

With reference to the Circular No. RBI/2021-2022/125
DOR.STR.REC.68/21.04.048/2021-22 dated 12.11.2021 Prudential norms on
Income Recognition, Asset Classification and Provisioning (IRACP).

The basis of classification of SMA /NPA Category shall be as follows:

Loans in the nature of Term Loans		Loans in the nature of 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

Non-performing Asset:

Non-Performing Asset (NPA) is a loan or an advance where:

- i. Interest and/ or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- ii. The account remains 'out of order' as indicated below, in respect of an overdraft/Cash Credit (OD/CC),
- iii. The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- iv. The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- v. The installment of principal or interest thereon remains overdue for one crop season for long duration crops.

'Out of Order' Status:

An account shall 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.

Illustrative movement of an account to SMA category to NPA category based on delay / nonpayment of dues and subsequent up gradation to Standard category at day end process:

Due date of payment	Payment Date	Payment covers	Age of oldest dues	SMA / NPA Categorization	SMA since Date /SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 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	02.02.2022	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 1.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022 ,01.03.2022 and amount due on 01.4.2022 at EOD 01.04.2022	60	SMA 1	01.02.2022 / 03.03.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.04.22at EOD 02.04.20 22	61	SMA 2	01.02.2022 /02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.22at EOD 01.05.20 22	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	02.05.2022
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 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 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	Std Acct with No Overdues	NA	NA	STD from 01.10.2022