GOVERNMENT OF INDIA
MINISTRY OF EDUCATION
DEPARTMENT OF HIGHER EDUCATION

LOK SABHA
UNSTARRED QUESTION NO. 1168
ANSWERED ON- 27/07/2026

PM-Vidyalaxmi Portal for Higher Education Loans

1168. Dr. Shrikant Eknath Shinde:
Shri Naresh Ganpat Mhaske:
Shri Ravindra Dattaram Waikar:
Smt. Bharti Pardhi:
Shri Shrirang Appa Chandu Barne:

Will the Minister of EDUCATION be pleased to state:

a) whether the Government has launched the unified PM-Vidyalaxmi portal to provide automated, collateral-free higher education loans to meritorious students from low-income families, if so, the details thereof;
b) the details of the hundred per cent credit guarantee cover extended to Scheduled Commercial Banks to encourage education loan disbursements;
c) the structural checks established to execute the direct transfer of interest subvention benefits to bank accounts of eligible borrowers;
d) the criteria adopted for onboarding Non-Banking Financial Companies to expand credit access across aspirational blocks and remote tribal regions;
e) the measures taken by the Government to integrate the loan tracking system with the Automated Permanent Academic Account Registry for performance monitoring, particularly in the States of Maharashtra and Madhya Pradesh; and
f) the projected reduction in the higher education dropout rate resulting from the elimination of structural financial constraints?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF EDUCATION
(DR. SUKANTA MAJUMDAR)

(a) to (f) The Government of India launched the PM-Vidyalaxmi, as a new central sector scheme in November 2024. The main objective of the scheme is to ensure that no student is denied the opportunity to pursue higher education due to financial constraints. Under the scheme, collateral-free and guarantor-free education loan is provided to all students who get merit-based admission in top Quality Higher Education Institutions (QHEIs) and who desire to avail the education loan. Further, for students with annual family income up to ₹8 lakh, the scheme provides 3% interest subvention on loans up to ₹10 lakh. Each year up to one lakh fresh students not availing any other scholarship or interest subvention on education loan are eligible for this interest subvention benefit. An outlay of ₹ 3,600 crore has been made from 2024-25 to 2030-31, for providing 3% interest subvention benefit for up to 7 lakh fresh students during this period.

A dedicated online platform, the PM Vidyalaxmi portal https://pmvidyalaxmi.co.in has been developed, operational since 25th February 2025, on which students can apply for the education loan as well as interest subvention, through a simplified application process to be used by all banks. Since the launch of this scheme on 6th November, 2024 till 21st July, 2026, 112817 collateral-free and guarantor-free PM Vidyalaxmi education loans have been sanctioned. The amount sanctioned is ₹ 15,634.78 crore.

Further, the Department of Higher Education is implementing the PM Uchchatar Shiksha Protsahan Credit Guarantee Fund Scheme for Education Loans (PM-USP CGFSEL). Under the CGFSEL, Central Government gives guarantee for the education loans availed by students without any collateral security and third-party guarantee for a maximum loan limit of ₹ 7.5 lakh. The Scheme, as a default, provides guarantee cover to the extent of 75% of the loan amount. Since the launch of the scheme in 2015 till 21st July, 2026, 14,65,880 credit guarantees for an amount of ₹ 59,843.74 crore have been issued.

To ensure that only eligible students get interest subvention benefit, Aadhaar based de-duplication is carried out. Once the application for interest subvention gets approved, the student gets SMS message to install the PM-Vidyalaxmi Digital Rupee App on the registered mobile. On receipt of claims from Banks, interest subvention amount is credited to the digital wallet of each student by the Government. Once the student opts for redemption, the interest subvention amount gets credited to his/her education loan account as Direct Benefit Transfer (DBT).

Further, the release of interest subvention under the Scheme from 2nd year onwards is subject to satisfactory academic performance of the student. The QHEIs registered/onboarded on PM Vidyalaxmi portal have provision to upload semester-wise progress report of students on the portal for performance monitoring.

The Scheme is applicable for all Scheduled Banks/Regional Rural Banks (RRBs)/Cooperative Banks. At present, on the PM Vidyalaxmi Portal, 12 Public Sector Banks, 20 Private Banks, 25 Regional Rural Banks and 7 Cooperative banks have been onboarded to help eligible students, including those from rural, tribal and underprivileged areas to avail the benefits of PM-Vidyalaxmi.

Scholarships and education loans together help the meritorious and deserving students to pursue higher education, thereby reducing the dropout rates. As a result, the Gross Enrolment Ratio (GER) in higher education has increased from 23.0 in 2013-14 to 30.0 in 2023-24.

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