



## 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:

- Due date:** March 31, 2025
- No payment received before day-end:** Account becomes overdue from March 31, 2025.
- Still unpaid by April 30, 2025:** After 30 days of continuous default, the account is classified as **SMA-1** from April 30, 2025.
- Still unpaid by May 30, 2025:** After 60 days, the account becomes **SMA-2** from May 30, 2025.
- 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?

- Loan accounts** classified as **NPA** cannot be upgraded to “standard” status until all overdue amounts (principal + interest) are fully cleared.
- 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](mailto: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.