

## **CUSTOMER AWARENESS ON SPECIAL MENTION ACCOUNT (SMA)/NON-PERFORMING ASSET (NPA)**

For the clarification of a loan account as Special Mention Account (SMA)/Non-Performing Asset (NPA) the Following principle is applicable as on date of Agreement entered between the Company and the borrower and all dates mentioned here- in are for illustration purpose only

If there is a default in making payment of Principle or interest or any other amount wholly or partly levied by the Company on or before due date, then such overdue loan account shall be classified as SMA (Special mention Account) or NPA (Non-Performing Asset) as per RBI regulation as indicated in below table:

<b>Overdue</b>	<b>Classification</b>
<b>For a period upto 30 days</b>	<b>SMA-0</b>
<b>For a period more than 30 days and upto 60 days</b>	<b>SMA-1</b>
<b>For a period more than 60 days and upto 90 days</b>	<b>SMA-2</b>
<b>For a period more than 90 days</b>	<b>NPA*</b>

**\*Upgradation of accounts classified as NPAs**

Loan account once classified as NPA can be upgraded as standard only after entire arrears of principal, interest and any other amount are paid by the borrower.

**Illustration for Classification of borrowers account as SMA/NPA for easy reference:**

If due date of a loan account repayment is April 05, 202X, then indicative SMA/NPA classification shall be as follows:

<b>Overdue period of principal / Interest / Any other amount</b>	<b>SMA/NPA Classification Category</b>	<b>SMA/NPA Classification date</b>
<b>Up to 30 days</b>	<b>SMA-0</b>	<b>April 05, 202X</b>
<b>More than 30 days and upto 60 days</b>	<b>SMA-1</b>	<b>May 05, 202X</b>
<b>More than 60 days and upto 90 days</b>	<b>SMA-2</b>	<b>June 04, 202X</b>
<b>Over 90 days</b>	<b>NPA</b>	<b>July 04, 202X</b>

- If due date of loan account is April 05, 202X, and dues are not received by the company on or before this date, the date of overdue shall be April 05, 202X and this account shall **tagged as SMA-0**.
- If the loan account continues to remain overdue then this account shall be **tagged as SMA-1** on May 05, 202X i.e upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be May 05, 202X.
- If the loan account continues to remain overdue, it shall be **tagged as SMA-2** on June 04, 202X i.e, upon completion of 60 days of being continuously overdue. Accordingly, the date of SMA-2 classification for that account shall be June 04, 202X.
- Similarly, if the loan account continues to remain overdue further, it shall be classified as NPA on July 04, 202X.