**Abstract**

Education is globally recognised as the basic human rights. Particularly, in thecontext of globalisation, universalization of education had become an international policy. In India,even though both primary and secondary educations are prioritised in budgetary allocation, higher education is the worst affected sector, particularly with the dwindling of budgetary allocation. On one hand, the demand for higher education has increased over time and, on the other, the allocation of resources was grossly inadequate for this level of education. In India, though finance of education is provided by the Government through scholarship, subsidies, fees, and various other means education loan subsidised through bank could prove to be the best alternative channel for funding higher education. Public sector banks play a predominant role in financing the education loan in India. With the high cost of education and the need of education loan, it is necessary to evaluate the bank-wise performance of public sector banks providing education loan in India. The bank-wise distribution of education loan were analysed by collecting secondary data for a period of five years (2013-2017) from the various annual reports of ministry of finance and various banks. The percentage and rank analysis of setting out of bank wise education loan had resulted that,State Bank of Indiahad contributed more in the disbursement of education loan in the nation.Though SBI,Canara bank, IOB,Indian bank and PNB were the major banks in lending education finance, steps would be taken by RBI along with the Government to distribute theeducation loan scheme by all the public sector banks evenly so that the maximum number of students in India would be benefited by the education loan scheme.