

FINANCIAL INCLUSION FOR STREET VENDORS UNDER PM SVANIDHI

In a nutshell: Providing working capital loans to urban street vendors affected by COVID-19 pandemic, and other benefits to their family members.

Nodal agency: Ministry of Housing and Urban Affairs

Street vendors have been among the most affected population due to the COVID-19-induced lockdowns. Launched in June 2020, the PM SVANidhi scheme aims at financially empowering street vendors impacted by the pandemic and at providing a safety net to their families against insecurities of livelihoods. The PM SVANidhi not only aims at facilitating availability of working capital loans but also at subsidising repayment, promoting digital inclusion among street vendors, and bringing about allied benefits to the street vendors' family members.

Urban street vendors are eligible to avail a one-year tenured working capital loan of up to ₹10,000. On timely or early repayment, vendors will be eligible for loans up to ₹20,000 and ₹50,000 during the second and third tranches.

The following components of the scheme make it a good model on financial inclusion:

1. The scheme incentivizes digital transactions through a cashback program. The transaction trail so created will build the credit score of vendors, thereby furthering their financial inclusion.
2. SVANidhi se Samridhi programme was launched as a component of PM SVANidhi scheme. Socio-economic profiling of beneficiaries and their families is conducted to link them to select 8 Government of India schemes. Currently, the initiative has been launched across 127 urban local bodies (ULBs) across the country.
3. An integrated technology platform enabling paperless implementation of the scheme has been developed. The platform supports real time analytics, information access, knowledge sharing and coordination between the various stakeholders.
4. Swadisht Vyanjan Ki Adhunik Dukaan (SVAD) is an agreement between MoHUA and online food delivery platforms such as Zomato and Swiggy to increase the delivery footprint of street vendors. The e-commerce companies help street food vendors with menus digitisation, FSSAI training, licensing, PAN card application and so on.
5. Main Bhi Digital campaign, through which vendors are on-boarded and trained to become digitally active.

6. To ensure that maximum number of unregistered street vendors are legally recognized and supported through the scheme, ULBs were instructed to issue a letter of recommendation to the street vendors for them to obtain the certificate of vending.
7. To on-board banks and lending institutions into the scheme and encourage them to lend to street vendors in large numbers, they're provided an attractive credit guarantee.

Impact

PM SVANidhi is a first of its kind micro-lending scheme at such a large scale, targeting the welfare of street vendors. In the 19 months since its launch, 26.4 lakh street vendors across India have availed benefits, with the disbursed loans amounting to about ₹2660 crores in the first tranche. Apart from this more than 24 lakh street vendors have been on-boarded digitally.

Currently about 180 lending institutions are taking part in implementation of the scheme.

| Type of bank/ lending institution | Number of such banks/ lending institutions |
|--------------------------------------|---|
| Public sector bank | 12 |
| Regional rural bank | 43 |
| District co-operative bank | 39 |
| State co-operative bank | 27 |
| Private sector bank | 21 |
| Micro finance institutions | 16 |
| Urban co-operative bank | 14 |
| Small finance bank | 7 |
| NBFC | 1 |

Under the SVANidhi Se Samridhhi component, 7.45 lakh PM SVANidhi beneficiaries were profiled, with 13.5 lakh number of scheme sanctions facilitated.

| Schemes | Sanctioned |
|--|------------------|
| PM Suraksha Bima Yojana (PMSBY) | 5,69,014 |
| PM Jeevan Jyoti Bima Yojana (PMJJBY) | 3,74,883 |
| PM Shram Yogi Maandhan Yojana (PMSYMY) | 1,41,997 |
| One Nation One Ration Card (ONORC) | 1,87,078 |
| PM Jan Dhan Yojana (PMJDY) | 68,994 |
| Registration under BoCW | 9,382 |
| Janani Suraksha Yojana (JSY) | 2,237 |
| PM Matru Vandana Yojana (PMMVY) | 187 |
| Total | 13,53,772 |

Finally, under the SVAD component, around 8500 street vendors were on-boarded, with sales reaching ₹4.9 crores



The screenshot shows the top section of The Economic Times website. The header includes the logo 'THE ECONOMIC TIMES | Industry' and 'English Edition | E-Paper'. Below the header is a navigation menu with categories like Home, ETPrime, Markets, News, Industry, etc. The main headline of the article is 'Public sector banks sanction 95% of total loans under PM SVANidhi scheme'. Below the headline, there is a synopsis box with the text: 'Under the scheme, collateral-free working capital loans of up to Rs 10,000 of one-year tenure is being provided. The scheme aims at financing approximately 50 lakh street vendors, to resume their businesses.' The page also features a yellow banner at the bottom with the text 'Benefits of PM SVANidhi Scheme'.

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Synopsis
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Benefits of PM SVANidhi Scheme