



October 08, 2021

Basic Statistical Return on Credit by Scheduled Commercial Banks in India - March 2021

Today, the Reserve Bank released the web publication 'Basic Statistical Return on Credit by Scheduled Commercial Banks (SCBs) in India – March 2021'¹ on its Database on Indian Economy (DBIE) portal (web-link: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!19>). The publication provides information on various characteristics of bank credit, based on data submitted by SCBs (including Regional Rural Banks) under the annual Basic Statistical Return (BSR) - 1 system, which collects information on type of account, organisation, occupation/activity and category of the borrower, district and population group of the place of utilisation of credit, rate of interest, credit limit and amount outstanding².

Main Findings:

- Bank branches in urban, semi-urban and rural areas recorded double-digit credit growth during 2020-21 whereas metropolitan branches, which accounted for 61.2 per cent of total bank credit, recorded 1.4 per cent growth.
- Personal loans continued to grow at robust pace over the last decade and their share in outstanding bank credit increased to 25.9 per cent in March 2021 from 16.4 per cent ten years ago – it recorded double-digit growth in all the years during the interregnum.
- Industrial loan growth, which has been decelerating during the last decade, turned negative for the first time during 2020-21 as economic activity slowed down in the aftermath of the COVID-19 pandemic; working capital loans in the form of cash credit, overdraft and demand loans, which accounted for a third of total credit, contracted during 2020-21.

¹ The previous annual BSR-1 series results on credit by SCBs (including RRBs) for March 2020 were released on the RBI website on [November 4, 2020](#); the aggregates from [quarterly BSR-1 for SCBs \(other than RRBs\)](#) are being released regularly since December 2014.

² Banking aggregates based on the fortnightly Form-A Return (collected under Section 42(2) of the Reserve Bank of India Act, 1934) for the last reporting Friday of March 2021 were published earlier at our website (Path: Home>Statistics>Data Release>Fortnightly>[Scheduled Bank's Statement of Position in India](#)) and disaggregated statistics on deposits and credit of SCBs for March 31, 2021 were also released earlier (Path: Home>Statistics>Data Release>Quarterly> [Quarterly Statistics on Deposits and Credit of SCBs](#)).

- The number of loan accounts with SCBs increased by 9.5 per cent during 2020-21 to 29.8 crore in March 2021; household sector³ accounted for 96.6 per cent of these accounts and held 53.7 per cent of the outstanding credit amount.
- Private sector banks recorded higher loan growth when compared to other bank groups: their share in total credit has steadily increased to 35.4 per cent in March 2021 from 20.8 per cent in March 2015 at the cost of public sector banks, whose share has come down from 71.6 per cent to 56.5 per cent over the same period.
- As the number of small-sized loan accounts with banks has been increasing over the years to meet personal loan and other requirements of smaller borrowers, the average size of bank loan account has gradually declined to ₹3.7 lakhs in March 2021 from ₹4.8 lakhs in March 2015; the decline in the average loan size in metropolitan branches of banks has been sharper from ₹13.5 lakhs to ₹7.7 lakhs over the same period.
- Interest rates on bank loans declined further during 2020-21; the share of loans bearing less than 9 per cent interest rate was 60.7 per cent in March 2021 *vis-a-vis* 42.1 per cent in March 2020 and only 16.4 per cent in March 2019.
- Credit utilisation in southern region of the country has been rising continuously and its share in total credit increased to 30.1 per cent in March 2021 from 27.5 per cent five years earlier; it surpassed the western region, whose credit share declined from 32.4 per cent to 28.8 per cent over this period.

Press Release: 2021-2022/1013

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³ Household sector includes individual, Hindu undivided families (HUFs), proprietary concerns and partnership firms among others.