

Capri Global Housing Finance Limited

Classification of Loan Account (SMA and NPA)

In reference to RBI circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 on 'Prudential norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances – Clarifications' dated November 12, 2021 this Customer Education Literature is presented with regards to the Customer Awareness - Regarding Classification of Loan Account as SMA and NPA.

A. Clarification on Overdue: A loan Equated Monthly Instalment (EMI) is to be treated as overdue, if it is not paid on the due date fixed by CAPRI GLOBAL HOUSING FINANCE LIMITED (before Capri Global Housing Finance Limited runs the day-end process for that day).

B. Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

The below Illustration covers the concepts of date of overdue, classification as Special Mention Account ("SMA") and Non-Performing Asset (NPA), upgradation of loan account etc.

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

Accordingly, the date of SMA/NPA shall reflect the asset classification status of an account at the day-end of that calendar date. An illustration of such classification is given below:

Classification	Example
Original Due Date	31 st March 2023
SMA 0	31 st March 2023 end of day
SMA 1	30 th April 2023 end of day
SMA 2	30 th May 2023 end of day
NPA	29 th June 2023 end of day

C. Upgradation of accounts classified as NPAs

Customer classified as NPAs may be upgraded as 'Standard' only if **entire arrears** of interest and principal are paid by the customer.

For e.g. if a customer is classified as NPA on 29th June 2023 with an overdue of Rs. 50,000/-, the customer will be upgraded to standard only after receipt of **entire overdue** amount.