



Consumer Awareness

(Understanding the concepts of Overdue, SMA, NPA for your loan account)

Paying your instalments on time helps you build your Credit Score.

A high Credit Score may help you getting higher loan value with lower interest rates.

The below Illustration shall cover the concepts of date of overdue, classification as Special Mention Account (“SMA”) and Non-Performing Asset (NPA), upgradation of loan account etc.

Illustration

Basis for classification	Account Classification
Principal or interest payment or any other amount wholly or partly overdue	SMA Sub—categories
1 – 30 days	SMA–0
30–60 days	SMA–1
60 – 90 days	SMA–2
More than 90 days	NPA

Examples:

- If due date of a loan account is March 31, 2022, and full dues are not received before the company runs the day-end process for this date, the date of overdue shall be March 31, 2022.
- If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2022 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2022.
- Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2022 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2022.
- Accounts classified as NPAs cannot be upgraded to standard category till the time complete overdue i.e entire arrears of interest and principal are repaid.
- In case of any further clarification, please feel free to contact us at customercare@sbfc.com or call us at 022-6831-3333

Reference: As per RBI circular dated 1st April 2022 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications [RBI/2022-23/17 DOR.STR.REC.5/21.04.048/2022-23]