

# Retail credit growth fell to 16.6% in June

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The retail loan growth declined to 16.6 per cent year-on-year (Y-o-Y) in June from 21.3 per cent a year ago, largely due to sharp moderation in credit in the personal loan segment.

Reserve Bank of India (RBI) data showed that growth in the other personal loan category, which consists mainly of unsecured credit, fell sharply to 13.2 per cent YoY in June 2024 from 28.4 per cent in June 2023.

However, credit growth to 'housing,' the largest constituent of the segment, accelerated to 18.2 per cent YoY from 14.8 per cent YoY. The credit growth numbers exclude the impact of the merger of HDFC with HDFC Bank.

The RBI in its statement said non-food credit grew by 13.9 per cent in June 2024, down from 16.3 per cent in June 2023. Credit to industry

inched up to 7.7 per cent YoY in June 2024 compared with 7.4 per cent a year ago. There was a slight improvement in credit to large industries at 6.9 per cent in June 2024 from 5.4 per cent a year ago.

Among major industries, while YoY growth in credit to food processing and infrastructure was higher in June 2024, credit growth in basic metal and metal products and textiles moderated, the RBI said.

Credit growth to the services sector moderated substantially to 15.1 per cent YoY in June 2024 from 26.8 per cent a year ago, primarily driven down by lower credit growth in non-banking financial companies (NBFCs) and trade segments, the RBI said.

The credit to NBFC's grew by 8.5 per cent YoY in June 2024 down sharply from 34.7 per cent a year ago. The credit to trade declined to 14.8 per cent from 18.5 per cent in June 2023.