

**THE COSMOS CO-OPERATIVE BANK LTD.**

**NOTICE**

**30<sup>th</sup> December 2022**

As you are aware, that as per RBI guidelines, identification of NPAs is done on an on-going basis and accounts are classified as NPA immediately, as soon as they turn into NPA.

For your ready reference, the various parameters as per RBI guidelines are reiterated for more awareness.

**Non-performing Asset:**

Non-Performing Asset (NPA) is a loan or an advance where:

- i. interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- ii. the account remains 'out of order'\* as indicated below, in respect of an Overdraft/Cash Credit (OD/CC),
- iii. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- iv. the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- v. the instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

**\*'Out of Order' Status:**

An account shall be treated as 'out of order' if:

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.

On the basis of above classification norms, please note that :

- 1) The accounts will get classified as NPA on the 90<sup>th</sup> day , day-end process of the Bank.
- 2) In case of operative accounts like CC/ OD, turnover in account is mandatory. The turnover should be sufficient at any time to cover previous 90 days interest debited to the account.

**We therefore request you to ensure the turnover in CC/OD accounts and to ensure timely deposit of EMI in Term Loan accounts to avoid the accounts becoming NPA and reporting to CIBIL accordingly.**

  
Managing Director