



CRITICAL EVALUATION OF DISBURSEMENT OF EDUCATION LOAN BY NATIONALIZED BANKS IN INDIA

Anuradha Gupta*, Prof. D.K Nema#

Research scholar*, Professor#, Department of Commerce,

Dr. Harisingh Gour A Central University, Sagar (M.P.)

Email ID: anuradhag051@gmail.com

ABSTRACT

The present study is made an attempt here to examine the trends of Education Loan disbursal in financing higher education through nationalized banks across India using bank and state wise disbursement of Student Loan as a case of reference which convey that study loan is the dominating source of sponsoring higher education in India. This paper makes an analysis of demand and disbursement of student loans for each Nationalized banks and state. The paper uses various published secondary data sources to examine the trends of Study Loan demand & disbursal by bank group and state wise on yearly basis in India from 2014-15 to 2021-22. Conclusively, there is a negative correlation between the states' demand and disbursement of education loan and a positive correlation finds between high GDP contributory states and the state contributing high proportion of demand and disbursal of education loan in India.

Keywords: Education Loan, Financing Higher Education, Education Loan disbursement, Nationalized banks, Correlation

INTRODUCTION

Education is a strong weapon to strengthen the society. Education educates human being and enhances to think big and reinforce analytical power of the individuals. Education is the instructional process that intended to inclusive development of personalities, providing with essential tools to take part in routine activities of the world. As it dismisses illiteracy and enriches moral values in the entities. Education is used as vibrant tool for the expansion, progress and empowerment of Human Resources through the worldwide.

Education is the fundamental prerequisite of democracy; it impacted the overall human resource development and economic growth of the homeland. Nationwide and state level policies are framed to support financially to the borrowers that dream to flight with higher education but economically weaker. Meanwhile Indian government endeavours to provide primary education universally to all in the nation, higher education is gradually moves to the province of private sector. Need for institutional funding required with the rising cost of higher education in the market and higher education cost increases due to the progressively decrement in government subsidies. This is the reason behind development of Model

Education Loan Scheme that assisted economically to the Indian student to fulfil their higher study dreams globally at their desired place.

OBJECTIVES

1. To measure the status of demand of Education Loan via Nationalized banks in India.
2. To study the disbursement of total amount of Education Loan via Nationalized banks in India.

RESEARCH METHODOLOGY

The researcher usages secondary data resources such as Educational Loan statistical tables relating to Nationalized Banks in India, published by parliament report government of India; Some Educational Statistics related to Bank and State wise Demand and Disbursal of Education Loan are represented in the paper which was published by parliament report Lok Sabha unstarred questions. Mean and growth percent analysis made on collected statistics based on target of the study. This research paper practices a unique data set which operates the model Education Loan scheme during 2014-15 to 2021-22.

DEMAND OF EDUCATION LOAN BY BORROWERS IN INDIA

According to world bank report published in 2020, “Higher education simultaneously improves individual lives and enriches the wider society, indicating a substantial overlap between private and public interests.” This is the fact behind university graduates’ aspirants can imagine healthier job opportunities and higher package of salaries than those of qualifying only intermediate class. Governments and global agencies have supported greater cost payment for higher educated person worldwide. In order to shift the burden of education cost from students, necessity of financial support been generated. Resultant, study loan disbursal to aspirant in the market through banking sector (Woodhall, 2020)¹.

Public Sector Banks are the mainstay of the Indian banking industry and their performance are chosen for the study in education loan sector as it plays the dominant role (cover up 95 %) in financing Education Loan in all-over India (Acharya & Plepu, 2018)². Performance of public sector banks cover up by checking the disbursal of education loan separately through each public sector banks in the number of accounts opened yearly for availing model education loan scheme in India. Bank wise performance of public sector banks is necessary for the constant review to know the real progress of the model education loan scheme in India (PRIYA & ESAKKIAMMAL, 2018)³.

Banks’ performance in terms of education loan can be estimated by notifying the number of borrowers demanded for study loan and disbursal of loan amount in respective accounts. Firstly, study targeted to know about the actual number of accounts opened for demand of student loan separately through each nationalized banks in India. To conclude this objective of study, trends of education loan demand via Indian public sector banks are studied here and tabulated to get result easily. Bank group and state/union territory wise demand of education loan through nationalized banks in India for last eight year from 2014-15 to 2021-22 are gathered here to make trend analysis and conclude one of the study’s objectives. Table number 1 includes the information of demand of education loan through nationalized banks in India and Table number 2 represented the same information through state/union territory wise from 2014-15 to 2021-22.

Table: 1
Bank wise trends of Education Loan demands through Nationalized banks for Higher Education Sector in India during 2014-15 to 2021-22

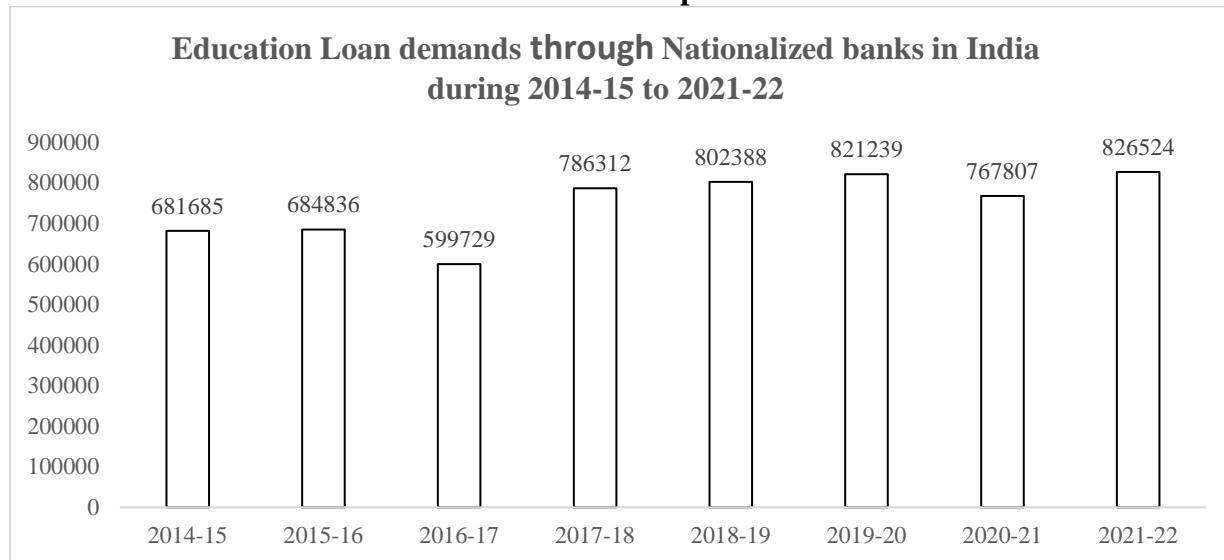
(No. of A/c in actuals)

