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PM SVANidhi Scheme

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Why is in news? 50 lakh Street Vendors covered under PM SVANidhi Scheme

The Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) scheme, an initiative under the aegis of the Ministry of Housing and Urban Affairs (MoHUA), has **achieved a momentous milestone by extending its support to more than 50 lakh street vendors** across the nation.

Street vendors have long played an integral role in the urban informal economy, providing essential goods and services to urban residents.

The PM SVANidhi scheme has been instrumental in bringing them into the formal economic fold, presenting fresh avenues for upward mobility.

This collective endeavour resulted in **disbursement of a remarkable 65.75 lakh loans**, benefiting over 50 lakh street vendors, with a total value exceeding ₹ 8600 crore.

It is noteworthy that public sector banks have played a pivotal role in achieving this significant milestone through their support of the first-ever micro-credit scheme designed for urban poor socio- economic section.

PM SVANidhi is a **pioneering initiative** by the Government of India **aimed at integrating street vendors into the formal economic system** and facilitating access to formal channels of credit.

The Ministry has allocated targets to all states and union territories for the identification of beneficiaries and loan disbursement. States, in turn, have assigned targets to their respective cities, with the aim of achieving them by December 31, 2023.

Currently, **Madhya Pradesh, Assam, and Gujarat are among the top-performing states**, while Ahmedabad, Lucknow, Kanpur, Indore, and Mumbai are the leading cities in the program's implementation.

However, all states are actively participating in the scheme to provide tangible benefits to street vendors.

Beyond facilitating micro-credits, the PM SVANidhi scheme **empowers street vendors through digital payments**.

Promoting digital transactions, participating Lending Institutions/Banks, and Digital Payment Aggregators (DPAs) have offered digital onboarding and training. These collaborations have resulted in over 113.2 Crore digital transactions worth ₹1,33,003 Crores, with ₹58.2 Crore in cashback disbursed to beneficiaries.

About the Scheme:

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**.

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The duration of the scheme initially was until March 2022. It has been **extended till December 2024**, with focus on enhanced collateral free affordable loan corpus, increased adoption of digital transactions and holistic socio-economic development of the Street Vendors and their families.

The implementation agency is **Small Industries Development Bank of India (SIDBI)**.

Targeted beneficiaries:

This scheme targets to benefit over 50 lakh Street Vendors.

A vendor, according to the scheme guidelines is 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.

Scheme Benefits:

Vendors can avail a working capital loan of up to Rs. 10,000, which is repayable in monthly instalments in the tenure of one year.

On timely/ early repayment of the loan, an interest subsidy @ 7% per annum will be credited to the bank accounts of beneficiaries through Direct Benefit Transfer on quarterly basis.

There will be no penalty on early repayment of loan.

The scheme promotes digital transactions through cash back incentives up to an amount of Rs. 100 per month.

The vendors can avail the facility of escalation of the credit limit on timely/ early repayment of loan.