

PM SVANidhi Scheme Guidelines

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1. Background

Street vendors are an integral part of the urban informal economy, playing a key role in providing goods and services at affordable prices right at the doorsteps of city residents. As per Section 2(1)(l) of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, a '*Street Vendor*' means a person engaged in vending of articles, goods, wares, food items or merchandise of everyday use or offering services to the general public, in a street, lane, side walk, footpath, pavement, public park or any other public place or private area, from a temporary built-up structure or by moving from place to place and includes hawker, peddler, squatter, and all other synonymous terms which may be local or region specific.

To safeguard their livelihood and ensure access to social security, the Government of India, enacted the Street Vendors Act, 2014. The COVID-19 pandemic and consequent lockdowns adversely impacted the livelihoods of street vendors. Given their limited capital, many vendors had exhausted their savings during the lockdown, creating an urgent need for financial assistance to help them restart their businesses.

In response, the Government of India introduced the Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme in June 2020—the first micro-credit program designed specifically for urban street vendors. The scheme was originally launched for a period up to March 31, 2022 and then the scheme was further extended with the approval of Cabinet Committee on Economic Affairs for a lending period of loans till December 31, 2024. This Central Sector Scheme, has successfully empowered lakhs of street vendors by providing loans and promoting digital adoption through incentives for digital payments.

Recognising the positive impact and widespread adoption of the scheme, the Government of India has approved the extension of the lending period till March 31, 2030. Liabilities under the components like credit guarantee, interest subsidy for loans and incentives for digital transactions etc. will be serviced until March 31, 2033 while credit guarantee claims for credit card will be serviced until March 31, 2035. The extended phase aims to consolidate the gains made and expand scheme outreach.

Implementation and monitoring of the scheme would be the joint responsibility of Ministry of Housing & Urban Affairs (MoHUA) and Department of Financial Services (DFS), with DFS being responsible for facilitating access to loans/ credit cards through banks/ financial institutions and their ground level functionaries.

2. Objective

The objective of the scheme is to address the vulnerabilities of the street vendors through a multi-pronged approach. This includes:

- a) Recognition of Street Vendors;
- b) Financial Inclusion via working capital term loan in three tranches;
- c) Access to UPI linked credit card;
- d) Promote digital adoption;
- e) Capacity Building;
- f) Linkages to social security schemes;

3. Scheme Coverage

The scheme extends to all the States/UTs which have notified rules and schemes under Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. Further, the scheme is extended to City-Region i.e., census towns, peri urban areas, etc in graded manner for providing scheme benefits seamlessly, so as to establish cities as “growth hubs”.

4. Eligibility Criteria of Beneficiaries

The target beneficiaries of the scheme are street vendors vending in various city-regions. The State/ UTs may adopt suitable methodology for identifying eligible vendors to ensure comprehensive coverage.

- a) In statutory towns, the Certificate of Vending (CoV)/Identity Card/Letter of Recommendation (LoR) to the street vendors will be issued by TVC/ ULBs.
- b) For census towns and peri urban areas, the Letter of Recommendation (LoR) to the street vendors will be issued by Block Development Offices after due verification as per **Annexure A**.
- c) The verification and issuance of LoR shall be completed within 15 days of the submission of application.

5. Scheme Components

5.1. Working Capital Term Loans

SVs will be eligible for collateral free working capital term loan in three tranches:

1. 1st tranche loan of up to ₹15,000 to be repaid in 12 months,
2. 2nd tranche loan of up to ₹25,000 to be repaid in 18 months and
3. 3rd tranche loan of up to ₹50,000 to be repaid in 36 months

Upon timely or early repayment of a tranche, vendors will be eligible for the next tranche of working capital term loans, with the enhanced limit. For repayment before the scheduled date, no prepayment penalty will be charged from the vendor.

The operational guidelines for availing the loans will be issued separately.

5.1.1. Rate of Interest

- a) In case of Scheduled Commercial Banks, Cooperative Banks & SHG Banks, the rates will be as per their prevailing rates of interest.
- b) In case of NBFC, NBFC-MFIs etc., interest rates will be as per RBI guidelines for respective lender category.
- c) In respect of MFIs (non NBFC) & other lender categories not covered under the RBI guidelines, interest rates under the scheme would be applicable as per the extant RBI guidelines for NBFC-MFIs.

