

GOVERNMENT OF INDIA  
MINISTRY OF EDUCATION  
DEPARTMENT OF HIGHER EDUCATION  
**LOK SABHA**  
**UNSTARRED QUESTION No. 168**  
ANSWERED ON 25/11/2024

**Vidyalaxmi Scheme to Students outside Top-Ranked Institutions**

168 Thiru Dayanidhi Maran:

Will the Minister of EDUCATION be pleased to state:

- (a) the measures taken by the Government to expand the Vidyalaxmi scheme to students outside top-ranked institutions, especially those in rural areas and Tier-2 or Tier-3 cities;
- (b) the time by which the scheme is expected to be fully operational, and whether there be any interim support for students currently struggling with financial constraints, if so, the details thereof;
- (c) whether there are any specific benchmarks or metrics that will be used to assess the impact of the scheme in terms of student enrollment and completion rates;
- (d) the manner in which the Government ensure the sustainability of this scheme and whether there is a roadmap for increasing or adjusting the budget allocation as the number of beneficiaries grows, if so, the details thereof; and
- (e) whether there are any provisions to ease loan repayment terms or provide loan forgiveness for students who may face financial challenges upon graduation, if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF EDUCATION

(DR. SUKANTA MAJUMDAR)

- (a) to (e) The Union Cabinet on 06.11.2024 has approved PM-Vidyalaxmi, a new Central Sector scheme that seeks to provide financial support to meritorious students of Quality Higher Education Institution (QHEIs). For AY 2024-25, 860 HEIs of the country based on NIRF ranking have been identified. The QHEIs are spread across the country including in Tier-2 or Tier-3 cities. Under the PM-Vidyalaxmi scheme, any student who gets admission in Quality Higher Education Institution (QHEIs) 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. Students who have taken education loans from 07.11.2024 for degree/diploma courses in these QHEIs are eligible under the scheme. The scheme will be applicable to the top quality higher educational institutions of the nation, as determined by the NIRF rankings - including all HEIs, government and private, that are ranked within the top 100 in NIRF in overall, category-specific and domain specific rankings; state government HEIs ranked in 101-200 in NIRF and all central government governed institutions. An outlay of Rs. 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. For loan amount up to Rs. 7.5 lakhs, the student will also be eligible for a credit guarantee of 75% of outstanding default. This will give support to banks in making education loans available to students under the scheme.

\*\*\*\*\*