

Consumer Awareness on SMA /NPA Classification

The account shall be classified as Non-Performing Asset (NPA) as per the extant RBI Circulars/Regulations.

An account is classified as an NPA when the payment of instalment (principal and/or interest) remains overdue for more than 120 days, that is, the account will be marked as NPA on the 121st day of continuous default from the original due date. For example, if due date of a loan account is March 31, 2025, and full dues are not received before the Lender runs the day-end process for this date, the date of overdue shall be March 31, 2025. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2025 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, 2021. Similarly, if the account continues to remain overdue, it shall get tagged as SMA2 upon running day-end process on May 30, 2025 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on July 30, 2025.