

The Credit Information Companies (Regulation) Act, 2005

(ACT NO. 30 OF 2005)

[*As on the* 27*th September,* 2026]

LIST OF ABBREVIATIONS USED

G.S.R.	*for*	General Statutory Rules.
S.O.	,,	Statutory Order.
Notifn.	,,	Notification.

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THE CREDIT INFORMATION COMPANIES (REGULATION) ACT, 2005

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THE CREDIT INFORMATION COMPANIES (REGULATION) ACT, 2005

ACT NO. 30 OF 2005

[23*rd June,* 2005.]

An Act to provide for regulation of credit information companies and to facilitate efficient distribution of credit and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(*1*) This Act may be called the Credit Information Companies (Regulation) Act, 2005.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date[1] as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act, and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

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2. Definitions.—In this Act, unless the context otherwise requires,—

(*a*) "board" means the Board of directors of a credit information company;

(*b*) "borrower" means any person who has been granted loan or any other credit facility by a credit institution and includes a client of a credit institution;

(*c*) "client" includes—

(*i*) a guarantor or a person who proposes to give guarantee or security for a borrower of a credit institution; or

(*ii*) a person—

(*A*) who has obtained or seeks to obtain financial assistance from a credit institution, by way of loans, advances, hire purchase, leasing facility, letter of credit, guarantee facility, venture capital assistance or by way of credit cards or in any other form or manner;

(*B*) who has raised or seeks to raise money by issue of security as defined in clause (*h*) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), or by issue of commercial paper, depository receipt or any other instrument;

(*C*) whose financial standing has been assessed or is proposed to be assessed by a credit institution or any other person or institution as may, by notification, be directed by the Reserve Bank;

(*d*) "credit information" means any information relating to—

(*i*) the amounts and the nature of loans or advances, amounts outstanding under credit cards and other credit facilities granted or to be granted, by a credit institution to any borrower;

(*ii*) the nature of security taken or proposed to be taken by a credit institution from any borrower for credit facilities granted or proposed to be granted to him;

(*iii*) the guarantee furnished or any other non-fund based facility granted or proposed to be granted by a credit institution for any of its borrowers;

(*iv*) the credit worthiness of any borrower of a credit institution;

1. 14th December, 2006, *vide* Notification No. S.O. 2098 (E), dated 14th December, 2006, *see* Gazette of India, Extraordinary, Part II, sec. 3(*ii*).

(*v*) any other matter which the Reserve Bank may, consider necessary for inclusion in the credit information to be collected and maintained by credit information companies, and, specify, by notification, in this behalf;

(*e*) "credit information company" means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under sub-section (*2*) of section 5;

(*f*) "credit institution" means a banking company and includes—

(*i*) a corresponding new bank, the State Bank of India, a subsidiary bank, a co-operative bank, the National Bank and regional rural bank;

(*ii*) a non-banking financial company as defined under clause (*f*) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934);

(*iii*) a public financial institution referred to in section 4A of the Companies Act, 1956 (1 of 1956);

(*iv*) the financial corporation established by a State under section 3 of the State Financial Corporation Act, 1951 (63 of 1951);

(*v*) the housing finance institution referred to in clause (*d*) of section 2 of the National Housing Bank Act, 1987 (53 of 1987);

(*vi*) the companies engaged in the business of credit cards and other similar cards and companies dealing with distribution of credit in any other manner;

(*vii*) any other institution which the Reserve Bank may specify, from time to time, for the purposes of this clause;

(*g*) "credit scoring" means a system which enables a credit institution to assess the credit worthiness and capacity of a borrower to repay his loan and advances and discharge his other obligations in respect of credit facility availed or to be availed by him;

(*h*) "notification" means a notification published in the Official Gazette of India;

(*i*) "prescribed" means prescribed by rules made under this Act;

(*j*) "regulations" means regulations made by the Reserve Bank under this Act;

(*k*) "Reserve Bank" means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);

(*l*) "specified user" means any credit institution, credit information company being a member under sub-section (*3*) of section 15, and includes such other person or institution as may be specified by regulations made, from time to time, by the Reserve Bank for the purpose of obtaining credit information from a credit information company;

(*m*) words and expressions used herein and not defined in this Act but defined in the Reserve Bank of India Act, 1934 (2 of 1934) or the Banking Regulation Act, 1949 (10 of 1949) or the Companies Act, 1956 (1 of 1956) shall have the meanings respectively assigned to them in those Acts.

CHAPTER II

REGISTRATION OF CREDIT INFORMATION COMPANIES

3. Prohibition to commence or carry on business of credit information.—Save as otherwise provided in this Act, no company shall commence or carry on the business of credit information without obtaining a certificate of registration from the Reserve Bank under this Act.

4. Application for registration.—(*1*) Every company which intends to commence the business of credit information shall make an application for registration to the Reserve Bank in such form and manner as may be specified by regulations.

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(*2*) Every credit information company, in existence on the commencement of this Act, before the expiry of six months from such commencement, shall apply in writing to the Reserve Bank for obtaining a certificate of registration under this Act:

Provided that in the case of a credit information company in existence on the commencement of this Act, nothing in section 3 shall be deemed to prohibit such credit information company from carrying on the business of a credit information company, until it is granted a certificate of registration or is by notice in writing informed by the Reserve Bank that a certificate of registration cannot be granted to it.

5. Grant of certificate of registration.—(*1*) The Reserve Bank may, for the purpose of considering the application of a company for grant of a certificate of registration to commence or carry on the business of credit information, require to be satisfied, by an inspection of records or books of such company or otherwise that the following conditions are fulfilled, namely:—

(*a*) that the applicant company has minimum capital structure referred to in section 8;

(*b*) that the general character of the management or the proposed management of the applicant company shall not be prejudicial to the interest of its specified users, clients or borrowers, or other credit information companies;

(*c*) that any other condition, the fulfilment of which in the opinion of the Reserve Bank, shall be necessary to ensure that the commencement or carrying on of the business of credit information by the applicant company shall not be detrimental or prejudicial to the public interest or banking policy or credit system or its specified users or clients or borrowers or other credit information companies or others who would provide credit information to the credit information companies.

