



Ministry of Housing and Urban Affairs
Government of India



Scheme guidelines for **PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)**



**A SPECIAL MICRO-CREDIT FACILITY FOR STREET VENDORS
MAKING STREET VENDORS SELF-RELIANT**

AtmaNirbhar Bharat

“ कोराना वैश्विक महामारी की अभूतपूर्व स्थिति में देश ने, हमारे गरीब भाई—बहनों ने, विशेषकर रेहड़ी—ढेला—पटरी पर सामान बेचने वाले श्रमिक साथियों ने तमाम मुश्किलों के बावजूद अद्भुत संयम और संघर्ष—शक्ति दिखाई है। उनके आर्थिक हितों के लिए, उन्हें ताक़तवर बनाने के लिए हम सतत और समग्र प्रयास कर रहे हैं। ”

नरेन्द्र मोदी, प्रधानमंत्री



1. Background

Street vendors represent a very important constituent of the urban informal economy and play a significant role in ensuring availability of the goods and services at affordable rates at the door-step of the city dwellers. They are known as vendors, hawkers, thelewala, rehriwala, theliphadwala etc. in different areas/ contexts. The goods supplied by them include vegetables, fruits, ready-to-eat street food, tea, pakodas, breads, eggs, textile, apparel, footwear, artisan products, books/ stationary etc. The services include barber shops, cobblers, pan shops, laundry services etc. The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihoods of street vendors. They usually work with a small capital base and might have consumed the same during the lockdown. Therefore, there is an urgent need to provide credit for working capital to street vendors to resume their business.

2. Objectives

The scheme is a Central Sector Scheme i.e. fully funded by Ministry of Housing and Urban Affairs with the following objectives:

- (i) To facilitate working capital loan up to ₹10,000;
- (ii) To incentivize regular repayment; and
- (iii) To reward digital transactions

The scheme will help formalize the street vendors with above objectives and will open up new opportunities to this sector to move up the economic ladder.

3. Eligibility of States/UTs

The Scheme is available for beneficiaries belonging to only those States/UTs which have notified Rules and Scheme 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.

4. Eligibility Criteria of Beneficiaries

The Scheme is available to all street vendors engaged in vending in urban areas as on or before March 24, 2020. The eligible vendors will be identified as per following criteria:

- (i) Street vendors in possession of Certificate of Vending / Identity Card issued by Urban Local Bodies (ULBs);
- (ii) The vendors, who have been identified in the survey but have not been issued Certificate of Vending / Identity Card;

Provisional Certificate of Vending would be generated for such vendors through an IT based Platform. ULBs are encouraged to issue



such vendors the permanent Certificate of Vending and Identification Card immediately and positively within a period of one month.

- (iii) Street Vendors, left out of the ULB-led identification survey or who have started vending after completion of the survey and have been issued Letter of Recommendation (LoR) to that effect by the ULB / Town Vending Committee (TVC); and
- (iv) The vendors of surrounding development/ peri-urban / rural areas vending in the geographical limits of the ULBs and have been issued Letter of Recommendation (LoR) to that effect by the ULB / TVC.

5. Identification of Beneficiaries left out of the Survey or belonging to the surrounding Rural Areas

While identifying the vendors belonging to category 4 (iii) and (iv), the ULB/ TVC may consider any of the following documents to issue letters of recommendation:

- (i) The list of vendors, prepared by certain States/ UTs, for providing one-time assistance during the period of lockdown;
OR
- (ii) A system generated request sent to ULBs/ TVCs for issue of LoR based on the recommendation of the Lender after verifying the credentials of the applicant;
OR
- (iii) The membership details with the vendors associations including National Association of Street Vendors of India (NASVI)/ National Hawkers Federation (NHF)/ Self-Employed Women's Association (SEWA) etc.;
OR
- (iv) The documents in possession of the vendor buttressing his claim of vending;
OR
- (v) Report of local enquiry conducted by ULB/ TVC involving Self-Help Groups (SHGs), Community Based Organizations (CBOs) etc.

ULB shall complete the verification and issuance of LoR within 15 days of the submission of application.

Further, ULBs may adopt any other alternate way for identifying such vendors with a view to ensure that all the eligible vendors are positively covered.

