RBI Guidelines for prompt Repayment

RBI guidelines for prompt repayment are as follows:

i. For Cash Credit Limit (CCL):
   - Outstanding balance should not have remained in excess of the limit/ drawing power continuously for more than 30 days.
   - There should be regular debits and credits in the account. In any case there shall be at least one customer induced credit during the month.
   - Customer induced credit should be sufficient to cover the interest debited during the month.

Explanation: 'Customer induced credit' - For CCL, beneficiary should repay at least the interest charged by bank at 7% every month to be considered prompt payee.

ii. For Term loan (TL): Interest and principal i.e. monthly instalments fixed by bank is paid within 30 days of the due date.

Explanation: Beneficiary should pay their Equated Monthly Instalments (EMI) as per the repayment schedule. The EMI should be paid within 30 days of the due date to be considered prompt payee for the period.

The prompt payment guidelines will continue to be guided by RBI guidelines on the subject in future.