

Customer Awareness:

- 1) **Date of Overdue:** An amount is to be treated as an overdue, if it is not paid by the borrower on the due date agreed as per repayment schedule. Date of overdue is the date when the installment is due & customer fail to pay the installment amount.

Example - If the due date for EMI is 05th March 2021, and customer failed to pay full EMI amount then date of overdue is 05th March, 2021.

- 2) **SMA – Special Mention Account:** Immediately on non-payment of EMI amount, the account will be marked as SMA. Please refer the following categorization:

Loans other than revolving facilities	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Up to 30 days
SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days

3) NPA Classification: (Non-Performing Assets)

A. Group Loan/Unsecured Segment:

In group loan/unsecured segment when a customer has not paid installments for more than **ninety days**, then that account will be considered as NPA i.e., Non-Performing Assets.

Example - If the due dates of a loan account are 01st May 2021, 01st June 2021 and 01st July, 2021 and customer failed to pay all the three installments, then that account will be considered as NPA account on 31st July, 2021. As the overdue amount is outstanding for more than 90 days. Please Note that a loan amount will be classified as NPA in case it is more than 3 EMI's overdue.

B. Self Employed & Salaried/Secured Segment:

In Self Employed & Salaried/secured segment when a customer has not paid installments for more than **3 months**, then that account will be considered as NPA i.e., Non-Performing Assets.

Example - If the due dates of a loan account are 01st May 2021, 01st June 2021 and 01st July, 2021, 01st August,2021, customer failed to pay all the 3 installments, then that account will be considered as NPA account on 31st July 2021. As the overdue amount is outstanding for more than 3 months.

4. Upgradation of accounts as NPAs:

A. Group Loan/Unsecured Segment:

Loan accounts classified as NPAs will be upgraded as 'Standard' asset, only if when a customer pays the entire due amount i.e. entire arrears of interest, principal, bounce charges & penal charges.

Example - If the customer A's loan account was considered as NPA on 01st July 2021 as he / she has not paid instalments for more than **ninety days**, now on 01st August 2021, Customer A has paid entire overdue interest, principal, bounce charges & penal charges which is outstanding on 01st August 2021, then that loan account will be considered 'Standard' Asset'. If customer A only pays partial amount, then his / her account will not be upgraded to 'Standard' as he / she has not paid the entire outstanding amount.

B. Self Employed & Salaried/Secured Segment:

Loan accounts classified as NPAs will be upgraded as 'Standard' asset, only if when a customer pays the entire due amount i.e. entire arrears of interest and principal.

Example - If the customer A's loan account was considered as NPA on 01st July 2021 as he / she has not paid instalments for more than **3 months**, now on 01st August 2021, Customer A has paid entire overdue interest, principal, bounce charges & penal charges which is outstanding on 31st August 2021, then that loan account will be considered as 'Standard' Asset'. If customer A only pays partial amount, then his / her account will not be upgraded to 'Standard' as he / she has not paid the entire outstanding amount.