6. Vendors who have gone back to their native places due to COVID-19

Some of the identified / surveyed or other vendors who have been vending / hawking in urban areas, have left for their native places prior to or during the lockdown period because of COVID-19 pandemic. Such vendors are likely to come back after the situation normalizes and resume their business. These vendors, whether from rural / peri-urban areas or city dwellers will be eligible for the loan on their return as per eligibility criteria for identification of beneficiaries mentioned above in para 4 & 5.

7. Data in Public Domain

The State / UT / ULB-wise list of identified street vendors will be made available on the website of the Ministry/ State Government/ ULBs and Web Portal developed for the purpose.

8. Brief Details of the Product

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. For this loan, 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.

8.1 Rate of Interest

In case of Scheduled Commercial Banks,

Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks & SHG Banks, the rates will be as per their prevailing rates of interest.

In case of NBFC, NBFC-MFIs etc., interest rates will be as per RBI guidelines for respective lender category.

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.

8.2 Interest Subsidy

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. Lenders 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, 2022. The subsidy will be available on first and subsequent enhanced loans up to that date.

In case of early payment, the admissible amount of subsidy will be credited in one go.

8.3 Promotion of Digital Transactions by Vendors

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 network of lending institutions and digital payment aggregators like NPCI (for BHIM), PayTM, GooglePay,

BharatPay, AmazonPay, PhonePe etc. will be used to on-board the street vendors for digital transactions. The onboarded vendors would be incentivised with a monthly cashback in the range of ₹50 - ₹100 as per the following criteria:

- (i) On executing 50 eligible transactions in a month: ₹50;
- (ii) On executing the next 50 additional eligible transactions in a month: ₹25 (i.e. on reaching 100 eligible transactions, the vendor to receive ₹75); and
- (iii) On executing the next additional 100 or more eligible transactions: ₹25 (i.e. on reaching 200 eligible transactions, the vendor to receive ₹100).

Here eligible transactions mean a digital payout or receipt with minimum value of ₹25. An illustration of the EMI on a loan of ₹10,000 @ 24% rate of interest, the interest subsidy @7% and the maximum cashback amount received as incentive is given at Annexure – B.

9. Who can lend

Scheduled Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks, Non-Banking Finance Companies (NBFCs), Micro Finance Institutions (MFIs) & SHG Banks established in some States/UTs e.g. Stree Nidhi 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.

States of Andhra Pradesh and Telangana do not have presence of MFIs. However, they have a robust network of SHGs and their Federations which may be utilised to complement the efforts of SCBs/ RRBs/ SFBs/ NBFCs and Cooperative Banks in mobilizing and generating loan applications for Street Vendors. For this, these States may devise a suitable incentive mechanism for the SHGs.

10. Credit Guarantee

The Scheme has a provision of Graded Guarantee Cover 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:

- a) First Loss Default (Up to 5%): 100%
- b) Second Loss (beyond 5% up to 15%): 75% of default portfolio
- c) Maximum guarantee coverage will be 15% of the year portfolio.

All loans given by each lending institution under the scheme will be considered for coverage under the guarantee. 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.

Further, a representative of MoHUA shall be a special invitee at the meetings of the Board of trustees of CGTMSE whenever the Scheme is taken up for consideration.

11. Town Vending Committee

The Town Vending Committee (TVC) plays a very important role in identification of beneficiaries. As provided in the Street Vendors Act, 2014, TVC consists of maximum 18 members with following composition:

- (i) Municipal Commissioner or Chief Executive Officer of ULB as Chairperson;
- (ii) 50% of members (including chairperson) representing various local authority departments, police, and street vendors' and traders' associations etc;
- (iii) 40% of members representing street vendors; and
- (iv) 10% of members nominated from NGOs/ CBOs.



12. Formation of Collectives of the Vendors

As per prevailing practice, the individual lending institution may form Joint Liability Groups (JLGs) of eligible vendors. The Common Interest Groups (CIGs) of street vendors, already formed by States, can be converted into JLGs by lending institutions. The ULBs should extensively encourage formation of CIGs of the street vendors to ensure maximum coverage of the scheme.

