

Crescentis Capital Limited
(Formerly known as Som Datt Finance Corporation Ltd)
CUSTOMER EDUCATION LITERATURE ON SMA/NPA

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1. Introduction

Pursuant to the guidelines issued by the Reserve Bank of India under the *Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025*, NBFCs are required to follow uniform norms for income recognition, asset classification and provisioning (IRACP) for loan accounts.

These directions clarify the concepts of overdue amounts, Special Mention Accounts (SMA), Non-Performing Assets (NPA) and upgradation of loan accounts, ensuring consistency across all lending institutions.

2. Objective

With a view to increasing awareness among the borrowers of Crescentis Capital Limited, this document explains the concepts of Special Mention Accounts (SMA), Non-Performing Assets (NPA), and the related regulatory provisions in a simplified manner.

The examples provided herein are illustrative in nature and relate to general scenarios only. The guidelines issued and amended by the Reserve Bank of India from time to time shall prevail for implementation.

- a) Dues: “Dues” means the principal, interest, or any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the loan.
- b) Overdue: “Overdue” means the principal, interest, or any charges levied on the loan account which are payable but have not been paid within the period stipulated as per the terms of sanction of the loan.

3. What is the meaning of Overdue account?

An account shall be classified as “Overdue” if any amount due to Crescentis Capital Limited under any credit facility is not paid on the due date fixed by the Company and agreed by the borrower as per the loan agreement.

The amount due may include principal, interest, or any other amount payable, whether wholly or partly due.

The date of classifying a loan account as “Overdue” shall be the date on which the payment was due but not paid by the borrower.

4. What is days past due (DPD)?

Days Past Due (DPD) refers to the number of days for which a loan account has remained overdue.

For example, if on the due date, full dues are not received by Crescentis Capital Limited before its day-end processes are run, the account shall become overdue by 1 day (that is 1 DPD). Accounts at 1DPD are also called as SMA-0.

the customer needs to ensure that all payments due are received and realised by Crescentis Capital Limited before its day-end processes are run on or before the due date. Further, if the due date falls on a nonworking day, the borrower has to ensure that the repayment is made on or before the due date.

5. When is an account treated as Current? What are its benefits?

An account wherein all payments are made as & when due is treated as “Current”. In other words, any account with nil DPD is Current.

Benefits of Accounts treated as “Current”:

- Strong credit profile – high credit score in credit bureau report
- Easy access to funds from Banks & NBFCs
- Competitive rate of interest

6. What is SMA & what is NPA?

An account is classified as Special Mention Account (SMA) or Non-Performing Account (NPA) based on days past due (DPD).

The classification of borrower accounts as SMA as well as NPA shall be done as part of the 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/NPA shall reflect the asset classification status of an account at the day-end of that calendar date.

Non-Performing Asset (NPA): A loan account shall be classified as a Non-Performing Asset (NPA) if the interest and/or instalment of principal remains overdue for a period of more than 90 days, in accordance with the RBI prudential norms applicable to NBFCs.;

The basis for the classification of SMA/NPA categories shall be as follows:

SMA Sub categories/ NPA	Overdue Period.
SMA-0	Up to 30 days
SMA-1	More than 30 days and up to 60 days
SMA-2 /	More than 60 days and up to 90 days
NPA	More than 90 days

Accordingly, the date of SMA/NPA shall reflect the asset classification status of the loan account, at the day end of that calendar date.

An illustration of such classification is as follows: Examples of SMA/NPA classification dates:

SMA 0 – If due date of a loan account is 31st March, 2026, and full dues are not received on this date, the account shall be SMA 0 on day end of 31st March, 2026.

SMA-1 – If the account continues to remain overdue, it shall be classified as SMA-1 upon completion of 30 days of continuous overdue status, i.e., on 30 April 2026.

- SMA 2- If the account continues to remain overdue, it shall get tagged as SMA-2 on 30th May, 2026.

NPA – If the account continues to remain overdue for more than 90 days, the account shall be classified as NPA i.e on June 29, 2026.

7. Upgradation of accounts classified as NPAs: A loan account classified as NPA may be upgraded to “Standard Asset” only upon payment of the entire arrears of principal and interest, such that no overdue amount remains as on the date of running the day-end process. In case of borrowers having more than one credit facility, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

8. Impact on the credit Score: The classification of loan accounts as SMA or NPA is reported to credit information companies such as CIBIL, CRIF High Mark, Experian and Equifax. Such reporting may adversely impact the credit score of the borrower and guarantor.

9. How to move your account out of NPA?

You can move your account/s out of NPA by repayment of ALL dues over dues in ALL the facilities availed by you from Crescentis Capital Limited.

10. How to ensure that your account always remains in current status?

You can follow simple steps depicted below to ensure that your account always remains in current status.

- a. Ensure that sufficient balance is maintained in the designated bank account prior to the EMI due date to enable successful debit of instalments.
- b. If your EMI amount does not get debited on the due date, please reach out to Customer Care Email at services@crescentis.in.

11. Whom can I contact in case of queries?

For any account classification related queries, kindly write to services@crescentis.in