

The Adarsh Co-operative Urban Bank Ltd

Jeedimetla, Hyderabad.

Information about loan classification into SMA & NPA

As and when loans are sanctioned, terms and conditions of loan, viz., Rate of interest, Loan Period, EMI amount, penal charges are intimated and consent is taken from the borrower.

As per guidelines of Reserve Bank of India, if the terms and conditions regarding repayment of loan/payment of interest is not done, the loan account is classified as mentioned below:

In case of Term Loans where repayment is fixed:

If the EMI is not paid as per sanction, the loan account is classified as under:

SMA Sub-categories	Basis for classification – Principal or Interest payment or any other amount wholly or partly overdue
SMA-0	Upto 30 days
SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days
NPA	More than 90 days
Upgradation of accounts classified as NPA	Loan accounts classified as NPAs will be upgraded as 'standard asset' only if entire arrears of Principal and Interest payment and any other overdue amount is paid by the borrower in full

In case of In case of revolving credit facilities like cash credit, Secured Overdrafts where no repayment is fixed:

SMA Sub-categories	Basis for classification
	Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of
SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days
NPA	More than 90 days
Upgradation of accounts classified as NPA	Loan accounts classified as NPAs will be upgraded as 'standard asset' only if entire arrears of Principal and Interest payment and any other overdue amount is paid by the borrower in full