Name of Banks	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total	Mean of	Mean Rank
	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	of No. of A/Cs
Allahabad Bank	14963	13871	18403	14623	15978	14238	-	-	92076	-	-
Andhra Bank	26954	31170	23353	22296	20568	18651	-	-	142992	-	-
Bank of Baroda	10519	17744	23601	22171	27594	30956	34368	38172	230773	25640	8
Bank of India	49428	44221	37899	35907	30705	26288	21982	20417	300208	33356	5
Bank of Maharashtra	8280	11717	10763	11943	13199	14144	14694	15756	113069	12562	11
Canara Bank	110672	113623	109571	98400	95971	90762	85462	80949	883588	98176	2
Central Bank of India	50496	44082	38904	34119	28544	26332	25420	24346	306277	34030	4
Corporation Bank	32426	8659	29264	27667	25914	26842	-	-	150772	-	-
Dena Bank	3185	2652	1643	372	220	-	-	-	8072	-	-
IDBI Bank Limited	5499	10803	10534	9705	11379	-	-	-	47920	-	-
Indian Bank	50339	34130	27641	26169	25807	25225	21397	17554	256802	28533	7
Indian Overseas Bank	25497	16184	10613	10034	11140	13220	11503	9794	121492	13498	9
Oriental Bank of Commerce	13317	18089	10804	13085	11998	12272	-	-	79565	-	-
Punjab and Sindh Bank	1357	1503	1146	1252	1118	1147	914	1031	10663	1183	12
Punjab National Bank	45565	43092	42939	45476	44827	45186	45570	45680	403130	44792	3
State Bank of India	134398	128113	84465	320695	326215	398708	478145	536124	2707722	300858	1
Syndicate Bank	15951	39088	37787	35619	43039	46924	-	-	218408	-	-
Uco Bank	20344	16462	15172	14255	12076	10344	8671	9799	120523	13390	10
Union Bank of India	36991	57338	31306	13104	23908	20001	19682	26903	257893	28654	6
United Bank of India	5958	7044	7569	3349	3472	-	-	-	27392	-	-
Vijaya Bank	19382	25085	26278	26071	28715	-	-	-	125531	-	-
Bhartiya Mahila Bank	164	166	74	0	-	-	-	-	404	-	-
Total	681685	684836	599729	786312	802388	821239	767807	826524		634674	

Source: Report of parliament of India (Annexure-III to reply of Lok Sabha Unstarred Question No. 3931 & 1190 for answer on 09th February, 2018 and 10th August, 2018 regarding Education Loan respectively)

2. <https://loksabha.nic.in/Members/QResult16.aspx?qref=69408>

Graph: 1



Source: Table 1

Table number 1 assembled statistical data that are collected from the Indian Parliament's report under the number of Annexures of Lok Sabha unstarred questions of different years and compiled according to the target of study. The study emphasizes over the Bank and year wise Demand of Education Loan by nationalized banks in India during 2014-15 to 2021-22 and demand are shown in number of accounts in actual. The table followed financial year ended as on 31st March. In the table, hyphen represents the bank merger into another nationalized banks but IDBI converted into Private Sector Bank for regulatory purposes as per instruction of RBI with effect from January 21, 2019. Demand of Education Loan is given in number of accounts.

During the observation of table number 1, banks wise trends of education loan demand for previous eight years are estimated. By emphasizing over the performance of public sector bank as a whole, it is noticed that demand for study loan increases by 0.50 % in 2015-16 compare to 2014-15. Next to the financial year 2016-17 demand goes down by 12.4% due to Demonetization (8 November 2016). Demand figured as 31.1 percent for 2017-18 followed by 2 percent and 2.35 percent demand raises for the period 2018-19. For last two current year, demand reduces with 6.50% in 2020-21 and goes down with 23.21 % in 2021-22 with compare previous year due to pandemic covid 19 (most of the bank accounts have been closed).

To simplify the table number 1 measurements, Mean and Mean Rank for the Education Loan Demand has been computed. By observing mean and mean rank it is notified that borrowers mostly trusted and demanded study loan from State bank of India, followed by Canara bank and Punjab national bank and the bank disburses Rs. 2707722 crores, 883588 crores and 403130 crores respectively. Contrary, the aspirants demanded all time low student loan from Punjab and Sindh Bank, Bank of Maharashtra and Uco Bank that opened accounts 10663, 113069 and 120523 respectively.

There is a robust need to work on the weaknesses & deficits of the scheme and some efforts should also be made by nationalized banks such as Several awareness programmes related scheme should be run in the market, government should hire some motivational agents to encourage the scheme, as higher education is the nationwide priority which aids to boost countries development.

