

## IMPORTANCE OF FOLLOWING REPAYMENT SCHEDULE

The repayment schedule/payment advice that you receive while taking a loan from AGRIM HFC under sole lending or co-lending; is a document that helps you to know the dates when you are required to pay interest, principal and other charges if any, to AGRIM HFC or joint lenders; for the loan availed and helps you to manage your loan account efficiently and meet the obligation in a timely manner.

Here's what happens to your loan account if you miss paying your dues on time.

Basis the number of days your dues (dues means instalment of principal, interest and other charges if any) remain unpaid and overdue, your loan account gets classified into various categories. These categories influence your Credit Bureau Score, which may further affect your borrowing capacity in future.

### Example

Suppose Mr XYZ has taken a loan of Rs.20 lakhs for 240 months and the due date to pay is 5th of every month and say his next due date for payment is April 05 2021.

On April 5th, 2021 if Mr. XYZ fails to pay his dues on the 5th of April 2021 before the end of day, then his loan account is tagged as overdue and Special Mention Account (SMA) on the same day.

On May 5th, 2021 if Mr XYZ does not pay the dues in the next 30 days, his loan account continues to remain overdue and gets tagged as SMA-1 upon completion of 30 days of being continuously overdue.

On June 4th, 2021 if Mr. XYZ fails to pay his dues for another 30 days, then his loan account gets tagged as SMA-2 upon completion of 60days of being continuously overdue.

On July 4th, 2021 by the 90th day, if Mr XYZ still doesn't clear the dues his loan account gets classified as Non-Performing Asset (NPA) upon completion of 90 days of being continuously overdue.

The above illustration is also applicable for revolving facilities where either outstanding balance remains continuously in excess of the sanctioned limit / drawing power whichever is less or interest is overdue and not paid on due dates.

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Borrower Signature

Co-Borrower Signature

Guarantor Signature

Source:

RBI circular no. RBI/2021-2022/125 DOS.STR.REC.68/21.04.048/2021-22 on 'Prudential norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances - Clarifications' dated 12th November, 2021. Here's a comprehensive table explaining the Special Mention Account (SMA) and Non-Performing Asset (NPA) classification.

Loans other than revolving facilities		Loans in the nature of revolving facilities like cash credit / overdraft	
SMA Sub-categories	Basis for classification - Principal or interest payment or any other amount wholly or partly overdue.	SMA Sub-categories	Basis for classification - Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower for a period of:
SMA – 0	Up to 30 days	SMA – 0	1 to 30 days
SMA - 1	More than 30 days and up to 60 days	SMA - 1	More than 30 days and up to 60 days
SMA - 2	More than 60 days and up to 90 days	SMA - 2	More than 60 days and up to 90 days
NPA	More than 90 days	NPA	More than 90 days

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