

**SAHARA HOUSINGFINA CORPORATION LIMITED**  
(CIN No.L18100WB1991PLC099782)

**CUSTOMER EDUCATION LITERATURE ON SMA AND NPA CLASSIFICATION**

SAHARA HOUSINGFINA CORPORATION LIMITED (SHCL) in compliance with the Master Directions of the Reserve Bank of India (RBI), has put in place a **“Customer Education Literature on SMA and NPA Classification”** with the objective to increase customer awareness with respect to **the concepts of Overdue, SMA and NPA classification and its up-gradation**. Moreover, few other pertinent concepts directly related to repayment of loan are also elucidated in this literature, as below:

Principal Outstanding	The outstanding principal balance of a loan is the total amount of principal amount outstanding in a particular loan <b>excluding</b> accrued interest, overdue amount and other charges.
Due Date	It is the date of which the instalment comprising of principal and interest (EMI), and interest (PEMI) applicable to a loan account is payable by the borrower in accordance to the Loan Agreement / Sanction Letter.
Overdue Account	<p>Loan account is treated as “Overdue”, if the borrower fails to pay in “full”, the principal and/or interest or any other applicable amount on the due date.</p> <p><b>Illustration:</b> Suppose, the due date of a loan account for making EMI/PEMI payment is 31/03/2024, and the entire dues are not received by SHCL on 31/03/2024 i.e. before the day end process for the date, then the loan account shall be classified as Overdue Account and the date of overdue shall be 31/03/2024.</p>
DPD (Days Past Due)	Denotes, whether a loan account/borrower has been consistent in making repayments, or has missed any. In a scenario of missed repayments, it shall depict, how many installments were missed and by how many days. With respect to a particular loan, it will mean, the number of days for which principal and/or interest or any of its instalment is overdue and not paid as a day end process.
Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)	<p>An Overdue Account is classified as SMA or NPA by SHCL, depending on the period for which the loan account/s is/are overdue. Such classification is done at the borrower level which means, all loan accounts(s) of the said borrower will be classified as SMA or NPA depending on the status of the loan account with highest Overdue days. <b>The basis for classification as SMA or NPA is as per Table A below.</b></p> <p>The classification of borrower accounts as SMA or NPA shall be done as part of day end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run. In other words, the date of SMA or NPA shall reflect the asset classification status of an account at the day end of that calendar date. The process is briefly explained as under:</p> <ul style="list-style-type: none"> <li>If the entire EMI/PEMI of a particular account is not received into the bank account of SHCL before the running of the day-end process on the last calendar day of the month, i.e. the date date (being 31/03/2024), the account shall be treated as over after day-end process. Accordingly, the account will be classified as <b>SMA – 0 at the end of day 31/03/2024.</b></li> </ul>

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	<ul style="list-style-type: none"> <li>If this account continues to be overdue even after completion of day-end process on 30/04/2024 from the initial due date (i.e. 31/03/2024), the account will be classified as <b>SMA - 1</b>, immediately after running of day-end process, if full dues are not received before day-end process is run on 30/04/2024.</li> <li>If the account continues to remain overdue for 60 days, it shall be classified as <b>SMA - 2</b> upon running day-end process on 30/05/2024 from the initial due date (i.e. 31/03/2024)</li> <li>If the account continuously remains as overdue for 90 days, it shall be classified as <b>NPA</b> upon running day-end process on 29/06/2024 from the initial due date (i.e. 31/03/2024)</li> </ul> <p><b>Tabular illustration of classification as SMA or NPA is explained in Table B below.</b></p>
Upgradation of Loan Account/s classified as NPA	<p>Loan Account(s) classified as NPA can be upgraded as <b>“Standard” ONLY</b> if the entire arrears of principal and interest are realized in full by the borrower and that there is <b>“NIL”</b> arrears upon running day-end process of that particular calendar date.</p> <p><i>Suppose, a borrower is classified as NPA on 29/06/2024 with an overdue of INR 66,306/-, the borrower will be upgraded to standard only after receipt of full overdue amount of principal and interest.</i></p>

**TABLE A: BASIS OF CLASSIFICATION AS SMA OR NPA**

Classification Categories	Basis for classification – Principal and/or interest or any other amount wholly or partly overdue
SMA - 0	Upto 30 days
SMA - 1	More than 30 days and upto 60 days
SMA - 2	More than 60 days and upto 90 days
NPA	More than 90 days

**TABLE B: ILLUSTRATION OF CLASSIFICATION AS SMA OR NPA**

Day-end process on	DPD	Scenario	Classification
31/03/2024	1	If full dues are not received before the day-end process	SMA 0
30/04/2024	31	If full dues are not received before the day-end process	SMA 1
30/05/2024	61	If full dues are not received before the day-end process	SMA 2
29/06/2024	91	If full dues are not received before the day-end process	NPA

Sd/-  
(D J Bagchi)  
CEO

**Place : Kolkata**  
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