Table: 2

State-wise Demand for Education Loan through Nationalized Banks in India during 2014-15 to 2021-22

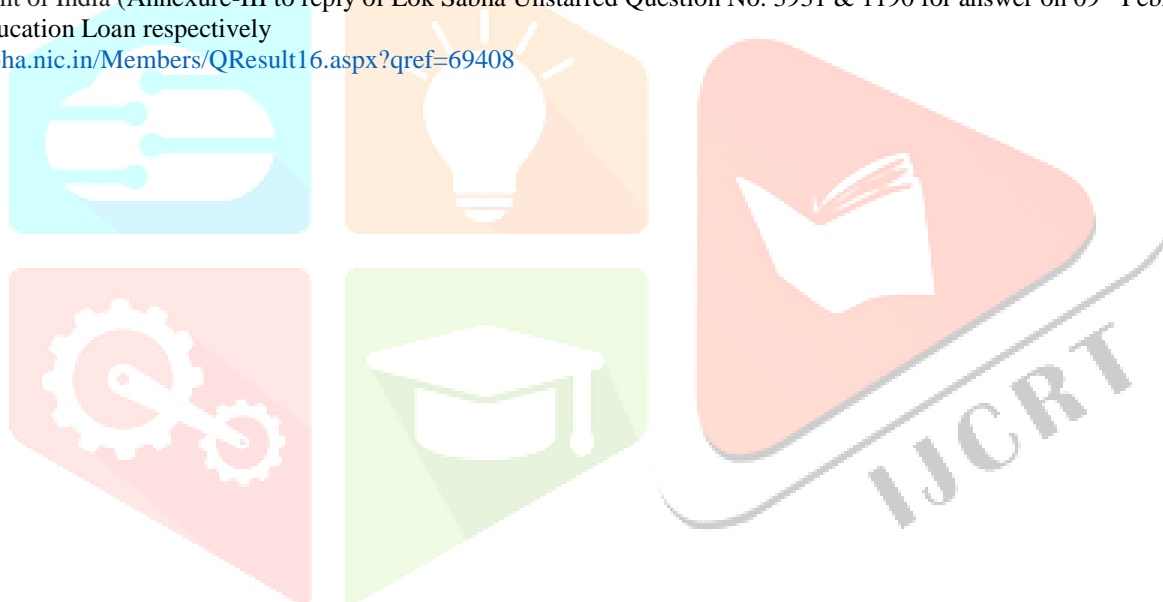
(No. of A/c in actuals)

S. N	Name of State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Mean of No. of A/Cs	Mean Rank of No. of A/Cs
		No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs	No. of A/Cs		
1	Andamans & Nicobar Islands	82	93	88	174	186	220	255	285	173	34
2.	Andhra Pradesh	50097	41133	36807	48736	44805	45687	46496	46317	45010	5
3.	Arunachal Pradesh	139	123	104	257	261	309	1.46	2.29	32	32
4.	Assam	3542	3996	3406	6563	6964	8041	9203	10154	6484	20
5.	Bihar	27399	24319	20518	39284	38619	43665	48435	52596	36854	6
6	Chandigarh	1456	1401	1469	1698	1742	1844	1948	2036	1699	26
7	Chhattisgarh	5484	5900	5603	9451	9940	11399	12944	14197	9365	19
8	Dadra & Nagar Haveli	62	48	28	80	71	80	92	97	70	35
9	Daman & Diu	61	63	72	66	70	69	74	72	68	36
10	Delhi	9826	11883	11765	14938	16070	18413	19001	21713	15451	15
11	Goa	848	891	1328	2349	2718	3291	3866	4390	2460	23
12	Gujarat	12809	13643	12600	20690	21876	24742	27905	30442	20588	11
13	Haryana	9014	9846	8856	11574	11899	13413	13352	15158	11639	18
14	Himachal Pradesh	4601	4360	4195	5688	5707	6163	6601	6989	5538	21
15	Jammu & Kashmir	3156	787	702	1504	1707	1236	1231	1081	1425	28
16	Jharkhand	10988	11155	9984	18662	19230	22151	25314	27726	18151	13
17	Karnataka	69386	72111	77660	90630	96104	103871	111622	118872	92532	2
18	Kerala	109882	90298	65849	99314	84003	82939	83619	79393	86912	3
19	Lakshadweep	15	11	9	588	659	880	1095	1293	569	30
20	Madhya Pradesh	22111	21839	19073	30759	30736	34095	37752	40392	29595	9
21	Maharashtra	62549	64496	57262	76854	77192	82291	87761	92012	75052	4
22	Manipur	331	244	221	402	480	504	567	619	421	31
23	Meghalaya	391	445	488	1551	1728	2166	2592	2989	1544	27
24	Mizoram	171	152	80	180	201	203	220	231	180	33
25	Nagaland	111	85	72	1241	1374	1813	2239	2630	1196	29
26	Orissa	13435	12973	13017	21147	22039	25080	28041	30747	20810	10
27	Puducherry	3310	2372	1841	3473	3071	3280	3475	3553	3047	22

