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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Judgment pronounced on:13.05.2025***

+ **O.M.P. (COMM) 299/2022 & IA No. 11328/2022**

ICICI BANK

.....Petitioner

Through: Mr. Darpan Wadhwa, Sr. Advocate
along with Ms. Mansi Sharma, Mr.
Prabhat Kumar, Ms. Divita Vyas,
Advocates and Mr. Kewal Verma,
AR.

versus

MAJOR (RETD) JAIDEEP SINGH &ANR

.....Respondents

Through: Ms. Sunieta Ojha, Advocate
alongwith Ms. Talish Ray, Mrs.
Vasudha Priyansha and Ms. Divita
Vashisht, Advocates for R-1.
Mr. Pranaya Goyal, Mr. Dharav
Shahand Mr. Shubham Saini,
Advocates for R-2.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

JUDGMENT

1. The present petition under Section 34 of the Arbitration and Conciliation Act, 1996 (*hereinafter 'the A&C Act'*) assails an arbitral award dated 18.02.2022, passed by an arbitral tribunal constituted under Section 18 of the Credit Information Companies (Regulation) Act, 2005 (*hereinafter referred as 'CICRA, 2005'*).



FACTUAL MATRIX

2. The petitioner in the present petition is a public bank/credit institution¹, operations of which are subject to the guidelines and regulations of the Reserve Bank of India (hereinafter referred as '*RBI*'). The respondent no.1 is an individual homebuyer and borrower² (availed home loan from the petitioner) and the respondent no.2 is a credit information company³ under Section 2(e) of CICRA, 2005, duly licensed by the RBI and is engaged in generating the credit information report on the basis of information provided by the credit institutions such as the petitioner.

3. In the year 2012, the respondent no.1 was allotted Villa No. 038 in block-B of the Espace Premiere, Nirvana County-II, Gurugram (hereinafter referred to as '*Villa*') by M/s Unitech Ltd (hereinafter referred to as '*the builder*') for a consideration of Rs. 4,38,00,000/-. A part consideration of Rs. 1,05,00,000/- was advanced to the builder by the respondent no.1. The possession of villa was to be handed over within a period of 24 months as per the agreement dated 19.04.2012.

4. Initially for the purpose of paying the balance/outstanding consideration, the respondent no.1 opted for Construction Linked Plan/Progress Link Plan '*B*', in terms of which remaining dues were agreed

¹ 2(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 (CICRA, 2005)

² 2(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 (under the CICRA, 2005)

³ (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 subsection (2) of Section 5;



to be paid to the builder upon completion of each stage of work as identified in the Schedule for payment annexed to the Buyer's Agreement.

5. However, the respondent no.1, switched the aforesaid payment plan. Subsequently, on 14.08.2012 the respondent no.1 entered into a tripartite agreement (hereinafter referred to as 'the agreement') with the petitioner and builder under the "Unitech Subvention Scheme" (hereinafter referred to as 'Scheme') for the payment of balance amount. The scheme contemplated that the petitioner will disburse the sanctioned loan amount directly into the account of the builder, who was to then pay the EMIs for a period of 18 months to the petitioner.

6. Accordingly, the petitioner disbursed a loan of Rs. 3,32,35,841/- under Loan A/c No. LBGUR0001937650 (hereinafter referred to as '*loan account*') to the builder, on behalf of the respondent no.1.

7. However, the builder failed to handover the possession within the stipulated period and upon expiry of the period of 18 months stopped paying EMIs to the petitioner under the scheme. Pursuant thereto, the petitioner began charging the remaining EMIs from respondent no.1. The respondent no. 1 states that a sum of Rs. 99,63,147/- has been charged from it by way of EMIs between May, 2014 to March, 2017, and a further sum of Rs.25,00,000/- towards the principal amount was paid. Thereafter, on the basis that the villa was not delivered in terms of the agreement, the respondent no.1 sent letters followed by legal notices to the petitioner and the builder, and stopped payment of the EMIs on the Loan Account.

