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Central Bank of India to fund students preparing for IIT, IIM

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In order to harness business in the education loan segment, public sector lender — Central Bank of India is planning to finance students who are pursuing courses from vocational training institutes approved by National Skill Development Corporation (NSDC). The bank has partnered with Hyderabad-based Institute 'Talent Sprint' on a pilot basis.

In addition to this, it would also finance students, who are preparing for Indian Institute of Technology (IIT), Indian Institute of Management (IIM), Pre-Medical Test (PMT), Indian Administrative Services (IAS) and undertaking coaching from reputed institutes for the same.

Speaking to Business Standard, Central Bank of India CMD S Sridhar who was in the city said, "There is huge shortage of skilled manpower in the country. Taking a step in this direction and in order to bridge the gap, we have planned to finance students who are seeking courses in vocational training institutes supported by NSDC. Recently, we have tied up with Hyderabad-based Institute for financing their students who are undergoing training in vocational skills and depending upon the success, we would be extending this facilities to other vocational training institutes".

NSDC is a not-for-profit company set up by the Ministry of Finance, under Section 25 of the Companies Act. It provides viability gap funding to build scalable, for-profit vocational training initiatives. A large part of the organisation's efforts are directed towards developing skills in the unorganised sector in India. It provides services for sectors like automobile/autocomponents, electronics hardware textiles and garments, leather goods, chemicals and pharmaceuticals, jewellery, building and construction, food processing, handlooms and handicrafts, home furnishings information technology, ITES-BPO and tourism.

He added, "From now, we will finance students preparing for IIT, IIM, PMT, IAS and are taking coaching from reputed institutes". The bank has disbursed Rs 800 crore education loan to students pursuing higher education in India and abroad in this financial year. It has sanctioned 25-30 projects to make the rural youth enterprising.