



CONSUMER AWARENESS

Understanding Overdue, SMA, and NPA for Your Loan Account

Paying your **EMI (Equated Monthly Instalment)** on time is essential for maintaining a good credit history. A **strong credit score** can help you to qualify for higher loan amounts and lower interest rates in the future.

When Does a Loan Become Overdue?

Overdue date: If your payment is not received by the due date, your account becomes overdue from that day itself. For example, if your March 2025 EMI is due on **March 31, 2025**, and you miss the payment, your account becomes overdue from **March 31, 2025**.

What Are SMA and NPA Classifications?

If payments remain overdue, your loan account is classified under **Special Mention Account (SMA)** and, eventually, as a **Non-Performing Asset (NPA)**. These classifications are reviewed daily by the system.

Basis for Classification	Days Overdue / Days Past Due (DPD)
Overdue	1 day onwards
SMA-0	Up to 30 days
SMA-1	More than 30 and up to 60 days
SMA-2	More than 60 and up to 90 days
NPA	More than 90 days

Example:

- a) **Due date:** March 31, 2025
- b) **No payment received before day-end:** Account becomes overdue from March 31, 2025.
- c) **Still unpaid by April 30, 2025:** After 30 days of continuous default, the account is classified as **SMA-1** from April 30, 2025.
- d) **Still unpaid by May 30, 2025:** After 60 days, the account becomes **SMA-2** from May 30, 2025.
- e) **Still unpaid by June 29, 2025:** After 90 days, the account is classified as **NPA** from June 29, 2025.

What Happens When a Loan Is Classified as NPA?



- a) **Loan accounts** classified as **NPA** cannot be upgraded to “standard” status until all overdue amounts (principal + interest) are fully cleared.
- b) **Negative reporting** to credit bureaus will impact your credit score, making future borrowing more difficult or expensive.

Why Timely Payment Matters

- a) **Builds your credit score:** Consistent, timely payments help you maintain or improve your creditworthiness.
- b) **Better terms:** A high credit score may help you get larger loan amounts and lower interest rates.
- c) **Avoids penalties:** Late or missed payments attract late fees and can lead to higher costs over time.

In Case of Questions

If you have any doubts or need clarification about your loan status, please contact Archbridge Capital Private Limited at customer.care@archbridgecapital.in.

Remember: Staying on track with your repayments not only keeps your loan account in good standing but also safeguards your financial future.