

Education Loans in Punjab

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Abstract - Education plays an important role in overall development of the economy. Modern economic growth is driven by knowledge. The development of knowledge is based on quality and quantity of education system available, mainly the higher education. Therefore, higher education is a significant creator and supplier of knowledge. With the economic reforms there was cut in budget for education and government divert the resources from the higher education to primary education. To overcome this financial crunch various measures such as enhancing the fee to recover at least 20 percent of recurring expenditure, encourage the role of private sector in professional education. The trend towards privatization led to increase in fee. Therefore the cost of higher education was increased and it was difficult for the poor students to take admission in higher education. There was the need of alternative sources to finance higher education such as grants, scholarships and education loans. The paper is based on secondary data to examine education loans in Punjab. Public sector banks are popular among students for providing loans especially SBI followed by private banks, co-operative banks and gramin banks. The outstanding amount is increasing with the passage of time.

Index terms: Banks, Development, Education loans, Higher education, Outstanding amount.

I. INTRODUCTION

The higher education system of India is the third largest in the world, next to China and United States. After independence, there is the rapid growth in the higher education system in the country. At the time of independence, there were 19 universities and 500 colleges which increased to 378 and 18064 respectively at the end of tenth five year plan. India has 14 open universities and a network of 150 distance educational centers. The higher education system of India has been growing rapidly as it covers all the major disciplines such as arts, science, medical, agriculture, pharmacy, engineering and management (Department of Education, Annual Report, GOI, 2010).

The economic reforms were introduced in 1991, the package of these reforms imposed heavy compression on the public budget of education especially more on higher education. With the economic reforms, the cut in budget expenditure on higher education was very steep that severely affected the growth of higher education. Under the reforming economic conditions there was the integration of the Indian economy with the world economy and presuppose competitiveness and efficiency in the domestic front and international arena. The process of globalization is knowledge- driven and technology driven and the success of economic reforms depend upon the competence of human capital. The higher education institutions play an important role in setting up of academic standard of primary and secondary education and provide specialized human capital in order to gain benefits from the globalization (Rani 2016). With the economic reforms there was cut in budget for education and government divert the resources from the higher education to primary education.

Although there is significant progress in the field of education after independence yet the higher education is not accessible to the poorest population of the country. The higher education need to be empowered as it alone helps in sustainable social, political and economic development of the society. Empowerment of higher education requires liberal funding by the country's government. As the government admitted in the tenth five year plan document that the government has the limited resources and are need to be allocated to expand primary education. To overcome this problem various measures such as enhancing the fee and encourage the role of private sector in professional education. The trend towards privatization led to increase in fee. Therefore, the cost of higher education was increased and it was difficult for the poor students to take admission in higher education. Due to this reason the education loan schemes are introduced.

II. REVIEW OF LITERATURE

Brugel et.al (1977) examined the attitude and preferences of students towards the student loan plans. The author analysed that the financial difficulties of higher education had designed a large number of proposals to provide relief to financially troubled institutions. Most of the proposals suggested the increase of tuition fee for higher education which created the problem for poor students who were unable to pay higher tuition fee. Therefore the student loan plans were introduced such conventional equal annual repayment, conventional graduate annual repayment, conventional annual payment never exceeded fixed percentage of income. Mingat and Tan (1986) evaluated the potential effectiveness of loans schemes as cost recovery instrument in higher education and developing countries After the mid of 1970s, this expansion began to fall. A need was felt for other policy options such as policies to increase private financing of education and education loan schemes. The private financing of higher education led to increase in fee and the students from poor families were unable to pay fee. Therefore, the student loan scheme was introduced as an alternative. Shantakumar (1992) has analysed that government expenditure on higher education was at its peak point in 1980, thereafter it declined as the government was not in a position to over- subsidize the higher education at the expense of other sectors. The declined subsidy had led to increase in tuition fee and other fee. The higher education had become expensive and affordable only to rich people who increased inequities. To assist financially weak students, the student loan schemes were introduced in Singapore such as student loan Fund, Tuition Loan scheme and central provided interest free loans to the students.