8. In the above circumstances, since dispute/s arose between the parties,



the respondent no. 1 filed two consumer complaints before the National Consumer Redressal Commission (hereinafter referred as 'NCDRC') and an FIR against the petitioner and builder. The Consumer Complaint bearing no.587/2017 filed by the respondent no.1 against the petitioner seeking that it be absolved from the payment of EMIs and further seeking refund of the principal amount, already paid, is pending adjudication. The Consumer Complaint bearing no.1467/2016 filed against the builder, was allowed by the NCDRC *vide* order dated 13.02.2018 and the builder was directed to refund the principal amount along with 10% interest per annum. The execution proceedings in respect thereof, are stated to be pending.

9. An FIR was registered at the behest of the respondent no.1, against the petitioner and builder, before the P.S Sector 40, Gurugram *inter-alia* alleging that the respondent no.1 was misled into believing that under the subvention scheme/tri-partite agreement, liability of respondent no.1 to pay EMIs would arise only after the possession of villa is handed over to him i.e., within 18 months' and till the possession is not handed over, the builder would be liable to pay the EMIs.

10. While the dispute/s pertaining to the payment of EMIs under the scheme were ongoing between the parties before the NCDRC, upon receiving information/intimation pertaining to the loan account from the petitioner, respondent no.2 lowered the CIBIL score of the respondent no.1. Aggrieved by the aforesaid action, the respondent no.1 filed a W.P.(C) 3292/2020 before this Court *inter alia* seeking directions as regards correction / fresh determination of the CIBIL score of the respondent no.1.



The said petition was disposed of *vide* order dated 23.02.2021, directing as under:-

“4. In the meantime, the present petition has been filed for correction of the petitioner’s CIBIL score. It is the contention of Ms. Sunieta Ojha, learned counsel for the petitioner, that the low CIBIL score attributed to the petitioner as a result of the disputed loan taken from ICICI Bank has impeded the petitioner’s ability to take finance from any other source as well.

5. Mr. Ramesh Babu, learned counsel for the Reserve Bank of India (“RBI”) and Mr. Punit Bhalla, learned counsel for ICICI Bank, draw my attention to Section 18 of the Credit Information Companies (Regulation) Act, 2005 [“the Act”], which provides as follows:

“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.

(iii) 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.”

6. Mr. Bhalla and Mr. Babu submit that, in the facts and circumstances of the present case, the petitioner’s remedy for correction of his CIBIL score lies with the arbitrator appointed under Section 18 of the Act. Mr. Manu Beri, learned counsel for CIBIL, also supports this position.

7. In view of the above, Ms. Ojha states that the petitioner will take steps to invoke the provisions of Section 18 of the Act within a period of one week. Mr. Ramesh Babu assures the Court that the arbitrator will be appointed by the RBI under Section 18(2)(a) of the Act, within three weeks thereafter. The rights and contentions of the parties in the arbitration are expressly reserved. The parties are also agreed that the scope of the arbitration proceedings will be to determine the correctness of the CIBIL score accorded to the petitioner, and that the pending proceedings between the petitioner and ICICI Bank before the NCDRC will be independent of the arbitration proceedings under Section 18 of the Act.”

11. In light of the aforesaid directions, the learned Sole Arbitrator was appointed by the RBI vide a letter dated 31.03.2021 under Section 18 of the CICRA, 2005. Consequently, the aforesaid appointment culminated into rendering of the impugned Award on 18.02.2022 by the learned Sole Arbitrator. The impugned award holds as under :-

“CONCLUSION

10. I have heard all the parties and applied my mind to the pleadings, documents & evidence filed and also the CICRA and CIC rules 2006. From the perusal of the record, it is apparent that the process of determination of Credit score is done by R-2 on the basis of information that is supplied by the credit institution which in the present case is R-1, ICICI Bank. This position is not disputed by ICICI Bank. It is also evident from the details of the process for determination of credit score placed on record by R-2. that the information in the system with respect to a person's credit history is fed by credit institution, which in this case is R-1. Therefore, R-1 is liable to and responsible for making any corrections in submission of information for the purpose of determination



of credit score. In the present case, the claimant has requested R-2 for rectifying the score. R-2 has sought clarification from R-1 regarding the loan account in question as is borne out from the Written Statement of the R-2. It is therefore, clear that the current credit score of the Claimant is being generated because of the input provided by the R-1 **and having the responsibility to correct the credit information, R-1 needs to correct the same.**

