

Consumer Education – Classification of Borrower Accounts as SMA/NPA

The **Share India Fincap Private Limited (“SIFPL/the Company”)**, recognizes incipient stress in borrower accounts by classifying them as Special Mention Account (SMA) / Non-Performing Asset (NPA) as per the norms given below:

- ❖ The Company, based on repayment of the Facility or payment any dues relating to the Loan Facility, shall classify the Loan/ Facility/ Borrower(s) as Special Mention Account (SMA) or Non-Performing Asset (NPA) in accordance with the applicable regulatory requirements.
- ❖ Flagging of the Loan/ Borrower(s) as overdue and its classification as SMA or NPA shall be reviewed and updated on each day end process. The Facility/ Loan Account with overdue Principle or/and Interest or any other amount overdue (wholly/ partly) for a period upto 30 days shall be classified as SMA-0,
- ❖ The Facility/ Loan Account with overdue Principle or/and Interest or any other amount overdue (wholly/ partly) for a period of more than 30 days and upto 60 Days shall be classified as SMA-1.
- ❖ The Facility/ Loan Account with overdue Principle or/and Interest or any other amount overdue (wholly/ partly) for a period of more than 60 days and upto 90 Days shall be classified as SMA-2
- ❖ The Facility/ Loan Account with overdue Principle or/and Interest or any other amount overdue (wholly/ partly) for a period of more than 90 days and upto 120 Days shall be classified as SMA-3.
- ❖ The Facility/ Loan Account with overdue Principle or/and Interest for a period of more than 120 days shall be classified as an NPA.
- ❖ Further, the Loan/ Borrower(s) classified as NPA shall be upgraded as Standard Asset only if entire principal and interest arrears is paid. This clause shall be subject to the regulatory directions/ guidelines issued by the RBI from time to time.

Example of SMA/ NPA classification

If due date of the Facility/ loan account is 31st March, 2023, and full dues are not received before the day-end process for this date, then date of overdue shall be 31st March 2023. If the overdue continues, then the Facility/ loan account shall be tagged as SMA-1 on running day end process of 30th April’2023 (i.e., upon completion of 30 days from due date). If the Facility/ loan account continues to remain in overdue, it shall be tagged as SMA-2 upon running day end process on 30th May’2023 (i.e., upon completion of 60 days from due date). If the Facility/ loan account continues to remain in overdue, it shall be tagged as SMA-3 upon running day end process on 29th June’2023 (i.e., upon completion of 90 days from due date). If the Facility/ loan account further continues to be in overdue category, it shall be tagged as NPA upon running day end process on 29th July’2023 (i.e., upon completion of 120 days from due date).

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