(*2*) The Reserve Bank may, after being satisfied that the conditions as referred to in sub-section (*1*) are fulfilled, grant a certificate of registration to the applicant company to commence or carry on the business of credit information, subject to such conditions which it may consider fit to impose and if the company fails to fulfil any of such conditions or any of the provisions of this Act, the application of the company shall be rejected:

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.

(*3*) The Reserve Bank may, having regard to the available business of credit information, the potential and scope for expansion of existing credit information companies and other relevant factors, determine the total number of the credit information companies which may be granted the certificates of registration for carrying on the business of credit information:

Provided that the total number of such credit information companies so determined may, on being satisfied by the Reserve Bank, that there is change in available business of credit information, potential and scope for expansion of existing credit information companies and other relevant factors relating thereto, be reviewed by the Reserve Bank.

6. Power of Reserve Bank to cancel certificate of registration.—(*1*) The Reserve Bank may cancel a certificate of registration granted to a credit information company under sub-section (*2*) of section 5 if such company,—

(*i*) ceases to carry on the business of credit information; or

(*ii*) has failed to comply with any of the conditions subject to which the certificate of registration has been granted to it; or

(*iii*) at any time fails to fulfil any of the conditions referred to in sub-clauses (*a*) to (*c*) of sub-section (*1*) or sub-section (*2*) of section 5; or

(*iv*) fails—

(*a*) to comply with the provisions of any law for the time being in force or any direction issued by the Reserve Bank under the provisions of this Act; or

(*b*) to submit or offer for inspection its books of account and other relevant documents when so demanded by the officers, persons or agency referred to in sub-section (*1*) of section 12.

(*2*) Before cancelling the certificate of registration granted to a credit information company under this section on the ground that the company has failed to comply with the conditions specified in clauses (*a*) to (*c*) of sub-section (*1*) or sub-section (*2*) of section 5 or the provisions of any other law for the time being in force or directions issued under this Act, the Reserve Bank, shall grant time to such company on such terms as the Reserve Bank may deem appropriate for taking necessary steps to comply with such directions or provisions or fulfilment of such conditions, within such time:

Provided that if the Reserve Bank is of the opinion that the delay in cancelling the certificate of registration of such company shall be prejudicial or detrimental to the public interest or banking policy or credit system or borrowers or other credit information companies, the Reserve Bank may cancel the certificate of registration without granting time as provided in sub-section (*2*).

(*3*) No order of cancellation of certificate of registration, granted to a credit information company, shall be made by the Reserve Bank unless such company has been given a reasonable opportunity of being heard.

7. Appeal against order of Reserve Bank.—(*1*) A credit information company aggrieved by the order of rejection of an application for grant of certificate of registration under section 5 or cancellation of certificate of registration under section 6, may prefer an appeal to the Central Government or any other authority or tribunal which may be designated by rules made by the Central Government, within a period of thirty days from the date on which such order of rejection or cancellation, as the case may be, is communicated to the credit information company.

(*2*) The decision of the Central Government or the authority or tribunal referred to in sub-section (*1*) where an appeal has been preferred to it under sub-section (*1*), or of these Reserve Bank where no such appeal has been preferred, shall be final:

Provided that before making any order of rejection of an appeal, the applicant company or the credit information company, as the case may be, shall be given a reasonable opportunity of being heard.

8. Requirement as to minimum capital.—(*1*) The authorised capital of every credit information company shall be a minimum of thirty crores:

Provided that the Reserve Bank may, by notification, increase the minimum amount of authorised capital to any amount not exceeding fifty crores.

(*2*) The issued capital of every credit information company shall not be less than twenty crores:

Provided that the Reserve Bank may, by notification, increase the issued capital to any amount not exceeding the minimum amount of authorised capital as referred to in sub-section (*1*).

(*3*) The minimum paid up capital of every credit information company at any time shall not be less than seventy-five per cent. of the issued capital.

CHAPTER III

MANAGEMENT OF CREDIT INFORMATION COMPANIES

9. Management of credit information company.—(*1*) Notwithstanding anything contained in any law for the time being in force, or in any contract to the contrary, every credit information company in existence on the commencement of this Act, or which comes into existence thereafter, shall have one of its directors, who may be appointed on whole-time or on a part-time basis as chairperson of its board, and where he is appointed on whole-time basis as chairperson of its board, he shall be entrusted with the management of the whole of the affairs of the credit information company:

Provided that the chairperson of the board of the credit information company shall exercise his powers subject to the superintendence, control and directions of the board.

(*2*) Where a chairperson is appointed on a part-time basis, the management of whole of the affairs of the credit information company shall be entrusted to a managing director or, a whole-time director by whatever name called, who shall exercise his powers subject to the superintendence, control and directions of the board.

(*3*) In addition to the chairperson or managing director or whole-time director, by whatever name called, the board of directors shall consist of not less than fifty per cent. directors who shall be persons

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having special knowledge in, or practical experience of, the matters relating to public administration, law, banking, finance, accountancy, management or information technology.

(*4*) In discharging its functions, the board shall act on business principles and shall have due regard to the interest of its specified users, credit institutions or the clients or borrowers of credit institutions.

(*5*) Where the Reserve Bank is satisfied that it is in the public interest or in the interest of banking policy or credit system of the country, or for preventing the affairs of any credit information company being managed in a manner detrimental to the interest of banking policy or credit institutions or borrowers or clients or for securing the proper management of any credit information company, it is necessary so to do, the Reserve Bank may, for reasons to be recorded in writing, by order published in the Official Gazette, supersede the board of such company, for such period not exceeding six months, as may be specified in the order and which may be extended from time to time, so, however, that the total period shall not exceed twelve months:

Provided that before making any such order, the Reserve Bank shall give a reasonable opportunity to the board of such credit information company to make representation against the proposed supersession and shall consider the representation, if any, of the board.

