

Illustrations of SMA/NPA Classification

PayU Finance India Private Limited ('the Lender') shall be classifying and/or reporting the Borrower's loan account as a stressed loan account in accordance with Applicable Laws.

SMA Subcategories	Basis for classification – Instalment or any other amount wholly or partly Overdue
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days
NPA	More than 90 days

In this regard, the Borrower must note the following illustrations:

- (i) If the Due Date for repayment of an Instalment is March 31st and the Borrower fails to pay the relevant Instalment amount on such date in full before the closure of the day-end process, the loan account of the Borrower shall be classified and reported as overdue with effect from March 31st.
- (ii) If the aforesaid Instalment amount continues to remain overdue for a period of 30 days from the Due Date, that is, the Borrower fails to pay the relevant Instalment amount in full before the closure of the day-end process on the 30th day from the Due Date, the loan account of the Borrower shall be classified and reported as a special mention account-1 ("**SMA-1**") on April 30th.
- (iii) If the aforesaid Instalment amount continues to remain overdue for a period of 60 days from the Due Date, that is, the Borrower fails to pay the relevant Instalment amount in full before the closure of the day-end process on the 60th day from the Due Date, the loan account of the Borrower shall be classified and reported as a special mention account-2 ("**SMA-2**") on May 30th.
- (iv) If the aforesaid Instalment amount continues to remain overdue for a period of 90 days from the Due Date, that is, the Borrower fails to pay the relevant Instalment amount in full before the closure of the day-end process on the 90th day from the Due Date, the loan account of the Borrower shall be classified and reported as a non-performing asset ("**NPA**") on June 29th.
- (v) A loan account that has been classified as NPAs by the Lender may be upgraded as "**standard**" asset only if entire arrears of Instalment s are paid by the Borrower to the Lender.

[Note: Illustrations provided above are only indicative of the classification and reporting practices that will be followed by the Lender and do not dilute the liability of the Borrower to pay the entire Outstanding.]