

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. 1263
Answered on Monday, July 25, 2022/Sravana 3, 1944(Saka)

CIBIL SCORE FOR LOAN TO FARMERS

1263. SHRI MARGANI BHARAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made CIBIL score mandatory for giving agriculture loan to farmers;
- (b) if so, whether it has come to the notice of the Ministry that bankers in Ongole district of Andhra Pradesh have been insisting for CIBIL score to give loan to farmers; and
- (c) if so, the details thereof along with the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (c): Reserve Bank of India (RBI) has apprised that credit related issues are mostly deregulated and banks are required to take credit related decisions based on Board approved policies and broad regulatory guidelines as well as the statutory provisions. RBI has not issued any specific instructions regarding requirement of CIBIL Score for giving agriculture loan to farmers.

However, RBI vide their circular dated June 27, 2014, has advised banks and financial institutions to include in their credit appraisal processes/loan policies, suitable provisions for obtaining Credit Information Reports (CIR) from one or more Credit Information Companies (CICs) so that the credit decisions are based on information available in the system.

State Level Bankers' Committee (SLBC), Andhra Pradesh has reported that no such cases of bankers insisting for CIBIL score to give loan to farmers in Prakasam District (District Headquarter Ongole) of Andhra Pradesh have come to notice of SLBC, Andhra Pradesh.