(*6*) The Reserve Bank may, on supersession of the board of a credit information company under sub-section (*5*), appoint an Administrator for such period and on such salary and other terms and conditions as it may determine.

(*7*) The Reserve Bank may issue such directions to the Administrator as it may deem appropriate and the Administrator shall be bound to follow such directions.

(*8*) Upon making of the order under sub-section (*5*), superseding the board of a credit information company—

(*a*) the chairperson, managing director and other directors of such credit information company shall, as from the date of supersession, vacate their offices as such;

(*b*) all the powers, functions and duties which may, by or under the provisions of the Companies Act, 1956 (1 of 1956) or this Act or any other law for the time being in force, be exercised or discharged, by or on behalf of the board of such credit information company, or by a resolution passed in general meeting of that company, shall, until the reconstitution of its board under sub-section (*10*), be exercised and discharged by the Administrator appointed by the Reserve Bank under sub-section (*6*):

Provided that the powers exercised by the Administrator shall be valid notwithstanding that such powers are exercisable by a resolution passed in the general meeting of such credit information company.

(*9*) The salary and allowances payable to the Administrator and staff assisting the Administrator shall be borne by the credit information company.

(*10*) On and before the expiration of two months before expiry of the period of supersession mentioned in the order of the Reserve Bank issued under sub-section (*5*), the Administrator of the credit information company, shall call a general meeting of the credit information company to elect new directors and reconstitute its board and any person who had vacated his office under clause (*a*) of sub-section (*8*), shall not be deemed to be disqualified for re-appointment.

(*11*) Notwithstanding anything contained in any law for the time being in force or in any contract or the memorandum or articles of association, of the credit information company, on the removal of a person from office under this section, that person shall not be entitled to claim any compensation for the loss or termination of office.

10. Power of Reserve Bank to determine policy.—Where the Reserve Bank is satisfied that it is necessary or expedient in the public interest or in the interest of specified users or in the interest of credit information companies or credit institutions or clients or borrowers so to do, it may determine the policy in relation to functioning of credit information companies or credit institutions or specified users generally or in particular and when the policy has been so determined all credit information companies, credit institutions and specified users, as the case may be, shall be bound to follow the policy as so determined.

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11. Power of Reserve Bank to give directions.—(*1*) Where the Reserve Bank is satisfied that,—

(*a*) in the public interest; or

(*b*) in the interest of credit institutions; or

(*c*) in the interest of specified users; or

(*d*) in the interest of banking policy; or

(*e*) to prevent the affairs of any credit information company being conducted in a manner detrimental to the interests of its specified users or in a manner prejudicial to the interests of credit institutions or borrowers or clients; or

(*f*) to secure the proper management of credit information companies generally,

it is necessary to issue directions to credit information companies or credit institutions or specified users generally or to any credit information company or credit institution or specified user in particular, it may, from time to time, issue such directions as it deems fit, and such credit information companies, credit institutions and specified users or credit information company, credit institution, and specified user, as the case may be, shall be bound to comply with such directions.

(*2*) The Reserve Bank may, on representation made to it or on its own motion, modify or cancel any direction issued under sub-section (*1*), and the Reserve Bank, in so modifying or cancelling any direction, may impose such conditions as it thinks fit, subject to which the modification or cancellation shall have effect.

(*3*) The Reserve Bank may, at any time, if it is satisfied that in the public interest or in the interest of a credit information company or its members, it is necessary so to do, by order in writing and on such terms and conditions as may be specified therein,—

(*a*) require such credit information company to call a meeting of its directors for the purpose of considering any matter relating to or arising out of the affairs of the credit information company;

(*b*) depute one or more of its officers to watch the proceedings at any meeting of the board of the credit information company or of any committee or of any other body constituted by it and require the credit information company to give an opportunity to the officers so deputed to be heard at such meetings and also require such officers to send a report of such proceedings to the Reserve Bank;

(*c*) require the board of the credit information company or of any committee or any other body constituted by it to give in writing to any officer deputed by the Reserve Bank in this behalf at his usual address all notices of, and other communications relating to, any meeting of the board, committee or other body constituted by it;

(*d*) appoint one or more of its officers to observe the manner in which the affairs of the credit information company or of its offices or branches are being conducted and make a report thereon;

(*e*) require the credit information company to make, within such time as may be specified in the order, such changes in the management as the Reserve Bank may consider necessary.

(*4*) The Reserve Bank may, at any time, direct any credit information company to furnish it within such time as may be specified by the Reserve Bank, such statements and information relating to the business or affairs of the credit information company as the Reserve Bank may consider necessary or expedient to obtain for the purpose of this Act.

12. Inspection of credit information company, credit institution and specified user.—(*1*) Notwithstanding anything to the contrary contained in section 235 of the Companies Act, 1956 (1 of 1956), the Reserve Bank, at any time, may and on being directed so to do by the Central Government shall, cause an inspection to be made, by one or more of its officers or through such other persons or agency as the Reserve Bank may determine, of any credit information company or credit institution or specified user and their books and accounts; and the Reserve Bank shall supply to the credit information company or credit institution or specified user, as the case may be, a copy of its report on such inspection.

(*2*) It shall be the duty of every director or other officer or employee of the credit information company, credit institution and specified user to produce to any officer or person or agency, as the case

may be, making an inspection under sub-section (*1*) all such books, accounts and other documents in his custody or power and to furnish him with any statement and information relating to the affairs of such credit information company, credit institution and specified user, as the said officer or person or agency may require of him within such time as the said officer or person or agency may specify.