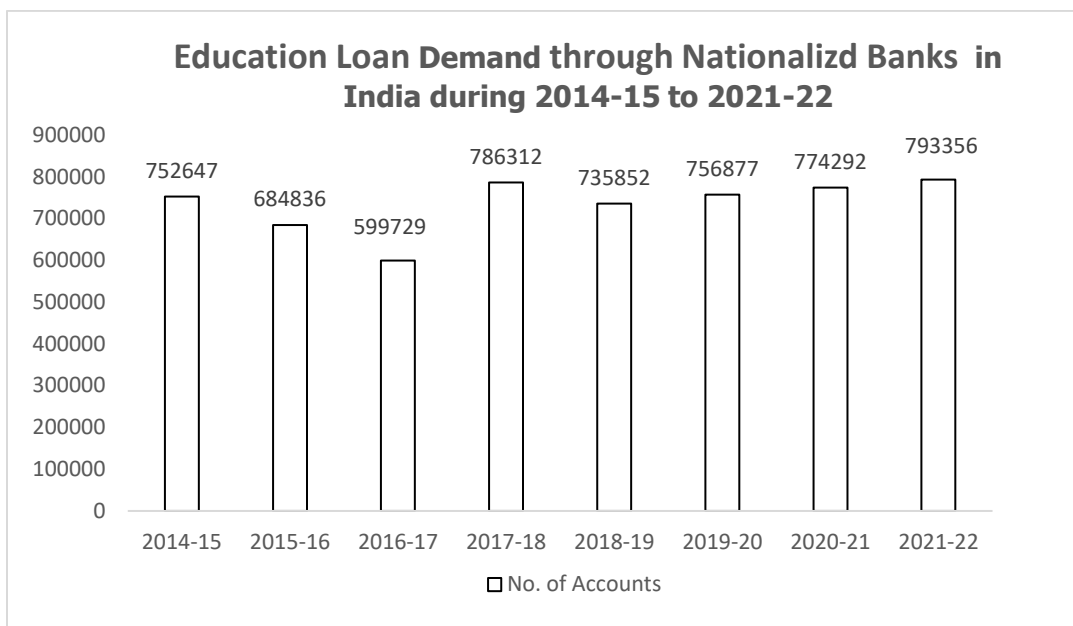
28	Punjab	9221	10493	9777	14279	15134	17864	19434	21150	14669	16
29	Rajasthan	18119	18066	14557	20425	19710	22337	22932	23759	19988	12
30	Sikkim	150	173	174	1791	2006	2634	3242	3806	1747	24
31	Tamil Nadu	247652	171397	136858	152608	109403	84793	70628	31460	125600	1
32	Telangana	-	28426	22889	30364	29652	30512	30937	35753	29790	8
33	Tripura	1232	1330	1206	1725	1783	1981	2156	2312	1716	25
34	Uttarakhand	9230	10219	5224	18402	18471	21776	25364	28088	17097	14
35	Uttar Pradesh	28817	31364	35256	30402	32693	32916	32941	33607	32249	7
36	West Bengal	16970	18701	20691	8463	8548	8595	8754	7042	12220	17
Total		752647	684836	599729	786312	735852	756877	774292	793356	741941	

Source: 1. Report of parliament of India (Annexure-III to reply of Lok Sabha Unstarred Question No. 3931 & 1190 for answer on 09th February, 2018 and 10th August, 2018 regarding Education Loan respectively

2. <https://loksabha.nic.in/Members/QResult16.aspx?qref=69408>



Graph: 2



Source: Table 2

Table number 2 gathered statistical data that are collected from the Indian Parliament's report under the number of Annexures of Lok Sabha unstarred questions of different years and compiled according to the target of study. The study emphasizes over the State and year wise Demand of Education Loan by nationalized banks in India during 2014-15 to 2021-22.

Table 2 signifies, Tamil Nadu's demands by borrowers of education loan is on top position with 1004799 accounts out of 5883901 in India which shows 17.077 percent of total demand ended in country during 2014-15 to 2021-22. Karnataka positioned at second in respect of demand with 740256 no of accounts which is the 12.581 percent of Total demand in all over India. Kerala captured third rank in opening accounts of borrower for student loan sector and opened 5883901 accounts that viewing 11.817 percent of total study loan demanded in the nation in earlier eight years. Next rank is of Maharashtra with 600417 number of accounts showing 10.204 percent of total demand made in the country followed by Andhra Pradesh where 360078 borrowers applied for education loan in the state, giving 6.120 percent to the nation for aforesaid mentioned duration. Contrary, Daman & Diu union territory of India is the top most lowest demander state of education loan where 547 borrowers demanded student loan out of 5883901 borrowers in India that donated 0.009 percent of total demand in India. Dadra & Nagar Haveli ranked 35th (2nd lowest demanded state) with 558 borrowers that demanded for student loan in earlier eight years which shows 0.009 percent of total demand made in the nation. Both Dadra & Nagar Haveli and Daman & Diu contributed same proportion of study loan's demand to the nation as graph 4 clearly shows. Andamans & Nicobar Islands gained 34th position in overall and are third least demander state of study loan with 1383 accounts including 0.024 percent of total demand of the nation.

When talk about all over India's demand of Education Loan, it seems that demands of study loan reduce with 9.03 % in the year 2015-16 and 12.43 % in financial year 2016-17 with compare to previous year due to demonetization. After that demand jumped to 31.11 percent in the financial year 2017-18 but slightly decreases with 6.42 percent in the next year 2018-19, the reason behind many numbers of accounts closed in the year just because of demonetization in previous year. But after that demand for education loan shifted to upward with 2.86 percent, 2.30 percent, 2.46 percent in next three consecutive years lasted on 2021-22.

DISBURSEMENT OF EDUCATION LOAN BY BANKS IN INDIA

Education and investment in human capital is regarded as one of the principal factors for economic development across the realms. Education permits individuals to learn better skills and knowledge at macro-level that boosts economic growth of the nation. Hence, adequate public provisioning for higher

education becomes a major factor in contributing towards equity and efficiency. Higher education and research play a vital role for regional economic development and regional development policy. Besides the expected return on human investments, creation of higher education structure plays a momentous role in achievements of return on investment. Higher education has an instant effect on economic activity and local employment thru the direct consumption of goods and services and presence of transference of technology to business and trade. Resultant, creation of industrial town and attraction of businesses in search of knowledge, skills and inspiring of local human capital. The spread effect becomes virtuous (showing high moral standard) in the developed region. On the contrary, the equivalent forces of development bring skilled labor, capital and trade from backward areas to developed areas. It fluctuates from place to place depending on the specific local context and empowering environment which figures the development of one region vis-a-vis other regions (Rani, Financing higher education and education loans in India: interstate differentials and determinants, 2017)⁴.

