Asset Classification and Overdue Policy

In accordance with applicable Reserve Bank of India (RBI) guidelines, the classification of loan accounts is based on the number of days a payment remains overdue.

1. When does an account become overdue?

If the instalment of principal and/or interest is not received on the due date, the account will be treated as overdue from that date. **For example** - if the due date is 31 March and the payment is not received on that date, the account will be considered overdue from 31 March.

2. Special Mention Account (SMA) Categories

Before an account is classified as Non-Performing Asset (NPA), it is identified under the Special Mention Account (SMA) categories as per RBI norms:

1. **SMA-0**: Payment overdue up to 30 days
2. **SMA-1**: Payment overdue between 31 and 60 days
3. **SMA-2**: Payment overdue between 61 and 90 days

These categories are early warning stages and do not amount to NPA classification.

3. When is an account classified as NPA?

An account will be classified as a **Non-Performing Asset (NPA)** if the instalment of principal and/or interest remains overdue for more than 90 consecutive days.

Accordingly, the account will be marked as NPA on the 91st day of continuous default, based on the day-end status of the account, in line with RBI guidelines.

4. Important Clarifications

1. Asset classification is based on continuous overdue status from the original due date.
2. If the entire overdue amount is cleared before completion of 90 days, the account will not be classified as NPA.

3. Partial payments that do not clear the full overdue amount will not regularize the account.
4. Classification and reporting, including reporting to credit information companies, will be carried out in accordance with applicable RBI regulations