Tilak (1992) explained the strength and weakness of the National Loan Scholarship scheme which was started in 1963, in India. The cost of higher education increased due to fall in subsidies which was given on higher education earlier. Then student loan scheme was introduced which provided better access to higher education without any burden on government.

Chattopadhyay (2007) analysed that the government realized the importance of higher education to consolidate India's strength in the world economy whereas, the public support to higher education had sub optimal in real per capita terms. There was the need to raise the alternative sources of finance for higher education such as education loans, income contingent loans and tax financing. The education loans were introduced to encourage the students to opt loans for higher education. The study revealed that large number of students had taken education loans during 2007-08 whereas the recovery of loans was very poor as there was large number of defaulters. The author suggested that budgetary support to higher education should be increased to provide the quality education to the students.

Arora and Kaur analysed a positive correlation between education and economic growth. The higher education system had grown rapidly after independence. In Punjab number of universities, colleges and student enrollment is continuously increasing. The study revealed that education loans had increased by 22 times from 2001 to 2013. During 2001, Rs. 1000 crore was given as education loan through banks which was increased to 50 thousand crore in 2013. The author concluded that the general response to this scheme was poor which could be due to lack of awareness among students and parents, the rate of interest was high on loan and repayment period was short.

III. OBJECTIVES

1. To analyse the extent of education loans in Punjab.
2. To examine the performance of different bank groups in provision of education loans.

IV. METHODOLOGY

The study is based on secondary data. The secondary data is collected primarily from the reports of State Level Banker's Committee of Punjab, Annual Plan of Government of Punjab, Economic Survey of India and financial statements and returns of different commercial banks and financial institutions etc. The data is analyzed with the help of percentage value, growth rates.

V. HYPOTHESIS

1. Students prefer Public sector banks for education loans.
2. Outstanding amount is increasing.

VI. EXPLANATION

The bank group wise performance under education loans in Punjab has been shown in table 1. The highest number of accounts of education loans are opened up by public sector banks followed by cooperative banks, private banks and regional rural banks from 2007-08 to 2016-17. The number of accounts opened up by these banks are 127511, 3835, 854 and 789 respectively. The main reason behind it is lowest rate of interest charged by public sector banks as compared to private sector banks. There has fluctuations in the number of accounts opened up by the public sector banks from 2007-08 to 2016-17.

There has fluctuations in the number of accounts opened up by the public sector banks from 2007-08 to 2016-17. During 2007-08, 10844 accounts have been opened up by public sector banks and the number decrease to 9526 in 2008-09. The larger increase in the number of accounts can be seen during 2012-13 in which the number of accounts increased to 43170 after that these fall to 1208 in 2016-17. On the other hand, there are fluctuations in the amount of loans given by these banks. During 2007-08, Rs. 47175 lakhs amount of loans were given and the big jump in the loans can be seen in 2008-09 in which the loans become Rs. 338623 lakhs after that these decreased to Rs. 131170 lakhs in 2012-13 and further decreased to Rs. 11314 lakhs in 2016-17.

The number of accounts of education loans opened up by the private sector banks has continuously increased from 2008-09 to 2012-13 after that these decreased for the two years i.e. 2013-14 and 2014-15 and again started increasing from 2014-15 to 2016-17. During 2008-09, the 80 accounts has been opened by these banks which increased to 190 in 2012-13, then number of accounts decreased to 163 in 2013-14 and further decreased to 11 in 2014-15 and after that these increased to 97 in 2016-17. The amount of education loans given by private sector banks was 243 lakh in 2008-09 which increased to 643 lakh in 2016-17.

The number of account of education loans opened by RRBs was 22 in 2007-08 which increased to 52 in 2010-11 and further increased to 341 in 2013-14. The amount of education loans given by these banks were Rs. 41 lakhs in 2007-08 and increased to Rs. 717 lakhs in 2013-14.

The number of accounts of education loans opened up by the cooperative banks was 85 in 2007-08 and the big jump in the number of accounts can be seen in 2008-09 in which these become 2100 after these continuously decreased and become 24 in 2016-17. The amount of the education loans given by these banks were Rs. 235 lakhs in 2007-08 and there was big jump in amount of loans given during 2008-09 and these become Rs. 8452 lakhs after that the loans given by these banks continuously decreased to Rs. 142 lakhs in 2016-17.

