FAQs on PM SVANidhi Scheme

General

1. **What is PM SVANidhi Scheme?**

   PM SVANidhi is a Central Sector Scheme launched by the Government of India - the first micro-credit program designed specifically for urban street vendors. The scheme aims to provide collateral-free working capital loans, promote digital inclusion, strengthen social protection, and improve livelihoods.

2. **Who is a Street Vendor/hawker?**

   A 'Street Vendor/Hawker' is 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.

3. **When was the scheme launched and till when is it valid?**

   The scheme was launched in June 2020. The lending period has now been extended till 31st March 2030.

4. **Which Ministries are responsible for implementation?**

   Implementation and monitoring of the scheme is 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.

5. **What are the key features of the scheme?**

   The following are the key features:

   i. **Working Capital Loan**: Collateral-free loans of ₹15,000, ₹25,000, and ₹50,000 are provided in three progressive tranches with interest subsidy and credit guarantee support.

ii. **UPI-linked RuPay Credit Cards**: Vendors successfully repaying the second tranche are eligible for UPI-linked RuPay Credit Cards with limits up to ₹30,000.

iii. **Digital Adoption**: Cashback incentives are provided to street vendors for retail and merchant digital transactions to encourage digital payments and financial literacy.

- ₹1 cashback on each digital transaction, up to a maximum of ₹100 per month, for up to 12 months for each loan tranche.
- Up to ₹100 per quarter for merchant wholesale transactions above ₹2,000 (maximum ₹400)

iv. **SVANidhi se Samriddhi (SSS)**: Socio-economic profiling of beneficiaries and their families is undertaken to link them with eight selected Central welfare schemes and create a holistic social security net.

v. **Capacity Building & Entrepreneurship Development**: Vendors are provided training in financial literacy, digital literacy, and food safety & hygiene in collaboration with FSSAI.

Coverage & Eligibility

1. **What is the coverage of PM SVANidhi?**
   The Scheme is being implemented across all States and Union Territories, covering eligible street vendors in all Urban Local Bodies (ULBs). Its coverage is also being gradually extended, in a phased manner, to vendors operating in peri-urban areas, census towns etc.

2. **What is the age criteria of the beneficiary to avail benefit under the scheme?**
   The beneficiary must be 18 years and above to avail the benefits under the scheme.

3. **How are street vendors identified under the scheme?**
   - The identification of street vendors is carried out by States/UTs through surveys conducted under the provisions of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. The responsibility for conducting

surveys, issuing Certificates of Vending etc. rests with the respective Urban Local Bodies and State/UT Governments.

- The PM SVANidhi is a demand driven scheme, wherein eligible street vendors who seek working capital support apply for loans on the PM SVANidhi portal or PM SVANidhi mobile app.

Implementation & Support

1. **How can vendors apply under PM SVANidhi?**
   Applications are submitted through the PM SVANidhi IT portal/mobile app https://pmsvanidhi.mohua.gov.in/

2. **Is handholding support available?**
   Yes. Urban Local Bodies (ULBs) and Resource Persons (RPs) play an active role in mobilising street vendors, assist in filling the PM SVANidhi loan/CC application, facilitating loan disbursement, or issue of credit card & its activation and supporting street vendors in becoming digitally active.

3. **Is there any application fee to avail loan under the scheme?**
   No, there is no application fee for availing a loan under the Scheme.

Working Capital Term Loan

1. **What loan assistance is available under PM SVANidhi?**
   Eligible vendors can avail collateral-free working capital loans in three tranches for a fixed repayment period as below:
   - 1st Tranche: up to ₹15,000 (12 months)
   - 2nd Tranche: up to ₹25,000 (18 months)
   - 3rd Tranche: up to ₹50,000 (36 months)

2. **When can a vendor avail the next tranche of loan?**
   Upon full and timely repayment of the previous loan tranche.

3. **Is there any prepayment penalty?**

   No. However, a minimum repayment period of 6 months shall be required to avail the next tranche of loan after the 2nd tranche. In case of early repayment, a street vendor shall become eligible for the next higher loan only upon completion of the minimum repayment period.

4. **What is the rate of interest on loans?**

   Interest rates will be as per their prevailing rates of interest of the respective Lending Institution (Bank).

5. **Is there any incentive for timely/ early repayment of loan?**

   Yes. An interest subsidy of 7% per annum is provided for loan accounts that are classified as 'Standard' (non-NPA) as per prevailing RBI guidelines.

   In addition, vendors who repay their loans on time become eligible for higher loan tranches in subsequent cycles.

6. **From which lending institutions can I avail loan?**

   PM SVANidhi loans can be availed from 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.

7. **What are the documents required?**

   The loans under the PM SVANidhi scheme are sanctioned and disbursed with minimal documentation as below:

   i. CoV/ ID Card/ LoR issued by ULBs or TVC, to SVs working within ULB's jurisdiction

   or

   LoR approved by the BDO to SVs operating in census towns, peri-urban areas etc.

   ii. Aadhaar Card

   iii. Voter Identity Card (for SVs from Assam and Meghalaya only) who do not have Aadhaar Card

iv. Savings Bank Account Passbook/ Bank Statement with account details of the SV
v. Valid and Unique UPI ID linked to the SVs bank account

8. **My Aadhar Card address is of State A whereas now I am vending in State B? How can I apply under the scheme?**
PM SVANidhi eligibility is determined by your current place of vending, not the address on your Aadhaar card. If you are vending in State B, you must obtain a CoV/LoR from the concerned State B ULB/TVC, after which your loan application can be processed under the Scheme.

9. **Is a good CIBIL/credit score mandatory to get a loan under the PM SVANidhi scheme?**
CIBIL or any other credit rating Score is not applicable for street vendors under this scheme. Loan may be denied only if any existing loan is NPA or an account is written off by any Lending Institution (Bank).

10. **Is any collateral or security required to avail a loan under PM SVANidhi?**
No.

Digital Adoption

1. **How does the scheme promote digital adoption?**
The Scheme promotes digital adoption by providing cashback incentives to street vendors for carrying out digital retail and wholesale transactions, thereby encouraging the use of digital payments and enhancing financial literacy.

2. **Who is eligible to avail digital cashback ?**
The cashback incentive will be available to all street vendors:
   - Who have an active PM SVANidhi loan
   - Who are conducting UPI based digital transactions
   - The UPI ID used for transactions should be the same as registered on the PMS Portal.

3. **What cashback incentives are available?**
    - Retail Digital transactions: ₹1 will be provided for each digital transaction with maximum cashback of ₹100 per month. The cashback incentive will be applicable for a period of up to 12 months for each tranche of the loan.
    - Wholesale digital purchases: ₹20 per qualifying transaction for up to five transactions per quarter i.e. maximum of ₹100 per calendar quarter, for merchant wholesale transactions above ₹2,000

Capacity Building

1. **What training and capacity building support is provided under PM SVANidhi?**
   The scheme envisages capacity building for street vendors with focus on entrepreneurship, financial literacy, digital literacy etc in convergence with capacity building programs implemented by various Ministries/ Departments in GOI. Special training to the street food vendors on hygiene and food safety is provided in convergence with FSSAI.