

Guidelines on Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

As per Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time, norms of NPA has been revised as under

Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

Immediately on default, borrower accounts will be classified as **special mention accounts (SMA)** as follows:



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

Examples

Example 1

Let us understand taking January 03, 2022 as the due date –

DPD Status as on 03 rd January	Classification as on the day end	Classification as on the Reporting Date, i.e. 31 January 2022
1-30 days	SMA 0	To be reported as per the day end process Upgraded to Standard only if the entire outstanding is repaid
31-60 days	SMA 1	
61- 90 days	SMA 2	
More than 90 days	NPA	

Example 2

Example: If due date of a loan account is March 31, 2021, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021.

Note:

As per RBI's guidelines, the lending institutions will flag borrower accounts as overdue at the day-end processes for the due date, irrespective of the time of running such processes. The classification of borrower accounts as SMA or NPA shall also be done as part of the day-end process for the relevant date. In other words, the SMA or NPA classification date shall be the calendar date for which the day end process is run.

Upgradation of NPA Accounts

The loan accounts classified as NPAs may be upgraded as 'standard' assets only if entire arrears of interest and principal are paid by the borrower. Partial payment, such as payment of only interest or only one instalment, shall not result in the upgradation of the loan account.

Once a loan account is classified as an NPA, it shall remain as such till the time the entire outstanding amount is repaid.

Frequently Asked Questions (FAQ's)

1) What is meant by "Days Past Due (DPD)"

It indicates whether you have been consistent in your repayments and if you have missed any, how many instalments you have missed and by how many days.

The counting of DPD will be considered based on the oldest payment due date and the number of days falling due shall be counted to classify the loan account as NPA.

2) What does Non-Performing Asset (NPA) mean?

NPA shall mean:

- a) An asset, in respect of which, interest has remained overdue for a period of more than 90 days;
- b) A term loan inclusive of unpaid interest, when the installment is overdue for a period of more than 90 days or on which interest amount remained overdue for a period of more than 90 days;
- c) a demand or call loan, which remained overdue for a period of more than 90 days from the date of demand or call or on which interest amount remained overdue for a period of more than 90 days;
- d) A bill which remains overdue for a period of more than 90 days;
- e) The interest in respect of a debt or the income on receivables under the head 'other current assets' in short-term loans/advances, which facility remained overdue for a period of more than 90 days;
- f) Any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 90 days.

3) When are group assets classified as NPA?

All the account (s) shall be considered as non-standard in respect of loans & advances made available to the same borrower, when any of them becomes non-performing asset. Thus, all loans and advances availed by a person, shall be considered as link loan accounts and sub-standard or non-performing asset, if found irregular in repayment in any of the account(s) under asset classification rules.

For example, Applicant has availed three loan advances under loan against property and amongst all three loans one of the loan accounts has been marked as NPA due to irregularity in repayment and rest two accounts are regular, then as per asset classification rule, all the three accounts shall be considered as NPA or non-performing asset.

4) When and how can NPA marking be removed from any account?

To remove NPA marking, the borrower has to make the payment of all overdue instalment on the account so that the asset can be reclassified as normal asset.

In case of multiple Loans (exposures) one must pay all the outstanding of principal and interest in all the NPA accounts to remove the NPA marking from all the accounts.

For example, If there are four non-paid installments towards the repayment of the loan account, then in this case the loan account holder has to pay all four installments (principal, interest) to make the account regular and remove NPA stamping.

भारतीय रिज़र्व बैंक (गैर-बैंकिंग वित्तीय कंपनियाँ – आय की पहचान, परिसंपत्ति वर्गीकरण और प्रावधान) निर्देश, 2025 को जारी स्पष्टीकरण

A. देय तिथि (Due Date) / रीपेमेंट तिथि (Repayment Date) की विशिष्टता

यदि बैंक द्वारा निर्धारित देय तिथि पर भुगतान नहीं किया जाता है, तो राशि को अतिदेय (ओवरड्यू) माना जाएगा।

B. स्पेशल मेशन अकाउंट (SMA) और नॉन-परफॉर्मिंग एसेट (NPA) के रूप में वर्गीकरण

Loans other than revolving facilities	
एसएमए (SMA) उप-श्रेणियाँ	वर्गीकरण के लिए आधार - मूलधन या ब्याज भुगतान या कोई अन्य राशि पूर्ण या आंशिक रूप से अतिदेय
SMA-0	30 दिनों तक
SMA-1	30 दिनों से अधिक और 60 दिनों तक
SMA-2	60 दिनों से अधिक और 90 दिनों तक

उपरोक्त संदर्भ में यह स्पष्ट किया जाता है, कि ऋणदाता खातों को ऋणदात्री संस्थाओं द्वारा नियत तारीख के लिए उनकी दिन-समाप्ति प्रक्रियाओं के हिस्से के रूप में अतिदेय/ ओवरड्यू (Overdue) के रूप में चिह्नित किया जाएगा।

इसी तरह, उधारकर्ता खातों का एसएमए (SMA) के साथ-साथ एनपीए (NPA) के रूप में वर्गीकरण प्रासंगिक तिथि के लिए दिन के अंत की प्रक्रिया के हिस्से के रूप में किया जाएगा।

दूसरे शब्दों में, एसएमए (SMA) /एनपीए (NPA) की तिथि, उस कैलेंडर तिथि के दिन के अंत में किसी खाते की परिसंपत्ति वर्गीकरण स्थिति को दर्शाएगी।

उदाहरण:

यदि किसी ऋण खाते की देय तिथि 31 मार्च, 2021 है, और ऋण देने वाली संस्था द्वारा इस तिथि के लिए दिन के अंत की प्रक्रिया चलाने से पहले पूर्ण बकाया प्राप्त नहीं होता है, तो अतिदेय / ओवरड्यू की तिथि 31 मार्च, 2021 होगी।

यदि यह अतिदेय (ओवरड्यू) जारी रहते हैं, तो इस खाते को 30 अप्रैल, 2021 को दिन के अंत की प्रक्रिया चलाने पर यानी लगातार अतिदेय होने के 30 दिन पूरे होने पर SMA-1 के रूप में टैग किया जाएगा। तदनुसार, उस खाते के लिए एसएमए-1 (SMA-1) वर्गीकरण की तिथि 30 अप्रैल, 2021 होगी।

इसी तरह, यदि खाता अतिदेय बना रहता है, तो इसे 30 मई, 2021 को दिन के अंत की प्रक्रिया चलाने पर एसएमए-2 (SMA-2) के रूप में टैग किया जाएगा और यदि आगे भी अतिदेय बना रहता है, तो इसे दिन के अंत की प्रक्रिया चलाने पर एनपीए (NPA) के रूप में 29 जून 2021 को वर्गीकृत किया जाएगा।

C. एनपीए (NPA) के रूप में वर्गीकृत खातों का उन्नयन

यह स्पष्ट किया जाता है कि एनपीए के रूप में वर्गीकृत ऋण खातों को 'मानक' (स्टैंडर्ड) परिसंपत्ति के रूप में अपग्रेड किया जा सकता है, यदि उधारकर्ता द्वारा ब्याज और मूलधन की संपूर्ण बकाया राशि का भुगतान किया जाता है।