

# Scheme of Special Micro-Credit Facility launched for Street Vendors - Striving towards Atmanirbhar Bharat

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A Memorandum of Understanding has been signed between Ministry of Housing & Urban Affairs and Small Industries Development Bank of India (SIDBI), here today, in order to engage SIDBI as the Implementation Agency for PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) - a Special Micro-Credit Facility for Street Vendors. The MoU was signed by Shri Sanjay Kumar, Joint Secretary on behalf of Ministry of Housing and Urban Affairs (MoHUA) and Shri V. Satya Venkata Rao, Deputy Managing Director, SIDBI, in the presence of Shri Hardeep S. Puri, Hon'ble Minister of State (Independent Charge) MoHUA.

As per the MoU terms, SIDBI will implement the PM SVANidhi Scheme under the guidance of MoHUA. It will also manage the credit guarantee to the lending institutions through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). It will develop and maintain a customized and integrated IT Platform providing end-to-end solutions, including documentation of all the processes and workflows for an end-to-end solution, through a Portal and a Mobile App, to ensure engagement and information flow between Urban Local Bodies (ULBs), Lending Institutions, Digital Payment Aggregators and other stakeholders.

It will leverage the network of lending Institutions like Scheduled Commercial Banks (SCBs), Non-Bank Finance Companies (NBFCs), Micro Finance Institutions (MFIs), Co-operative Banks, Small Finance Banks (SFBs), Regional Rural Banks (RRBs), etc. for the Scheme implementation.

With a view to ensure effective implementation, SIDBI shall also provide a Project Management Unit (PMU), comprising of domain experts in training/ capacity building, project and platform management, Information Education and Communication (IEC), banking, NBFC and MFI sectors etc., for the period of PM SVANidhi i.e. upto March 2022.

It is pertinent to mention that 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. This scheme targets to benefit over 50 lakh Street Vendors. Under the Scheme, the 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. Moreover, the vendors can achieve their ambition of going up on the economic ladder by availing the facility of escalation of the credit limit on timely/ early repayment of loan.

Ministry has already circulated the Guidelines of the Scheme to all stakeholders e.g. States and other stakeholders, including Banks, MFIs, NBFCs, SIDBI and Street Vendors' Associations to sensitize them about their role and responsibilities. The integrated IT platform for PM SVANidhi is likely to be launched by the first week of June, 2020. In the first phase, 108 cities have been selected, in consultation with States/Uts, for saturation by September 2020. Disbursement of loan is planned to commence in July, 2020.

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