

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO 110
TO BE ANSWERED ON 29.11.2021

HOUSEHOLD INDEBTEDNESS

110. SHRI RAVNEET SINGH BITTU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that as per a recent analysis, there has been a sharp rise in indebtedness among rural as well as urban households in the country;
- (b) if so, the details thereof during the last three years, year-wise and State/UT-wise along with reasons therefor;
- (c) whether the Government is taking any measures to reduce the rising debt in rural as well as urban households in the country;
- (d) if so, the details thereof; and
- (e) if not, reasons therefor ?

ANSWER

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

(a) & (b) Status of indebtedness in rural and urban households is estimated by the All-India Debt and Investment Surveys (AIDIS) conducted by the National Sample Survey Organisation (NSSO). Latest available data on the percentage of indebted households is as per the 77th round of NSSO (2018). State/UT wise details of indebtedness as per the last two rounds of AIDIS are given in Annexure 1.

NSSO Round	Urban households(%) indebted	Rural households(%) indebted
70 th (2012)	22.4	31.4
77 th (2018)	22.4	35.0

(c) & (D) To address the problem of indebtedness, Government has taken various measures to improve financial inclusion in the country and improve the financial condition particularly of the vulnerable sections. Some of these measures include:

- i. Government initiated the National Mission for Financial Inclusion (NMFI), namely, Pradhan Mantri Jan Dhan Yojana (PMJDY) in August 2014 to provide universal banking services for every unbanked household. As on 24 November 2021, a total of 43.90 crore beneficiaries have benefited through PMJDY accounts.
- ii. To provide credit to Micro Small and Medium Enterprises (MSMEs), MUDRA Scheme was launched by the Government with the aim of financing of small business enterprises in manufacturing, trading and service sectors. The scheme was launched on 8 April 2015. The loans were categorized into 3 categories to ensure that the credit reaches all kinds of borrowers: Shishu (up to Rs.50,000),

Kishore (Rs.50,000 to Rs.5,00,000) and Tarun (Rs. 5,00,000 to Rs.10,00,000). Out of the total disbursements so far, 87% of loan accounts under the scheme are in Shishu category indicating that the scheme has well targeted the small businesses. About 68% of these loans have been sanctioned to women entrepreneurs and 51% to Scheduled Caste/Scheduled Tribe/Other Backward Classes category of borrowers.

- iii. To provide credit support to Scheduled Caste, Scheduled Tribe and Women Entrepreneurs from the vulnerable section, Stand Up India scheme was launched in 2016. As on 22.11.2021, credit support of Rs.28211.19 crore have been sanctioned under the scheme.
- iv. Under the Kisan Credit Card (KCC) Scheme, government provides interest subvention of 2% and Prompt Repayment Incentive of 3% to the farmers, thus making the credit available at a very subsidized rate of 4% per annum. Since February 2020, starting of the KCC Saturation Drive for the PM Kisan beneficiaries as a part of the Atmanirbhar Bharat Package, over 2.6 crore farmers have been covered under the scheme, with a sanctioned credit of Rs.2.78 lakh crore.
- v. Low-cost insurance schemes have also been launched to ensure that indebtedness resulting from catastrophies may be avoided. Under Pradhan Mantri Suraksha Bima Yojana (PMSBY) a renewable one-year accidental death-cum-disability cover of Rs.2 lakhs is offered to all subscribing bank account holders in the age group of 18 to 70 years for a premium as low as Rs.12/- per annum per subscriber. Another insurance product with one-year term life cover of Rs.2 lakhs under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is made available to all subscribing bank account holders in the age group of 18 to 50 years for a premium of Rs.330/- per annum per subscriber.
- vi. To take care of financial needs in old age, a pension product named Atal Pension Yojana (APY) guaranteed by the Government of India has also been made available, thereby reducing the vulnerability of the old-aged people to indebtedness.

(e) Question does not arise.

Annex 1: State/UT wise details of indebtedness as per the last two rounds of AIDIS

State/UT	Urban		Rural	
	70 th round (2012)	77 th round (2018)	70 th round (2012)	77 th round (2018)
Andhra Pradesh	39.8	44.9	54.1	62.8
Arunachal Pradesh	14.0	22.1	5.2	15.0
Assam	17.6	20.0	10.1	19.2
Bihar	13.3	16.2	29.1	29.6
Chhattisgarh	11.8	20.7	13.9	17.4
Delhi	5.6	5.7	3.3	3.1

Goa	16.7	14.3	17.0	13.5
Gujarat	19.4	15.8	26.0	26.8
Haryana	12.5	19.6	23.9	32.1
Himachal Pradesh	21.9	23.9	26.0	27.3
Jammu & Kashmir	21.2	23.4	12.7	25.5
Jharkhand	11.6	16.8	18.5	21.0
Karnataka	26.5	22.6	46.4	48.1
Kerala	47.0	47.8	49.5	54.5
Madhya Pradesh	15.3	19.9	24.7	38.6
Maharashtra	18.9	19.2	31.3	33.2
Manipur	6.8	14.5	9.9	17.5
Meghalaya	7.7	5.1	2.5	9.2
Mizoram	15.9	19.7	5.3	13.2
Nagaland	3.0	10.2	1.5	6.6
Odisha	18.7	20.9	25.7	40.5
Punjab	18.3	20.6	33.1	35.1
Rajasthan	22.6	22.0	37.4	42.5
Sikkim	10.3	22.0	7.1	18.8
Tamil Nadu	34.8	26.6	39.7	36.9
Telangana	30.5	30.2	59.1	67.2
Tripura	12.7	20.3	10.0	21.2
Uttarakhand	13.9	15.5	25.8	30.9
Uttar Pradesh	18.9	15.6	29.6	31.3
West Bengal	14.7	17.0	23.6	23.2
A & N Islands	30.6	23.1	17.7	19.6
Chandigarh	12.3	9.0	3.8	10.8
Dadra & Nagar Haveli	18.7	14.2	4.8	6.0
Daman & Diu	7.3	6.7	16.7	7.7
Lakshadweep	29.4	11.2	7.7	4.4
Puducherry	40.7	32.6	40.9	42.4
All-India	22.4	22.4	31.4	35.0
