

**PRODIGEE FINANCE LIMITED**

**Updated as on 01.04.2022**

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**CONSUMER EDUCATION ON SMA AND NPA**  
**ACCOUNTS**



## Consumer Education on Special Mention Accounts [SMA]/Non-Performing Accounts [NPA] classification of loans and advances

Prodigee Finance Limited [PFL] always proactively makes its Borrowers aware about the norms of Assets classification etc. so that the borrowers take care of repayment of their loan as per their repayment schedule. A brief description of overdue and Asset classification in SMA/NPA categories are given here under.

1) An amount is to be treated as overdue if it is not paid on the due date fixed by the PFL. The exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements. In the case of existing loans, compliance with these instructions shall necessarily be ensured as and when such loans become due for renewal/ review.



2) PFL shall recognize incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA) and NPA as per the categories specified here under:

Category	Basis of classification when principal and or interest or any other amount wholly or partly overdue for	Remark
<b>SMA - 0</b>	Up to 30 Days	
<b>SMA - 01</b>	More than 30 days and up to 60 Days	
<b>SMA - 02</b>	<ul style="list-style-type: none"> <li>• More than 60 days and up to 180 Days- <b>Till 30.03.2024</b></li> <li>• More than 60 days and up to 150 Days- <b>By 31.03.2024</b></li> <li>• More than 60 days and up to 120 Days- <b>By 31.03.2025</b></li> <li>• More than 60 days and up to 90 Days- <b>By 31.03.2026</b></li> </ul>	
<b>NPA</b>	<ul style="list-style-type: none"> <li>• 180 days or more- <b>Till 30.03.2024</b></li> <li>• 150 days or more- <b>By 31.03.2024</b></li> </ul>	

	<ul style="list-style-type: none"> <li>• 120 days or more- <b>By 31.03.2025</b></li> <li>• 90 days or more- <b>By 31.03.2026</b></li> </ul>	
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The SMA data shall be reported to RBI for borrowers having aggregate credit exposure of INR 5.00 Crores and above on quarterly basis. Once XBRL system is operational, such data shall be reported to CRILC, which is constituted by RBI. We shall also report the accounts which are overdue for more than 60 days and fall under SMA02 category, to RBI on 61st day subject to any exposure limit prescribed by RBI. Once XBRL system is operational, such data of SMA 02 accounts shall be reported on 61st day to CRILC, which is constituted by RBI.

3) The above instructions on SMA classification of borrower accounts are applicable to all loans, including retail loans, irrespective of size of exposure of the PFL.

4) The borrower accounts shall be flagged as overdue by the PFL as part of their day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as SMA as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day ends.

process is run. In other words, the date of SMA/NPA shall reflect the asset classification status of an account at the day-end of that calendar date.  **Prodigee Finance**™  
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**Example: If the due date of a loan account is March 31, 2023, and full dues are not received before the PFL runs the day-end process for this date, the date of overdue shall be March 31, 2023. If it continues to remain overdue, then this account shall get tagged as SMA-01 upon running day-end process on April 30, 2023, i.e., upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-01 classification for that account shall be April 30, 2023.**

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-02 upon running day-end process on May 30, 2023, and if continues to remain overdue further, it shall get classified as NPA upon running day-end process as per extant asset classification norms as prescribed by RBI.

5) Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower, as per RBI directives applicable from September 30, 2022.

In case of borrowers having more than one credit facility, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities. Regarding upgradation of accounts classified as NPA due to restructuring, the account shall be upgraded to satisfactory performance for one year from the date of commencement of repayment. Regarding upgradation of accounts classified as NPA due to non-achievement of date of commence of commercial operations (DCCO), etc., the instructions of RBI as specified for such cases shall continue to be applicable.

This document is part of the consumer education program of PFL and subject to change as per RBI directives and PFL policy without any prior notice to any consumer/borrowers.



**Amit Goel**  
**DIN: 06373510**  
**Managing Director**