11. It is admitted by parties that R-1 had given the loan to the Claimant under UNITECH Subvention Scheme and the loan was disbursed upfront to the builder directly. Since, this matter of UNITECH Subvention Scheme is pending before NCDRC in CC No. 587 of 2007 and also since the order of the Hon'ble High Court dated 23.02.2021, in W.P.(C) No. 3292 of 2022 also records those proceedings between the Claimant and ICICI Bank before NCDRC will be independent of the Arbitration proceedings under Section 18 of the Act, I **do not** wish to express any opinion on the issue of UNITECH Subvention Scheme. It is argued by R-1 that they are not a party in the case filed by claimant against Unitech as such they are not updated on the development taking place in that case. However, claimant has now submitted in present proceedings that the allotment made to the Claimant has been cancelled by the order of the NCDRC dated 13.02.2018 with the direction to the builder to refund the amount. The case filed against the ICICI bank (R-1) in NCDRC by the claimant is yet to be decided.

12. The R-1 has admitted in its reply that they have filed Debt Recovery Proceedings before the DRT, Delhi and therefore, as per R-1 the loan account Number LBGUR00001937650 has become NPA. I do not understand the purpose of showing monthly default in repayment by R-1 in credit information submitted to R-2 when recovery suit for entire outstanding has already been filed in DRT. As per R-2's submissions past 36 months, credit history of a person is to be taken for the purpose of determination of credit score. The account being NPA since more than 36 months, it is reflected. under default. As such there is no error in calculating credit score on the basis of credit information of default in Loan Account Number LBGUR00001937650 is given and is evident from records. However, further developments regarding the decision of NCDRC against Unitech cancelling allotment of villa and ordered refund of full amount of villa, disputes raised by claimant against ICICI bank in NCDRC, FIR filed in PS Gurugram against ICICI & Unitech Ltd needs to be reported to R-2.



13. In view of the above reasoning, I hold the following:

- (a) R-1 is directed to update the information submitted to R-2 within 30 days about the decision of NCDRC against Unitech cancelling allotment of villa and ordering refund of full amount of villa, disputes raised by claimant against ICICI bank in NCDRC, FIR filed in PS Gurugram against ICICI & Unitech Ltd along with the default in Housing loan account number LBGUR00001937650 of claimant in the books of ICICI.
- (b) R-2 is directed to finalise credit report/credit score of the claimant in terms of revised information provided by R-1 within stipulated time as per SICRA 2005
- (c) The request of claimant is not allowed that the Credit Information of the Housing Loan in question be kept out while computing the credit Score of the Claimant as the dispute raised by the claimant in NCDRC etc has not yet been decided.
- (d) The award does not allow any cost toward the cost of the proceeding against the parties.”

SUBMISSIONS ON BEHALF OF THE PETITIONER

12. Learned senior counsel for the petitioner has submitted that the disputes sought to be raised by the respondent no.1 are not arbitrable under Section 18 of the CICRA, 2005 inasmuch as the said disputes do not fall within the meaning of ‘business of credit information’ and therefore, the aforesaid provision which only provides for settlement of disputes relating to ‘business of credit information’ by way of arbitration, would not be applicable. Reliance is placed on **DSL Enterprise Pvt. Ltd. v. Chief Manager, DBOD, Reserve Bank of India, And Ors**, 2010 SCC OnLine Bom 2207, **Srikant Vairagare v. ICICI Bank Ltd. & Ors**. 2018 SCC Online Hyd 274.

