

SMA AND NPA EXPLAINED

➤ **What is SMA**

TERM LOAN		WORKING CAPITAL (LIMITS)	
REASON	Any overdue	REASON	Balance > sanctioned limit/DP
SMA 0	upto 30 days	-	-
SMA 1	>30 days & upto 60 days	SMA 1	>30 days & upto 60 days
SMA 2	>60 days & upto 90 days	SMA 2	>60 days & upto 90 days

➤ **When will account be in SMA**

Same day when interest is applied or installment is demanded and not paid

➤ **Impact of SMA classification on your CIBIL/ Credit Report**

Delinquency is reported to CIBIL on the date of default (account turning into SMA) as stated above and credit score is impacted adversely.

➤ **EXAMPLE**

Particulars	Prior to RBI Circular dt 12.11.2021	Post RBI Circular dt 12.11.2021
<i>Date of Sanction</i>	01.03.2021	
<i>Interest Application</i>	Monthly	
<i>Installment demand</i>	End of each month i.e. first installment (EMI) / Interest due date 31.03.2021	
When should customer make the payment	On 31.03.2021	On 31.03.2021
Consequences if not paid before day end activity:-		
Account will be SMA 0 on	01.04.2021 (Not for limit)	31.03.2021 (Not for limit)
Account will be SMA 1 on	01.05.2021	30.04.2021
Account will be SMA 2 on	01.06.2021	30.05.2021
Date of NPA	30.06.2021	29.06.2021
How to get the account upgraded – If all dues paid on 31.07.2021 - If all dues paid on 15.09.2021	-Repay all EMI/interest/ charges (if any) due from March to July 2021. -Repay all EMI/interest charges (if any) due from March to August 2021.	Repay all EMI/interest/ charges (if any) due from March to July 2021 -Repay all EMI/interest charges (if any) due from March to August 2021.

pursuant to RBI guidelines dated 12.11.2021, delinquency will be counted from the date of EMI/ interest due date. So pay your EMI /interest on due date itself to avoid adverse impact on your credit score