

# RBI Guidelines

Please note the following with reference to the RBI Directions on

Prudential Norms on Income recognition, Asset Classification and Provisioning

Dated 12<sup>th</sup> Nov -2021 and 15<sup>th</sup> Feb 2022

1. Borrower's account shall be classified as Special Mention Account (SMA) or Non-Performing Asset (NPA) immediately on default as below. SMA accounts are special mentioned accounts as per RBI guidelines signifying stress in the borrower's repayment behaviour and are required to be reported to RBI.

SMA - 1	For more than 30 days from the due date and up to 60 days
SMA - 2	For more than 60 days from the due date and up to 90 days
SMA - 3	More than 90 days

2. To illustrate, if the monthly instalment due dates of a loan account fall on December 05,2021, January 05,2022, February 05,2022 and so on, the SMA/NPA classification for the respective due amount will be done upon running the day end processes. The indicative SMA/NPA classification of the amount falling due on December 05,2021 shall be as follows:

Monthly due date	Payment Status	Days overdue	Upon running day end process on	SMA/NPA classification
Dec 05,2021	Amount due on 05-12-2021 not paid in full	Up to 30 days	05-12-2021	SMA-0
	Amount due on 05-12-2021 still not paid in full and the subsequent due amount also not paid	More than 30 days and up to 60 days	04-01-2022	SMA-1
	Amount due on 05-12-2021 still not paid in full and the subsequent due amount also not paid	More than 60 days and up to 90 days	03-02-2022	SMA-2
	Amount due on 05-12-2021 still not paid in full and the subsequent due amount also not paid	More than 90 days	05-03-2022	NPA

3. Any Customer who slips into NPA shall be upgraded out of NPA status **only if all the arrears of instalments and any other dues payable in all the accounts** as on that date is paid in full. As per RBI Bulletin dated 12<sup>th</sup> November 2021 and 15<sup>th</sup> February 2022, this has been implemented effective 1<sup>st</sup> October 2022. We may be constrained to report the position to the Credit Bureaus and Regulatory Authorities accordingly.
4. All receipt issued by the company before it runs the day end process will be recognised for the above purpose.