PERFECT MUDRA PRIVATE LIMITED

(formerly known as Perfect Synergy Advisory Services Private Limited)

Customer Education and Awareness Policy

Version Control

Version	Approved by	Date of Approval/Review
1.0	Board	March 02, 2026

CUSTOMER EDUCATION LITERATURE – SMA AND NPA CLASSIFICATION

In order to comply with the Reserve Bank of India (RBI) circular no. RBI/2021-2022/125 dated 12th November, 2021 on IRACP (Income Recognition, Asset Classification and Provisioning pertaining to Advances) norms on consumer education and Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, NBFCs are required to place Consumer Education Literature on their websites as well as notice board for increasing awareness among consumers w.r.t concepts of overdue, Special mention accounts (SMA) and Non-Performing Assets (NPA) classification and upgradation. Accordingly, the same has been detailed out for your ready reference.

DUES: This indicates the principal / interest / or any other charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.

OVERDUE: This indicates the principal/ interest/ any other charges levied on the loan account which are payable but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the financial institution under any credit facility is 'overdue' if it is not paid on the due date fixed by the financial institution.

SPECIAL MENTION ACCOUNT (SMA): Special Mention Accounts are those accounts which show symptoms of bad asset quality in the first 90 days itself or before it is classified as NPA. On identification of incipient stress in the loan accounts immediately on default, the financial institution classifies such assets as special mention accounts (SMA).

Further, the lending institution shall recognise incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA) as per the following categories:

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	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days
NPA	More than 90 days

It is clarified that once the loan accounts classified as NPAs, they cannot be upgraded as 'standard' asset until entire arrears of interest and principal are paid by the borrower.

ILLUSTRATION: *If the due date of a loan account is March 31, 2026, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2026, and the account will be tagged as SMA-0. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running the day- end process on April 30, 2026, i.e., upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2026.*

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2026, and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2026. The same has been clarified as below:

SMA-0: During March 31, 2026, to April 29, 2026

SMA-1: During April 30, 2026, to May 29, 2026

SMA-2: During May 30, 2026, to June 28, 2026.

UPGRADE FROM NPA: The loan accounts which are classified as NPAs due to overdue/irregular criteria are upgraded to ‘standard’ if the borrower pays off the entire arrears of interest and principal for all loan facilities availed from the lending institution.

The loan accounts classified as NPAs after restructuring or other reasons are upgraded based on the subsequent performance of these accounts.

CLARIFICATIONS: The borrowers may contact their relationship manager, branches, or customer care for further clarifications about the overdue/irregularity details and related implications.