

EDUCATION LOAN NPAS ON THE RISE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

Bad loans in the education sector have shown a rising trend in the past three financial years with non-performing assets (NPA) increasing to 9% of the outstanding by March 2018, according to data from Indian Banks Association.

The percentage of NPAs to outstanding education loans rose from 7.3% in March 2016 to 7.67% in the following year and then jumped to 8.97% in March 2018.

The outstanding education loan amount at the end of 2017-18 was Rs. 71,724.65 crore, of which Rs. 6,434.62 crore was NPA.

In the last financial year, public sector banks (PSBs) disbursed Rs. 13,470 crore loan to 7.86 lakh students.

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