Table 1 Bank Group Wise Performance under Education Loans in Punjab (Amount in Lakh)

Year	Public sector banks		Private sector banks		RRB's		Cooperative banks	
	Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount
2007-08	10844	47175	-	-	22	41	85	235
2008-09	9526	338623	80	243	57	177	2100	8452
2009-10	9645	44107	116	385	37	105	732	1869
2010-11	7347	34019	166	531	52	183	496	1629
2011-12	-	-	-	-	-	-	-	-
2012-13	43170	131170	190	495	280	116.60	320	860

2013-14	42239	118742	163	415	341	717	-	-
2014-15	1702	9810	11	16	-	-	44	204
2015-16	1830	13516	31	299	-	-	34	175
2016-17	1208	11314	97	643	-	-	24	142
Total	127511	748476	854	3027	789	12883	3835	13566

Source: Compiled From Various Reports of SLBC (State Level Banker's Committee) of Punjab

The bank group wise outstanding amount of education loans in Punjab has been shown in table 2. The highest number of accounts outstanding is of public sector banks followed by the cooperative banks, private banks and regional rural banks. The accounts outstanding of these banks are 326455, 3238, 1868 and 1340 respectively.

There are fluctuations in the number of accounts outstanding of public sector banks. There are 26113 accounts outstanding in 2008 which increased to 35974 in 2012 and the outstanding accounts further decreased to 32517 in 2017. The outstanding accounts of private sector banks are decreased continuously except the years 2010, 2015 and 2017. The outstanding accounts of regional rural banks are increased continuously from 2008 to 2014. The outstanding accounts of cooperative banks are increased continuously except the year 2012 and 2016.

On the other hand, the public sector banks have the highest rank in the amount outstanding also followed by, regional rural banks and private banks. The outstanding amount of these banks has Rs. 1030206 lakhs, Rs.12052 lakhs, Rs.10214 lakhs and Rs.4498lakhs respectively. The outstanding amount of public sector banks was Rs. 63105 lakh in 2008, continuously increased for the three years i.e. 2009, 2010 and become Rs.111965 lakhs in 2011 after that it decreased for the three years i.e. 2012, 2013, 2014, again start increasing and finally become Rs. 132712 lakhs in 2017. The outstanding amount of education loans of private sector banks are continuously decreased except the year 2010, 2014 and 2015. The outstanding amount was Rs. 976 lakhs in 2008 and decreased to Rs. 57 lakhs in 2017. The outstanding amount of regional rural banks has increased continuously except the year 2013 when the amount decreased to Rs. 597 lakhs from Rs. 9714 lakhs in 2012 and again increased to Rs. 823 lakhs in 2014. The outstanding amount of cooperative banks also increased continuously except for the two years i.e. 2012 and 2013. The large jump in the outstanding amount can be seen during 2011 when it increased to Rs.1506 lakhs from Rs.639 lakhs in 2010 after that it decreased in 2012 and 2013 again increase to Rs. 2773 lakhs in 2017.

Table 2 Bank group wise outstanding amount of education loans in Punjab from 2008 to 2017 (Amount in Lakh)

Name of the bank	Public sector banks		Private sector banks		RRB's		Cooperative banks	
	Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount
2008	26113	63105	296	976	53	105	101	255
2009	28977	75963	138	347	86	176	177	439
2010	32515	87171	209	625	112	235	254	639
2011	31415	111965	190	545	226	402	481	1506
2012	35974	109299	155	408	233	9714	269	730
2013	35895	107544	136	346	284	597	296	720
2014	34213	106548	130	359	346	823	-	-
2015	34121	115681	238	474	-	-	602	1485
2016	34715	120218	155	361	-	-	517	1667
2017	32517	132712	221	57	-	-	541	2773
Total	326455	1030206	1868	4498	1340	12052	3238	10214

