

India's resilience stands out amid global uncertainty: FM

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Union Finance Minister (FM) Nirmala Sitharaman on Thursday said that India's economic resilience stood out even as uncertainty increasingly became a defining feature of the global landscape.

She also said the role of banks in this atmosphere had become much more critical — not just as custodians of savings, but also as engines of growth.

Speaking at the 91st foundation day celebrations of Bank of Maharashtra in Pune, Sitharaman said: "Several favourable factors, such as strong macroeconomic fundamentals, a young demography and greater reliance on domestic demand provide the core strength to the Indian economy to withstand global spillovers and grow at a higher aspirational trajectory".

Highlighting India's gross domestic product (GDP) growth of 7.8 per cent in the first quarter of 2025-26 (Q1FY26), the FM said that India's resilience was not accidental, but a reflection of proactive fiscal and monetary policies, structural reforms, infrastructure creation and



Union Finance Minister Nirmala Sitharaman said the role of banks in the current environment had become much more critical

improved governance.

"Today, as we stand in the last few months, we've seen global rating agencies reconsider their view on India," Sitharaman said, in a reference to the rating upgrades by S&P Global, Morningstar DBRS and Rating and Investment Information (R&I), Japan.

She further talked about the crucial role of financial institutions in national

infrastructure building, and said that banks must maintain strong balance sheets to fund significant investment needed to meet the demand for credit, innovative financial products, and capital expenditure.

Talking about the success of unified payments interface (UPI), the FM said it was important to remember that digitalisation alone is not enough. "Integrity, empathy and human judgement remain irreplaceable," she said.

Sitharaman also urged banks to adhere to the core principle of consumer trust. "Grievance redressal must go hand in hand with root cause analysis, systemic corrections in products, processes, and conduct," she said.

Department of Financial Services Secretary M Nagaraju said that public sector banks should increase their focus on micro, small & medium enterprises (MSMEs). He added that education loans should also be prioritised, and asked banks to see that no application for them should be rejected. Nagaraju also said banks should enhance lending towards agriculture and allied activities.

(With PTI inputs)