5.1.2. Interest Subsidy

The vendors, availing loan under the scheme, are eligible to get an interest subsidy at 7% per annum. The interest subsidy amount will be credited into the borrower's account quarterly. Lending Institutes will submit quarterly claims for interest subsidy for quarters ending as on June 30, September 30, December 31 and March 31 during each financial year.

Subsidy will only be considered in respect of accounts of borrowers, which are standard (non-NPA as per extant RBI guidelines) on respective claim dates and only for those months during which the account has remained standard in the concerned quarter. The interest subsidy is available up to March 31, 2033.

5.1.3. Credit Guarantee

The Scheme has a provision of Graded Guarantee Cover provided to Lending Institutions for the loans sanctioned, as indicated below, to be administered by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which will be operated on portfolio basis:

- 31.87% for 1st tranche loan,
- 8.25% for the 2nd tranche loan, and
- 6% for the 3rd tranche loan

All loans given by each lending institution under the scheme will be considered for coverage under the guarantee, thereby encouraging them to extend collateral-free loans to street vendors with greater confidence and financial security.

The periodicity of filing of claims by lending institutions will be quarterly. All the participating lending institutions shall be eligible to avail this guarantee cover without any charges.

5.2. Credit card

A UPI linked RuPay Credit Card will be available as an additional facility for PM SVANidhi beneficiaries who have successfully repaid their 2nd tranche loan and are eligible for 3rd tranche loan under the PM SVANidhi Scheme.

This card will be a domestic card and initially the credit limit will be ₹10,000 which will be gradually increased to ₹30,000, the card will be valid for a period of 5 years.

The operational guidelines for the component will be issued separately.

5.2.1. Credit Guarantee for credit card

Guarantee against default on the credit card is provided through CGTMSE. Guarantee on the Card will be available for five years from the date of the issuance of the card or card validity period whichever is earlier.

The guarantee will be extended up to an NPA level of 20%, i.e., NPAs up to 20% of the approved limit on all cards issued by the card issuer at the time of claim submission during the scheme period. The risk coverage will be restricted to 75% of the outstanding amount, subject to a maximum outstanding of ₹30,000 or the approved limit, whichever is lower, per card.

At the time of renewal of the card (after the initial validity period of the card), the issuer can take an independent business call based on the credit history of the beneficiary.

5.3 Digital Adoption

The scheme will incentivize digital transactions done by the beneficiaries through cashback facility. The scheme envisions enhancing the digital onboarding of street vendors with the support of “**Digi Saathi/ Sakhi**”, network of **Lending Institutions** and **Digital Payment Aggregators (DPAs)** like, BHIM, India Post Payment Bank, Paytm, PhonePe, BharatPe etc. They will support with the on-boarding of the beneficiaries for digital transactions by issuing UPI IDs, QR codes, providing digital training to the beneficiary and resolving issues related to digital payment. ULBs in collaboration with DPAs and Banks shall engage “Digi Saathi/Sakhi” to provide these services to street vendors.

To enhance digital adoption, beneficiaries would be incentivized on following:

- a. Any inward and outward digital transaction - up to ₹100 per month (₹1 per transaction) with maximum cashback of ₹1,200 per year in each tranche
- b. Wholesale digital purchases – up to ₹100 per quarter (@ ₹20 per transaction for 5 such transactions) for 4 quarters for conducting digital transactions on wholesale purchases of at least ₹2,000, with a maximum cashback of ₹400 per year

The operational guidelines for the component will be issued separately.

5.4 'SVANidhi se Samriddhi' (SSS)

The 'SVANidhi se Samriddhi' component of the scheme aims to strengthen the safety net for beneficiaries' families, enhancing their living conditions.

This component facilitates linkages of beneficiary families via socio-economic profiling to various existing Government of India welfare schemes, promoting their holistic development and socio-economic upliftment.