13. It is further submitted that the disputes as regards the CIBIL score of the respondent no.1 is a dispute *in rem* which is not arbitrable in view of the law laid down by the Supreme Court in **Vidya Drolia v. Durga Trading Co.**



(2021) 2 SCC 1 and ***Booz Allen and Hamilton Inc. v. SBI Home Finance Ltd. & Ors.*** (2011) 5 SCC 532.

14. It is contended that the award is contrary to the express provisions and framework of the CICRA, 2005. It is emphasized that in terms of the second proviso to Section 21(3) of CICRA, 2005, it is mandated that the account maintained by the petitioner and the entries in the books of accounts of the petitioner shall alone be taken into account for the purpose of “credit information”.

15. It is further submitted that the learned Arbitrator while relying upon Section 21(3) of the CICRA, 2005 and Rule 21 of the Credit Information Companies Rules, 2006 (hereinafter referred as ‘CIC, 2006’), failed to take note of the substantive provisions of the CICRA, 2005. It is submitted that the petitioner is not obliged to submit to the respondent no.2 the information as directed *vide* paragraph 13(a) of the impugned award.

SUBMISSIONS ON BEHALF OF THE RESPONDENT NO.1:-

16. Learned counsel for the respondent no.1 submits that the impugned award is based on a proper appreciation of the factual and statutory conspectus and no fault can be found with the directions contained in paragraph 13(a) of the impugned award.

17. The contentions of the petitioner that the learned Sole Arbitrator lacks jurisdiction is controverted and in this regard, attention is drawn to order dated 23.02.2021 passed by this Court while disposing of W.P.(C) 3292/2020.



18. As regards the issue of jurisdiction, reliance is placed on the judgments of the High Court of Madras in ***P.V.R.S. Mani Kumar v. Transunion Cibil Ltd*** in OA No.360/2015 and ***Kirankumar Moolchand Jain v. Trans Union CIBIL Ltd. and Ors.***, 2022 SCC OnLine Mad 9075.

19. Reference is also made to Rule 21 and Rule 26 of the CIC, 2006, which, cast an obligation on the petitioner to disclose pendency of dispute as regards the data information or credit information supplied by the credit institution (petitioner). It is emphasized that the directions issued in the impugned award are consistent therewith.

SUBMISSIONS ON BEHALF OF RESPONDENT NO.2

20. Learned counsel for the respondent also strenuously controverts that the subject matter of the dispute is not arbitrable because the dispute raised by the respondent no.1 in his Statement of Claims is outside the purview of Section 18 of the CICRA, 2005 and that the scope of arbitration determined by the learned Single Judge of this Court *vide* order dated 23.02.2021 does not fall within the meaning of “business of credit information” in terms of Section 14 of the CICRA, 2005.

21. It is further submitted by the learned counsel of respondent that by virtue of Section 21(3) CICRA, 2005 and Rules 20 and 22 of CIC, 2006, it is statutorily prohibited from altering/ amending any credit information without the consent of credit institution pertinently because it merely acts as a repository of credit information provided to it by the credit institutions and the obligation is upon the credit institutions to ensure the correctness and



accuracy of the credit information.

REASONING AND CONCLUSION

22. At the outset, this Court finds no merit in the objections of the petitioner as regards arbitrability of the claims that were subject matter of the arbitration proceedings. It is notable that arbitration proceedings took place pursuant to directions contained in the order dated 23.02.2021 passed by this Court in W.P.(C) 3292/2020, which has been reproduced hereinabove.

23. It can be seen that during the course of proceedings in W.P.(C) 3292/2020, it was the contention of the petitioner and the respondent no.2 that the grievances raised by the respondent no.1 are arbitrable under Section 18 of the CICRA, 2005. In the above backdrop, the learned Single Judge passed an order directing the respondent no.1 to invoke arbitration under the aforesaid provision to “determine the correctness of the CIBIL score” accorded to the respondent no.1. The learned counsel on behalf of the petitioner and respondent no.2 acceded to the said decision and as a consequence thereof, the arbitral proceedings were initiated before the learned Sole Arbitrator.