(*3*) Any officer of the Reserve Bank or person or an agency making an inspection under sub-section (*1*) may examine on oath any director or other officer or employee of the credit information company, credit institution and specified user, in relation to their business, and may administer an oath accordingly.

(*4*) The expenses of, or incidental to, the inspection under sub-section (*1*) by any person or an agency referred to in sub-section (*1*) shall be borne by the concerned credit information company or credit institution or specified user, as the case may be.

CHAPTER IV

AUDITORS

13. Powers and duties of auditors.—(*1*) It shall be the duty of an auditor of a credit information company to inquire whether or not the credit information company has furnished to the Reserve Bank such statements, information or particulars relating to its business as are required to be furnished under this Act and the auditor shall, except where he is satisfied on such inquiry that the credit information company has furnished such a statement , information or particulars, make a report to the Reserve Bank in this regard.

(*2*) The Reserve Bank may, on being satisfied that it is necessary so to do, in the public interest or in the interest of credit system, issue directions in particular or in general with respect to audit of the credit information company and submission of the report to the Reserve Bank.

(*3*) Where the Reserve Bank is of the opinion that it is necessary so to do in the public interest or in the interest of the credit information company or its members, or in the interest of credit system or credit institution or its borrower or client so to do, it may, at any time, by an order, direct that a special audit of the accounts of the credit information company in relation to any such transaction or class of transactions or for such period or periods, as may be mentioned in the order, shall be conducted and the Reserve Bank may by such order or by a separate order either appoint an auditor or auditors or direct the auditor of the credit information company himself to conduct such special audit and the auditor shall comply with such directions and make a report of such audit to the Reserve Bank and forward a copy thereof to the credit information company.

(*4*) The remuneration of the auditors as may be fixed by the Reserve Bank, having regard to the nature and volume of work involved in the audit and the expenses of, or incidental to, the audit, shall be borne by the credit information company so audited.

CHAPTER V

FUNCTIONS OF CREDIT INFORMATION COMPANIES

14. Functions of a credit information company.—(*1*) A credit information company may engage in any one or more of the following forms of business, namely:—

(*a*) to collect, process and collate information on trade, credit and financial standing of the borrowers of the credit institution which is a member of the credit information company;

(*b*) to provide credit information to its specified users or to the specified users of any other credit information company or to any other credit information company being its member;

(*c*) to provide credit scoring to its specified users or specified users of any other credit information company or to other credit information companies being its members;

(*d*) to undertake research project;

(*e*) to undertake any other form of business which the Reserve Bank may, specify by regulations as a form of business in which it is lawful for a credit information company to engage.

(*2*) No credit information company shall engage in any form of business other than those referred to in sub-section (*1*).

(*3*) Any credit information company for the purposes of carrying on the business of credit information may—

(*a*) register credit institutions and other credit information companies, at their option as its member, subject to such terms and conditions as may be pre-determined and disclosed by such credit information company;

(*b*) charge such reasonable amount of fees, as it may deem appropriate not exceeding the maximum fee, as may be specified under section 27, for furnishing credit information to a specified user;

(*c*) generally to do all such other acts and perform such other functions as are necessary to facilitate proper conduct of its affairs, business and functions in accordance with the provisions of this Act.

15. Credit Institution to be member of a credit information company.—(*1*) Every credit institution in existence on the commencement of this Act, before the expiry of three months from such commencement or within such extended period, as the Reserve Bank may allow on its application and subject to being satisfied about the reason for extension, shall become member of at least one credit information company.

(*2*) Every credit institution which comes into existence after the commencement of this Act, before the expiry of three months from its coming into existence, or within such extended period, as the Reserve Bank may allow on its application and subject to being satisfied about the reason for extension, shall become member of at least one credit information company.

(*3*) A credit information company may, at its option, become member of another credit information company.

(*4*) No credit information company shall refuse to register a credit institution or another credit information company as its member without providing reasonable opportunity of being heard to such credit institution or credit information company, whose application it proposes to reject and recording reasons for such rejection and a copy of such order of rejection shall be forwarded to the Reserve Bank.

(*5*) A credit institution or credit information company aggrieved by the order of rejection of its application for its registration as a member of a credit information company under sub-section (*4*) may prefer an appeal to the Reserve Bank, within a period of thirty days from the date on which such order of rejection was communicated to it:

Provided that the Reserve Bank may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding thirty days.

(*6*) On receipt of an appeal under sub-section (*5*), the Reserve Bank, after giving the appellant and other concerned parties, an opportunity of being heard, pass such order as it deems fit.

(*7*) The decision of the Reserve Bank where an appeal has been preferred to it under sub-section (*5*) shall be final and the order of the credit information company under sub-section (*4*) shall be final after the expiry of the said period of thirty days where no appeal has been preferred under that sub-section to the Reserve Bank.

(*8*) Every specified user shall be entitled to obtain credit information for its use from the credit information company of which such specified user is a member.

16. Failure to become a member of a credit information company.—(*1*) Where a credit institution—

(*a*) abstains from becoming a member of at least one credit information company; or

(*b*) at any time is not a member of any credit information company,

the Reserve Bank *suo moto* or on a complaint from a credit information company may, direct such credit institution to take necessary steps within such time, as it may specify to become a member of a credit information company.

(*2*) In case a credit institution fails to comply with the directions of the Reserve Bank under sub-section (*1*), to become member of at least one credit information company, the Reserve Bank may, without prejudice to the provisions of this Act, intimate such failure to any other authority for taking such action as it may deem fit.

17. Collection and furnishing of credit information.—(*1*) A credit information company or any person authorised in that behalf by the company may, by notice in writing, in such form, as may be specified by regulations made by the Reserve Bank or as near thereto, require its members being credit institution or credit information company, to furnish such credit information as it may deem necessary in accordance with the provisions of this Act.

(*2*) Every credit institution which is member of the credit information company and every credit information company which is a member of other credit information company shall, on receipt of notice under sub-section (*1*), provide credit information to the credit information company of which it is a member, within such period as may be specified in the notice.

