

Dear Customers, please be cognizant of NPA norms prescribed by RBI for classification of loans or any other credit facility/ies availed by the Borrower(s) as Non-Performing Assets, in case of occurrence of default in repayment of Interest/Installments, in one or any other credit facilities availed by him/her/them. Be remain happy and relaxed by sticking to the timely compliance of repayment schedule that will ensure your Credit worthiness.

**(a) Special Mention Accounts (SMA):**

The Bank identifies incipient stress in accounts by creating a sub asset category named Special Mention Accounts (SMA). It is considered as a corrective action plan to arrest slippages of standard assets to NPA status. Accordingly, Bank will classify it in three SMA sub categories as given below;

Basis for Classification	
SMA Categories	Principal or Interest Payment or any other Amount wholly or partially overdue for
SMA-0	1-30 days.
SMA-1	31-60 days.
SMA-2	61-90 days.

**(b) Non Performing Assets classification:**

**TERM LOAN:** A Term Loan is classified as Non Performing Asset (NPA) where Interest and/or installment of principal remain overdue for a period of more than 90 days.

**CASH CREDIT/OVERDRAFT FACILITY:** Cash Credit/Over draft (CC/OD) will be classified as NPA it is 'Out of Order':

Cash credit account would be treated as out of order if;

- i) the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
- ii) the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

Example:

a) SMA-0: If due date of a loan account is 31 Mar 2021, and full dues are not received before the Bank runs the day-end process for this date, then this account shall get tagged as SMA-0 and the date of SMA-0 (overdue) shall be 31 Mar 2021.

b) SMA-1: If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on 30 Apr 2021 i.e. upon completion of 30 days

of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be 30 Apr 2021.

c) SMA-2: if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on 30 May 2021 i.e. upon completion of 60 days of being continuously overdue. Accordingly, the date of SMA-2 classification for that account shall be 30 May 2021.

d) NPA: and if the account continues to remain overdue further, it shall get classified as NPA upon running day-end process on 29 June 2021 i.e. upon completion of 90 days of being continuously overdue. Accordingly, the date of NPA classification for that account shall be 29 June 2021. Once the account is classified as NPA, details of the account (asset quality) will be notified to CIBIL which impacts the credit score.