

Conditions for Classification of Borrower Account as Special Mention Account (SMA)/ Non Performing Asset (NPA)

With reference to RBI notification on prudential norms on Income recognition, Asset Classification and Provisioning pertaining to Advances-Clarifications dated November 12, 2021 and February 15, 2022

1. Your loan account shall be classified as NPA if the interest or/and principal or/and any other amount wholly or partly remains overdue for a period of more than 90 days.
2. Any Customer who slips into NPA shall be upgraded out of NPA status **only if all the arrears of instalments and any other dues payable in all the accounts as on that date is paid in full** by the Customer. RBI has extended time limit up to 30th September 2022 for implementation of this specific aspect.
3. Before 90 DPD ('Dues Past Due'), if Principal and/or interest payment and/or any other amount remains wholly or partly overdue, the borrower account shall be classified as SMA in the books of NBFC/Company as below:

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

Example: If **due date** of a loan account for payment of interest and EMI is **March 31, 2021**, and full dues are not received by the Company then the status of classification of customer shall be as follows:

Date	Status of repayment at respective End of day	Classification status
31 st March 2021	EMI not received partly/ in full	SMA 0
30 th April 2021	Full/ partial Overdue not paid	SMA 1
30 th May 2021	Full/ partial Overdue not paid	SMA 2
On or after June 29, 2021	Full/ partial Overdue not paid	NPA

4. It is further advised to all the customers to make repayment of their EMI in accordance with the repayment schedule shared/ explained/ apprised to you at the time of granting the loan. Delay in repayment of EMI/Charges/ Overdue amount shall lead to classification of customer/ borrower account in accordance with the mechanism as prescribed herein.

PAY ON TIME
PROTECT YOUR CREDIT SCORE