

Ref. No. CGTMSE /34/ PMSVANidhi

June 06, 2022

All Lending Institutions

**Circular No.202 / 2022 – 23**

Madam / Dear Sir,

**Credit Guarantee Scheme for PM SVANidhi – Revision in the Scheme Guidelines  
and Extension of the Lending period**

Please refer to our Circular No. 172/2020-21 dated July 22, 2020 regarding launch of Credit Guarantee Scheme for PM SVANidhi (CGS-PMS) providing guarantee coverage to eligible Lending Institutions (LIs) for facilitating credit support to eligible Street Vendors as per PM SVANidhi Scheme.

In this connection, the revised guidelines have been issued by the Ministry of Housing and Urban Affairs (MoHUA), Government of India vide its office memorandum no. F.No.K-12017(30)/2/2020-UPA-II-UD (EFS-9088388) dated June 01, 2022, the revised guidelines are given in **Annexure**. The revised guidelines are effective for the loans disbursed on or after June 01, 2022 whereas the loans disbursed prior to June 01, 2022 shall be covered under the pre-revised guidelines.

The contents of this Circular may kindly be brought to the notice of all your offices.

In case of any clarifications relating to the scheme guidelines, please feel free to write to us at **querysvs@cgtmse.in**

Yours faithfully,

Sd/-

(Jigar Shah)  
Chief Operating Officer



F. No.K-12017(30)/2/2020-UPA-II-UD (EFS-9088388)

Government of India  
Ministry of Housing and Urban Affairs  
PM SVANidhi –B Section

Nirman Bhawan, New Delhi

Dated: 1<sup>st</sup> June, 2022

To

The Chief Secretary/Administrator  
of all States/UTs

Subject: PM SVANidhi 2.0 - Revised guidelines for implementation of the Scheme regarding.

Sir/Madam,

As you may be aware that Ministry of Housing and Urban Affairs is implementing PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme since June 01, 2020 to facilitate micro-credit to street vendors. The scheme implementation period was initially till March, 2022.

2. I am directed to inform you that Cabinet Committee on Economic Affairs in its meeting held on 27.04.2022 approved the proposal for continuation of PM SVANidhi scheme 2.0 beyond March, 2022. The details of proposal are as under :

- i. Extension of the lending period from March 2022 to December 2024;
- ii. Provision of 3<sup>rd</sup> loan of upto ₹50,000 with a term of 36 months; in addition to 1<sup>st</sup> & 2<sup>nd</sup> loans of ₹10,000 and ₹20,000 respectively.
- iii. Modification in Credit Guarantee cover for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> loans: The Effective Credit guarantee on 1<sup>st</sup> loans is enhanced from 12.5% to 31.875%; On 2<sup>nd</sup> loans, is reduced from 12.5% to 8.25% and on 3<sup>rd</sup> loans, is reduced from 12.5% to 6%;
- iv. Payment of Interest Subsidy and Credit Guarantee claims on all loans till March 2028;
- v. To extend 'SVANidhi Se Samridhi' component for all beneficiaries of PM SVANidhi scheme across the country;

3. Accordingly, revised guidelines for implementation of the scheme is enclosed herewith. The Loan Application Form has also been modified. **The revised guidelines are effective from 01.06.2022.**

4. This issues with the approval of the Competent Authority.

Yours faithfully,



(Naresh Kumar)

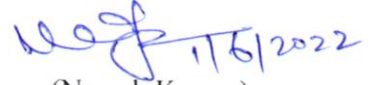
Under Secretary to the Govt. of India

Tel: 011-23061530

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Copy to:

- (i) The Secretary, Department of Financial Services, New Delhi.
- (ii) The Additional Chief Secretary/Principal Secretary/Secretary, Department of Urban Development/Municipal Administration/LSG of all the States/UTs.
- (iii) The Mission Director (NULM)/Nodal Officer (PM SVANidhi) of all States/UTs.
- (iv) The MD/CEOs of all participating Lending Institutions in PM SVANidhi.
- (v) The Chairman and Managing Director, Small Industries Development Bank of India (SIDBI), Mumbai – 400051
- (vi) Shri Subodh Kumar, General Manager, SIDBI, New Delhi
- (vii) The Chairman and Managing Director, Indian Bank, Chennai
- (viii) The CEO, CGTMSE, Mumbai.



(Naresh Kumar)

Under Secretary to the Govt. of India

Tel: 011-23061530

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## Revised Guidelines

### Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme 2.0

In continuation of the earlier guidelines issued on 01.06.2020, 30.06.2020, 22.07.2020, 06.8.2020 and 18.08.2021, the following additional guidelines are being issued:

#### 1. **Scheme Period**

Lending under the PM SVANidhi Scheme is extended till December, 2024. Credit Guarantee and Interest Subsidy claims on all loans will be paid till March, 2028.

#### 2. **Nature of Loan Assistance**

3<sup>rd</sup> loan of up to ₹50,000 with repayment period of upto 36 months has been allowed on repayment of the 2<sup>nd</sup> loan of upto ₹20,000.

3. **Minimum Repayment Period for 2<sup>nd</sup> Loan:** It has been decided to keep a minimum repayment period of 6 months for 2<sup>nd</sup> loans, to be eligible for the next cycle of loan with an enhanced limit. If the Street Vendor repays the loan earlier, (S)he would have to wait till the minimum repayment period fixed for the loan, before (S)he is eligible for next higher loan.

#### 4. **Interest Subsidy**

- a. The street vendors availing loans under the Scheme are eligible to get an Interest Subsidy @7% for all the loans i.e 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> loans. Interest Subsidy claims will be paid only for Standard accounts (non-NPA as per extant RBI guidelines) on the respective claim dates and only for the period during which the account has remained Standard.
- b. Interest Subsidy claims to be paid on half-yearly basis. Accordingly, Lending Institutions are requested to submit half-yearly claims for Interest Subsidy as on June 30 and December 31 of each Year. However, interest subsidy claim for the period ending June 30, 2022 would be filed for quarter.

#### 5. **Credit Guarantee**

- a. Presently, Scheme provides for guarantee coverage for 1<sup>st</sup> and 2<sup>nd</sup> loans as following:
- i. First Loss (Up to 5%): 100% of default portfolio
  - ii. Second Loss (beyond 5% & up to 15%): 75% of default portfolio
  - iii. Maximum guarantee coverage is 15% of the year portfolio and effective guarantee coverage is 12.5% of the year portfolio

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b. **New Credit Guarantee Coverage:** For all Fresh 1<sup>st</sup> and 2<sup>nd</sup> loans (i.e., 1<sup>st</sup> and 2<sup>nd</sup> loans disbursed on or after June 1, 2022) and all 3<sup>rd</sup> loans, a revised guarantee coverage as indicated below will be applicable:

	Fresh 1 <sup>st</sup> Loan		Fresh 2 <sup>nd</sup> Loan		3 <sup>rd</sup> Loan	
	Portfolio	Coverage	Portfolio	Coverage	Portfolio	Coverage
<b>First Loss</b>	0 to 7.5%	100%	0 to 3%	100%	0 to 8%	75%
<b>Second Loss</b>	Above 7.5% to 20%	75%	Above 3% to 10%	75%		
<b>Third Loss</b>	Above 20% to 50%	50%				
<b>Maximum Guarantee Cover</b>	50%		10%		8%	
<b>Effective Guarantee Cover</b>	31.875%		8.25%		6%	

For the loans disbursed till May 31, 2022 the present credit guarantee cover would be applicable.

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