

Understanding Loan Health: SMA & NPA Classifications

1. Our Commitment: Transparency in Every Step

- 1.1. At Satyam Finlease Private Limited ("SFPL"), we believe in keeping you informed about the health of your loan. In accordance with the RBI's Prudential norms on Income Recognition, Asset Classification, and Provisioning (IRACP) and our Fair Practices Code, we make our classification processes public to ensure total transparency in our relationship.

2. How We Classify Overdue Loans

- 2.1. If a payment - whether interest, principal, or both - is not received by the end of its due date, the account is classified based on the number of Days Past Due (DPD)

Days Past Due (DPD)	Classification	Meaning
1 - 30 Days	SMA-0	Special Mention Account - Stage 0
31 - 60 Days	SMA-1	Special Mention Account - Stage 1
61 - 90 Days	SMA-2	Special Mention Account - Stage 2
Above 90 Days	NPA	Non-Performing Asset

- 2.2. Note: DPD is calculated on a calendar day basis, not a monthly basis.

3. Calculating Your DPD (An Example)

- 3.1. If your EMI is due on February 5th:
- 3.1.1. **February 5th (End of Day):** If unpaid, the account is considered overdue
 - 3.1.2. **February 28th:** If still unpaid, your DPD count is 23 days
 - 3.1.3. **March 7th:** If unpaid, your DPD reaches 30 days. Moving to March 8th classifies the account as SMA-1
 - 3.1.4. **May 7th onwards:** If the account remains overdue, it is classified as an NPA

4. Repayments and Upgrading Your Status

- 4.1. **FIFO Basis:** If you miss multiple payments, any new payment is adjusted on a First-In, First-Out (FIFO) basis. For example, a payment made on March 15th will first clear the oldest overdue amount from February 5th
- 4.2. **Actual Realization:** An obligation is only considered discharged once the payment is actually cleared and deposited in our bank, not just when the instrument is collected
- 4.3. **Upgrading to 'Standard':** To move an NPA account back to 'Standard' status, you must pay the entire arrears of both interest and principal¹⁴. Partial payments will not result in a status upgrade
- 4.4. **One Account, All Accounts:** If you have multiple loan accounts with SFPL and one is classified as an NPA, all your accounts will be treated as NPA in our records

Need help managing your rhythm?

If you anticipate a change in your cash flow, contact your Relationship Manager early to stay on track.

Approval

Department	Approval Authority	Last Review Date	Version
Compliance	Board	Dec 2025	1.0

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