Source: Compiled From Various Reports of SLBC (State Level Banker's Committee) of Punjab

The bank wise outstanding amount of education loan of different public sector banks from 2008 to 2017 has been shown in the table 3. The table reveals that variations are there in outstanding accounts but number of outstanding amount is on rise from 2008 to 2017. To make relative analysis in a better way, I have divided the time period (2008-2017) in two parts so that five years analysis can give a better picture. There is decline in outstanding amounts of some banks like PNB, there were 40187 outstanding accounts in 2008-12, reduced to 34204 from 2013 to 2017. Punjab and Sind Bank had 13691 in 2008-12, further reduced to 10418 in the time period of 2013-17, Bank of Baroda (declined to 3386 from 3624), SBI (35703 from 35858). Other banks show increase in outstanding accounts in this time period. IOB, SBBJ, UT BOI are other banks where number of outstanding accounts has decreased. Growth rates show that maximum growth can be seen in Vijaya bank. With the passage of time even Punjab and Sind bank has negative growth rate.

Table 3 Bank Group Wise Outstanding accounts of education loans in Punjab from 2008-2017(Amount in Lakh)

Name of the Bank	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	CAGR
PNB	5042	15407	6028	6398	7312	7335	6621	6899	6654	6695	3.20
SBOP	3205	4582	5764	6071	6397	6435	6686	6536	6498	6114	7.44
P&SB	3247	2519	2634	2580	2711	2281	2475	2314	2336	1012	-12.14
OBC	2864	3602	4266	2790	4611	4702	5137	4052	3806	3899	3.48
UCO BANK	350	433	541	534	587	655	618	725	789	692	7.87
ALL BANK	702	797	861	972	712	714	820	870	837	957	3.50
AND BANK	54	52	56	61	65	64	146	177	162	214	16.53
BOB	475	734	754	920	741	732	668	709	652	625	3.09

BOI	763	862	1072	238	1245	1160	1102	1035	1041	976	2.77
BOM	76	91	99	104	113	111	275	121	147	141	7.11
CB	863	969	1016	883	815	729	894	962	904	1037	2.06
CBI	430	506	629	772	896	922	845	808	808	990	9.71
CORPORATION	84	106	150	2	195	200	239	249	241	313	15.73
DENA BANK	63	82	89	98	93	92	125	133	136	140	9.28
IB	116	109	121	91	89	70	132	100	94	399	14.71
IOB	375	397	414	457	462	451	100	504	553	468	2.49
SBI	6746	6919	7020	7354	7819	8158	7358	7024	7014	6149	-1.02
SBBJ	107	127	147	146	134	101	123	130	127	17	-18.49
SYNDICATE	145	165	190	205	205	219	232	267	235	256	6.52
UBI	293	405	441	476	488	472	550	554	560	717	10.45
UT BOI	32	42	69	82	94	89	62	53	52	53	5.77
VJY BANK	81	71	138	136	141	126	244	281	268	374	18.52
IDBI BANK	-	-	16	45	49	77	162	212	210	279	-

Source: SLBC (State Level Banker Committee) of Punjab Various Issues

Outstanding amount of education loans in Punjab (group wise) is shown in table 4 and table reveals that outstanding amount has increased in all the banks except, SBI where outstanding amount in 2008 to 2012 was Rs. 124945 lakhs but reduced to Rs. 124249 lakhs in time period 2013-17, SBBJ where outstanding amount reduced from Rs. 1912 lakhs to Rs. 1486 lakhs and UTBOI where this amount reduced to Rs. 1150 lakhs from Rs. 1185 lakhs.

