

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
STARRED QUESTION NO: *118

TO BE ANSWERED ON THE 9th FEBRUARY 2018/MAGHA 20, 1939 (SAKA)

QUESTION
CIBIL NEGATIVE REPORTS

***118: SHRI P.R. SUNDARAM:
SHRIMATI SUPRIYA SULE:**

Will the Minister of FINANCE be pleased to state:

- a) whether the small businessmen are unable to get loan approved due to their Credit Information Bureau (India) Limited (CIBIL) negative reports for defaulting a very small amount which they have to pay, if so, the details thereof;
- b) the number of such defaulters whose applications for loans have been rejected even after repayment of their dues during each of the last three years;
- c) whether a larger number of small customers become defaulters unknowingly and they are informed at the time of approval of their loans that such amount is pending with them which eventually becomes huge due to penalty and if so, the details thereof;
- d) whether the Government has any plan to charge only the principal balance and after repayment of such dues their CIBIL status may be removed/cleared from defaulters list, if so, the details thereof; and
- e) the other steps taken by the Government in this regard?

ANSWER
FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT AS REFERRED TO IN REPLY TO PARAS (A) TO (E) OF
LOK SABHA STARRED QUESTION NO. *118 FOR ANSWER ON 9th

**FEBRUARY, 2018/ MAGHA 20, 1939 (SAKA) BY SHRI P.R. SUNDARAM
AND SHRIMATI SUPRIYA SULE REGARDING CIBIL NEGATIVE
REPORTS**

(a) to (e): Lenders exercise their commercial judgement to grant loan or otherwise to borrowers based on the Board-approved policies of banks and financial institution (FIs). Information contained in Credit Information Reports (CIRs) obtained from Credit Information Companies (CICs, which include TransUnion CIBIL Limited formerly Credit Information Bureau (India) Limited) 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, and as such non-approval of loan cannot be ascribed solely to defaults.

No information is maintained regarding whether a customer has become a defaulter knowingly or unknowingly. RBI has directed CICs to provide access in electronic format, upon request, one Free Full Credit Report once in a year to individuals whose credit history is available with CICs.

CICs only provide CIRs and do not provide any defaulters list. As per the reporting practice of TransUnion CIBIL Limited, amount overdue is displayed in CIR and indicates the total amount that has not been paid to the lender in a timely fashion, which includes principal and interest amount. No change in this practice, or any other steps in this regard, is under consideration of the Government.
