



## Concepts of date of overdue, SMA and NPA classification and upgradation

(a) Special Mention Accounts:

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 subcategories 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 :

A Non-Performing Asset (NPA) is a loan or an advance where Interest and/or instalment of principal remain overdue for a period of more than 90 days in respect of a Term Loan.

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.