List of CIGs of street vendors formed by ULBs will be shared with the lending institutions. Similarly, the lending institutions will share the list of JLGs of eligible street vendors formed with respective ULBs.

Formation of such collectives is preferred and encouraged. However, it does not preclude individual vendors from availing the loan.

13. E-commerce & Quality Improvement

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 etc.



14. Capacity Building & Financial Literacy

A comprehensive capacity building plan will be developed to build the capabilities of different stakeholders like BCs/ Agents of lending institutions like banks/ NBFCs/ MFIs, SHGs/ federations, implementing bodies like ULBs/ TVCs and digital payment aggregators to ensure effective delivery of Scheme. Capacities of digital payment aggregators like NPCI and payment aggregators will be leveraged to impart financial literacy to the street vendors for encouraging on-boarding on digital platforms.

15. Branding and Communication

Branding is an important aspect of communicating the scheme accurately to different stakeholders, especially to the target beneficiaries. A standard Branding and Communications Guidelines of the Scheme shall be issued separately.

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. Necessary Information, Education and Communication (IEC) and capacity building modules will be provided by MoHUA.

16. Integrated IT application for Scheme Administration

An Integrated IT Platform along with Mobile App will be developed by the Ministry for administration of the scheme. This Portal will provide one stop solution for administration of the scheme. The IT Platform will integrate with the vendors data bases across the States/ UTs, BCs/ constituents/ agents of lending institutions, digital payment aggregators and PAiSA portal of MoHUA and Udyami Mitra portal managed by Small Industries Development Bank of India (SIDBI).

17. Implementation Mechanism

A kick-start meeting to explain the scheme objectives and implementation mechanisms will be organised by the ULB involving the TVC members, BCs/ constituents/ agents of lending institutions, vendors associations, SHG Federations etc. During the meeting, the information relating to street vendors and field level functionaries of lending institutions will be shared.

Applicants (street vendors), in possession of Certificate of Vending / ID Card issued by ULB and those covered in the ULB led identification survey may approach or be approached by the representatives of the Banks, NBFCs and MFIs. The lender representatives, including BCs and Agents will key in the relevant details in the search engine of the IT platform/ mobile App. For the successful cases, beneficiary verification will happen through an OTP sent to the beneficiary's mobile.

A provision will be made available in the IT application to generate a provisional CoV/ ID for the Street Vendors covered in the identification survey and not issued CoV / ID. After verification, BC / Agent will fill-in the application form and upload the necessary documents. The filled-up application information will then move electronically to

ULB / TVC. The ULB / TVC will have to verify the details within a fortnight; after which the application will move to the concerned lending institution for sanction.

The Street Vendors not covered in the identification survey may approach the BC / Agent with the documents mentioned in para 5 above. The Agent will ensure that the identification documents are uploaded first for these types of beneficiaries and later a similar process as mentioned above will follow. ULB will verify the details and attach a letter of recommendation before forwarding it to the lender. A copy of the letter of recommendation will be given to the applicant also.

Preparatory activities, as indicated in the Annexure-A will be carried out during June 2020 and loans will commence from July, 2020.

18. Implementation Partner (s)

Small Industries Development Bank of India (SIDBI) will be the implementation partner of 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 for scheme implementation.

19. Committees for Steering & Monitoring of the Scheme

The Scheme will have the following management structure at the Central, State/ UT and ULB level for effective implementation and monitoring of the scheme:

a) At Central level - a Steering Committee under the chairmanship of Secretary, HUA (composition of the committee is at Annexure-C).

b) At State/ UT level - a Monitoring Committee under the chairmanship of Principal Secretary/ Secretary of Urban Development/ Municipal Administration (composition of the committee is at Annexure-D), which shall meet at least every three months.

c) At ULB level, there will be a Committee headed by the Municipal Commissioner/ Executive Officer (EO) and supported by the Town Vending Committee to sponsor loan applications and monitor implementation of the scheme (composition of the committee is at Annexure-E). This committee will meet every month.