The scope of education has enlarged across the globe cover new courses in multidisciplinary streams. Due to privatization and new economic reforms in India spending of government on education has been expanded and enlargement of private sectors participation in education sector. As role of private sector increases in the market, cost of the things goes up as such and increasing cost of higher education compels the reemphasize the financial assistance to the students. One of the major arguments of raising fees and hence to finance higher education via student loans is that households have the ability and willingness to pay for higher education, given the increasing private rates of return to higher education (Rani, Financing Higher Education and Education Loans in India: Trends and Troubles, 2016)⁵.

This constrains the origin of study loan facility to support and enlarge higher education ground and to reduce the financial burden of students. To boost education loan functioning, government of India is frequently issuing instructions and guidelines for public sector banks to actively participate in educational funding. Nationalized banks are the backbone of Indian banking industry and cover up approx. 95 % area of financing Education Loan in all-over India (Fomer, R. 2020)⁶.

Bank and State wise disbursement of Education Loan through nationalized banks in India on yearly basis are tabulated and plotted in table and graph to easily clarify and understand the trends of Education Loan disbursal in India in preceding eight years from 2014-15 to 2021-22. The study previously discusses the Bank and State wise trends of education loan demand for previous eight years respectively in table number 1 and 2. It originates the question about the tendencies of disbursal of education loan in respective banks and state of India during 2014-15 to 2021-22. To satisfy the question, there is the creation of table number 3 and 4 which would highlight the disbursal of study loan in separate state and nationalized bank in India. Table number 3 contains the information regarding Banks wise Education Loan disbursement by nationalized banks in India.

Table: 3
Bank wise trends of Education Loan disbursal by Nationalized banks for support of Higher Education in India
during 2014-15 to 2021-22

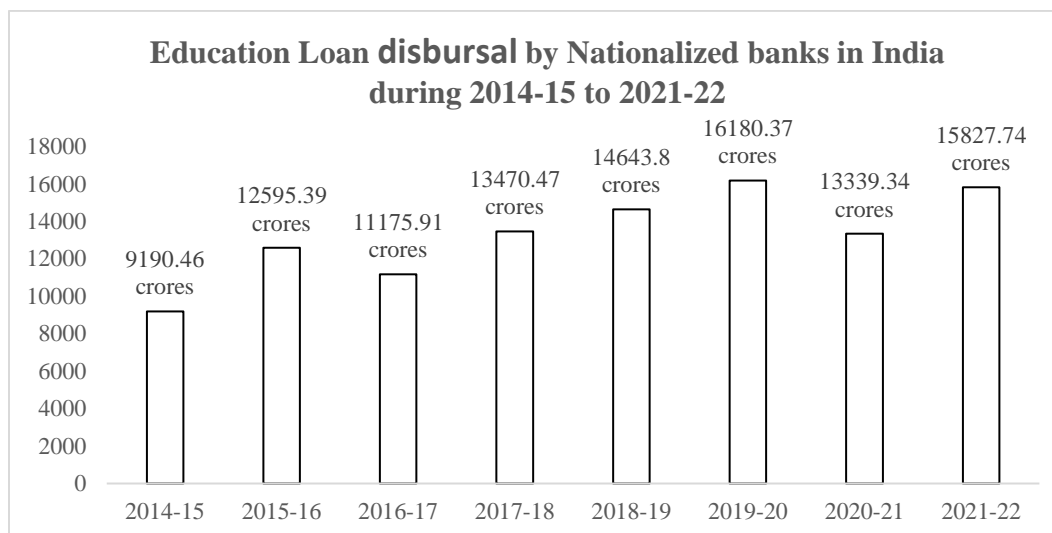
(Amount disbursed in Rs. Crore)

Name of Banks	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Amount Disbursed	Mean of Disbursed Amount	Mean Rank of Disbursed Amount
	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed			
Allahabad Bank	198.06	146.37	225.60	268.40	282.67	313.90	-	-	1435	-	-
Andhra Bank	583.30	872.01	585.53	610.80	614.97	601.86	-	-	3868.47	-	-
Bank of Baroda	241.37	233.49	192.48	534.96	554.79	668.84	794.33	887.49	4574.79	460.04	7
Bank of India	582.05	485.28	449.50	474.13	424.01	397.70	372.19	102.79	3750.63	454.98	8
Bank of Maharashtra	96.76	196.33	214.37	8.02	201.63	220.30	152.54	167.51	1424.17	155.71	11
Canara Bank	1078.93	1330.51	1903.06	1951.97	2329.35	2521.01	2975.89	3113.93	19219.61	2012.96	2
Central Bank of India	559.40	656.84	513.62	676.21	654.87	754.12	668.74	809.93	5938.27	640.54	4
Corporation Bank	338.99	223.39	874.59	527.49	783.60	648.95	-	-	3397.01	-	-
Dena Bank	139.20	101.33	82.58	14.23	9.51	-	-	-	346.85	-	-
IDBI Bank Limited	113.14	299.48	281.25	260.48	315.85	-	-	-	1270.2	-	-
Indian Bank	350.23	292.18	407.53	530.12	583.73	662.70	745.84	816.34	4904	510.33	5
Indian Overseas Bank	617.79	579.02	373.28	430.64	323.81	311.88	464.06	309.18	3861.59	442.93	9
Oriental Bank of Commerce	246.76	530.17	245.99	214.98	215.72	359.79	-	-	1813.41	-	-
Punjab and Sindh Bank	53.85	116.75	99.30	106.76	129.27	142.91	152.26	165.60	1093.14	114.44	12
Punjab National Bank	616.43	701.31	915.65	1227.18	1407.12	1629.62	1854.18	2065.58	11613.14	1193.07	3
State Bank of India	1913.52	3845.38	1798.27	4146.57	3928.53	5569.31	4481.34	6767.63	36120.54	3668.99	1
Syndicate Bank	297.78	663.91	568.32	549.37	630.40	668.59	-	-	3378.37	-	-
Uco Bank	246.68	245.74	318.22	226.53	241.86	206.57	236.38	189.59	2167.57	246.00	10
Union Bank of India	553.14	548.22	548.99	237.08	495.89	502.33	441.60	432.17	4240.74	475.32	6
United Bank of India	88.18	89.74	104.63	65.23	66.26	-	-	-	414.04	-	-
Vijaya Bank	271.89	434.78	471.31	409.32	478.96	-	-	-	2066.26	-	-
Bhartiya Mahila Bank	3.01	3.16	1.84	0.00	-	-	-	-	8.01	-	-
Total	9190.46	12595.39	11175.91	13470.47	14643.80	16180.37	13339.34	15827.74		10375.31	

