

Changes in Minimum Amount Due (MAD) computation logic

The Minimum Amount Due (MAD) computation methodology will be revised with effect from 10th November 2023 across Axis Bank Credit Cards.

Existing MAD computation logic:

MAD = 5% of (Purchases/ Cash Withdrawals) + 100% of (Interest/Finance Charge, All Fees, loans, taxes)

Revised MAD computation logic (effective 10th Nov 2023):

MAD = 2% of (Purchases/ Cash Withdrawals) + 100% of (Interest/Finance Charge, All Fees, loans, taxes)

Illustration for Minimum Amount Due (MAD) Computation:

Assume that you have paid all previous dues in full, and do not have any amount outstanding in your Credit Card Account, and your monthly statement is generated on the 15th of every month.

Earlier MAD computation logic:

MAD = 5% of (Purchases/ Cash Withdrawals) + 100% of (Interest/Finance Charge, All Fees, loans, taxes)

Revised MAD computation logic (effective 10th Nov 2023):

MAD = 2% of (Purchases/ Cash Withdrawals) + 100% of (Interest/Finance Charge, All Fees, loans, taxes)

Illustration for Minimum Amount Due (MAD) Computation:

Assume that you have paid all previous dues in full, and do not have any amount outstanding in your Credit Card Account, and your monthly statement is generated on the 15th of every month.

Sr. No.	Txn Date	Type	Cr/ Db	Previous MAD computation logic		Revised MAD computation logic	
				MAD Contribution	Amount	MAD Contribution	Amount
a	25 th Sep	Purchase	Db	5%	5000	2%	5000
b	1 st Oct	Joining Fee	Db	100%	1000	100%	1000
c	1 st Oct	Cash Withdrawal	Db	5%	2000	2%	2000
d	1 st Oct	Cash Withdrawal Fee	Db	100%	100	100%	100
e	1 st Oct	GST	Db	100%	18	100%	18
f	15 th Oct	Interest on Cash Withdrawal	Db	100%	35.5	100%	35.5
g	15 th Oct	GST on Interest	Db	100%	6.4	100%	6.4
Total Due					8159.89		8159.89
Minimum Amount Due (MAD)					1509.90		1299.90

Basis previous logic, the minimum Amount Due (MAD) will be calculated as below:

MAD = 5% of Purchase and Cash Withdrawal + 100% of Joining Fees, Cash Withdrawal Fee, Interest on cash withdrawal, GST & GST on Interest

$$MAD = 5\% * (5000 + 2000) + 100\% * (1000 + 100 + 18 + 35.5 + 6.4) = 1509.90$$

Minimum Amount Due will be Rs. 1509.90

The revised Minimum Amount Due (MAD) with effect from 10th November will be calculated as below:

MAD = 2% of Purchase and Cash Withdrawal + 100% of Joining Fees, Cash Withdrawal Fee, Interest on cash withdrawal, GST & GST on Interest

$MAD = 2\% * (5000 + 2000) + 100\% * (1000 + 100 + 18 + 35.5 + 6.4) = 1299.90$

Minimum Amount Due will be Rs. 1299.90.

If you spend ₹5,000 and pay back exactly the Minimum Amount Due (subject to a minimum payment of ₹100) every month, it will take you up to ~7 years to pay back the total amount. We therefore suggest that whenever your cash flows allow, pay back the entire outstanding or an amount substantially more than your Minimum Amount Due.

Please read the above changes in conjunction with the detailed MITC:

<https://www.axisbank.com/docs/default-source/default-document-library/mitc-credit-cards.pdf>.

Please refer to the “Use of Credit Card” section and “Termination / Surrender / Revocation of Card Membership” for terms related to usage of your Axis Bank Credit Cards.

Terms and Conditions – EMI/Loan Foreclosure

With effect from 15th November 2023 or later, if a Loan facility/Loan is foreclosed by the Cardholder during the Loan facility/Loan tenure, the Cardholder shall be liable to repay Total Outstanding due (including the principal outstanding, foreclosure charge and the interest on the loan for the actual number of days till closure) from the last billing date till the date of closure of Loan Facility/Loan, to the Bank. In such a scenario, the following shall be the entries in the card statement for the interest charge:

· A = Interest shall be debited for the entire remaining loan tenure (i.e., last billing date till the date of closure of Facility tenure)

· B = Interest pertaining to period post loan foreclosure (i.e., foreclosure date to the date of closure of Facility tenure) shall be credited on the card account.

Effectively, the net interest i.e., (A-B) shall be billed to the customer for the number of days since last billing date to loan foreclosure date.

Illustration: Assume that you have paid all previous dues in full, and do not have any amount outstanding in your Credit Card Account, and your monthly statement is generated on 25th of every month. You have taken Balance on EMI (BoE) of INR 5,000 for the tenure of 6 months on 3rd May'23 with ROI 14%. 2 EMIs are deducted till Jul'23 and you have requested for foreclosure on 17th Jul'23.

Date	Transaction Type	Amount (Rs.)	Explanation
3 rd May'23	Availed BOE (Balance on EMI)	Rs.5,000	Availed BOE (Balance On EMI) on credit card
2 nd Jun'23	1st EMI Amount	Rs.867.69 Dr	Deducted EMI of amount Rs. 867.69 (Principal = Rs. 809.36, Interest = Rs. 58.33)
2 nd Jun'23	GST on Interest	Rs 10.50 Dr	GST @18% on interest 58.33*18% = Rs. 10.50
2 nd Jul'23	2nd EMI amount	Rs.867.69 Dr	Deducted EMI of amount Rs. 867.69 (Principal = Rs. 818.80, Interest = Rs. 48.89)
2 nd Jul'23	GST on Interest	Rs. 8.80 Dr	GST @18% on interest 48.89*18% = Rs. 8.80
17 th Jul'23	Foreclosure of BOE Interest Debit for EMIs # 3 to 6	Rs.159.08 Dr	Foreclosure request on 17 th Jul'23. Debit of interest of remaining tenure (3rd Jul'23 to 2nd Nov'23) $3371.84 * 14% * 123 \text{ Days} / 365 \text{ days} = 159.08$ (Rs. 3371.84 is the principal outstanding balance)
17 th Jul'23	GST on above interest	Rs. 28.63 Dr	$159.08 * 18\% = \text{Rs. } 28.63$
17 th Jul'23	Instalment Interest Reversal	Rs.140.97 Cr	Reversal of interest of unutilized period (17 th Jul'23 to 2nd Nov'23) $3371.84 * 14% * 109 \text{ days} / 365 \text{ days} = \text{Rs. } 140.97$ (Rs. 3371.84 is the principal outstanding balance)
17 th Jul'23	GST reversal	Rs.25.37 Cr	$140.97 * 18\% = \text{Rs. } 25.37$
	Effective Net Interest	Rs. 18.11	Interest (Last billing date to the date of closure of Loan)
	Effective Net GST	Rs.3.26	GST on above effective net interest

Above changes shall be applicable across Instant Loan on Credit Card, Balance on EMI, Convert purchases into EMIs (Conversion of Transaction into EMI or Merchant EMI) across all Axis Bank Credit Cards. All other charges with regards to loan foreclosure shall remain as per the existing terms and conditions.

Please refer to the following detailed terms and conditions for all loan/EMI products including Instant Loan on Credit Card, Balance on EMI, Convert purchases into EMIs (Conversion of Transaction into EMI or Merchant EMI):
<https://www.axisbank.com/retail/cards/credit-card/useful-links/card-services>

Please read the above T&C in conjunction with the detailed MITC:

<https://www.axisbank.com/docs/default-source/default-document-library/mitc-credit-cards.pdf>