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

In the light of RBI Circular dated November 12, 2021 bearing reference no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, the Company has hereunder elaborated the regulatory requirements, example along with terms, for the customers, the process of categorization of the loan account as NPA i.e., Non-Performing Asset and SMA i.e., Special Mention Account:-

Important Terms:

I. The 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.
II. For up gradation of loan account to 'Standard', all overdue amount from the customer in any of the facilities availed from the Company will have to be paid in entirety.
III. Before 90 DPD ('Dues Past Due'), if Principal or/and interest payment or/and any other amount wholly or partly overdue in the manner as mentioned below, the borrower account shall be classified as SMA in the books of NBFC/Company.

SMA Sub categories	Basis for classification – Principal or/and interest payment or/and 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
March 31, 2021	Overdue EMI not received partly/ in full	SMA 0
April 30, 2021	Full/ partial Overdue not paid	SMA 1
May 30, 2021	Full/ partial Overdue not paid	SMA 2
On or after June 29, 2021	Full/ partial Overdue not paid	NPA

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.