(*3*) Every credit information company shall provide for such purpose, as may be specified by regulations, the credit information received under sub-section (*2*), to its specified user on receipt of request from him in accordance with the provisions of this Act and directions issued thereunder by the Reserve Bank from time to time in this behalf.

(*4*) No credit information received under this Act,—

(*a*) by the credit information company, shall be disclosed to any person other than its specified user; or

(*b*) by the specified user, shall be disclosed to any other person;

(*c*) by the credit information company or specified user, shall be disclosed for any other purpose than as permitted or required by any other law for the time being in force.

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18. Settlement of dispute.—(*1*) Notwithstanding anything contained in any law for the time being in force, if any dispute arises amongst, credit information companies, credit institutions, borrowers and clients on matters relating to business of credit information and for which no remedy has been provided under this Act, such disputes shall be settled by conciliation or arbitration as provided in the Arbitration and Conciliation Act, 1996 (26 of 1996), as if the parties to the dispute have consented in writing for determination of such dispute by conciliation or arbitration and provisions of that Act shall apply accordingly.

(*2*) Where a dispute has been referred to arbitration under sub-section (*1*), the same shall be settled or decided,—

(*a*) by the arbitrator to be appointed by the Reserve Bank;

(*b*) within three months of making a reference by the parties to the dispute:

Provided that the arbitrator may, after recording the reasons therefor, extend the said period up to a maximum period of six months:

Provided further that, in an appropriate case or cases, the Reserve Bank may, if it considers necessary to do so (reasons to be recorded in writing), direct the parties to the dispute to appoint an arbitrator in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996), for settlement of their dispute in accordance with the provisions of that Act.

(*3*) Save as otherwise provided under this Act, the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall apply to all arbitration under this Act as if the proceedings for arbitration were referred for settlement or decision under the provisions of the Arbitration and Conciliation Act, 1996.

CHAPTER VI

INFORMATION PRIVACY PRINCIPLES AND FURNISHING OF CREDIT INFORMATION

19. Accuracy and security of credit information.—A credit information company or credit institution or specified user, as the case may be, in possession or control of credit information, shall take such steps (including security safeguards) as may be prescribed, to ensure that the data relating to the

credit information maintained by them is accurate, complete, duly protected against any loss or unauthorised access or use or unauthorised disclosure thereof.

20. Privacy principles.—Every credit information company, credit institution and specified user, shall adopt the following privacy principles in relation to collection, processing, collating, recording, preservation, secrecy, sharing and usage of credit information, namely:—

(*a*) the principles—

(*i*) which may be followed by every credit institution for collection of information from its borrowers and clients and by every credit information company, for collection of information from its member credit institutions or credit information companies, for processing, recording, protecting the data relating to credit information furnished by, or obtained from, their member credit institutions or credit information companies, as the case may be, and sharing of such data with specified users;

(*ii*) which may be adopted by every specified user for processing, recording, preserving and protecting the data relating to credit information furnished, or received, as the case may be, by it;

(*iii*) which may be adopted by every credit information company for allowing access to records containing credit information of borrowers and clients and alteration of such records in case of need to do so;

(*b*) the purpose for which the credit information may be used, restriction on such use and disclosure thereof;

(*c*) the extent of obligation to check accuracy of credit information before furnishing of such information to credit information companies or credit institutions or specified users, as the case may be;

(*d*) preservation of credit information maintained by every credit information company, credit institution, and specified user as the case may be (including the period for which such information may be maintained, manner of deletion of such information and maintenance of records of credit information);

(*e*) networking of credit information companies, credit institutions and specified users through electronic mode;

(*f*) any other principles and procedures relating to credit information which the Reserve Bank may consider necessary and appropriate and may be specified by regulations.

21. Alteration of credit information files and credit reports.—(*1*) Any person, who applies for grant or sanction of credit facility, from any credit institution, may request to such institution to furnish him a copy of the credit information obtained by such institution from the credit information company.

(*2*) Every credit institution shall, on receipt of request under sub-section (*1*), furnish to the person referred to in that sub-section a copy of the credit information subject to payment of such charges, as may be specified by regulations, by the Reserve Bank in this regard.

(*3*) If a credit information company or specified user or credit institution in possession or control of the credit information, has not updated the information maintained by it, a borrower or client may request all or any of them to update the information; whether by making an appropriate correction, or addition or otherwise, and on such request the credit information company or the specified user or the credit institution, as the case may be, shall take appropriate steps to update the credit information within thirty days after being requested to do so:

Provided that the credit information company and the specified user shall make the correction, deletion or addition in the credit information only after such correction, deletion or addition has been certified as correct by the concerned credit institution:

Provided further that no such correction, deletion or addition shall be made in the credit information if any dispute relating to such correction, deletion or addition is pending before any arbitrator or tribunal or court and in cases where such dispute is pending, the entries in the books of the concerned credit institution shall be taken into account for the purpose of credit information.

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22. Unauthorised access to credit information.—(*1*) No person shall have access to credit information in the possession or control of a credit information company or a credit institution or a specified user unless the access is authorised by this Act or any other law for the time being in force or directed to do so by any court or tribunal and any such access to credit information without such authorisation or direction shall be considered as an unauthorised access to credit information.

(*2*) Any person who obtains unauthorised access to credit information as referred to in sub-section (*1*) shall be punishable with fine which may extend to one lakh rupees in respect of each offence and if he continues to have such unauthorised access, with further fine which may extend to ten thousand rupees for every day on which the default continues and such unauthorised credit information shall not be taken into account for any purpose.

CHAPTER VII

OFFENCES AND PENALTIES

23. Offences and penalties.—(*1*) Whoever, in any return or other document or in any information required or furnished by, or under, or for the purposes of, any provision of this Act, wilfully makes a statement which is false in any material particular, knowing it to be false, or wilfully omits to make a material statement, shall be punishable with imprisonment for a term which may extend to one year and shall also be liable to fine.