Source: Report of parliament of India (Annexure-III to reply of Lok Sabha Unstarred Question No. 3931 & 1190 for answer on 09th February, 2018 and 10th August, 2018 regarding Education Loan respectively)

2. <https://loksabha.nic.in/Members/QResult16.aspx?qref=69408>

Graph: 3



Source: Table 3

Table number 3 gathered statistical data that are collected from the Indian Parliament's report under the number of Annexures of Lok Sabha unstarred questions of different years and compiled according to the target of study. The study emphasizes over the Bank and year wise Disbursement of Education Loan by nationalized banks in India during 2014-15 to 2021-22. The table followed financial year ended as on 31st March. In the table, hyphen (-) represents the bank merger into another nationalized banks but IDBI converted into Private Sector Bank for regulatory purposes as per instruction of RBI with effect from January 21, 2019. Disbursements of Education Loan are presented in Rs. Crores. Analysis of table number 3 shows the trends of education loan disbursement for previous eight years.

By stressing over the performance of public sector bank as a whole, it is noticed that disbursement for study loan increases with 37 percent for the year 2015-16, 11.3 percent shifted downward in year 2016-17 due to Demonetization (8 November 2016). Next for the financial year 2017-18, 2018-19 and 2019-20 disbursement for student loan shifted upward with 20.5 percent disbursement for 2017-18 and jumped to 8.7 percent and 10.49 percent in the year 2018-19 and 2019-20 respectively. For last two current year, disbursement shows decline with 17.56 percent for 2020-21 due to pandemic (nation's lockdown for the 1st time, people use their savings) but raised with 18.65 percent in 2021-22 because of high ticket size loan lent by nationalized banks in India due to pandemic (savings of residents got emptied).

To easily understand the highest and lowest disbursement of student loan by nationalized banks in India, Mean and Mean Rank for the Education Loan Disbursement has been calculated. By observing mean and mean rank of disbursement amount of education loan, researcher conclude that State bank of India is the top distributor of Education Loan with disbursement of Rs. 36120.54 crores followed by Canara bank with Rs. 19219.61 crores and Punjab nation bank disburses 11613.14 crores respectively. Reversely, Punjab and Sindh Bank, Bank of Maharashtra and Uco Bank disburses least amount of study loan all time with aggregate disbursement amount of Rs. 1093.14 crores, 1424.17 crores and 2167.57 crores respectively.

During the study it is found that Lower distributor banks disburse less amount of Education Loan due to unawareness of model Education Loan scheme and interest coverage rates of bank, due to fear of delay in disbursement (not sufficient no. of employees in the bank), due to no. of accounts closed in the particular branches of banks, more no. of banks situated in rural area of particular bank. All these are the major reason for least distribution of Education Loan. During the survey and discussion, it is found that rural area is prohibited from sanctioning the Education Loan to the borrowers, it is also a big reason for low disbursement of study loan by the bank which branches mostly situated in village area.

Observation of graph number 1 shows that in period 2016-17 least borrowers (599729) were demanded student loan while in 2021-22 major number of aspirant (826524) demanded loan whereas graph number 3 denotes that in the financial year 2019-20, highest amount of study loan of Rs. 16180.37

crores were distributed and in 2014-15 least amount of loan of Rs. 9190.46 crores were disbursing combinedly by all nationalized banks in preceding eight years in India. In the financial year 2016-17 demand for Education Loan goes down by 12.4 percent while Disbursement shows 11.3 percent of downshift. It means in actual, demand for Education Loan decreases in the year 2016-17 but Disbursal for the loan increases slightly. Estimation of graph number 1 and 3 elaborates that there is negative correlation between demand and disbursal of education loan disburses through nationalized banks in India.

Table number 3 stresses towards the state wise disbursement of Education Loan by Nationalized Banks in India. To overcome on this stress, creation of Table number 4 which elucidates the state wise disbursal of Education Loan by Nationalized Banks in India during 2014-15 to 2021-22.



Table: 4

State-wise Disbursal of Education Loan by Nationalized Banks in India during 2014-15 to 2021-22

(Amount disbursed in Rs. Crore)