Table 4 Bank group wise outstanding amount of education loans in Punjab from 2008 to 2017(Amount in Lakh)

Name of the bank	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	CAGR
PNB	10802	11280	13291	17576	17932	18171	19711	21262	20036	24395	9.47
SBOP	7088	10785	15282	31651	17605	18797	22417	23776	22926	24930	14.99
P&SB	5937	7235	7907	8209	9454	9603	10654	9848	972	7902	3.22
OBC	6573	8429	10590	9265	12495	13772	16685	13795	13736	14243	8.97
UCO BANK	692	860	1563	1461	1382	1602	1737	2078	2041	2121	13.25
ALL BANK	1453	1852	2080	1999	1960	1983	1945	2054	1927	2548	6.43
AND BANK	149	153	188	149	1780	229	1199	1466	1322	1778	31.71
BOB	1781	1883	2078	2562	2142	2118	2069	2327	2091	1975	1.15
BOI	1780	2184	2859	1317	3026	3334	3334	3424	3393	3254	6.93
BOM	167	219	250	267	288	275	602	480	462	709	17.42
CB	1946	3067	2978	2654	4247	2337	4659	3985	3540	5149	11.41
CBI	749	3105	1154	1314	1880	1901	2513	2636	2627	3851	19.95
CORPORATION	202	286	384	1	564	9650	811	999	211	1600	25.85
DENA BANK	159	196	218	254	236	283	395	421	410	515	13.94
IB	277	297	251	214	202	186	3325	555	492	3589	32.92
IOB	813	892	929	1009	1088	1067	270	1532	1512	1654	8.21
SBI	21028	21301	22512	28702	31402	28071	23376	23945	23526	25331	2.09
SBBJ	294	380	420	431	387	280	362	380	372	92	-12.11
SYNDICATE	276	327	389	442	482	545	603	737	649	756	11.84
UBI	669	872	1211	1437	1543	1483	2118	2441	2246	3154	18.80
UT BOI	79	127	239	402	338	339	202	203	194	212	11.59
VJY BANK	191	233	352	389	332	308	687	989	798	1663	27.18
IDBI BANK	-	-	41	260	137	209	602	885	840	1291	

Source: SLBC (State Level Banker's Committee) of Punjab Various Issues

Bank group wise outstanding amount of education loans in Punjab from 2007 to 2017 is shown in table 5, number of outstanding accounts is maximum in public sector banks followed by Cooperative banks, private banks and regional rural banks, same scenario can be seen for the outstanding amount. In next five years from 2013-2017, number of outstanding account as well as outstanding amount has increased in public sector and cooperative banks. In private and regional rural banks decline has been seen.

Table 5 Bank group wise outstanding amount of education loans in Punjab from 2007 to 2017 (Amount in Lakhs)

Name of the bank	Outstanding as on 2012 31-03-2012		Outstanding as on 31-03-2017	
	Account	Amount	Account	Amount
Public sector banks	154994	447503	171461	582703
Private banks	988	2901	880	1597
Regional rural banks	810	1632	630	1420
Cooperative banks	1276	3569	1956	6645

Source: Compiled From Various Reports of SLBC (State Level Banker's Committee) of Punjab

Education loan performance of private banks can be seen in table 6. The table reveals that either people do not want to prefer private banks to take loans or banks do not want to lend as number of accounts opened for education loans is maximum (418) in HDFC that too in the time period of 2008-12, in 2013-17 outstanding accounts are 221. Same case is with the other banks i.e. CBOP has no accounts after 2008, BORL has 12 accounts only from 2008 to 2010, J&K bank has 243 outstanding accounts in 2008-12 and in 2013-17, increased to 277 accounts. ICICI has increased the number of accounts to 23 from 22. Only AXIS bank is having increase in number of outstanding accounts, it had 23 accounts in 2008-12, in 2013-17 number increased to 101.

Table 6 Bank Group Wise Accounts of Education Loan of Private Sector Banks (Amount in Lakh)

Name of the Bank	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CBOP	263	-	-	-	-	-	-	-	-	-
BORL	2	4	6	-	-	-	-	-	-	-
J&K	19	57	58	48	61	63	57	56	58	43
CAPITAL bank	1	1	3	1	1	1	0	0	0	3
HDFC	1	73	133	127	84	61	34	37	41	48
ICICI	0	3	3	7	9	5	3	3	3	9
AXIS bank	10	0	6	7	0	6	1	1	4	89
Federal bank	-	-	-	-	-	-	22	29	38	29
Kotak Mahindra bank	-	-	-	-	-	-	11	712	11	0

Source: SLBC (State Level Banker's Committee) of Punjab Various Issues

The outstanding amount of education loan of private sector banks from 2008 to 2017 has been shown in the table 7. The table revealed that the highest number of accounts and amount outstanding was of HDFC bank followed by CBOP, J&K, Axis bank, ICICI and capital bank has lowest number of accounts outstanding whereas the BORL has lowest amount outstanding during the period 2008 to 2012. It can be seen from the table that outstanding amount of education loan of all private banks fall except Axis bank whose outstanding amount increased to Rs. 584 lakhs during 2013 to 2017.