The detailed guidelines for the implementation of SSS is at <https://pmsvanidhi.qcin.org/account/landing-page>.

5.5 Support to Urban Street Vendors (SUSV)

This component of the scheme aims to provide comprehensive assistance to street vendors as mentioned in the SV Act'2014 enhancing their livelihood opportunities and ensuring their socio-economic inclusion.

This component will provide support to the street vendors through a multi-pronged approach including:

- Identification of street vendors through survey, issuance of certificate of vending (CoV) & identity cards etc;
- Reform incentives for notifying city street vending plans;
- Innovative projects

The operation guidelines for the component will be issued separately.

5.6 Parichay Boards

In order to improve visibility and provide a sense of identity, 'SVANidhi Beneficiary Parichay Board' (SBPB) will be provided to PM SVANidhi beneficiaries, which can be displayed at their vending place.

5.7 Capacity Building & Research

Capacity building and training is a critical component in technical upgradation and formalization of street vendors. By enhancing their skills and knowledge, vendors will be better equipped to financially manage their businesses effectively, adopt e-commerce, and ensure long-term sustainability and success.

The scheme envisages capacity building for street vendors with focus on entrepreneurship, financial literacy, digital literacy, packaging etc in convergence with capacity building programs implemented by various Ministries/ Departments in GOI. Special training to the street food vendor beneficiaries on hygiene and food safety will be provided in convergence with FSSAI. The component will also focus on the capacity building/ orientation sessions of ULBs and other stakeholders, soft interventions including handholding for new market access, backward-forward linkages, national/ regional workshops/ seminars etc.

Research studies and impact assessments through research/ academic institutes would be conducted to study the scheme's effectiveness and sustainability for street vendors.

6. Stakeholders

The stakeholders of the scheme include, but are not limited to, Street Vendors (SVs) and their families, States/Union Territories (UTs), Urban Local Bodies, Lending Institutions such as Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks, Non-Banking Financial Companies (NBFCs), Microfinance Institutions (MFIs) etc.

The lending institutions will be encouraged to use their network of field functionaries i.e. Business Correspondents (BCs)/ Constituents/ Agents extensively to ensure maximum coverage of the scheme.

Additionally, central ministries/ departments, digital payment aggregators, credit card issuing companies, the Quality Council of India (QCI), the National Payments Corporation of India (NPCI), Indian Bank (PAiSA Portal), CSC e-Services Limited, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), and other partners will contribute for the effective implementation of the scheme.

7. Handholding Support

Resources Persons (RPs) such as Community Resource Persons, Interns etc may be engaged by the ULBs for providing hand-holding support to the street vendors.

These RPs would carry out the following functions:

- a) Handholding street vendors in application submission and availing loan, ensuring repayment etc.;
- b) Handholding street vendors in application and approval of pan card, credit card, activation of credit card etc; and
- c) Digital adoption by the street vendors etc

An incentive will be provided for handholding support to street vendors. Permanent staff of the ULB or temporary staff working for PM SVANidhi at the State/ULB level, would not be eligible for this incentive.

8. Information, Education and Communication (IEC)

Branding is an important aspect of communicating the scheme accurately to different stakeholders, especially to the target beneficiaries.

Innovative use of various platforms including the local and social media will be encouraged to reach the targeted beneficiaries in an effective and engaging manner.

A detailed advisory for IEC will be issued separately.

9. Beneficiary Engagement and Stakeholder Recognition Mechanism

Adopting a whole-of-government approach to ensure saturation, the scheme lays emphasis on structured beneficiary engagement and stakeholder recognition through the following targeted interventions:

- a) **Monthly ‘Lok Kalyan Melas’:** These will be organized to facilitate socio-economic profiling of street vendors and link them with relevant schemes. The events will also serve as platforms for loan applications mobilization and disbursements, digital onboarding, financial awareness drives, and other beneficiary-oriented activities.
- b) **Annual ‘SVANidhi Mahotsav’:** This will be conducted at the Urban Local Body (ULB)/ District level to celebrate the achievements of street vendors and their families, particularly their children. The Mahotsav will provide opportunities for informal interactions among vendors, their families, and other stakeholders, thereby fostering a sense of community and recognition.
- c) **Annual ‘SVANidhi Swabhimani’ Awards:** These awards will be instituted to encourage healthy competition among Banks, States, Urban Local Bodies, Districts and other institutions. The awards will recognize and honour outstanding contributions and best practices demonstrated by stakeholders in the implementation of the scheme.

