

PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) : A Special Micro-Credit Facility for Street Vendors

Q 1 . What is the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme?

Ans : This is a Central Sector Scheme to facilitate street vendors to access affordable working capital loan for resuming their livelihoods

Q 2 . What is the rationale of the Scheme?

Ans : The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihoods of street vendors. They usually work with a small capital base, which they might have consumed during the lockdown. Therefore, credit for working capital to street vendors will be helpful to resume their livelihoods.

Q 3 . What are the objectives of the Scheme?

Ans : (i) To facilitate working capital loan up to 10,000 at subsidized rate of interest;
(ii) To incentivize regular repayment of loan; and
(iii) To reward digital transactions.

Q 4 . What are the salient features of the Scheme?

Ans : (i) Initial working capital of up to Rs. 10,000/-
(ii) Interest subsidy on timely/ early repayment @ 7%
(iii) Monthly cash-back incentive on digital transactions
(iv) Higher loan eligibility on timely repayment of the first loan.

Q 5 . Who is the target beneficiary for the Scheme?

Ans : Street vendors/ hawkers vending in urban areas, as on or before March 24, 2020, including the vendors of surrounding peri-urban and rural areas.

Q 6 . Who is a Street Vendor/hawker?

Ans : Any person engaged in vending of articles, goods, wares, food items or merchandise of daily use or offering services to the public in a street, footpath, pavement etc., from a temporary built up structure or by moving from place to place. The goods supplied by them include vegetables, fruits, ready-to-eat street food, tea, pakodas, breads, eggs, textile, apparel, artisan products, books/ stationary etc. and the services include barber shops, cobblers, pan shops, laundry services etc.

Q 7 . Which lending institutions will provide credit?

Ans : Scheduled Commercial Banks, Regional Rural Banks, Small Finance Banks, Cooperative Banks, Non-Banking Financial Companies, Micro-Finance Institutions and SHG Banks.

Q 8 . What is the tenure of the Scheme?

Ans : The Scheme shall be implemented up to March, 2022.

Q 9 . What is the rate and amount of interest subsidy?

Ans : The rate of interest subsidy 7%. The interest subsidy amount will be credited directly in your account on quarterly basis. In case of early payment, the admissible amount of subsidy will be credited in one go. For a loan of Rs. 10,000, if you pay all the 12 EMIs in time, you will get approximately Rs. 400 as interest subsidy amount.

Q 10 . Do I need to give any collateral to avail this loan?

Ans : No collateral security is required.

Q 11 . What is the amount of incentive for digital transactions?

Ans : The on-boarded vendors would be provided with a monthly cashback in the range of Rs. 50 -Rs. 100 as per the following criteria:

- (i) On executing 50 eligible transactions: Rs. 50;
 - (ii) On executing the next 50 eligible transactions: Additional Rs. 25; and
 - (iii) On executing the next 100 eligible transactions: Additional Rs. 25.
- Each transaction > Rs. 25 will be counted.

Q 12 . I am not familiar with digital transactions. Will there be any capacity building for doing that?

Ans : An agent from MFI/ payment aggregator will approach you to onboard and help in conducting sample transactions. You will also be provided with a debit card and a QR code.

Q 13 . Is there any incentive for timely/ early repayment of loan?

Ans : Yes, on timely/ early repayment of loan of initial working capital, a vendor becomes eligible to avail a higher tranche of loan in next cycle.

Q 14 . Is there any penalty for repayment of loan before the scheduled date?

Ans : There is no penalty for pre-closure of the loan.

Q 15 . How can I enhance my chances of availing this loan?

Ans : You may become a part of Common Interest Group (CIG) formed by ULB or Joint Liability Group (JLG) formed by a lending institution.

Q 16 . Who all can I approach to avail the facility?

Ans : You may meet a member of SHG or ALF or CLF or call toll free number.

Q 17 . Will I get Identity Card for use?

Ans : Yes, you will be issued Provisional Identity Card on approval of loan and permanent CoV/ID will be issued within 30 days.

Q 18 . How long it will take to get the loan approved?

Ans : Complete process will be automated through a Mobile App and Web Portal. You will be able to check real time status of your application.
Whole process, if paper/ information is complete, may take less than 30 days.

Q 19 . What is the amount of initial working capital loan?

Ans : The Initial working capital loan is upto Rs. 10,000/- for a tenure of one year.

Q 20 . I have an Identity Card /Certificate of Vending. How can I apply for the loan?

Ans : You can approach a Banking Correspondent (BC)/ Agent of Micro Finance Institution (MFI) in your area (ULBs will have the list of these persons). They will help you in filling up the application and upload the documents in a Mobile App/ Portal.

Q 21 . How will I know that I am in the surveyed list?

Ans : You can access this information on the website of Ministry of Housing and Urban Affairs.

Q 22 . My name is in the list of surveyed vendors, but I do not have either Identity Card or Certificate of Vending? Can I avail the loan facility? If yes, what is the process?

Ans : Yes, you can still avail the Scheme benefits. A Provisional Certificate of Vending would be issued to vendors through an IT based Platform.
The BC/ Agent will help you in filling up the application and upload the documents in a mobile App/ Portal.

Q 23 . I stay in the surrounding rural area and vend in the city. Am I eligible for the Scheme? If yes, what is the process? Or I am a vendor from the city but not included in the survey. How can I avail benefits of the Scheme?

Ans : The Scheme is available to vendors of surrounding development/ peri-urban/ rural areas vending in the geographical limits of the cities/ towns and those left out of the survey. If you belong to this category you have to produce one of the following documents to obtain the Letter of Recommendation from ULB/TVC:

(i) Documents of past loan taken from a bank/ NBFC/ MFI for the purpose of vending;

or

(ii) If you are a member of street vendors' association like NASVI, NHF, SEWA etc., your membership details;

or

(iii) Any other documents to prove that you are a vendor; You can also request ULB through a simple application on white paper to conduct local enquiry to ascertain the genuineness of your claim. After receipt of LoR, you may approach BC/ Agent to apply for the loan.

Q 24 . What are the KYC documents required in addition to CoV/ ID / LoR?

Ans : You may carry anyone of the following documents for KYC purpose:

(i) Aadhaar Card,

(ii) Voter's Identity Card,

(iii) Driving Licence,

(iv) MNREGA Card,

(v) PAN Card.