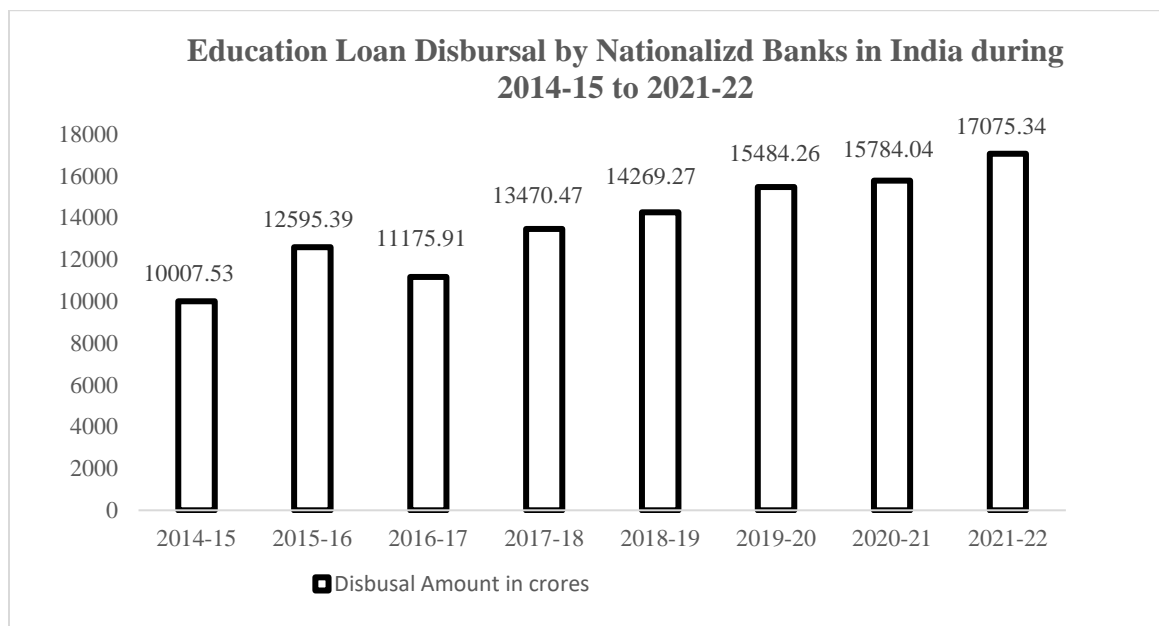
S. N	Name of State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Mean of Disbursed Amount	Mean Rank of Disbursed Amount
		Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed	Amount Disbursed		
1	Andamans & Nicobar Islands	1.93	2.71	2.09	2.61	2.71	2.99	2.75	3.21	2.63	32
2.	Andhra Pradesh	1392.65	1253.51	970.39	1123.51	962.04	878.24	801.20	703.45	1010.62	6
3.	Arunachal Pradesh	2.79	3.03	1.34	2.59	2.01	2.52	396	2.25	2.25	33
4.	Assam	44.81	69.78	54.53	98.94	106.47	136.18	133.56	170.09	101.79	20
5.	Bihar	306.20	279.60	262.20	412.14	412.74	457.66	500.88	538.89	396.29	12
6	Chandigarh	49.81	73.93	59.08	63.36	68.13	70.28	68.84	71.95	65.67	22
7	Chhattisgarh	65.58	87.58	83.70	137.68	153.94	188.05	199.21	237.37	144.14	19
8	Dadra & Nagar Haveli	1.10	0.94	0.91	1.87	1.92	2.24	2.55	2.81	1.79	35
9	Daman & Diu	1.45	1.65	2.07	1.73	1.95	2.02	2.09	2.19	1.89	34
10	Delhi	257.10	379.48	465.91	514.99	609.65	689.83	769.55	853.35	567.48	9
11	Goa	18.83	27.43	24.32	54.05	60.62	74.02	86.30	97.61	55.40	24
12	Gujarat	308.77	334.86	312.56	604.03	639.20	748.58	865.04	958.50	596.44	7
13	Haryana	196.77	295.55	255.53	324.24	355.52	401.29	397.15	464.72	336.35	15
14	Himachal Pradesh	56.37	69.19	61.68	81.62	84.86	98.82	96.73	114.18	82.93	21
15	Jammu & Kashmir	42.99	20.16	14.94	31.39	22.57	21.71	21.04	18.23	24.13	27
16	Jharkhand	138.55	179.18	151.40	313.31	341.66	409.31	470.53	526.24	316.27	16
17	Karnataka	1038.75	1380.01	1652.48	1655.79	1918.82	2103.25	2289.09	2490.71	1816.11	1
18	Kerala	1195.76	964.85	879.67	1169.04	1078.93	1104.96	1130.27	1130.05	1081.69	5
19	Lakshadweep	0.32	0.17	0.13	8.29	9.26	12.35	15.35	18.11	8.00	31
20	Madhya Pradesh	248.12	686.91	296.93	479.13	512.21	566.19	372.58	475.01	454.64	11
21	Maharashtra	963.43	1370.23	1208.14	1473.33	1602.83	1776.08	1756.80	1946.38	1512.15	2
22	Manipur	5.11	5.82	4.73	8.00	8.26	10.12	10.12	12.12	8.03	30
23	Meghalaya	6.93	8.79	10.37	24.53	27.82	34.30	40.63	46.62	25.00	26

24	Mizoram	2.04	3.92	1.25	1.49	1.13	0.97	1.12	0.42	1.54	36
25	Nagaland	2.21	1.77	1.34	24.71	27.31	36.04	44.49	52.26	23.77	28
26	Orissa	155.99	203.08	183.74	275.82	297.73	358.64	364.73	436.68	284.55	17
27	Puducherry	29.47	29.83	28.52	47.22	49.06	55.83	63.20	68.88	46.50	25
28	Punjab	253.98	374.04	378.20	456.29	519.40	587.13	615.25	687.03	483.91	10
29	Rajasthan	210.04	352.71	257.06	366.14	393.54	461.16	431.32	521.95	374.24	13
30	Sikkim	2.51	4.08	2.97	61.02	68.42	90.68	112.19	132.15	59.25	23
31	Tamil Nadu	2222.51	1863.84	1537.40	1659.79	1378.90	1217.90	1052.53	872.83	1475.71	3
32	Telangana	0	1142.48	832.93	917.06	1327.60	1543.87	1701.53	1959.03	1178.06	4
33	Tripura	12.36	18.39	12.07	16.35	16.41	18.54	15.63	18.96	16.09	29
34	Uttarakhand	134.40	174.65	100.64	352.66	371.42	508.22	575.86	650.33	358.52	14
35	Uttar Pradesh	411.75	587.29	564.71	542.91	592.02	614.49	632.10	663.78	576.13	8
36	West Bengal	226.16	343.95	500.01	162.84	242.21	199.83	142.26	126.97	243.03	18
Total		10007.53	12595.39	11175.91	13470.47	14269.27	15484.26	15784.04	17075.34	13733.01	

