



Gross Bank Credit growth stands at 6.1% in July 2021

Gross bank credit growth (year-on-year) stands at 6.1% in July 2021 as compared to 6.5% in July 2020. Gross bank credit y-o-y growth stood at 5.8% in June 2021.

Highlights:

- Credit to agriculture and allied activities continued to perform well, registering an accelerated growth of 12.4 per cent in July 2021 as compared to 5.4 per cent in July 2020.
- Credit growth to industry remained subdued at 1.0 per cent in July 2021 vis-à-vis 0.9 per cent in July 2020. Size-wise, credit to medium industries registered a robust growth of 71.6 per cent in July 2021 as compared to a contraction of 1.8 per cent a year ago. Credit to micro and small industries accelerated to 7.9 per cent in July 2021 as compared to a contraction of 1.8 per cent a year ago, while credit to large industries contracted by 2.9 per cent in July 2021 as compared to a growth of 1.4 per cent a year ago.
- Within industry, credit growth to 'all engineering', 'beverages & tobacco', 'chemicals & chemical products', 'gems & jewellery', 'infrastructure', 'paper & paper products', 'petroleum coal products & nuclear fuels', 'rubber, plastic & their products' and 'textiles' accelerated in July 2021 as compared to the corresponding month of the previous year. However, credit growth to 'basic metal & metal products', 'cement & cement products', 'construction', 'food processing', 'glass & glassware', 'leather & leather products', 'mining & quarrying', 'vehicles, vehicles parts & transport equipment' and 'wood & wood products' decelerated/contracted.
- Credit growth to the services sector slowed to 2.7 per cent in July 2021 from 12.2 per cent in July 2020, mainly due to deceleration in credit growth to 'NBFCs', and 'commercial real estate'.
- Personal loans registered an accelerated growth of 11.2 per cent in July 2021 as compared to 9.0 per cent a year ago, primarily due to higher growth in 'loans against gold jewellery' and 'vehicle loans'.

Statement 1: Deployment of Gross Bank Credit by Major Sectors				
(Rs. Crore)				
Sector	Outstanding as on		Variation (Year-on-Year)	
	31.Jul,2020	30.Jul,2021	31.Jul,2020	30.Jul,2021

			/	/
			19.Jul,2019	31.Jul,2020
			%	%
I. Gross Bank Credit (II + III)	10282057	10910416	6.5	6.1
II. Food Credit	79288	77478	20.1	-2.3
III. Non-food Credit	10202769	10832938	6.4	6.2
1. Agriculture and Allied Activities	1172771	1318024	5.4	12.4
2. Industry (Micro and Small, Medium and Large)	2795788	2824855	0.9	1.0
2.1. Micro and Small ¹	357711	386092	-1.8	7.9
2.2. Medium	95249	163401	-1.8	71.6
2.3. Large	2342828	2275362	1.4	-2.9
3. Services	2529848	2597736	12.2	2.7
3.1. Transport Operators	127366	132405	8.8	4.0
3.2. Computer Software	18843	19192	14.1	1.8
3.3. Tourism, Hotels and Restaurants	45509	48398	20.9	6.3
3.4. Shipping	5138	7142	-12.3	39.0
3.5. Aviation	25012	30351	-11.0	21.3
3.6. Professional Services	105819	97174	-30.0	-8.2
3.7. Trade	553332	594351	14.6	7.4
3.7.1. Wholesale Trade (other than food procurement)	275209	313305	24.0	13.8
3.7.2. Retail Trade	278123	281046	6.6	1.1
3.8. Commercial Real Estate	262291	262655	10.9	0.1
3.9. Non-Banking Financial Companies (NBFCs) ² of which,	887625	892226	20.5	0.5
3.9.1. Housing Finance Companies (HFCs)	182256	169722	10.9	-6.9
3.9.2. Public Financial Institutions (PFIs)	33892	78398	10.3	131.3
3.10. Other Services ³	498913	513843	13.1	3.0
4. Personal Loans	2570646	2858741	9.0	11.2
4.1. Consumer Durables	8078	9526	23.7	17.9
4.2. Housing (Including Priority Sector Housing)	1346742	1466762	10.0	8.9
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	55275	59191	-14.2	7.1
4.4. Advances to Individuals against share, bonds, etc.	6237	4453	18.0	-28.6
4.5. Credit Card Outstanding	101391	111323	8.6	9.8
4.6. Education	65455	62531	-3.7	-4.5
4.7. Vehicle Loans	247868	265951	2.7	7.3
4.8. Loans against gold jewellery	35189	62412	34.7	77.4
4.9. Other Personal Loans	704412	816592	12.1	15.9
5. Priority Sector (Memo)				
5.1. Agriculture and Allied Activities ⁴	1155345	1260065	5.5	9.1
5.2. Micro and Small Enterprises ⁵	1096621	1099061	6.4	0.2
5.3. Medium Enterprises ⁶	122725	209743	-1.3	70.9
5.4. Housing	464318	471896	4.4	1.6
5.5. Educational Loans	51434	46754	-4.6	-9.1

5.6. Renewable Energy	1016	1230	-7.2	21.1
5.7. Social Infrastructure	950	2438	-7.5	156.5
5.8. Export Credit ⁷	15823	21765	11.7	37.6
5.9. Others	9277	29024	0.5	212.8
5.10. Weaker Sections including net PSLC-SF/MF	771359	775238	10.1	0.5
Note 1: Data are provisional. Gross bank credit and non-food credit data are based on Section - 42 return, which covers all scheduled commercial banks (SCBs), while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 90 per cent of total non-food credit extended by all SCBs.				
Note 2: With effect from January 2021, sectoral credit data are based on revised format due to which values and growth rates of some of the existing components published earlier have undergone some changes.				
¹ Micro & Small includes credit to micro & small industries in the manufacturing sector.				
² NBFCs include HFCs, PFIs, Microfinance Institutions (MFIs), NBFCs engaged in gold loan and others.				
³ Other Services include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs and other services which are not indicated elsewhere under services.				
⁴ Agriculture and Allied Activities also include priority sector lending certificates (PSLCs).				
⁵ Micro and Small Enterprises include credit to micro and small enterprises in manufacturing and services sector and also include PSLCs.				
⁶ Medium Enterprises include credit to medium enterprises in the manufacturing and services sector.				
⁷ Export credit under the priority sector relates to foreign banks only.				

Source: PHD Research Bureau, PHDCCI, compiled from RBI

Please contact for any query related to this mail to Mr Rishabh, Research Associate at rishabh@phdcci.in with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in and Ms Kritika Bhasin, Research Officer at kritika.bhasin@phdcci.in, PHD Chamber of Commerce and Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

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