24. In the aforesaid conspectus, it is wholly untenable for the petitioner and the respondent no.2 to now take the opposite position. Even otherwise, the contentions of the learned senior counsel for the petitioner in this regard are devoid of merit based on the perusal of the statutory framework.

25. The CICRA, 2005, *inter-alia*, purports to regulate and provide for a



framework for supply of credit information to credit information companies. The “credit information” available with “credit institutions” is to be supplied to the “credit information company”.

26. Section 18 of the CICRA, 2005 clearly contemplates that dispute amongst credit information companies, credit institutions, borrowers and clients on matters “relating to business of credit information” shall be settled by conciliation or arbitration as provided in the A&C Act.

27. The expression “matters relating to business of credit information” has to be construed in light of the Scheme of the Act. The Act contemplates that “credit information” shall be maintained by the “credit institution”. The “credit information” maintained by “credit institution” is required to be accurate and complete, and an obligation is cast on “credit institutions” to supply the same to “credit information company”.

28. Thus, “matter relating to business credit information” subsumes the manner in which the credit institution maintains / compiles the relevant information and as regards the accuracy and completeness thereof. It is this information which is used by the credit information companies for the purpose of “credit scoring⁴”.

29. In the present case, the petitioner is aggrieved by non-consideration / non-supply of relevant information by the “credit institution” to the “credit information company”, which has adversely impacted his CIBIL score. It cannot be said that the said grievance is unrelated to the ‘business of credit

⁴(g) “credit scoring” means a system which enables a credit institution to assess the creditworthiness 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;(CICRA, 2005)



information’.

30. The above aspect is no longer *res integra*. The High Court of Madras in the case of **Kirankumar Moolchand Jain** (supra), has held as under: -

“6. When Sections 14 and 19 are read together, it appears that a dispute between a borrower or client, on the one hand, and the credit information company and credit institution, on the other, in relation to the accuracy or completeness of the credit information collected, processed or collated by them would qualify as a dispute relating to the business of credit information. Consequently, such dispute may be referred for arbitration provided no remedy is prescribed in respect thereof by the Act of 2005. Apart from indicating that such disputes may be referred under the applicable ombudsman scheme, learned counsel for the respondents are unable to point out any other remedy that is available to a borrower or client in such circumstances.

7. For the reasons set out above, I conclude that the present dispute pertains to the business of credit information and, in the absence of any other remedy, resort to arbitration is permissible under Section 18 of the Act of 2005. Hence, I do not subscribe to the views expressed in the judgments relied on by the respondents in support of this objection.”

31. This Court is in agreement with the aforesaid view of the High Court of Madras.

32. Furthermore, reliance placed by the learned senior counsel for the petitioner on the judgments rendered by the High Court of Bombay in **DSL Enterprise Pvt. Ltd.** (supra) and the High Court of Andhra Pradesh in **Srikant Vairagare** (supra) are misconceived. These judgments were rendered in the context of peculiar facts and circumstances and cannot be construed as laying down a blanket proposition to the effect that dispute/s between a “borrower” on the one hand and “credit information company” and “credit institution” on the other hand, are not arbitrable. The High Court of Madras in the case of **P.V.R.S. Mani Kumar vs Transunion CIBIL Ltd**



(supra) had occasion to consider the aforesaid judgments, and it was rightly found that the said judgements were rendered in the peculiar facts and circumstances of those cases. The relevant observations in the said judgment reads as under :-

“16. The learned counsel for the second respondent (RBI) relied on the judgment of the Division Bench of the Bombay High Court dated 24.11.2010 made in W.P. No.6409 of 2010 (DSL Enterprises Private Limited & Ors. V. The Chief General Manager, DBOD, Reserve Bank of India & Ors.) and the order of the High Court for the States of Telangana and Andhra Pradesh in Srikanth Vairagare V. ICICI Bank Limited and Others, MANU / AP / 0384 / 2018. First of all, the petitioner before the Division Bench of the Bombay High Court was the successor-in-interest of a company, whose predecessor was a defaulter and a party to the proceedings before the B.I.F.R., which sanctioned a rehabilitation scheme covering the obligations of the Bank of Maharashtra. Further, Section 2(c) (ii)(A) of the CICRA was not brought to the notice of the Division Bench. A cursory reading of the facts of the said case makes it clear that the same were the basis for the Division Bench to negative the similar prayer sought for by the petitioner therein and the facts of the case on hand are distinguishable from those facts. The order in Srikanth Vairagare (supra) was rendered relying the judgment of the Division Bench of the Bombay High Court and hence, the same has no avail to the facts of the present case.”

