

RBSG CAPITAL PRIVATE LIMITED

CIN: U65999MH2017PTC302565

Registered Office: 1002, Floor-10, Marathon Icon, Off, Ganpatrao Kadam Marg, Opp Peninsula Corporate Park, Lower Parel (W), Mumbai-400013
Email Id: rishabb@automony.in

Consumer Education Literature

RBSG Capital Private Limited ("Automony") in compliance with the Para G – "Consumer Education" of the RBI Circular No. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, has put in place Consumer Education Literature for increasing awareness of among consumers w.r.t concepts of overdue, Special Mention Account ("SMA") and Non-Performing Assets ("NPA") classification and upgradation explaining with examples and day-end process.

A. Overdue Accounts:

An account is to be treated as overdue, if the borrower fails to repay full Installments /Principal/Interest as on the due date fixed as per the repayment schedule.

Automony flagged the borrower accounts as overdue as part of their day-end processes for the due date, irrespective of the time of running such process.

What is due date:

Due dates are the dates as mentioned in the repayment schedule which is part of transaction documents for making payment of Loan amount, which includes Principal payment date, Interest Payment date and payment date for charges levied in case of any non-compliance with the term of agreement.

Example:

If the due date of a loan account for making installment payment is March 31st, and full dues are not received before the company runs the day-end process for this date, the account shall be classified as overdue and date of overdue shall be March 31st.

B. Classification of Special Mentioned Account ("SMA") and Non-Performing Assets ("NPA"):

An overdue account is classified by the Company as SMA or NPA depending upon the period for which such loan account is overdue. Such classification is done at borrower level which means all loan accounts of a borrower will be classified as SMA or NPA depending upon the highest overdue days of a borrower.

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The basis of classification of a loan account as SMA/NPA is as follow:

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 up to 60 days
SMA - 2	More than 60 days and up to 90 days
NPA	More than 90 days

Example:**SMA-0**

If the due date of a loan account for making installment payment is March 31st, and full dues are not received before the company runs the day-end process for this date, the account shall be classified as overdue and date of overdue shall be March 31st and borrower will be classified as SMA-0.

SMA-1

In the event, the loan account continues to remain overdue for more than 30 days i.e upon running the day-end process of 30th days i.e. April 30th, the borrower shall be classified as SMA-1 on April 30th.

SMA-2

In the event, the loan account continues to remain overdue for more than 60 days i.e upon running the day-end process of 60th days i.e. May 30th, the borrower shall be classified as SMA-2 on May 30th.

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NPA

In the event, the loan account continues to remain overdue for 90 days or more i.e upon running the day-end process of 90th days i.e. June 29th, the borrower shall be classified as NPA on June 29th.

C. Upgradation of account classified as Non-Performing Assets ("NPA") to Standard:

- a. Loan account classified as NPA can be upgraded as "Standard" only if the entire arrears of interest and principal are paid in full by the borrower and there is NIL arrears upon running the day end process.

Example:

Mr. A has availed a term Loan from the Company and failed to pay interest & principal for 2 installments for a continuous period of 90 days or more. In this case, his account will be marked as 'NPA' due to arrears of interest & principal with respect to 2 installments. To upgrade his account from 'NPA' to 'Standard Asset', he should repay both the overdue installments in full i.e., repayment of interest and principal, both.

- b. Further, in case of borrowers, having more than one credit facility from the Company, 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.

Example:

Mr. A has availed the following credit facilities from the Company: a) Term Loan and b) Loan against property; and has repaid all installments regularly except for installments for Loan against property, then the borrower account as a whole for both credit facilities will be classified as NPA, if outstanding dues exist for 90 days or more. To upgrade it to 'standard asset', arrears of interest and principal shall be paid in full for Loan against property.