

Bank is authorised to classify the loan account as Special Mention Account (SMA), Non-performing Asset (NPA) immediately in case of default as per the guidelines issued by Reserve Bank of India and/or any other statutory body and/or under any applicable law.

The applicable laws and guidelines and any revision in classification of SMA and NPA from time to time under the applicable laws, rules, guidelines etc, including the guidelines issued by Reserve Bank of India/Statutory authorities shall be binding on the borrower.

The classification of SMA categories and classification NPA in case of default of Term Loan, CC/OD facility, Bill Discounting facility, interest payment is specified hereunder, and such classifications are subject to change from time to time and shall binding on the borrower when such change(s) is affected.

CLASSIFICATION OF SMA CATEGORIES

Loans other than revolving facilities		Loans in the nature of revolving facilities like Cash Credit / Overdraft	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	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-0	Upto 30 days		
SMA-1	More than 30 days and upto 60 days	SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days	SMA-2	More than 60 days and upto 90 days

CLASSIFICATION OF NPA

Loans other than revolving facilities		Loans in the nature of revolving facilities like Cash Credit / Overdraft	
NPA	Interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of Term Loan	NPA	Cash credit/Overdraft (CC/OD) account is classified as NPA if it is 'out of order'. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, the extant instructions, inter alia, stipulate that the account should be treated as 'out of order' if there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period. In order to avoid any ambiguity regarding determination of 'out of order' status of CC/OD accounts on a continuous basis, it is clarified that an account shall be treated as 'out of order' if:

			<p>i. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or</p> <p>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</p>
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*In the case of bills purchased and discounted the account will be termed as NPA if the Bill remains overdue for a period of 90 days.

* In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

An illustration of movement of an account to SMA category / NPA category based on delay I non-payment of dues and subsequent upgradation to Standard category at day end process is as follows:

Due date of payment	Payment date	Payment covers	Age of oldest dues in days	SMA/ NPA categorization	SMA since date/ SMA class date	NPA Categorization	NPA Date
01.01.2022	01.01.2022	Entire dues up to 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA

		No payment of full dues of 01.02.2022 And 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022/ 03.03.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not fully paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues if 01.02.2022, 01.03.2022 and amount due on 01.04.2022 at EOD of 01.04.2022	60	SMA-1	01.02.2022/ 03.03.2022	NA	NA
		No payment of dues of 01.02.2022 Till 01.04.2022 at EOD 02.04.2022	61	SMA-2	01.02.2022/ 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 Till 01.05.2022 at EOD 01.05.2022	90	SMA-2	01.02.2022/ 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 Till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NPA	02.05.20 22
01.06.2022	01.06.2022	Fully paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD	62	NPA	NA	NPA	02.05.2022

		01.07.2022					
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard account with No Overdues	NA	NA	STD from 01.10.2022