

**As per the guidelines issued vide RBI Master Circular No. RBI/2024-25/13 DOR.STR.REC.9/21.04.048/2024-25 dated April 02, 2024 on Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs, Classification of Asset as Non-performing Assets (NPA) where;**

1. A non-performing asset is a loan or an advance where:
  - 1.1. Interest and / or installment of principal remain overdue<sup>1</sup> for a period of more than 90 days in respect of a Term Loan.
  - 1.2. The account remains 'out of order'<sup>2</sup>, in respect of an Overdraft / Cash Credit (OD/CC) and all other loan products being offered as an overdraft facility, including those not meant for business purposes and/or which entail interest repayments as the only credits.
  - 1.3. The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
  - 1.4. In the case of direct agricultural advances as listed in Annex 1, the overdue norm specified at para 2.1.3 would be applicable. In respect of agricultural loans other than those specified in Annex 1, identification of NPAs would be done on the same basis as non-agricultural advances.
  - 1.5. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.
  - 1.6. In addition, an account may also be classified as NPA in terms of certain specific provisions of this Master Circular, including inter alia paragraphs 2.2.7 and clarifications provided under the frequently asked questions (FAQs) in Annex-4.

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<sup>1</sup> Any amount due to the bank under any credit facility, if not paid by the due date fixed by the bank, becomes overdue.

<sup>2</sup> An account should be treated as 'out of order' if :

- i. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
- the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period. The aforesaid 'previous 90 days period' is inclusive of the day for which the day-end process is being run.