

OVERDUE / SPECIAL MENTION ACCOUNT (SMA)/NON-PERFORMING ASSET (NPA) AND UPGRADATION CONCEPT

Classification of Overdue / SMA/NPA categories shall be as follows:

Loans other than revolving facilities	
Overdue	Failure to pay full dues on due date
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Up to 30 days from the date of default
SMA-1	More than 30 days and up to 60 days from the date of default
SMA-2	More than 60 days and up to 90 days from the date of default
NPA	More than 90 days from the date of default
Upgradation	On repayment of entire overdues

Loans in the nature of revolving facilities like cash credit/overdraft	
Overdue	Failure to pay full dues on due date
SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
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 from the date of default
Upgradation	On repayment of entire overdues

Example:

Loan Amount – INR 10,00,000/-

Rate of Interest – 10.00%

Tenor – 36 months

EMI amount – INR 32,267/-

EMI Start Date – 05th of the month

If due date of a loan account is March 05, 2021, for INR 32,267, 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 05, 2021, and the account shall be classified 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 04, 2021, i.e., upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 04, 2021.

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 04, 2021, and if continues to remain overdue further, it shall get tagged as NPA upon running day-end process on June 03, 2021.

The account shall be classified as NPA upon running day-end process on June 03, 2021, with total EMI dues of INR 96,801 (3 EMI's)

If amount of INR 96,801 is repaid before 05th June 2021 then the account shall be upgraded to Standard