

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 4083

TO BE ANSWERED ON THE 4TH JANUARY 2019 / PAUSHA 14, 1940 (SAKA)

CIBIL Scoring

4083. SHRI SUNIL KUMAR SINGH: SHRIMATI SANTOSH AHLAWAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken cognizance that the Banks are issuing credit cards and other loans to individuals on the basis of their CIBIL Scores and if so, the details thereof along with the date of notification issued by the Government in this regard;
- (b) if not, whether the Government is going to take any such actions against the Banks;
- (c) whether the Government has appointed any agency/agencies for CIBIL scoring; and
- (d) if so, the details thereof and if not, the reason therefor?

ANSWER

Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

(a) to (d): The business of Credit Information Companies (CICs) is governed by the provisions of the Credit Information Companies (Regulation) Act, 2005. As per these, the Reserve Bank of India (RBI) grants certificate of registration to applicant companies. The Act does not envisage appointment by the Government of agency/agencies for scoring by CICs. RBI, *vide* its circular dated June 27, 2014, advised banks that they should include in their credit appraisal processes / loan policies, suitable provisions for obtaining Credit Information Reports (CIR) from one or more CICs [CIBIL Transunion, formerly named CIBIL, is one of the CICs] so that credit decisions are based on information available in the system. Further, as per inputs received from RBI, the information contained in CIR (which contains credit score) is one of the factors banks consider before granting credit facility to a prospective borrower, and it is the commercial judgment of the credit institution concerned whether or not to grant loan, based on bank's Board-approved policies.
