

Consumer Education - SMA & NPA Classification

Evam Finance Private Limited
Regulatory disclosure PDF

This note explains how loan accounts are classified into Special Mention Account (SMA) and Non-Performing Asset (NPA) categories under RBI IRAC norms.

SMA-0: principal or interest overdue up to 30 days. SMA-1: overdue between 31 and 60 days. SMA-2: overdue between 61 and 90 days.

An account is classified as NPA if principal or interest remains overdue for more than 90 days. Classification is done at day end for the relevant date.

An NPA account is upgraded as a standard asset only when the entire arrears of interest and principal are paid by the borrower.