GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.1164
TO BE ANSWERED ON MONDAY, JULY 27, 2026/Shravana 5, 1948 (Saka)

**Financial Stress in Western Uttar Pradesh**

**1164. Shri Zia Ur Rehman**:
Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the financial stress faced by households, small traders and farmers in Western Uttar Pradesh due to rising prices, taxation burden and limited access to affordable credit;

(b) if so, the details of fiscal measures, relief schemes or credit assistance to that region;

(c) whether such economic and financial challenges are affecting citizens across the country; and

(d) if so, the details of steps taken/proposed to be taken by the Government to ensure economic stability, inclusive growth and financial security at the national level?

**ANSWER**

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

(a) to (c): Recent policy measures and macroeconomic conditions have created a supportive economic environment for households, small traders and farmers across the country, including Western Uttar Pradesh. On an annual basis, CPI inflation declined sharply to an average of 2.1 per cent in FY26 from 4.6 per cent in FY25, strengthening purchasing power and easing cost-of-living pressures. Despite external headwinds, average CPI inflation remained moderate at 3.9 per cent during April-June 2026, reflecting the resilience of domestic price stability. As per RBI's Financial Stability Report June 2026, the borrower profiles in household borrowings have continued to improve, with the share of higher-rated borrowers (prime and above) increasing both in terms of outstanding amounts and number of borrowers. In addition, the income tax exemption for annual incomes up to ₹12 lakh has enhanced the disposable incomes of households enabling improved consumption, savings and asset creation. The GST rate rationalisation measures have improved the business environment for small businesses.

Furthermore, the farmers are being supported through assured income assistance under Pradhan Mantri Kisan Samman Nidhi, expanded access to affordable institutional credit via Kisan Credit Card, and comprehensive risk coverage under Pradhan Mantri Fasal Bima Yojana. Also, the continued expansion of credit access through schemes such as MUDRA and PM-SVANidhi is enabling small entrepreneurs and street vendors to sustain and grow their livelihoods, thereby supporting their incomes and savings, and contributing to improved financial resilience for citizens across regions, including Western Uttar Pradesh.

(d): The focus of the Government on capital expenditure and infrastructure build-up, gradual fiscal consolidation, and price stability gives a thrust to economic growth and macroeconomic stability. Committed to the objective of inclusive growth, the Government has initiated several targeted schemes aimed at reducing poverty and inequality, promoting income generation and livelihood opportunities, improving the quality of life of vulnerable sections, providing targeted tax relief to enhance disposable incomes, and supporting micro, small and medium enterprises across the country. Further, the direct benefit transfers into bank accounts opened under Pradhan Mantri Jan Dhan Yojana, expanded social security coverage through Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana, and continued capital expenditure led growth to create jobs and crowd in private investment have supported financial security in the country.

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