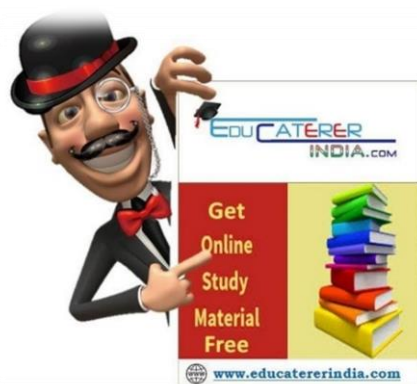


UNIT 9 - Special Mention Account- Meaning Explained



Before a loan account turns into an NPA (Non-performing asset), banks are required to identify incipient stress in the account by creating three sub-categories under the Special Mention Account (SMA) category as given in the table below:

SMA Sub categories	Basis for classification
SMA-0	Principal or interest payment not overdue for more than 30 days but account showing signs of incipient stress.
SMA-1	Principal or interest payment overdue between 31-60 Days.
SMA-2	Principal or interest payment overdue between 61-90 Days.

It had set up a Central Repository of Information on Large Credits (CRILC) to collect, store, and disseminate credit data to the lenders. The later were required to report all such information here, including classification of an account as SMA, on all borrowers having aggregate fund-based and non-fund-based exposure of Rs 5 crore and above.