(*2*) Every credit information company or a credit institution or any specified user, wilfully, performing any act or engaging in any practice, in breach of any of the principles referred to in section 20, shall be punishable with fine not exceeding one crore rupees.

(*3*) Any credit information company or credit institution or specified user wilfully providing to any other credit information company or credit institution or specified user or borrower or client, as the case may be, credit information which is false in any material particular, knowing it to be false, or wilfully omits to make a material statement, shall be punishable with fine which may extend to one crore rupees.

(*4*) Any person who contravenes any provision of this Act or of any rule or order made thereunder, or obstructs the lawful exercise of any power conferred by or under this Act, or makes default in complying with any requirement of this Act or of any rule or order made or direction issued thereunder, shall, if no specific provision is made under this Act for punishment of such contravention, obstruction or default, be punishable with fine which may extend to one lakh rupees and where a contravention or default is a continuing one, with a further fine which may extend to five thousand rupees for every day during which the contravention or default continues.

(*5*) Where a contravention or default has been committed by a credit information company or credit institution or specified user, as the case may be, every person who, at the time the contravention or default was committed, was in charge of, and was responsible to the credit information company or credit institution or specified user for the conduct of its business, shall be deemed to be guilty of the contravention or default and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the contravention or default was committed without his knowledge or that he exercised all due diligence to prevent the contravention or default.

(*6*) Notwithstanding anything contained in sub-section (*5*), where a contravention or default has been committed by a credit information company or credit institution or specified user, as the case may be, and it is proved that the same was committed with the consent or connivance of, or is attributable to any gross negligence on the part of its chairperson, managing director, any other director, manager, secretary or other officer of the credit information company or the credit institution, such chairperson, managing director, any other director, manager, secretary or other officer shall also be deemed to be guilty of that contravention or default and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individual, and

(*b*) "director", in relation to a firm, means a partner in the firm.

24. Cognizance of offences.—(*1*) No court shall take cognizance of any offence committed by a member of a credit information company and punishable under section 23 except upon a complaint in writing made by an officer of the credit information company generally or specially authorised in writing in this behalf by the credit information company or if so directed by the Reserve Bank so to do and no court other than that of a Metropolitan Magistrate or a Judicial Magistrate of the first class or any court superior thereto shall try any such offence.

Explanation.—For the purposes of this sub-section, "member of a credit information company" shall mean a member referred to in section 15.

(*2*) No court shall take cognizance of any offence committed by a credit information company punishable under section 23 except upon a complaint in writing made by an officer of the Reserve Bank generally or specially authorised in writing in this behalf by the Reserve Bank and no court other than that of a Metropolitan Magistrate or a Judicial Magistrate of the first class or any court superior thereto shall try any such offence.

25. Power of Reserve Bank to impose penalty.—(*1*) Notwithstanding anything contained in section 23, if a contravention or default of the nature referred to in sub-section (*2*) of section 22 or sub-section (*2*) or sub-section (*3*) or sub-section (*4*) of section 23, as the case may be, is made by a credit information company or a credit institution then, the Reserve Bank may impose on such credit information company or credit institution—

(*i*) where the contravention is of the nature referred to in sub-section (*2*) of section 22, a penalty not exceeding one lakh rupees;

(*ii*) where the contravention is of the nature referred to in sub-section (*2*) or sub-section (*3*) of section 23, a penalty not exceeding one crore rupees;

(*iii*) where the contravention is of the nature referred to in sub-section (*4*) of section 23, a penalty not exceeding one lakh rupees and where such contravention or default is continuing one, a further penalty which may extend to five thousand rupees for every day, after the first, during which the contravention or default continues.

(*2*) For the purpose of adjudging the penalty under sub-section (*1*), the Reserve Bank shall serve notice on credit information company or credit institution or specified user, as the case may be, requiring it to show cause as to why the amount mentioned in the notice should not be imposed as penalty and a reasonable opportunity of being heard shall also be given to such credit information company or credit institution or specified user, as the case may be.

(*3*) No complaint shall be filed against credit information company or credit institution or specified user, as the case may be, in any court of law in respect of any contravention or default in respect of which any penalty has been imposed by the Reserve Bank under this section.

(*4*) Any penalty imposed by the Reserve Bank under this Act shall be payable within a period of fourteen days from the date on which notice issued by the Reserve Bank demanding payment of the sum is served on the credit information company or credit institution or specified user, as the case may be, and in the event of failure of such credit information company or credit institution or specified user to pay the sum within such period, may be levied on a direction made by the principal civil court having jurisdiction in the area where the registered office of the credit information company or credit institution or specified user, being a company, is situated and in case of credit institution incorporated outside India, where its principal place of business in India is situated:

Provided that such direction under this sub-section shall be made only upon an application made in this behalf to the court by the Reserve Bank.

(*5*) The court which makes a direction under sub-section (*4*) shall issue a certificate mentioning therein the sum payable by a credit information company or credit institution or specified user, as the case may be, and every such certificate shall be enforceable in the same manner as if it were a decree made by the court in a civil suit.

(*6*) Where any complaint has been filed against credit information company or credit institution or specified user, as the case may be, in any court in respect of the contravention or default of the nature referred to in sub-section (*2*) of section 22 or sub-section (*2*) or sub-section (*3*) or sub-section (*4*) of

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section 23, then, no proceedings for the imposition of any penalty on the credit information company or credit institution or specified user shall be taken under this section.

26. Application of fines.—A court imposing any fine under this Act may direct that the whole or any part thereof shall be applied in or towards payment of the costs of the proceedings, or for such purposes as may be directed by the court.

