



Examples of SMA/NPA Classification

a. **Clarification on Overdue:** An amount is to be treated as overdue if it is not paid on the due date fixed by the Lender (before the Lender runs the day-end process for that day). Due Date is the date as specified in the Repayment Schedule / Statement of Account on which the instalment is due to be paid.

b. Examples of Special Mention Account / Non Performing Assets (NPA) Classification:

SMA Subcategories	Basis for classification – Instalment or any other amount wholly or partly Overdue
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days
NPA	More than 90 days

Examples:

- *If due date of a loan account of the borrower is March 9, 2021 and full dues are not received on this date, the date of overdue shall be end of the day on March 9, 2021 and the loan account shall be classified as SMA-0.*
- *If the loan account continues to remain overdue on April 8, 2021 i.e. upon completion of 30 days of being continuously overdue, then this account shall be classified as SMA-1 on April 8, 2021.*
- *If the loan account continues to remain overdue upon running day-end process on May 8, 2021 i.e. upon completion of 60 days of being continuously overdue, it shall be classified as SMA-2 on May 8, 2021.*
- *If the loan account continues to remain overdue upon running day-end process on June 7, 2021 i.e. upon completion of 90 days of being continuously overdue, it shall be classified as NPA on June 7, 2021 along with all other loan accounts, if any, of the borrower/s with Tata Capital Financial Services Limited.*

c. **Upgradation of accounts classified as NPAs:** Borrower account classified as NPAs may be upgraded as 'standard' only if entire arrears of interest and principal are paid by the borrower. With regard to upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations (DCCO), etc., the instructions as specified for such cases shall continue to be applicable. For e.g., if a borrower account is classified as NPA on May 5, 2021 with an overdue of Rs. 100,000/-, the borrower account will be upgraded to 'standard' only after receipt of full overdue amount.

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