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RBI Governor Says Credit Growth Concerns Unwarranted, Economy Remains Resilient

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Reserve Bank of India (RBI) Governor Shaktikanta Das on Tuesday stated that there is no cause for concern over the current pace of credit demand in the economy. His remarks came after the central bank maintained the benchmark interest rate for the fifth consecutive time.

Speaking to reporters after the monetary policy announcement, Das emphasized that credit growth remains healthy, with overall bank credit expanding at around 14 percent year-on-year. He highlighted that while retail loan growth has moderated slightly, the housing loan segment remains strong.

The Governor attributed the moderation in some segments to the base effect and changes in borrowing patterns, particularly in unsecured personal loans. He reiterated that the fundamentals of the economy are solid, and recent data on services activity and industrial output point to sustained momentum.

Das also noted that inflation is under control and the RBI remains committed to anchoring inflation expectations while supporting growth. The central bank kept the repo rate unchanged at 6.5 percent, citing the need to closely monitor the evolving dynamics of inflation.

He dismissed speculation that slower credit offtake could signal economic weakness, saying, “There is no worry about the growth of credit. We have to see the numbers in a broader context.”

The RBI has projected India’s GDP growth for the current financial year at 7 percent and expects inflation to remain within the target band of 4 percent, with some seasonal and supply-driven fluctuations.

With global uncertainties persisting, Das affirmed that India remains a bright spot among emerging economies and that its macroeconomic indicators reflect resilience and stability.