

## UNIT 2 - TransUnion CIBIL Limited- Key Points



### Introduction

- "CIBIL" stands for 'Credit Information Bureau India Limited'.
- "CIBIL" now known as 'TransUnion CIBIL Limited'.

It is India's first Credit Information Company(CIC).

It was founded in August 2000.

Basically, CIBIL collects and maintains records of an individual's payments pertaining to loans and credit cards.

CIBIL was formed to play a crucial role in India's financial system, helping loan providers manage their business.

## Functioning of CIBIL

- First, On a monthly basis records are submitted to CIBIL by member banks and credit institutions.
- Then, these informations are used to create Credit Information Reports(CIR) and Credit scores.
- Last, Records are provided to credit institutions in order to help evaluate and approve loan applications.

## History

- Previously, when a person wanted loan from any bank or financial institution, Then Banks had no information regarding
- his/her loan re-payment capability.
- Due to this, Banks and financial institutions faced many losses because Borrowers were unable to pay their loan.
- In 2000, GOI decided to form an institution which keep records of every individual's credit score and maintains it and Provide it to its members.

- In 2004, Credit bureau services are launched in India (Consumer Bureau).
- In 2006, Commercial bureau operations commenced.
- In 2007, CIBIL Score, India's first generic risk scoring model for banks and financial institutions, was introduced.
- In 2010, Two firsts for the credit industry in India with the launch of:
  - (a) CIBIL Detect: India's first repository for information on high-risk activity.
  - (b) CIBIL Mortgage Check: The first centralised database on mortgages in

India.

- In 2011, CIBIL TransUnion Score is made available to individual consumers.
- In 2016, TransUnion acquires a 82% stake in CIBIL to become TransUnion CIBIL, India's leading credit information company.

## Divisions of CIBIL

CIBIL houses credit on over 220 million trades across individuals and businesses, organised into two divisions:

1. Consumer Bureau - The Consumer Bureau was launched in 2004 with 4 million records, and now maintains more than 260 million records.
2. Commercial Bureau and MFI Bureau - The Commercial Bureau was launched in 2006 with 0.7 million records, and now maintains more than 12 million records.

## Shareholders

- TransUnion International Inc.(55%), SBI(6.1%), ICICI(6%), Indian Overseas Bank(5%), The Hong Kong & Shanghai Banking Corp. Ltd.(5%),
- Union Bank of India(5%), BOI(5%), BOB(5%), India Alternatives Private Equity Fund(2.9%), India Infoline Finance Limited(1%).

## Quick Facts

Name of organisation	TransUnion CIBIL
Founded	August, 2000
HeadQuarter	Mumbai, India
MD and CEO	Mr. Satish Pillai
Chairman	Mr. M.V Nair
Total members	900 members
Website	<a href="http://www.cibil.com">www.cibil.com</a>