33. As such, no merit is found in the contention of the petitioner that the impugned arbitral proceedings and the award are without jurisdiction.

34. On the merits of the controversy, it is noticed that in the Statement of Claim filed on behalf of the petitioner, the primary contention of the respondent no.1 is as under :-

“18. The CIBIL has been giving low rating to the Claimant on account of the Loan A/c No. LBGUR00001937650 with ICICI Bank. The claimant has raised its grievances with CIBIL which took a stand that they can correct the record only at the instance of the concerned Credit Information Company being ICICI. ICICI bank has refused to make any changes in the status of the Loan A/c No. LBGUR00001937650.



19. The Loan A/c No. LBGUR00001937650 with ICICI Bank is seriously disputed and is under adjudication before the Hon'ble NCDRC as well as a criminal investigation is pending w.r.t. to the same. Therefore, the action by the CIBIL in giving a low credit rating to the Claimant solely on the basis of the alleged non-payment of loan of the Bank when the said loan is disputed by the Claimant and the courts are yet to take a view upon the same is completely, arbitrary, discriminatory, illegal and unsustainable in law."

35. Thus, it is the case of the respondent no.1 that the factum of the aforesaid loan A/C No. LBGUR00001937650 being disputed must be duly taken into account for the purpose of "credit rating" of the respondent no.1.

The following reliefs were sought before the Arbitral Tribunal :-

- "(i) Declare that the Loan A/c No. LBGUR00001937650 in the name of the Claimant with ICICI Bank (credit information company) is a disputed loan*
- (ii) Direct the CIBIL to determine the Credit Score of the Claimant de hors the Loan A/c No. LBGUR00001937650;*
- (iii) Legal Cost including cost of Arbitration be awarded to the Claimant & CIBIL & ICICI Bank may be jointly and severally directed to pay the claimant cost of litigation/Arbitration;"*

36. The contention of the learned counsel of the respondent no.1 that the transactions between the respondent no.1, petitioner and the builder (and the legal proceedings emanating therefrom) be disclosed by the concerned "credit institution" i.e., the petitioner herein to the "credit information company" i.e., respondent no.2, is clearly a dispute *in personam* between the petitioner and the respondent no.1. As such, the contention of the petitioner that the controversy involved in the present case involves a dispute *in rem*, is misconceived.

37. It can also be seen that the direction given in the impugned award does not interdict with the manner in which the respondent no.2 must



calculate the credit score of the respondent no.1. All that is directed is that the relevant information, as set out in paragraph 13(a) of the award, be disclosed to the respondent no.2 by the petitioner. Paragraph 13(c) of the impugned award specifically rejects the request of the respondent no.1/claimant that the housing loan in question be not taken into account while computing the credit score of the respondent no.1/claimant.

38. The only surviving issue is whether the petitioner, a “credit institution” can be directed to update/supply to the respondent no.2 the information referred to in paragraph 13(a) of the award. The said information is as under :-

- i. The decision of NCDRC dated 13.02.2018, whereby, allotment of the Villa was cancelled and the builder was directed to refund entire principal amount to the respondent no.1 along with 10% interest.
- ii. Factum of the Consumer Complaint bearing no. 587/2017 filed by the respondent no.1 against the petitioner before NCDRC in which it has been sought that the respondent no.1 be absolved from the liability to pay EMIs to the petitioner as well as be refunded the principal amount of Rs.25 lakhs.
- iii. FIR filed by the respondent no.1 before the P.S. Sector 40, Gurugram, Haryana against the petitioner and builder.