10. Integrated IT application

The Scheme would be monitored and the entire flow of data and approval of proposals, etc. would take place on an online system. An integrated IT Platform along with Mobile App developed by the ministry will be utilized for administration of the scheme. This portal provides one stop solution for administration of the scheme. The IT Platform will integrate the vendors’ data across the States/UTs, Lending Institutions, Digital Payment Aggregators, PAiSA portal of MoHUA etc and Udyami Mitra portal managed by Small Industries Development Bank of India (SIDBI).

11. Implementation Mechanism

The Ministry/State/District/ULBs will organize a kick-off meeting to introduce the components of the restructured scheme, involving state officials, TVC members, representatives from lending institutions, vendor associations, resource persons and other stakeholders. During this meeting, the implementation procedures for the scheme rollout will be communicated. The operational guidelines for each component will be issued separately.

The implementation and performance of the loan and credit card component under the scheme will be periodically reviewed jointly by Ministry of Housing & Urban Affairs (MoHUA) and Department of Financial Services (DFS).

12. Implementing Agency(ies)

- a) **Small Industries Development Bank of India (SIDBI)** will be the implementation agency for the Ministry of Housing and Urban Affairs for scheme administration. SIDBI will leverage the network of lending Institutions including the SCBs, RRBs, SFBs, Cooperative Banks, NBFCs & MFIs, Digital payment Aggregators (DPAs), Credit Card issuers, for scheme implementation.
- b) **Indian Bank**, through its PAiSA portal, will support LIs in submitting interest subsidy claims and facilitate the direct transfer of subsidy amounts to beneficiaries' accounts.

13. Committees for Steering & Monitoring of the Scheme

The Ministry will regularly review the implementation and progress of the various component as per the overall scheme management structure for effective implementation and monitoring.

The Scheme will have the following management structure at the Central, State/ UT, District and ULB level:

- a) At National level - a Steering Committee under the chairmanship of Secretary, HUA (composition of the committee is at **Annexure-B**).
- b) At State/ UT level - a Monitoring Committee under the chairmanship of Principal Secretary/ Secretary of Urban Development/ Municipal Administration, which shall meet at least every three months (composition of the committee is at **Annexure-C**).
- c) At District level- a Monitoring Committee headed by District Collector/CEOs Zila Parishad (as decided by the State/UT), which shall meet every month (composition of the committee is at **Annexure-D**).
- d) At ULB level- a Monitoring Committee headed by the Municipal Commissioner/ Executive Officer (EO)/ CEO Cantonment Boards and supported by the Town Vending Committee, which shall meet every month (composition of the committee is at **Annexure-E**).

In addition to the above scheme monitoring mechanism, the scheme will also be reviewed under the ambit of DISHA.

Identification & Onboarding of Street Vendors for census towns and peri urban areas

The PM SVANidhi Scheme aiming to establish cities as “growth hubs” introduces City-Region approach. The scheme will extend its benefits seamlessly to census towns, peri-urban areas etc. in graded manner. This initiative is expected to enhance the economic development of city regions by generating greater livelihood opportunities.

1. Criteria for Identifying Eligible Street Vendors:

- i. ‘*Street Vendor*’ shall be engaged in vending activity aligning to the definition¹ mentioned in Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014.
- ii. The vendor may be engaged in either seasonal or year-round vending activities.
- iii. The vendor may operate as a mobile or stationary vendor.
- iv. The vendor should be vending in the respective census town or peri-urban areas.

