GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO.1031
TO BE ANSWERED ON TUESDAY, DECEMBER 9, 2025 / Agrahayana 18, 1947 (Saka)

Growing annual household debts and liabilities

1031 Shri Javed Ali Khan:
Will the Minister of Finance be pleased to state:

(a) whether as per the RBI's latest data, the annual household debt/liabilities have grown 102 per cent between 2019 and 2025;
(b) if so, the details thereof along with the details of rise in debt/liabilities of rural and urban households separately;
(c) the reasons for such steep rise in household debt/liabilities; and
(d) the details of action RBI/Government would take to check this trend of increased household debt and to make the economy robust?

ANSWER

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

(a) & (b): As per the Reserve Bank of India, the flow of household financial liabilities increased at a compound annual growth rate of 12.9 per cent from ₹7.7 lakh crore in 2018-19 to ₹15.7 lakh crore in 2024-25. The year-wise details of flow of household financial liabilities since 2018-19 are given below:

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25*
In ₹ lakh crore	7.7	7.7	7.4	9.0	16.0	18.8	15.7
As per cent of GDP	4.1	3.9	3.7	3.8	5.9	6.2	4.7
Annual change (per cent)	2.7	0.0	-3.9	21.6	77.8	17.5	-16.5

* Preliminary estimates as per RBI Bulletin, August 2025, Occasional Series Table 50(a).
Source: NSO and RBI.

(c): Household financial liabilities remained moderate and stable as a share of GDP until 2019-20, followed by a sharp rise during and after the pandemic, peaking in 2023-24, reflecting increased reliance on borrowings. As per the RBI's Financial Stability Report published in December 2023, this increase was driven by a steep rise in borrowings from financial institutions, with a large part resulting in physical assets creation (mortgages and vehicles). In 2024-25, both the absolute level and the share in GDP have declined, indicating early signs of deleveraging.

(d): The Government and the Reserve Bank of India have undertaken measures to enhance incomes and savings and to curtail over-indebtedness. From a regulatory perspective, the RBI increased risk weights on select segments of consumer credit and bank lending to Non-Banking Financial Companies (NBFCs) in November 2023 as a prudential measure to strengthen the resilience of the financial system. Additionally, the ongoing easing of interest rates and improved liquidity conditions are expected to support growth and reduce households' debt service burden. Furthermore, the new income tax exemption for annual incomes up to ₹12 lakh and the recent GST rate rationalisation measures are expected to increase disposable income for the middle class, thereby enabling households to better manage debt and build assets. Above all, the Government's focus on ease of doing business, skilling, employment generation and infrastructure creation continues to foster income growth.

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