39. Learned senior counsel for the petitioner contends that the above information is not contemplated to be supplied by a “credit institution” to a “credit information company”. He submits that all that a “credit institution” is obliged to supply to the “credit information company” (respondent no.2)



is the numerical data (loan amount; outstanding amount etc.) retrieved from the concerned books of accounts maintained by the petitioner, and nothing else.

40. The aforesaid contention is not borne out from the provisions of the Act. It is seen that the expression “credit information” is defined in Section 2(d) of the Act as under :-

“2.

(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 creditworthiness of any borrower of a credit institution;
- (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;”

41. It can be seen that credit information includes information as to “the creditworthiness of any borrower of a credit institution”. The expression is wide enough to include information other than the numerical data referred to in the books of accounts i.e. the quantum of loan amount, outstanding amount etc. The same would subsume relevant information which has an impact on the ‘creditworthiness’ of the borrower concerned. In the present



case, the fact that the borrower has obtained a decree from the NCDRC *vide* order dated 13.02.2018 in Consumer Complaint bearing no. 1467/2016 for a full refund of the entire consideration paid for the Villa (for which loan was availed) cannot be construed to be an aspect which is alien to the credit worthiness of the borrower/respondent no.1.

42. Likewise, the complaint filed by the respondent no.1 against the petitioner in the NCDRC (as also the FIR) levelling serious allegations and seeking prayers with regard to the very same loan account, cannot be said to be information which has no nexus with the “creditworthiness” of the respondent no.1. As such, there is nothing untoward in the learned Sole Arbitrator directing that the aforesaid information be supplied by the petitioner to the respondent no.2.

43. The petitioner relies upon the second proviso to Section 21(3) of the CICRA, 2005⁵ to contend that when a dispute as to updation of “credit

⁵ **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.



information” or making of appropriate correction, deletion or addition thereto is ‘pending before any arbitrator or tribunal or court’, then the entries in the books of the credit institution shall be taken into account for the purpose of credit information.

44. The said contention misses the point that the dispute raised by the respondent no.1 as regards updation/ correction / deletion / addition of “credit information” is the very dispute that has been considered by the learned Arbitrator in the impugned award and directions have been issued for supply of information [as referred in paragraph 13(a) of the impugned award] to the respondent no.2.

45. The second proviso to Section 21(3) of the CICRA, 2005, only deals with a situation where a dispute as to updation of “credit information” is ‘pending’ before an arbitrator. That stage is already over. Once an award has been issued, the proviso to Section 21(3) of the CICRA, 2005 cannot be relied upon to resist the updation of the “credit information” as directed in the award itself. Further, the second proviso to Section 21(3) of the CICRA, 2005, in no way restricts the powers of a court of law or an arbitrator, to pass appropriate directions.

46. Rule 21 of CIC, 2006 lend further credence to the contention of the respondent no.1 that the relevant information (as directed *vide* paragraph 13(a) of the impugned award) be provided to the respondent no.2. Rule 20 and Rule 21 of the CIC, 2006 are in the following terms: -

“20. Accuracy of data provided by a credit institution.—(1) Every credit institution before furnishing data or an information or credit information to a credit information company or making disclosure thereof to anyone else in accordance with the provisions of the Act shall ensure that the credit



information is accurate and complete with reference to the date on which such information is furnished or disclosed and adopt appropriate procedure in this behalf with the approval of their Board.

(2) If, for any reason beyond control, it is not possible for any credit institution to furnish credit information as per sub-rule (1), such credit institution while furnishing the credit information to a credit information company or making disclosure thereof to anyone else, shall make a remark with reference to the date up to which the accuracy and completeness of the credit information has been verified and found to be correct.