2. Process for Approval of Letter of Recommendation (LoR):

- i. For census towns and peri urban areas, LoRs would be approved and issued by the Block Development Officer (BDO).
- ii. Applications at the block level will be processed in two stages:
 - (a) **Verification:** The field level verification shall be conducted by the Block Level verification committee consisting of Block Level Nodal Officer (Chairperson), GP EO/Secy, Representative from the Block-Level Federation or Gram Panchayat-Level Federation and any other member as nominated by the State or District Authority.
 - (b) **Approval:** Based on the recommendation of the Block Level Verification Committee, the approval shall be undertaken by Approver (BDO)
- iii. The entire process shall be carried out through the PMS portal (Udyami mitra platform).

3. Process for Availing Loan

Upon the issuance of the LOR by the BDO, the street vendor application will be automatically sent to the bank for further processing aligning to the operational guidelines of availing loans.

¹ A ‘*Street Vendor*’ means a person engaged in vending of articles, good, wares, food items or merchandise of everyday use or offering services to the general public in a street lane, side walk, footpath, pavement, park or any other public place or private area from a temporary built-up structure or by moving from place to place and includes hawkers, peddler, squatter, and all other synonyms terms which may be local or region specific

Annexure B

At National level a Steering Committee will be constituted as indicated:

Sl. No.	Designation	Role
1.	Secretary, HUA	Co-Chairperson
2.	Secretary, DFS	Co-Chairperson
3.	Secretary, MSME or his nominee	Member
4.	ED, Deptt of Non-Banking Regulations, RBI	Member
5.	CMD, SIDBI	Member
6.	Principal Secretaries (UD/ LSG) from three states to be nominated by Minister, HUA	Member
7.	CEO, Indian Banks' Association (IBA)	Member
8.	CEO, MFIN	Member
9.	ED, Sa-Dhan	Member
10.	Joint Secretary and Mission Director (PM SVANidhi)	Member Convenor

Note: Ministry may co-opt any other member as per need.

Annexure C

At the State/ UT level a monitoring committee will be constituted as indicated:

Sl. No.	Designation	Role
1.	Principal Secretary/ Secretary, Urban Development/ Municipal Administration	Chairperson
2.	Principal Secretary/ Secretary, Finance	Member
3.	State representative of RBI	Member
4.	State representative of SIDBI	Member
5.	Convenor of the State Level Bankers Committee (SLBC)	Member
6.	Up to 05 Municipal Commissioner(s)/ EO(s), to be invited on rotation basis	Member (s)
7.	Up to 02 special invitees from Bank/ NBFC/ MFI (nominated by Chairperson)	Special Invitee
8.	Project Director/ State Mission Director (PM SVANidhi)	Member Convenor

Note: State/ UT may co-opt any other member as per need.

Annexure D

At District level a monitoring committee will be constituted as indicated:

Sl. No.	Designation	Role
1.	District Collector (DC)/ District Magistrate (DM)	Chairperson
2.	Superintendent of Police	Member
3.	Municipal Commissioner or his/ her representative	Member
4.	2 members as nominated by Central Govt.	Member
5.	Additional District Collector or equivalent officer	Convenor
6.	Lead District Manager (LDM)	Member
7.	Representative from any 2 Banks [To be nominated by DC]	Member
8.	Executive Officers (EO)ULBs	Member
9.	Block Development Officers	Member

Note: District may co-opt any other member as per need.

The District Magistrate will be responsible for facilitating the identification of beneficiaries, overall supervision of loan disbursements, addressing and resolving any issues with respect to implementation, to ensure smooth execution of the entire process.

Annexure E

At ULB level a monitoring committee will be constituted as indicated:

Sl. No.	Designation	Role
1.	Municipal Commissioner (MC)/ Executive Officer (EO)	Chairperson
2.	2 members as nominated by Central Govt.	Member
3.	Lead District Manager (LDM)	Member
4.	Up to 03 non-official representatives of TVC/ provisional TVC, as nominated by the Municipal Commission/ EO [Where even provisional TVC is not available, up to 3 members from street vendors association (s) in the town to be nominated by the MC/ EO]	Member (s)
5.	Representative from any 2 banks	Member (s)
6.	Representative from City or Area Level Federation	Member
7.	Project Officer from Urban Development Authority	Convenor

Note: ULB may co-opt any other member as per need.