



PHD Research Bureau
PHD Chamber of Commerce and Industry



Gross Bank Credit growth stands at 6.7% in September 2021

Gross bank credit growth (year-on-year) stands at 6.7% in September 2021 as compared to 5.2% in September 2020. Gross bank credit y-o-y growth stood at 6.7% in August 2021.

Highlights:

- Credit to agriculture and allied activities registered a higher growth of 9.9 per cent in September 2021 as compared to 6.2 per cent in September 2020.
- Credit growth to industry picked up to 2.5 per cent in September 2021 from 0.4 per cent in September 2020. Size-wise, credit to medium industries registered a robust growth of 49.0 per cent in September 2021 as compared to 17.5 per cent last year. Credit to micro and small industries accelerated to 9.7 per cent in September 2021 from a contraction of 0.1 per cent a year ago. Credit to large industries continued to contract at 1.0 per cent in September 2021 as compared to a contraction of 0.2 per cent a year ago.
- Within industry, credit growth to 'all engineering', 'chemicals & chemical products', 'food processing', 'gems & jewellery', 'infrastructure', 'mining & quarrying', 'petroleum coal products & nuclear fuels', 'rubber, plastic & their products', 'textiles' and 'wood and wood products' accelerated in September 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', 'glass & glassware', 'leather & leather products', 'paper and paper products' and 'vehicles, vehicles parts & transport equipment' decelerated/contracted.
- Credit growth to the services sector decelerated to 0.8 per cent in September 2021 from 9.2 per cent in September 2020, mainly due to contraction/deceleration in credit growth to NBFCs, trade and commercial real estate.
- Personal loans registered an accelerated growth of 12.1 per cent in September 2021 as compared to 8.4 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)	
	25.Sep,2020	24.Sep,2021	25.Sep,2020 / 27.Sep,2019	24.Sep,2021 / 25.Sep,2020
			%	%
I. Gross Bank Credit (II + III)	10271581	10956792	5.2	6.7

II. Food Credit	66427	62342	10.6	-6.1
III. Non-food Credit	10205154	10894450	5.1	6.8
1. Agriculture and Allied Activities	1201893	1321325	6.2	9.9
2. Industry (Micro and Small, Medium and Large)	2760676	2829547	0.4	2.5
2.1. Micro and Small ¹	360341	395432	-0.1	9.7
2.2. Medium	117541	175081	17.5	49.0
2.3. Large	2282794	2259034	-0.2	-1.0
3. Services	2550706	2571563	9.2	0.8
3.1. Transport Operators	127002	131206	5.2	3.3
3.2. Computer Software	18018	18621	7.0	3.3
3.3. Tourism, Hotels and Restaurants	48178	48854	24.1	1.4
3.4. Shipping	5082	7384	-14.5	45.3
3.5. Aviation	26006	27876	4.7	7.2
3.6. Professional Services	107606	99459	-32.3	-7.6
3.7. Trade	551830	576621	14.9	4.5
3.7.1. Wholesale Trade (other than food procurement)	271763	291589	29.1	7.3
3.7.2. Retail Trade	280067	285033	3.8	1.8
3.8. Commercial Real Estate	256272	255778	5.7	-0.2
3.9. Non-Banking Financial Companies (NBFCs) ² <i>of which,</i>	899302	876825	9.8	-2.5
3.9.1. Housing Finance Companies (HFCs)	189865	212148	5.5	11.7
3.9.2. Public Financial Institutions (PFIs)	52347	79674	53.4	52.2
3.10. Other Services ³	511412	528938	19.3	3.4
4. Personal Loans	2604048	2918538	8.4	12.1
4.1. Consumer Durables	7788	10904	14.9	40.0
4.2. Housing (Including Priority Sector Housing)	1356531	1478451	8.2	9.0
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	56882	63690	-10.4	12.0
4.4. Advances to Individuals against share, bonds, etc.	6003	4481	21.6	-25.4
4.5. Credit Card Outstanding	105640	115641	7.1	9.5
4.6. Education	65336	63437	-4.4	-2.9
4.7. Vehicle Loans	248368	270378	6.0	8.9
4.8. Loans against gold jewellery	40086	63770	42.3	59.1
4.9. Other Personal Loans	717414	847788	11.4	18.2
5. Priority Sector (Memo)				
5.1. Agriculture and Allied Activities ⁴	1153293	1261764	4.2	9.4
5.2. Micro and Small Enterprises ⁵	1130647	1100816	8.5	-2.6
5.3. Medium Enterprises ⁶	176469	219344	40.0	24.3
5.4. Housing	463289	446129	1.3	-3.7
5.5. Educational Loans	51928	47201	-4.2	-9.1
5.6. Renewable Energy	1210	1423	22.3	17.5
5.7. Social Infrastructure	1081	2323	7.0	114.8
5.8. Export Credit ⁷	15822	21444	6.0	35.5
5.9. Others	10857	16595	16.4	52.9
5.10. Weaker Sections including net PSLC- SF/MF	747551	844833	4.2	13.0

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, PHD Chamber, compiled from RBI

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Warm Regards,

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