(3) Subject to the provisions of sub-sections (2) and (3) of Section 21 of the Act, in respect of alteration and updating of credit information on request of a borrower in accordance with the said provisions, if a credit institution after furnishing the data or information or credit information, to a credit information company or making disclosure thereof to anyone else, in accordance with the Act, discovers of its own, or is informed about, any inaccuracy, error or discrepancy therein the credit institution shall—

(a) latest by third day, send the intimation to the credit information company or the individual, as the case may be, of such inaccuracy, error or discrepancy;

(b) take immediate steps to correct such inaccuracy, error or discrepancy; and

(c) the credit institution shall forward the corrected particulars of the data or information or credit information, as the case may be, to the credit information company or the individual, as the case may be, within period of twenty-one days from the date when the credit institution had discovered such inaccuracy, error or discrepancy or information in respect thereof was given to it.

(4) If, for any reason beyond its control, it is not possible for a credit institution to take immediate steps as per sub-rule (3), such credit institution shall inform the credit information company or the individual, as the case may be, of the steps taken by it for correction of the inaccuracy, error or discrepancy and also the reasons for its inability to comply with the provisions of sub-rule (3) within the time stipulated therein.



(5) Any credit institution failing to take steps as per this rule, without any sufficient reason shall be liable for contravention of the provisions of the Act.

21. Disclosure of disputed data by a credit institution.—If, in the opinion of a credit institution, correction of any inaccuracy, error or discrepancy as referred to in Rule 20, is likely to take further time on account of any dispute raised by a borrower in respect thereof, with the credit institution or before a court of law, or any forum, or tribunal or any other authority, in such cases the credit institution shall adopt the following course of action, namely:—

(a) if the disputed data has not been furnished, in such event while furnishing such data to a credit information company or making disclosure thereof to anyone else, in accordance with the Act, the credit institution shall include an appropriate remark to reflect the nature of the inaccuracy, error or discrepancy found therein and the pendency of the dispute in respect thereof and in any subsequent disclosure of such disputed data the credit institution shall also disclose such remark; or

(b) in case such credit information has already been furnished to a credit information company or disclosed to anyone else, the credit institution shall inform the credit information company or the individual, as the case may be, to include the remark about such inaccuracy, error or discrepancy and the pending dispute in respect thereof, against such data, information or credit information received by them from the credit institution; and

(c) the entries in books of the concerned credit institution shall be taken into account for the purposes of credit information relating to such borrower as provided under the provisions of second proviso to sub-section (3) of Section 21 of the Act.”

47. A reading of the aforesaid Rules makes it evident that when a credit institution is “informed about” any discrepancy in the “credit information” and a dispute is raised by the borrower in respect thereof, then the “credit institution” shall inform the “credit information company” or the individual, as the case may be, to include the remark about such inaccuracy, error or discrepancy and the pending dispute in respect thereof, against such data, information or “credit information” received by them from the “credit



institution”.

48. As such, the directions in the impugned award are consistent with the substantive provisions of the CICRA, 2005 and the Rules framed thereunder.

49. It is again noted that the impugned award does not interdict with the manner in which the respondent no.2 works out the credit score of the respondent no.1. It may be that even after compliance with the directions contained in paragraph 13(a) of the award, the CIBIL score of the respondent no.1 remains unchanged. All that is directed is that the respondent no.2 shall perform the ministerial act of updating the “credit information” to include reference to information referred to in paragraph 13(a) of the award.

50. The above directions issued in the impugned award are in the light of the peculiar factual circumstances of the present case. This Court finds no basis to interfere with the same, especially given the limited scope of Section 34 of the A&C Act. In the facts and circumstances of the present case, it cannot be said that the award suffers from any patent illegality or any other irregularity falling within the scope of Section 34 of the A&C Act.

51. It is also noticed that during the course of hearing, learned counsel for the respondent no.2 has not expressed any difficulty, or opposed the direction regarding supply of the information as referred to in paragraph 13(a) of the impugned award. The respondent no.2 submits that it merely acts as a repository of “credit information” provided to it by a “credit institution” and by virtue of Rules 20 and 22 of the CIC, 2006, the onus to



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update “credit information” and furnish such updated “credit information” to the “credit information company” is on the “credit institution”.

52. In the above circumstances, no merit is found in the present petition; the same is, accordingly, dismissed.

SACHIN DATTA, J

MAY 13, 2025/sl, r