Table 7 Bank Group Wise Outstanding Amount of Education Loan of Private Sector Banks (Amount in Lakh)

Name of the Bank	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CBOP	889	-	-	-	-	-	-	-	-	-
BORL	2	7	9	-	-	-	-	-	-	-
J&K	42	136	160	122	158	188	191	181	185	211
CAPITAL bank	4	2	7	2	4	3	0	0	0	35
HDFC	4	200	429	385	234	130	56	50	52	100
ICICI	0	20	2	10	12	8	5	4	4	21
AXIS bank	35	0	23	26	0	17	1	1	1	118
Federal bank	-	-	-	-	-	-	61	12	94	0
Kotak Mahindra bank	-	-	-	-	-	-	32	166	25	584

Source: Compiled From Various Reports of SLBC (State Level Banker's Committee) of Punjab

Many of the students prefer Gramin banks either they are from rural background or these banks are near their institutes. Among Gramin banks, Punjab Gramin Bank has maximum outstanding accounts. The outstanding accounts are continuously increasing except in 2014, when it was just Rs. 12 lakhs. In 2008, it was Rs. 46 lakhs, in 2017 it was Rs. 406 lakhs. Malwa Gramin Bank is also showing progress as there is increase in outstanding accounts except in 2014, from Rs. 6 lakhs in 2008 it has increased to Rs. 42 lakhs in 2017 (Table 8).

Table 8 Accounts of Education loans of Gramin Banks (Amount in Lakh)

Name of the Bank	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FDK BtdKstGramin Bank	1	4	-	27	-	-	-	-	-	-
Punjab Gramin Bank	46	72	92	177	204	247	12	343	366	406
MalwaGramin Bank	6	10	18	22	18	25	16	40	40	42
SatlujGramin Bank	-	-	2	-	11	12	0	13	15	19

Source: Compiled From Various Reports of SLBC (State Level Banker's Committee) of Punjab

In all the Gramin banks, outstanding amount has increased from 2008 to 2017, except for Punjab Gramin bank where it was Rs. 10663 lakhs in 2016 and reduced to Rs. 1258 lakhs in 2017. In Malwa Gramin bank, outstanding amount has shown a continuous rise except in 2014 when it is Rs. 40 lakhs only, otherwise it has increasing trend. Even Satluj Gramin bank is having increasing trend of outstanding amount in these years (Table 9).

Table 9 The amount of education loans of Gramin Banks (Amount in Lakh)

Name of the Bank	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FDK BtdKstGramin Bank	2	6	-	55	-	-	-	-	-	-
Punjab Gramin Bank	95	140	188	301	9647	498	343	892	10663	1258
MalwaGramin Bank	8	30	42	46	47	73	40	95	112	128
SatlujGramin Bank	-	-	5	-	20	26	0	35	35	57

Source: Compiled From Various Reports of SLBC (State Level Banker's Committee) of Punjab

The comparative progress under education loans in Punjab from 2005-2017 has been shown in table 10 (fig.1). The outstanding amount of education loans in Punjab has been continuously increasing from March 2005 to March 2012. The outstanding amount was Rs. 208.34 crores in 2005 and increased to Rs. 1201.52 crore in 2012, after that the outstanding amount declined for two years 2013 and 2014, become Rs. 1092.07 and Rs. 1090.64 respectively and again increase to Rs. 1258.60 and Rs. 1508.60 crores in 2015 and 2016. The outstanding amount has declined to Rs. 1379.97 in 2017. On the other hand, there have many fluctuations in percentage increase in outstanding amount of loan. It can be seen from the table that the percentage increase in outstanding amount was highest in 2007 that was 68.25 percent. After that in 2008 there has larger decline in outstanding amount of education loan that is 11.49 percent, it increase to 19.16 in 2009 again rise to 29.97 percent in 2011. The outstanding amount continuously decrease from 2012 and become negative in 2013 and 2014 after that in 2015, the bigger jump in outstanding amount i.e., 15.39 percent from -0.13 percent. In 2017 the outstanding amount is -8.52 percent.

