

# PM SVANidhi

September 10, 2020

The PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) was launched by the Ministry of Housing and Urban Affairs on June 01, 2020 for providing **affordable working capital loan to street vendors** to resume their livelihoods that have been adversely affected due to COVID-19 lockdown. The duration of the scheme is until March 2022.

## Features of PM SVANidhi Scheme

- The scheme is a **Central Sector Scheme** with the following objectives:
  - . To facilitate **working capital loan up to 10,000**
  - . To incentivize **regular repayment**
  - . To reward **digital transactions**
- The Scheme is available for beneficiaries belonging to only those States/ UTs which have notified rules and schemes under **Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014**.

Beneficiaries from Meghalaya, which has its own State Street Vendors Act may, however, participate.

- The Scheme is available to all street vendors engaged in **vending in urban areas** as on or before March 24, 2020.
- Urban street vendors will be eligible to avail a working capital (WC) loan of up to 10,000 with **tenure of 1 year and repaid in monthly instalments**.

**No collateral** will be taken by the lending institutions. On timely or early repayment, the vendors will be eligible for the **next cycle of working capital loan with an enhanced limit**. No prepayment penalty will be charged from the vendors for

repayment before the scheduled date.

- The vendors, availing loan under the scheme, are eligible to get an **interest subsidy @ 7%**. The interest subsidy amount will be credited into the borrower's account quarterly.
- The Scheme has a provision of **graded guarantee cover** for the loans sanctioned, to be administered by **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**, which will be operated on a portfolio basis.
- The scheme will incentivize digital transactions by vendors through **cash back facility**. The transaction trail so created will build the credit score of vendors for enhancing their future credit needs.
- The **Town Vending Committee (TVC)** will play a very important role in identification of beneficiaries.
- The States/ UTs should prepare a roadmap for building up the capacities of street vendors to **conduct e-Commerce** and obtain necessary quality certifications from the concerned agencies like FSSAI.
- **Small Industries Development Bank of India (SIDBI)** will be the implementation partner for scheme administration and it will leverage the network of lending Institutions including the SCBs, RRBs, SFBs, Cooperative Banks, NBFCs & MFIs for scheme implementation.