Source: 1. Report of parliament of India (Annexure-III to reply of Lok Sabha Unstarred Question No. 3931 & 1190 for answer on 09th February, 2018 and 10th August, 2018 regarding Education Loan respectively

- <https://loksabha.nic.in/Members/QResult16.aspx?qref=69408>

Graph: 4



Source: Table 4

Table number 4 contains tabular information, data are collected from the Indian Parliament's report under the number of Annexures of Lok Sabha unstarred questions of different years and compiled according to the target of study. The study emphasizes over the State and year wise Disbursement of Education Loan by nationalized banks in India during 2014-15 to 2021-22 and disbursements are presented in Rs. Crores in the table. During the study of table number 4 it is found that Karnataka state is the top most distributor of Education Loan with Rs. 14528.90 crores indicating 13.225 percent contribution in Total Education Loan disbursed in India. Next Maharashtra state gain the second top position in disbursal of Education Loan with Rs. 12097.22 crores showing 11.011 proportion of total disbursal in overall India followed by Tamil Nadu which is counted as third largest distributor of loan with contributing Rs. 11805.70 crores (10.746 percent) of total disbursement of education loan sector in India aggregately in last eight years. Telangana distributed education loan of Rs. 9424.50 crores combinedly in last eight years which is calculated as 8.578 percent of total disbursement in India and gained fourth position from top in disbursal. Kerala holding fifth rank in disbursement of student loan by distributing 8653.53 crores out of 109862.21 crores indicating 7.877 percent of total disbursement made by all states and union territory in last eight years. Reversely, Mizoram distributed least amount of education loan among all state of India with Rs. 12.34 crores, indicating 0.011 percent share of total disbursement of the nation followed by Dadra & Nagar Haveli with 14.34 crores showing 0.013 proportion of total amount of study loan disbursed in the nation and Daman & Diu contributed 0.014 percent of total disbursal in the nation with disbursal of Rs. 15.15 crores in previous eight years.

When study focuses aggregately on disbursement of education loan in India, it is found that it continuously increases with 25.86 percent, 20.53 percent, 5.93 percent, 8.51 percent, 1.94 percent and 8.18 percent in the year 2015-16, 2017-18, 2018-19, 2019-20, 2020-21 and in 2021-22 excluding 2016-17. In 2016-17 disbursement decreases due to demonetization in the nation. Analysis of table number 2 and 4 reflects that Education Loan's demand and disbursement position is not same according to data mentioned in table. During the study, mismatch between study loan demand and disbursal found because of high- and low-ticket size demands of study loan by borrowers. In which state borrowers demanded highly low-ticket size, disbursal in that state automatically get reduced with compare to those state where high ticket size of education loan demanded. Another few reasons found by the research is that the unawareness of model Education Loan scheme in the state, due to fear of delay in disbursal (not sufficient no. of employees in the bank), due to no. of accounts closed in the particular state, more no. of banks situated in rural area of particular state, population variation, literacy rate and per capita income fluctuations of states that plays a vital role in negative correlation between demand and disbursal of the student loan in the state of India.

Contrary, high GDP contributory state reflects positive correlation with demand and disbursement of the education loan in India as mentioned in table number 2 and 4 respectively.

CONCLUSION

Observation of the study embedded that State bank of India, Canara bank and Punjab national bank is the top distributor of Education Loan in the market amongst all nationalized banks in preceding eight years in all over India. When priorities the State of India in respect of highest Education Loan distributory by focusing on state's performance, finding Major contributory state of study loan disbursement is Karnataka state followed by Maharashtra, Tamil Nadu, Telangana and Kerala among all state of India while demand for loan in respective sector are higher in Tamil Nadu, Karnataka, Kerala, Maharashtra and Andhra Pradesh respectively.

During the study, researcher finds that disbursement for education loan is not strictly follows the proportion of demand for the same in the state. Conclusively it is true to say that there is a negative correlation between the states' demand and disbursement of education loan in India. To illustrate it, concentrate to the table 2 and 4 where Tamil Nadu opened account for 1004799 borrowers while disburses Rs. 11805.70 crores and Karnataka opened account for 740256 borrowers while disburses Rs. 14528.90 crores in last eight years. Contrary, a positive correlation finds between high GDP contributory states and the state contributing high proportion of demand and disbursement in education loan sector in India. As all top distributory states as mentioned above, finds rich in GDP contribution of the nation. On this basis, it is true to say that high GDP contributory state of India demanded and distributed highest education loan.

REFERENCE

1. Woodhall, M. (2020, 09 17). *International higher education*. Retrieved from <http://www.iiep.unesco.org/en>
2. Acharya, N., & Plepu, d. R. (2018, April 16). *As banks shy away from education loans, NBFCs see a lucrative opportunity*. Retrieved from Business Standard: <https://wap-business-standard-com>
3. Priya, b. T., & esakkiammal, c. (2018). A study on bank-wise performance of education loan lent by public sector banks in india. *International Journal of Pure and Applied Mathematics*, 3081-3090.
4. Rani, P. G. (2017). Financing higher education and education loans in India: interstate differentials and determinants. *J. Soc. Econ. Dev.*
5. Rani, P. G. (2016). Financing Higher Education and Education Loans in India: Trends and Troubles. *Journal of Social Sciences*, 182-200.
6. Fomer, R. (2020, 09 17). *Structuring for Success: Planning for an Effective Student Loan Scheme*. Retrieved from <http://www.iiep.unesco.org/en>
7. Sanjar, A., & kaswan, R. (2018, February 09). Bank-wise number of education loan accounts and amount of loan disbursed. Delhi, New Delhi, India.
8. (SANJAR & KASWAN, State-wise number of education loan accounts and amount of loan disbursed, 2018)
9. <https://loksabha.nic.in/Members/QResult16.aspx?qref=69408>