



THE TRENDS IN GROWTH OF CREDIT CARDS IN INDIA – A STUDY

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ABSTRACT

During the past decade, credit cards have become more and more popular in India. The reason for their popularity has now shifted from being recognized as a status symbol to convenience, security and worldwide acceptance. Today, credit cards can be used globally, can involve a number of third parties, can be used for a wide number of purchases and do not require the cardholder to maintain an account with the issuing entity. Banks have been permitted to enter the credit card business without prior approval of the Reserve Bank of India. As a result, many Indian banks have entered into credit card business during the last few years, including State Bank of India. Banks have also been given the freedom to either start the card division by themselves or in association with other card issuing banks. However, setting up of an independent subsidiary to undertake the credit business shall require RBI approval.

The present paper is an attempt to focus on the evolution of credit cards, credit card guiding principles, benefits of credit cards, credit card fraud and basic steps to minimize credit card fraud, identify the trend in growth of credit cards issued, market share of individual players, sector wise market share of the banks, value of credit card transactions and credit card spending pattern.

KEYWORDS: *Plastic Cards, Credit Card Fraud, Operational Convenience, Credit Card Industry.*