Table 10 Comparative Progress under Educational Loans in Punjab from 2005-2017 (Amount in Crores)

Year	Balance o/s	Percentage increase
March 2005	208.34	-
March 2006	342.17	64.24
March 2007	575.69	68.25
March 2008	641.86	11.49
March 2009	764.86	19.16
March 2010	880.31	15.04
March 2011	1144.17	29.97
March 2012	1201.52	5.01
March 2013	1092.07	-9.10
March 2014	1090.64	-0.13
March 2015	1258.55	15.39
March 2016	1508.60	19.87
March 2017	1379.97	-8.52

Source: Compiled From Various Reports of SLBC (State Level Banker's Committee) of Punjab

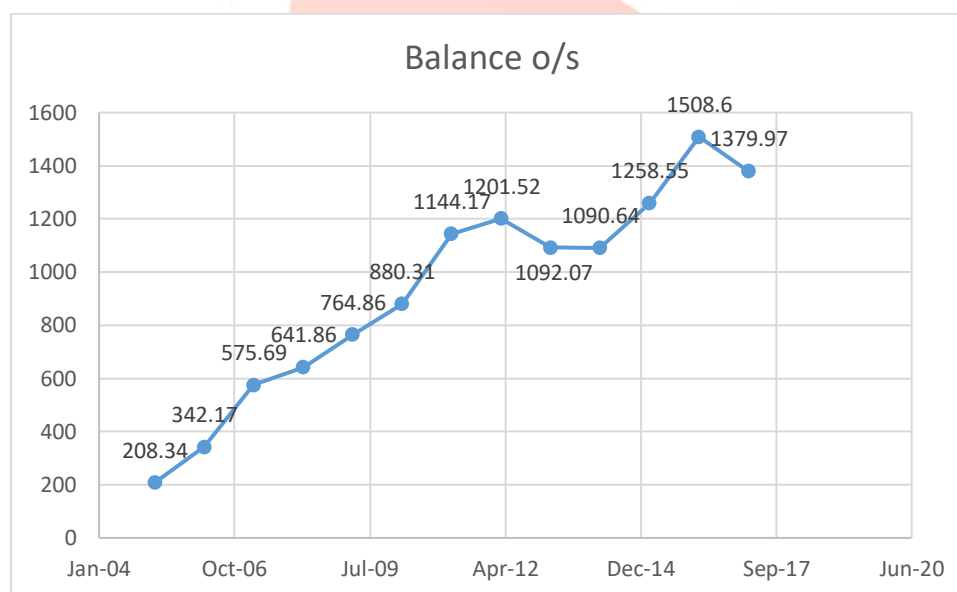


Figure 1

VII. CONCLUSION

Education is the base of economic, social and cultural development of a country. It has emerged as the most important driving force for the progress and development of the nation. Every level of education has its own importance but higher education is the engine for the development of the economy. To get higher education for everyone is not that easy due to its expensiveness, to fill that gap many of the educationists are of the view of provision of education loans. Educational loan schemes are becoming popular in India as there fee have been risen in education courses after economic reforms of 1991. These loans shift the higher cost of education from government to parents and students. Both the public as well as private sector banks are providing education loans for higher education, preference for public sector banks has been seen. The number of educational loan borrowers increased to almost double from 1.30 million in 2008 to 2.56 million in 2014. The outstanding amount is also observed, it is having a direct relationship with number of accounts. Higher education enrolment and education loans are not well correlated, reason can be lack of awareness regarding education loans, banks' apathetic attitude towards applicants or heavy repayment in future.

VIII. ACKNOWLEDGEMENT

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