
HERITAGE FINLEASE LIMITED
RBI's directions on Payment of Dues and SMA & NPA Classification

Due Date: Finlease recognizes the Due(s) as per the Repayment Schedule(s) for each Loan account based on the Instalment due date(s) mentioned on the Loan schedule(s) / Repayment Schedule(s).

Overdue: If borrower fails to pay the amount due as per the repayment schedule of the loan account on the due date, then the borrower loan account is classified as overdue. The same will be considered as overdue for the purposes of computing the overdue aging. The borrower accounts is classified as overdue as part of day-end processes for the due date, irrespective of the time of running such processes.

Special Mention Account (SMA): SMA accounts are special mentioned accounts as per RBI guidelines signifying stress in the borrower's repayment behaviour. In order to highlight the stress on the loan account at the initial stage and to take early steps for recovery and resolution and to report to RBI, Borrower's account shall be classified as Special Mention Account (SMA) immediately on default in payment of dues as below:

SMA Category	Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Up to 30 days
SMA-1	More than 30 days and upto 60 Days
SMA-2	More than 60 Days and Upto 180 Days

Non-Performing Assets (NPA): Based on the Overdue aging of the Loans, respective Principal balance of the Loan is classified as Non-Performing Asset. Any loan with the overdue for more than 180 days are currently being classified as Non-Performing Asset (NPA).

Example: Monthly Due Date: 15th August, 2022

Payment Status	Overdue Days	Change in Classification on day end process	Asset Classification
Amount due on 15-08-2022 not paid in full	Upto 30 Days	15-08-22	SMA-0
Amount due on 15-09-2022 still not paid in full	More than 30 days and up to 60 days	14-09-22	SMA-1
Amount due on 15-10-2022 still not paid in full	More than 60 days and up to 180 days	14-10-22	SMA-2
Amount due on 05-02-2023 still not paid in full	More than 180 days	11-02-23	NPA

Upgradation from NPA to regular Account: Loan accounts classified as NPAs may be upgraded as 'standard' asset only if **all the arrears of interest, principal and other dues payable in all the accounts** of the borrower, is paid in full.