

Cabinet approves PM-Vidyalaxmi scheme for higher education

Under the scheme, a student who secures admission in top higher education institutions, both government and private, will be eligible to get collateral-free, guarantor-free loan from banks and financial institutions

Updated - November 06, 2024 08:31 pm IST - New Delhi

THE HINDU BUREAU



Union Minister for Electronics and IT, Ashwini Vaishnaw briefing the media after Cabinet meeting at National Media Centre, in New Delhi. File | Photo Credit: Sushil Kumar Verma

The Union Cabinet chaired by Prime Minister Narendra Modi on Wednesday (November 6, 2024) approved a new Central Sector Scheme, PM Vidyalaxmi, which seeks to provide financial support to meritorious students in their pursuit of higher education.

Under the scheme, a student who secures admission in any of the top 860 Quality Higher Education Institutions (QHEIs), both government and private, will be eligible to get collateral-free, guarantor-free loan from banks and financial institutions to cover

full amount of tuition fees and other expenses related to the course. The scheme will potentially cover 22 lakh students, a Ministry of Education spokesperson said.

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Under the scheme, for loans up to ₹7.5 lakh, the student will receive a credit guarantee of 75%, enabling banks to extend education loans to students.

In addition, for students with annual family income of up to ₹8 lakh, and not eligible for benefits under any other government scholarship or interest-subvention schemes, 3% interest subvention for loans up to ₹10 lakh will be provided during the moratorium period. The interest subvention support will be given to one lakh students every year. Preference will be given to students from government institutions who have opted for technical or professional courses.

“An outlay of ₹3,600 crore has been made during 2024-25 to 2030-31, and 7 lakh fresh students are expected to get the benefit of this interest subvention during the period,” the Ministry added.

The scheme will be applicable to top QHEIs of the nation, as determined by the National Institutional Ranking Framework (NIRF) rankings, including all HEIs - government and private - that are ranked within the top 100 in NIRF rankings in overall, category-specific and domain-specific lists; State government-run HEIs placed between 101 and 200 in the rankings, and all Central government-governed institutions.