

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 3428
TO BE ANSWERED 01ST APRIL 2025

Rise in household debt

3428. Shri K.R. Suresh Reddy:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that household debt rose from June 2021 to June 2024, the details thereof;
- (b) whether Government has examined the surge in consumption loans, particularly among lower-income households, the findings thereof;
- (c) the measures to curb the rise in unsecured loans like credit cards and personal loans and mitigate financial stress on lower-income groups; and
- (d) whether Government plans to promote borrowing for asset creation over consumption, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

a) As per the latest data made available by the Reserve Bank of India, the stock of household financial liabilities as a percentage of gross domestic product as of end of June 2021 and March 2024 was 36.6 per cent and 40.2 per cent, respectively.

b) to d): As per RBI's Financial Stability Report published in December 2024, regulatory measures were taken in November 2023 whereby the risk weights on certain segments of consumer credit by banks and Non-Banking Financial Companies (NBFCs) as well as bank credit to NBFCs, especially unsecured loans, were raised. The Report further states that these regulatory measures to curb the excessive growth in consumer credit have slowed its pace. The focus of the Government on ease of doing business, skilling, employment generation, social security, taxation reforms and overall economic growth is expected to improve the household financial position, particularly of lower-income households.

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