



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



## **Gross Bank Credit growth stands at 6.7% in August 2021**

Gross bank credit growth (year-on-year) stands at 6.7% in August 2021 as compared to 5.5% in August 2020. Gross bank credit y-o-y growth stood at 6.1% in July 2021.

### **Highlights:**

- Credit to agriculture and allied activities continued to perform well, registering an accelerated growth of 11.3 per cent in August 2021 as compared to 4.8 per cent in August 2020.
- Credit growth to industry picked up to 2.3 per cent in August 2021 from 0.4 per cent in August 2020. Size-wise, credit to medium industries registered a robust growth of 63.4 per cent in August 2021 as compared to 4.4 per cent last year. Credit to micro and small industries accelerated to 10.1 per cent in August 2021 from a contraction of 1.1 per cent a year ago, while credit to large industries contracted by 1.7 per cent in August 2021 as compared to a growth of 0.5 per cent a year ago.
- Within industry, credit growth to 'all engineering', 'chemical & chemical products', 'gems & jewellery', 'infrastructure', 'mining & quarrying', 'paper & paper products', 'petroleum coal products & nuclear fuels', 'rubber, plastic & their products' and 'textiles' accelerated in August 2021 as compared to the corresponding month of the previous year. However, credit growth to 'beverage & tobacco', 'basic metal & metal products', 'cement & cement products', 'construction', 'food processing', 'glass & glassware', 'leather & leather products', 'vehicles, vehicles parts & transport equipment' and 'wood & wood products' decelerated/contracted.
- Credit growth to the services sector moderated to 3.5 per cent in August 2021 from 10.9 per cent in August 2020, mainly due to contraction in credit growth to NBFCs and commercial real estate.
- Personal loans registered an accelerated growth of 12.1 per cent in August 2021 as compared to 8.5 per cent a year ago, primarily due to faster credit growth in housing, vehicle loans and loans against gold jewellery.

Statement 1: Deployment of Gross Bank Credit by Major Sectors				
(Rs. Crore)				
Sector	Outstanding as on		Variation (Year-on-Year)	
	28.Aug,2020	27.Aug,2021	28.Aug,2020 / 30.Aug,2019	27.Aug,2021 / 28.Aug,2020
			%	%
<b>I. Gross Bank Credit (II + III)</b>	<b>10216158</b>	<b>10897463</b>	<b>5.5</b>	<b>6.7</b>
<b>II. Food Credit</b>	<b>65941</b>	<b>68801</b>	<b>5.7</b>	<b>4.3</b>
<b>III. Non-food Credit</b>	<b>10150217</b>	<b>10828662</b>	<b>5.5</b>	<b>6.7</b>
<b>1. Agriculture and Allied Activities</b>	<b>1171679</b>	<b>1304270</b>	<b>4.8</b>	<b>11.3</b>
<b>2. Industry (Micro and Small, Medium and Large )</b>	<b>2757526</b>	<b>2819601</b>	<b>0.4</b>	<b>2.3</b>
2.1. Micro and Small <sup>1</sup>	354380	390108	-1.1	10.1
2.2. Medium	104148	170177	4.4	63.4
2.3. Large	2298998	2259315	0.5	-1.7
<b>3. Services</b>	<b>2536619</b>	<b>2625323</b>	<b>10.9</b>	<b>3.5</b>
3.1. Transport Operators	127391	131845	6.1	3.5
3.2. Computer Software	17818	18541	4.5	4.1
3.3. Tourism, Hotels and Restaurants	45613	48563	19.5	6.5
3.4. Shipping	4957	6997	-16.4	41.1
3.5. Aviation	25807	28278	-2.4	9.6
3.6. Professional Services	106814	99935	-30.3	-6.4
3.7. Trade	552665	591683	16.5	7.1
3.7.1. Wholesale Trade (other than food procurement)	273523	309807	28.2	13.3
3.7.2. Retail Trade	279142	281876	6.9	1.0
3.8. Commercial Real Estate	260797	258286	8.4	-1.0
3.9. Non-Banking Financial Companies (NBFCs) <sup>2</sup> of which,	893062	870541	14.3	-2.5
3.9.1. Housing Finance Companies (HFCs)	186983	205093	3.3	9.7
3.9.2. Public Financial Institutions (PFIs)	38887	77833	21.0	100.2
3.10. Other Services <sup>3</sup>	501695	570654	17.0	13.7
<b>4. Personal Loans</b>	<b>2580501</b>	<b>2893913</b>	<b>8.5</b>	<b>12.1</b>
4.1. Consumer Durables	7931	10258	18.9	29.4
4.2. Housing (Including Priority Sector Housing)	1345571	1469744	8.5	9.2
4.3. Advances against Fixed Deposits (Including FCNR (B), NRRR Deposits etc.)	55096	61088	-10.3	10.9
4.4. Advances to Individuals against share, bonds, etc.	5985	4390	21.8	-26.6
4.5. Credit Card Outstanding	104833	115612	8.1	10.3
4.6. Education	65033	62964	-4.9	-3.2
4.7. Vehicle Loans	248210	268643	5.3	8.2
4.8. Loans against gold jewellery	37860	62926	42.6	66.2
4.9. Other Personal Loans	709983	838288	11.3	18.1
<b>5. Priority Sector (Memo)</b>				
5.1. Agriculture and Allied Activities <sup>4</sup>	1154920	1249775	5.1	8.2
5.2. Micro and Small Enterprises <sup>5</sup>	1098330	1110565	6.6	1.1

5.3. Medium Enterprises <sup>6</sup>	139525	215688	9.9	54.6
5.4. Housing	473048	470652	5.7	-0.5
5.5. Educational Loans	52013	46993	-4.1	-9.7
5.6. Renewable Energy	1017	1313	-7.7	29.1
5.7. Social Infrastructure	980	2619	-4.1	167.3
5.8. Export Credit <sup>7</sup>	14464	17875	9.6	23.6
5.9. Others	9166	15988	3.8	74.4
5.10. Weaker Sections including net PSLC- SF/MF	722250	814998	1.6	12.8
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, PHD Chamber, compiled from RBI

Please contact for any query related to this mail to Ms Abhi Tomar, Research Associate at [abhi.tomar@phdcci.in](mailto:abhi.tomar@phdcci.in) with a cc to Dr S P Sharma, Chief Economist | DSG at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) and Ms Kritika Bhasin, Senior Research Officer at [kritika.bhasin@phdcci.in](mailto: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](mailto:spsharma@phdcci.in)

Website: [www.phdcci.in](http://www.phdcci.in)

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

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