

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION No. 3760
TO BE ANSWERED ON 24 MARCH 2025

IMPACT OF RISING HOUSEHOLD DEBT AND BORROWING TRENDS

3760. Shri Gaurav Gogoi:

Adv. Adoor Prakash:

Shri Benny Behanan:

Dr. Kirsan Namdeo:

Dr. Dharamvira Gandhi:

Will the Minister of FINANCE be pleased to state:

- a) the data on household debt levels including outstanding personal loans and credit card debt, as of 2025;
- b) the measures taken by the Government to mitigate rising debt burdens on middle and lower-income households, including regulatory interventions;
- c) whether the Government has assessed the impact of rising household debt on financial stability and consumer spending; and
- d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- a) As per the latest available data from the Reserve Bank of India, the stock of household financial liabilities, including personal loans and credit card debt, amounts to ₹ 120.96 lakh crore as of end-March 2024.

- b) In a major reform measure, the Union Budget 2025-26 has proposed that there will be no income tax payable upto income of ₹12 lakh under the new tax regime. The proposed income tax structure, with change in slabs and rates, is expected to substantially reduce the taxes of the middle class and leave more money in their hands, boosting household savings. The focus of the Government on ease of doing business, skilling, employment generation, social security and overall economic growth is expected to improve the incomes and financial positions of middle and lower income households.
- c & d) The Reserve Bank of India in its Financial Stability Report published in December 2024 has mentioned that the increase in household debt is driven by a growing number of borrowers rather than an increase in average indebtedness. As per the data released by the Ministry of Statistics and Programme Implementation on 28th February 2025, the compound average growth rate between 2019-20 and 2023-24 in household gross disposable income and private final consumption expenditure, both at current prices, was closely comparable to each other at 10.1 per cent and 10.3 per cent respectively.