ANNEXURES

ANNEXURE A

Preparatory Activities during June, 2020

Sl. No.	Activity
1.	Dissemination of information on the Scheme and related activities to states/ UTs and other stakeholders
2.	Issue of operational guidelines
3.	Mapping of BCs/ Constituents/ Agents of respective lending institutions
4.	Organising kick start meetings by the ULBs involving the TVC members with BCs/ constituents/ agents of lending institutions, vendors associations, SHG Federations etc.
5.	Capacitybuilding for all stakeholders e.g. ULB/ TVC functionaries, BCs/ Constituents/ Agents of Lending Institutions, digital payment aggregators, SHGs and their federations and DAY-NULM functionaries etc.
6.	Formation of Common Interest Groups (CIGs) of street vendors by the ULB
7.	Notification of Rules/ Scheme by the States/ UTs, which are yet to do so, as per the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014
8.	For identification of vendors, who have been left out of survey or who vend in the city from the surrounding/ developmental/ rural areas, following methods may be used: (a) Quick survey by ULBs through SHGs/ Federations under DAY-NULM, and/ or (b) Inviting applications by ULBs
9.	Issue of Letters of Recommendation for the vendors mentioned in row 8
10.	Issue of Certificate of Vending (CoV) / Identity Cards (IDs) to all street vendors covered in the surveyed list
11.	Commencement of formation of Joint Liability Groups (JLGs) by BCs/ Agents of lending institutions
12.	Collection and processing of loan applications

ANNEXURE B

An illustration on the cash-back and interest subsidy under the Scheme for a loan amounting to ₹10,000

Month	Principal	Interest @ 24%	EMI	Interest Subsidy (7%)	Cash back Incentive	Total Benefit
	(A)	(B)	(C)	(D)	(E)	(D+E)
1	₹746	₹200	₹946	₹58	₹100	₹158
2	₹761	₹185	₹946	₹54	₹100	₹154
3	₹776	₹170	₹946	₹50	₹100	₹150
4	₹791	₹154	₹945	₹46	₹100	₹146
5	₹807	₹139	₹946	₹42	₹100	₹142
6	₹823	₹122	₹945	₹36	₹100	₹136
7	₹840	₹106	₹946	₹32	₹100	₹132
8	₹856	₹89	₹945	₹27	₹100	₹127
9	₹874	₹72	₹946	₹22	₹100	₹122
10	₹891	₹55	₹946	₹17	₹100	₹117
11	₹909	₹37	₹946	₹12	₹100	₹112
12	₹927	₹19	₹946	₹6	₹100	₹106
Total	₹10,001	₹1,348	₹11,349	₹402	₹1,200	₹1,602
% w.r.t interest		100%		30% of Interest	88% of Interest	118%

“Thus, the Maximum Cashback amount and the Interest subsidy amount would sum up to ₹1,600 (₹1,200 as cashback and ₹400 as interest subsidy), which is 118% of the total interest of ₹1,348 on a loan of ₹10,000 with an interest rate of 24%”.

ANNEXURE C

For effective coordination and implementation, a Steering Committee will be constituted as indicated:

Sl. No.	Designation	Role
1	Secretary, HUA	Chairperson
2	Secretary, MSME or his nominee	Member
3	Secretary, DFS, 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 (DAY-NULM)	Member Convenor

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

ANNEXURE D

For effective monitoring of the Scheme, the State/UT will have the following committee:

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 NBFC/ MFI (nominated by Chairperson)	Special Invitee
8.	Project Director - SUDA/ Mission Director - MEPMA	Member Convenor

ANNEXURE – E

Composition of City/ ULB level Committee to sponsor loan applications and monitor implementation of the scheme is as under:

Sl.No.	Designation	Role
1.	Municipal Commissioner (MC)/Executive Officer (EO)	Chairperson
2.	Lead District Manager (LDM)	Member
3.	Up to 03 non-official representatives of TVC/ provisional TVC, as nominated by the Municipal Commission/ EO [Where even provisional TVC is not available, upto 3 members from street vendors association (s) in the town to be nominated by the MC/EO]	Member (s)
4.	Representative of NBFC/ MFI [One each to be nominated by MC/ EO]	Member (s)
5.	Representative from CLF/ ALF	Member
6.	Project Officer DUDA/ MEPMA or equivalent officer from ULB	Convenor

NOTES

Handwriting practice lines consisting of 20 horizontal dashed orange lines.



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