CHAPTER VIII

MISCELLANEOUS

27. Power of Reserve Bank to specify maximum amount of fees.—The Reserve Bank may, specify, by regulations the maximum amount of fees leviable under sub-section (*3*) of section 14 for providing information to the specified users and for admissions of credit institutions or credit information companies as a member of a credit information company.

28. Disclosure of information before any court or tribunal or authority.—No chairperson, director, member, auditor, adviser, officer or other employee or agent employed in the business of a credit information company or in the business of a specified user shall, except for the purposes of this Act or when required to do so by any other law in force or court or tribunal or authority, disclose any information to any person.

29. Obligations as to fidelity and secrecy.—(*1*) Every credit information company shall observe, except as otherwise required by law, the practices and usages customary among credit information companies and it shall not divulge any information relating to, or to the affairs of, its members or specified users.

(*2*) Every chairperson, director, member, auditor, adviser, officer or other employee of a credit information company shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form, as may be prescribed in this regard.

Explanation.—For the purposes of this section and section 30, the terms "practices and usages customary" means such practices and usages which, are generally followed by credit information companies or may develop in due course in relation to their functions, in pursuance of the provisions of this Act, rules and regulations made and directions issued thereunder from time to time in pursuance thereof.

30. Protection of action taken in good faith.—(*1*) No suit or other legal proceedings or prosecution shall lie against the Reserve Bank or the Central Government or credit information company or credit institution, or their chairperson, director, member, auditor, adviser, officer or other employee, or agent or any person authorised by the Reserve Bank or the Central Government or credit information company or credit institution to discharge any function under this Act, for any loss or damage caused or as is likely to be caused by anything which is in good faith done or intended to be done, in pursuance of this Act or any other law for the time being in force.

(*2*) Nothing contained in sub-section (*1*) shall affect the right of any person to claim damages against a credit information company, a credit institution or their chairperson, director, member, auditor, adviser, officer or other employee or agents, as the case may be, in respect of loss caused to him on account of any such disclosure made by anyone of them and which is unauthorised or fraudulent or contrary to provisions of this Act, or practices or usages customary among them.

31. Bar of jurisdiction.—No court or authority shall have, or be entitled to exercise, any jurisdiction, powers or authority, except the Supreme Court and a High Court exercising jurisdiction under articles 32, 226 and 227 of the Constitution, in relation to the matters referred to in sections 4, 5, 6, 7 and 18.

32. Power of Reserve Bank to exempt in certain cases.—(*1*) The Central Government may, on the recommendation of the Reserve Bank, by notification in the Official Gazette, direct that any or all of the provisions of this Act shall not apply to any credit information company or a credit institution, as the case may be, either generally or for such period and subject to such exceptions or modifications, as may be mentioned in that notification.

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(*2*) A copy of every notification proposed to be issued under sub-section (*1*), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in disapproving the issue of the notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.

33. Application of other laws not barred.—The provisions of this Act shall be in addition to, and not, save as provided under this Act, in derogation of, the provisions of the Companies Act, 1956 (1 of 1956) or any other law for the time being in force.

[1][**33A. Powers of Reserve Bank not to apply to International Financial Services Centre.—** Notwithstanding anything contained in any other law for the time being in force, the powers exercisable by the Reserve Bank under this Act,—

(*a*) shall not extend to an International Financial Services Centre set up under sub-section (*1*) of section 18 of the Special Economic Zones Act, 2005 (28 of 2005);

(*b*) shall be exercisable by the International Financial Services Centres Authority established under sub-section (*1*) of section 4 of the International Financial Services Centres Authority Act, 2019, (50 of 2019)

in so far as regulation of financial products, financial services and financial institutions that are permitted in the International Financial Services Centres are concerned.]

34. Amendment of certain enactments.—The enactments mentioned in the Schedule to this Act shall be amended in the manner specified therein.

35. Removal of difficulties.—(*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of a period of two years from the commencement of this Act.

(*2*) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

36. Power to make rules.—(*1*) The Central Government may, after consultation with the Reserve Bank, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely:—

(*a*) the authority or tribunal which may be designated under sub-section (*1*) of section 7;

(*b*) the steps to be taken by every credit information company or credit institution and specified user for ensuring accuracy, completeness of data and protection of data from any loss or unauthorised access or use or disclosure under section 19;

(*c*) the form in which a declaration of fidelity and secrecy shall be made under sub-section (*2*) of section 29;

(*d*) any other matter which is required to be, or may be, prescribed.

(*3*) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that

1. Ins. by Act 50 of 2019, s. 33 and the second Schedule (w.e.f. 1-10-2020).

any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

37. Power of Reserve Bank to make regulations.—(*1*) The Reserve Bank may make regulations consistent with the provisions of this Act and the rules made thereunder to carry out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing powers, such regulations may provide for all or any of the following matters, namely:—

(*a*) the persons or institutions which may be specified as specified users under clause (*l*) of section 2;

(*b*) the form in which application may be made under sub-section (*1*) of section 4 and the manner of filing such application under that sub-section;

(*c*) any other form of business in which a credit information company may engage under clause (*e*) of sub-section (*1*) of section 14;

(*d*) the form of notice for collection and furnishing of information procedure relating thereto and purposes for which credit information may be provided under sub-sections (*1*) and (*2*) of section 17;

(*e*) the principles and procedures relating to credit information which may be specified under clause (*f*) of section 20;

(*f*) the amount which may be required to be paid for obtaining copy of credit information under sub-section (*2*) of section 21;

(*g*) the maximum amount of charges payable under section 27.

(*3*) Every regulation, as soon as may be after it is made by the Reserve Bank, shall be forwarded to the Central Government and that Government shall cause a copy of the same to be laid before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation, or both Houses agree that the regulation should not be made, the regulation shall, thereafter, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.

