GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 4089
ANSWERED ON MONDAY, AUGUST 18, 2025/ SRAVANA 27, 1947 (SAKA)
DEBT AND UNSECURED LOANS

† 4089. SHRI SHYAMKUMAR DAULAT BARVE:

Will the Minister of FINANCE be pleased to state:
(a) whether the average debt of a citizen has increased in the country during the last ten years, year-wise, if so, the details thereof;

(b) whether the Government is aware that unsecured loans have also increased rapidly and its share has increased to more than 25 per cent till the FY year 2024-25; and

(c) if so, the percentage and the amount of unsecured loans given by the Government for schemes and projects during the last ten years, public sector bank-wise and year-wise?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): No, Sir. As informed by the Reserve Bank of India (RBI), at the end of March 2025, there were around 28 crore unique individual borrowers reported by TransUnion CIBIL, a credit information company, vis-à-vis India's population of more than 140 crores. RBI has further informed that the data from TransUnion CIBIL is being maintained only for the last eight years. For this unique set of borrowers, RBI has reported in its *Financial Stability Report*, June 2025 an increase in per capita debt (proxied by consumer segment loans utilised for either personal or business purposes) from ₹3.41 lakh in March, 2018 to ₹4.77 lakh in March 2025.
Thus, this data does not represent the average debt of an Indian citizen. The disaggregated data on household debt, published by RBI, shows that the increase in household debt is driven by a growing number of borrowers rather than an increase in average indebtedness. Further, close to two-thirds of the loans are attributed to borrowers with high credit scores. The per capita debt of highly rated borrowers, which is generally utilised for asset creation, has increased sharply.
Further, based on the latest available information from National Account Statistics, the aggregate financial liabilities of households (inclusive of loans from cooperative banks, insurance corporations, non-banking financial companies and Government), divided by the

population of India *(as per Report of the Technical Group on Population Projections, July 2020, by National Commission on Population)*, increased from ₹2,658 in 2012-13 to ₹13,470 in 2023-24, primarily attributed to the rise in household incomes, increase in consumption expenditure, and greater access to formal credit channels.

As on 31 March 2025, the outstanding amount of unsecured retail loans for Scheduled Commercial Banks stood at ₹15,08,586 crore. The share of unsecured retail loans is relatively low, constituting 25.0 per cent of retail loans and 8.3 per cent of gross advances, which is not of systemic concern with regard to the asset quality of Indian banks.

The Government does not provide loans directly under its schemes and projects. Instead, it extends support through interest subventions, credit guarantees, and other facilitative measures. Loans are sanctioned and disbursed by banks and financial institutions in accordance with their Board-approved policies and prudential norms. In all such schemes, aimed *inter-alia* at promoting livelihood creation, income generation, and entrepreneurship, loans are generally secured by primary security relating to the loan purpose, guarantee cover under relevant credit guarantee schemes, and collateral wherever required.

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