to remain overdue upon running day-end process on 4<sup>th</sup> May 2022 i.e., upon completion of 60 days of being continuously overdue, it shall be classified as SMA-2 on 4<sup>th</sup> May 2022.*
- *If the loan account continues to remain overdue upon running day-end process on 3<sup>rd</sup> June 2022 i.e., upon completion of 90 days of being continuously overdue, it shall be classified as NPA on 3<sup>rd</sup> June 2022 along with all other loan accounts, if any, of the borrower/s with NRFSI.*

**Due** means the principle / interest on the loan account which are payable, within the period stipulated as per the terms of sanction of the Loan facility.

**Overdue** means the principle / interest on the loan account which are payable but have not been paid within the period stipulated as per the terms of sanction of the loan facility in other words, any amount due to NRFSI under any credit/loan facility is "overdue" if it is not paid on the due date fixed by NRFSI.

**WHOLESALE CREDIT / LOAN FACILITIES:**

**Special Mentions Accounts (SMA) and Non-Performing Asset (NPA) Classification**

NRFSI classifies loans accounts as Non-Performing Assets (NPA) /Special Mention Accounts (SMA) as per norms given below:

SMA Subcategories	Basis for classification –If the credit amount remains overdue
SMA-0	Principal or interest payment not overdue for more than 30 days but account showing signs of incipient stress (SMA 0) shall also be reported to credit information agencies as per the RBI requirement
SMA -1	More than 30 days and up to 60 days
SMA -2	More than 60 days SMA and up to 90 days

**Out of order status**

An account shall be treated as Out of order if, Sold /Curtailed/Interest amount remains overdue for 90 days.

**Example:**

- (i) Any principal due (from Sale marking date / curtailment due date) remains unpaid for 30 days then the account will be treated as SMA-1 on 31<sup>st</sup> day. To illustrate, any principle that became due on 1<sup>st</sup> March and if unpaid, account will be treated as SMA 1 on March 30<sup>th</sup> end of day (Overdue for more than 30 days). Similarly, if the principal overdue remains unpaid till completion of 60 days i.e., 29<sup>th</sup> April end of the day, then account will be classified as SMA-2 and on crossing overdue 90 days (i.e., on 29<sup>th</sup> May end of the day), the account will be treated as NPA.
- (ii) Similarly, as above, for interest overdue the classification of the account (SMA-1/SMA-2/NPA) will be done considering the overdue that starts from 7<sup>th</sup> of every month if unpaid by end of 7<sup>th</sup> for interest billed for previous month. For example, for the interest billed for the month of Feb (billing at the end of the month) will be overdue by 7<sup>th</sup> of March (end of the day) if unpaid and SMA-1, SMA-2 and NPA will be marked on 5<sup>th</sup> April 5<sup>th</sup> May and 4<sup>th</sup> June (all end of day) respectively subject to the said interest is unpaid as of these dates.

***Due*** means the principle/ interest/ curtailment Amount billed on the loan account which are payable, within the period stipulated as per the terms of sanction of the credit facility.

***Overdue*** means the principle/interest/ curtailment Amount billed for payment on the loan account which are payable but have not been paid within the period stipulated as per the terms of sanction of

*the credit facility in other words, any amount due to NRFSI under any credit facility is “overdue” if it is not paid on the due date fixed by NRFSI.*

**Upgradation of accounts classified as NPAs:**

Once account is classified as NPA, it shall only be upgraded as standard asset upon payment of entire arrears of interest and principal by the borrower at the time of running the day-end activity of that date.

Existing instructions as specified for accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations (DCCO), etc shall continue to be applicable.