

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 1174

ANSWERED ON TUESDAY, 10 FEBRUARY, 2026/ 21 MAGHA, 1947 (SAKA)

RISING UNSECURED LOANS

1174 SHRI DIGVIJAYA SINGH:
SMT. PHULO DEVI NETAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware of the disproportionate surge in unsecured loans compared to industrial credit;
- (b) if so, the year-wise details since 2021 of the total volume of unsecured personal loans disbursed by Scheduled Commercial Banks and NBFCs in the country;
- (c) the current share of unsecured credit in the overall retail lending portfolio; and
- (d) what regulatory measures Government is taking to mitigate systemic risks arising from this growth?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): As per data provided by the Reserve Bank of India (RBI), aggregate advances outstanding to Industry by Scheduled Commercial Banks (SCBs) and Non-Banking Financial Companies (NBFCs) grew at 9.8% compound annual growth rate (CAGR) from 31.3.2023 to 31.3.2025. During the same period, aggregate unsecured advances outstanding of SCBs and NBFCs grew at 8.3% CAGR and total gross advances outstanding of SCBs and NBFCs grew at 15.9% CAGR. It has resulted in share of outstanding unsecured advances in total gross advances declining from 25.8% as on 31.3.2023 to 22.5% as on 31.3.2025. It shows that the growth of unsecured credit outstanding of SCBs and NBFCs has not surged disproportionately, in comparison to overall credit growth and growth of credit outstanding to Industry.

RBI has informed that information regarding 'unsecured advances outstanding', unsecured personal advances' and 'unsecured retail advances' for SCBs prior to 2023 is not being maintained by it. Also, information on 'personal loans – advances outstanding' and 'unsecured retail advances' of NBFCs is not being maintained by it. However, total unsecured personal loans outstanding of SCBs was ₹ 7,72,025 Crore as on 31.3.2023, ₹ 9,10,673 Crore as on 31.3.2024 and ₹ 9,53,181 Crore as on 31.3.2025.

Share of unsecured retail advances outstanding of SCBs in total retail advances outstanding of SCBs was 25.2% as on 31.3.2025, which has declined from 28.0% as on 31.3.2023.

Further, RBI as part of its regulatory and supervisory framework, takes regulatory measures in response to evolving situations, including, inter alia, change in risk weights, advising regulated entities to strengthening their internal safeguards and addressing the build-up of risks, and places regulatory restrictions on lending segments/entities, to mitigate systemic risks.
