

LOK SABHA

UNSTARRED QUESTION NO-1200
ANSWERED ON 25.11.2019/ AGRAHAYANA 4, 1941 (SAKA)

LOANS TO FARMERS

1200. DR. G. RANJITH REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether it has come to the notice of the Ministry that bankers are insisting for CIBIL score for giving loans to farmers;
- (b) if so, whether the Government has issued new guidelines which makes farmers to submit their CIBIL rating for getting farm loans;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether same rule are being applied to loans given to corporate sector and others;
- (e) if not, the reasons for banks insisting CIBIL scoring from farmers for farm loans; and
- (f) the corrective steps taken/ proposed to be taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (f): Reserve Bank of India (RBI) has reported that no specific direction with respect to insistence on checking credit reports pertaining to loans to farmer has been issued by them.

Lenders exercise their commercial judgment to grant loan or otherwise to borrowers based on the Board-approved policies of banks. Information contained in Credit Information Reports (CIRs) obtained from Credit Information Companies is one of the factors in the credit appraisal process. The decision to approve or reject a loan is taken on a holistic basis, taking into account all relevant factors forming part of the credit appraisal process, and not on the basis of CIRs alone.