



Scheduled Commercial Banks (SCBs) Record Robust Credit Growth of 15.9% in FY 2025-26, Reflecting Strong Economic Activity and Credit Demand

Agriculture and Allied Sector Credit Growth Accelerates to 15.7% in FY 2025-26, up from 10.4% a year ago, reflecting Sustained Rural Demand and Improved Credit Flow

Industrial Credit Expands to 15% in FY 2025-26 as compared to 8.2% in the previous year, driven by Strong Momentum in MSME Lending

Services Sector Credit Growth Rises to 19%, up from 12% last year, with Notable Growth in NBFCs, Trade and Commercial Real Estate Segments

Personal Loans Grew by 16.2%, an increase from 11.7% in the previous year, with Strong Demand for Vehicle and Gold-Backed Loans and Steady Housing Credit

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The Financial year 2025-26 ended with robust year-on-year (y-o-y) non-food credit growth of 15.9% *, marking a significant 497 basis points (bps) increase in growth from the corresponding period in 2025 (10.9%). The aggregate credit outstanding in Mar-2026 reached ₹212.9 lakh crore, ₹29.2 lakh crore higher than the previous year.

Amidst a low-interest rate environment, Government aided Capex cycle supported by timely structural reforms, private investments are crowding-in and boosting domestic credit demand, reinstating confidence among corporate as well as individual borrowers on Indian economy.

Credit growth in FY 2025-26 has been broad-based led by services sector, followed by personal loan segment, agriculture and allied activities, and industry.

Sectoral Credit Deployment – Highlights:

Sectoral Credit Deployment (y-o-y growth in %)



- **Agriculture and Allied Activities:** Credit growth in this sector accelerated to 15.7%, 528 bps higher than 10.4% growth registered previous year, reflecting reinforced support for the farm sector. Sustained rural demand and formalization of rural credit has been attributing to the positive momentum in primary sector credit offtake in FY2025-26.
- **Industrial Sector:** Credit deployment to the industrial sector expanded at almost double rate to 15.0%, vis-à-vis 8.2% growth registered last year. With a 33.1% y-o-y growth, 'Micro and Small' industries registered a 3.7 times higher credit growth in FY2025-26. Similar positive trends are witnessed for medium-scale industries where credit expanded by 21.7% y-o-y. Key drivers of industrial credit are: Infrastructure, Basic Metal and Metal Products, Chemicals and Chemical Products, Petroleum, Coal Products, and Nuclear Fuels etc.
- **Services Sector:** Services sector credit, that contributes 28% to the overall credit, recorded a robust expansion of 19.0% y-o-y (compared to 12.0% recorded during the same period last year). The surge was primarily driven by high demand from segments like Non-Banking Financial Companies, trade, and commercial real estate.
- **Personal Loans Segment:** The personal loan segment with 33% share in overall credit, expanded by 16.2% in FY 2025-26, 455 bps higher than credit growth (11.7%) registered a year ago. Growth remained steady in the housing segment, while vehicle loans and loans against gold jewellery continued to show strong momentum.

Robust credit growth demonstrates the resilient domestic economic environment and envisages enhanced appetite for credit across sectors of the Indian economy. Strong credit growth results in corporates and individuals availing credit facilities for business expansion and acquiring durable goods, further accelerating industrial activity by additional capacity building through investment in fixed assets, generating more employment opportunities.

Against the challenging global backdrop surrounded by geo-economic fragmentation and geo-political pressures, the Indian economy has shown remarkable resilience and has been consistently the fastest growing major economies in the world.

Indian banking sector, the primary engine of economic growth is at best of its health with a well-capitalized balance sheet, historically low impaired assets and sustained profitability, augments the growth potentials of the economy. The persistent government effort in democratizing and formalizing credit has been resulting in broad based credit growth in the economy.

**(Y-o-Y growth is calculated based on credit offtake as on Apr 4, 2025 against Mar 31, 2026. With effect from December 31, 2025, definition of last reporting fortnight has been changed to the last day of the month under the Banking Laws (Amendment) Act 2025. Accordingly, the y-o-y growth rates from December 2025 onwards are based on end-of-month data for the current year and data for the last reporting fortnight (as per old definition) for the corresponding month of the previous year)*

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