



INDIA INFRADEBT LIMITED

CONSUMER EDUCATION LITERATURE

(Pursuant to RBI Circular on Clarification on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated November 12, 2021)

Concept of Overdue

Overdue means any payment not made to Lenders which is required to be made on due dates as mentioned in loan agreement.

Account classification

Sub-categories	Basis for classification – Installment or any other amount wholly or partly overdue
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days
NPA	More than 90 days

The Classification of borrower accounts as **SMA** as well as **NPA** shall be done as part of the day-end process for the relevant date. The SMA or NPA classification date shall be the calendar date for which the day end process is run.

Examples:

- *If due date of a loan account is March 31, 2022, and full dues are not received before India Infradebt Limited runs the day-end process for this date, the date of overdue shall be March 31, 2022 and the loan account shall be classified as SMA-0.*
- *If the loan account continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2022 i.e. upon completion of 30 days of being continuously overdue.*
- *If the loan account continues to remain overdue for continuous period of 60 days, it shall get tagged as SMA-2 upon running day-end process on May 30, 2022.*
- *If the account continues to remain overdue for continuous period of 90 days, it shall get classified as NPA upon running day-end process on June 29, 2022.*

Upgradation of NPA accounts

The loan accounts classified as NPAs may be upgraded as 'standard' assets only if entire arrears of interest and principal are paid by the borrower.

Abbreviations:

SMA: Special Mention Account

NPA: Non-Performing Asset