



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **Gross Bank Credit growth stands at 5.8% in June 2021**

Gross bank credit growth (year-on-year) stands at 5.8% in June 2021 as compared to 6.2% in June 2020. Gross bank credit y-o-y growth stood at 6.0% in May 2021.

### **Highlights:**

- On a year-on-year (y-o-y) basis, non-food bank credit growth stood at 5.9 per cent in June 2021 as compared to 6.0 per cent in June 2020.
- Credit to agriculture and allied activities continued to perform well, registering an accelerated growth of 11.4 per cent in June 2021 as compared to 2.4 per cent in June 2020.
- Credit growth to industry contracted by 0.3 per cent in June 2021 from 2.2 per cent growth in June 2020. Size-wise, credit to medium industries registered a robust growth of 54.6 per cent in June 2021 as compared to a contraction of 9.0 per cent a year ago. Credit growth to micro and small industries accelerated to 6.4 per cent in June 2021 as compared to a contraction of 2.9 per cent a year ago, while credit to large industries contracted by 3.4 per cent in June 2021 as compared to a growth of 3.6 per cent a year ago.
- Within industry, credit to 'food processing', 'gems & jewellery', 'glass & glassware', 'leather & leather products', 'mining & quarrying', 'paper & paper products', 'rubber, plastic & their products' and 'textiles' registered an accelerated growth in June 2021 as compared to the corresponding month of the previous year. However, credit growth to 'all engineering', 'beverages & tobacco', 'basic metal & metal products', 'cement & cement products', 'chemicals & chemical products', 'construction', 'infrastructure', 'petroleum coal products & nuclear fuels' and 'vehicles, vehicle parts & transport equipment' decelerated/contracted.
- Credit growth to the services sector decelerated to 2.9 per cent in June 2021 from 10.7 per cent in June 2020, mainly due to contraction/deceleration in credit growth to 'commercial real estate', 'NBFCs' and 'tourism, hotels & restaurants'. However, credit to 'trade' segment continued to perform well, registering accelerated growth of 11.1 per cent in June 2021 as compared to 8.1 per cent a year ago.
- Personal loans registered an accelerated growth of 11.9 per cent in June 2021 as compared to 10.4 per cent a year ago, primarily due to accelerated growth in 'loans against gold jewellery' and 'vehicle loans'.

**Statement: Deployment of Gross Bank Credit by Major Sectors**

(Rs. Crore)

Sector	Variation (Year-on-Year)	
	19.Jun,2020 / 21.Jun,2019	18.Jun,2021 / 19.Jun,2020
	%	%
<b>I. Gross Bank Credit (II + III)</b>	<b>6.2</b>	<b>5.8</b>
<b>II. Food Credit</b>	25.0	<b>-2.7</b>
<b>III. Non-food Credit</b>	6.0	5.9
<b>1. Agriculture and Allied Activities</b>	2.4	11.4
<b>2. Industry (Micro and Small, Medium and Large )</b>	2.2	<b>-0.3</b>
2.1. Micro and Small <sup>1</sup>	<b>-2.9</b>	6.4
2.2. Medium	<b>-9.0</b>	54.6
2.3. Large	3.6	<b>-3.4</b>
<b>3. Services</b>	10.7	2.9
3.1. Transport Operators	7.0	0.7
3.2. Computer Software	12.5	2.0
3.3. Tourism, Hotels and Restaurants	16.8	7.3
3.4. Shipping	<b>-15.2</b>	32.0
3.5. Aviation	<b>-11.3</b>	7.4
3.6. Professional Services	<b>-29.4</b>	<b>-5.6</b>
3.7. Trade	8.1	11.1
3.7.1. Wholesale Trade (other than food procurement)	17.0	17.2
3.7.2. Retail Trade	0.8	5.4
3.8. Commercial Real Estate	11.6	1.3
3.9. Non-Banking Financial Companies (NBFCs) <sup>2</sup> <i>of which,</i>	29.5	<b>-2.2</b>
3.9.1. Housing Finance Companies (HFCs)	33.9	<b>-12.0</b>
3.9.2. Public Financial Institutions (PFIs)	<b>-4.7</b>	141.2
3.10. Other Services <sup>3</sup>	2.0	5.3
<b>4. Personal Loans</b>	10.4	11.9
4.1. Consumer Durables	53.3	<b>-19.8</b>
4.2. Housing (Including Priority Sector Housing)	12.6	9.7
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	<b>-8.4</b>	7.2
4.4. Advances to Individuals against share, bonds, etc.	8.1	<b>-23.7</b>
4.5. Credit Card Outstanding	2.8	5.3
4.6. Education	<b>-3.9</b>	<b>-3.5</b>
4.7. Vehicle Loans	7.1	11.0
4.8. Loans against gold jewellery	34.9	81.6
4.9. Other Personal Loans	10.8	16.6
<b>5. Priority Sector (Memo)</b>		
5.1. Agriculture and Allied Activities <sup>4</sup>	2.7	9.6
5.2. Micro and Small Enterprises <sup>5</sup>	3.2	<b>-3.5</b>
5.3. Medium Enterprises <sup>6</sup>	0.1	63.2
5.4. Housing	4.8	1.6
5.5. Educational Loans	<b>-4.5</b>	<b>-9.4</b>
5.6. Renewable Energy	<b>-72.5</b>	68.1

5.7. Social Infrastructure	-71.2	170.1
5.8. Export Credit <sup>7</sup>	15.8	18.3
5.9. Others	-30.2	134.1
5.10. Weaker Sections including net PSLC- SF/MF	0.5	13.6

**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.**

<sup>1</sup> Micro & Small includes credit to micro & small industries in the manufacturing sector.

<sup>2</sup> NBFCs include HFCs, PFIs, Microfinance Institutions (MFIs), NBFCs engaged in gold loan and others.

<sup>3</sup> Other Services include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs and other services which are not indicated elsewhere under services.

<sup>4</sup> Agriculture and Allied Activities also include priority sector lending certificates (PSLCs).

<sup>5</sup> Micro and Small Enterprises include credit to micro and small enterprises in manufacturing and services sector and also include PSLCs.

<sup>6</sup> Medium Enterprises include credit to medium enterprises in the manufacturing and services sector.

<sup>7</sup> Export credit under the priority sector relates to foreign banks only.

Source: PHD Research Bureau, PHDCCI, compiled from RBI

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Warm Regards,

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