



# PM-Vidyalaxmi Scheme

Source: [PIB](#)

The Union Cabinet has approved the **Pradhan Mantri Vidyalaxmi scheme**, designed to provide financial assistance to meritorious students for [higher education](#).

- **Objective:** It aligns with the [National Education Policy \(NEP\) 2020](#) and aims to provide **collateral-free, guarantor-free loans** to students.
- **Eligibility Criteria:** Students enrolled in institutions ranked within the **top 100 by the [National Institutional Ranking Framework \(NIRF\)](#)**, and those in the 101-200 range from state government and all central government governed institutions.
- **Beneficiaries:** It can benefit over 22 lakh students, with the list updated annually based on the latest NIRF rankings.
- **Procedure:** The Department of Higher Education will launch the "**PM-Vidyalaxmi**" portal for students to apply for education loans and interest subvention, with payments made via [E-voucher](#) and [Central Bank Digital Currency \(CBDC\) wallets](#).
- **Supplementing Existing Schemes:** The scheme supplements the two components, **Credit Guarantee Fund for Education Loans (CGFSEL)** and **Central Sector Interest Subsidy (CSIS)**, under the existing **PM-Uchchar Shiksha Protsahan (PM-USP) scheme**.
- PM-USP CSIS offers full interest subvention for loans up to Rs 10 lakh to students with family income up to Rs 4.5 lakh, pursuing technical courses.

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**Cabinet Decisions**  
6<sup>th</sup> Nov 2024

**PM-Vidyalaxmi**  
Collateral-free, Guarantor-free Education Loans  
Maximising access to quality Higher Education  
for **Yuva Shakti**

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- Total outlay ₹ 3600 Crore
- Financial assistance to meritorious students securing admission in top 860 HEIs of India
- Benefitting 22 Lakh+ new students every year

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- Students having annual family income of upto ₹8 lakh shall be eligible to get 3% interest subvention on loans upto ₹10 lakh.
- Loans upto ₹7.5 lakhs shall be eligible for 75% credit guarantee.
- Education loans will be facilitated through a **transparent, student-friendly and digital application process** common to all banks.
- PM Vidyalaxmi is another concrete step towards implementation of NEP.

Read more: [Revamping India's Higher Education System](#)

