भारतीय रिजर्व बैंक

**RESERVE BANK OF INDIA**

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RBI/2013-14/414

DBOD.No.BP.BC.78/21.04.048/2013-14 December 20, 2013

The Chairman and Managing Director/
Chief Executive Officer of
All Scheduled Commercial Banks

Dear Sir,

**Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Credit Card Accounts**

Please refer to paragraph 2.1 of the Master Circular dated July 01, 2013 on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, wherein definitions of non-performing assets (NPAs) have been indicated.

2. In credit card accounts, the amount spent is billed to the card users through a monthly statement with a definite due date for repayment. Banks give an option to the card users to pay either the full amount or a fraction of it, i.e., minimum amount due, on the due date and roll-over the balance amount to the subsequent months' billing cycle.

3. It has come to our notice that there are divergent practices being followed by banks with regard to asset classification status of credit card accounts if minimum amount due is not paid on the specified due date. While some banks reckon the due date specified in the statement for payment of minimum amount due to determine the over-due status, some banks reckon the subsequent billing date to determine the over-due status of the minimum amount due. In order to bring in consistency and induce transparency, it is advised that a credit card account will be treated as non-performing asset if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the next statement date. The gap between two statements should not be more than a month.

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हिंदी आसान हैं, इसका प्रयोग बढ़ाइए

4. Banks should follow this uniform method of determining over-due status for credit card accounts while reporting to credit information companies and for the purpose of levying of penal charges, viz. late payment charges, etc., if any.

Yours faithfully,

(Chandan Sinha)
Principal Chief General Manager