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THE SCHEDULE

(*See* section 34)

AMENDMENTS TO CERTAIN ENACTMENTS

PART I

THE RESERVE BANK OF INDIA ACT, 1934

(2 OF 1934)

Section 45E, sub-section (*2*), after clause (*c*), insert—

"(*d*) the disclosures of any credit information under the Credit Information Companies (Regulation) Act, 2005.".

PART II

THE BANKING REGULATION ACT, 1949

(10 OF 1949)

1. Section 19, after sub-section (*3*), insert—

"(*4*) Save as provided in clause (*c*) of sub-section (*1*), a banking company may form a subsidiary company to carry on the business of credit information in accordance with the Credit Information Companies (Regulation) Act, 2005.".

2. Section 28, for "publish any information obtained by them under this Act in such consolidated form as they think fit", substitute—

"publish—

(*a*) any information obtained by them under this Act in such consolidated form as they think fit;

(*b*) in such manner as they may consider proper, any credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

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PART III

THE STATE FINANCIAL CORPORATION ACT, 1951

(63 OF 1951)

Section 40, after sub-section (*3*), insert—

"(*4*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART IV

THE STATE BANK OF INDIA ACT, 1955

(23 OF 1955)

Section 44, after sub-section (*2*), insert—

"(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART V

THE STATE BANK OF INDIA (SUBSIDIARY BANKS) ACT, 1959

(38 OF 1959)

Section 52, after sub-section (*2*), insert—

"(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART VI

THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION ACT, 1961

(47 OF 1961)

Section 39, after sub-section (*2*), insert—

"(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART VII

THE STATE AGRICULTURAL CREDIT CORPORATIONS ACT, 1968

(60 OF 1968)

Section 40, insert—

"Provided that nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART VIII

THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970

(5 OF 1970)

Section 13, after sub-section (*3*), insert—

"(*4*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART IX

THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1980

(40 OF 1980)

Section 13, after sub-section (*3*), insert—

"(*4*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART X

THE EXPORT-IMPORT BANK OF INDIA ACT, 1981

(28 OF 1981)

Section 30, after sub-section (*3*), insert—

"(*4*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

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PART XI

THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT ACT, 1981

(61 OF 1981)

Section 51, after sub-section (*2*), insert—

"(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART XII

THE PUBLIC FINANCIAL INSTITUTIONS (OBLIGATION AS TO FIDELITY AND SECRECY) ACT, 1983

(48 OF 1983)

Section 3, after sub-section (*2*), insert—

"(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

PART XIII

THE NATIONAL HOUSING BANK ACT, 1987

(53 OF 1987)

Section 44, after sub-section (*2*), insert—

"(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

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PART XIV

THE REGIONAL RURAL BANKS ACT, 1976

(21 OF 1976)

Section 25, after sub-section (*2*), insert—

"(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.".

———————

STATEMENT OF OBJECTS AND REASONS

The introduction of financial sector reforms has brought to fore the extent of nonperforming assets (NPAs) and the management of NPAs in the banking system. It has become imperative to arrest accretion of fresh NPAs in the banking sector through an efficient system of credit information on borrowers as a first step in credit risk management. In this context the requirement of an adequate, comprehensive and reliable information system on the borrowers through an efficient database has been felt by the Reserve Bank of India (RBI), the Central Government, credit institutions and other players in the banking and financial sector.

2. The Reserve Bank of India had constituted a Working Group to explore the possibility of setting up a Credit Information Bureau (CIB). The Working Group observed that it would not be possible to set up a world class credit information company within the existing legal framework. The legal prohibition on disclosure of information contained in various laws relating to banking do not permit banks and financial institutions to share credit information with the credit information company. Besides, the power vested with the Reserve Bank of India under and Chapter III A of the Reserve Bank of India Act, 934, to collect and furnish credit information from banks or financial institutions cannot be delegated by it to another institution. Therefore, amendments would be required in various enactments. The Working Group submitted its report in October, 999 and recommended amongst other things (*a*) enactment of a legislation for facilitating collection and sharing of information by the proposed bureau and (*9*) to amend certain Acts relating to banking to permit sharing of information with the said bureau.

3. A Credit Information Bureaus (India) Ltd., being a company formed and registered under the Companies Act, 956, has already been set up in January, 2001 With a view to provide necessary legislative support to the business of credit information, it is proposed to enact a legislation, namely, the Credit Information Companies (Regulations) Bill, 2004 for regulation of credit information companies and to facilitate efficient distribution of credit. The Bill, *inter alia*, contains provisions for—

(*a*) prohibition to commence or carry on business of credit information without obtaining a certificate of registration from the Reserve Bank of India;

(*b*) procedure for making application for grant of certificate of registration, grant of certificate of registration, cancellation of certificate of registration and appeal against order of rejection of an application for grant of certificate of registration and cancellation of certificate of registration;

(*c*) requirement of minimum capital;

(*d*) management of credit information companies;

(*e*) conferring power upon the Reserve Bank of India to determine policy in relation to functioning of credit information companies and also giving directions to credit infformation companies and other players in the business of credit information;

(*f*) functions of credit information by credit information companies;

(*g*) collection and furnishing of credit information companies;

(*h*) powers and duties of auditors;

(*i*) obtaining of membership by credit institutions of credit information companies;

(*j*) information privacy principles;

(*k*) alterations of credit information files and credit reports;

(*l*) regulation of unauthorised access to credit information;

(*m*) offences and penalties;

(*n*) obligations as to fidelity and secrecy;

(*o*) resolution of disputes between credit institutions and credit information companies or between credit institutions and their borrowers;

(*p*) exemption from any or all the provisions of the proposed legislation to any credit information company or credit institution; and

(*q*) amending certain enactments specified in the Schedule to the Bill so as to permit disclosure of credit information under the proposed legislation.

4. The existing legislations in force do not address these aspects of credit information companies and their functioning.

5. The Bill seeks to achieve the above objectives.

NEW DELHI; P. CHIDAMBARAM.

The 25*th August*, 2004.

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