

The Reserve Bank of India (RBI) has decided to set up a Public [Credit](#) Registry (PCR), which would be an extensive database of [credit](#) information for India, accessible to all stakeholders.

The [PCR](#) will be introduced in a modular and phased manner. An Implementation Task Force is being constituted by RBI to help design and undertake logistics for the next steps in setting up of the PCR, said the RBI in its Statement on Developmental and [Regulatory Policies](#).

This move follows recommendations by a high-level task force on [PCR](#) for India, with Yeshwant M Deosthalee as chairman. The task force was constituted by RBI to review the current availability of information on credit, adequacy of existing information utilities, and to identify gaps that could be filled by a [PCR](#).

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The task force, which submitted its report on April 4, 2018, recommended that a PCR should be set up by the central bank, with a view to address information asymmetry, foster access to credit, and strengthen the [credit](#) culture in the economy. “The PCR will act as a single point for mandatory reporting of all material events for each loan, regardless of the type of borrower or the value of the loan amount,” said the report.

Each loan can be traced over its life-cycle and the PCR will link related ancillary credit information, which is usually produced and published outside the existing [banking](#) and financial system. This may include corporate balance sheet information, [GST](#) information, and corporate governance reports, among others.

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Further, the value of having a granular repository for the credit market through a PCR is undeniable, said the report, as lenders can trace a particular borrower's complete credit history across various sources of funding. “It would help in enhancing the efficiency of the credit market, increase financial inclusion, improve ease of doing business, and help control delinquencies.” the report stated. While the PCR would be a great enabler for lenders, the report also promises borrower’s privacy. This information will include tax information, cases of criminal liability against a company, insolvency or bankruptcy proceedings and regulatory actions.

At present, there are various [Credit Information Companies](#) (CICs), four privately-operated ones and over three publically-promoted ones. The RBI has multiple granular credit information repositories like [CRILC](#) (Central Repository of Information on Large Credits), which is a borrower level (commercial [banks](#) only) supervisory data set that records transactions with an aggregate exposure of Rs50 million. Presently, [banks](#) and non-[banking](#) financial companies report their loan disbursal data to two separate [CRILC](#) platforms. The other RBI-promoted repository for credit information is BSR-1 (Basic Statistical Returns), which is a loan level statistical dataset focusing on the distributional aspects of credit disbursal, without any threshold limit.

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The central bank will implement the PCR project in phases, with maximum coverage to be achieved in the first phase by on-boarding all scheduled commercial [banks](#) and top NBFCs that are already a part of [CRILC](#) and/or BSR-1 actively.

Most central banks around the world have CICs, and regulate their respective financial systems through public and private credit registries. In the Indian context, RBI wishes to consolidate the multi-level credit information system that exists today.

All credit disbursements from financial institutions, borrowings from the market or external commercial borrowings, and other sources of credit are recorded over multiple systems. This results in replication of the same information across these systems, data quality issues, and reporting issues. A common PCR, with technology acting as an enabler, is aimed at solving these issues.