

**MISSION FOR ELIMINATION OF POVERTY IN MUNICIPAL AREAS
MA&UD DEPARTMENT, GOVERNMENT OF TELANGANA**

O/o. the Mission
Director
MEPMA, Telangana
State

CIRCULAR

Cir.No.195846/MEPMA-SUSV/ACS/1/2020

Dated: 10/06/2022

Sub:- PATTANA PRAGATHI – Telangana - DAY-NULM – SUSV – PM SVANidhi
2.0 – Revised guidelines – Certain Instructions - Regarding.

Ref:- 1. Revised guidelines of PMSVANidhi 2.0

2. Instructions of the Hon'ble Minister, MA&UD, GoTS on development of
Street Vendors as a part of Pattana Pragathi Program launched on
24.02.2020.

3. FNo.K-12017(30)/2/2020-UPA-II-UD, Dt:01.06.22, of U/Secy, MoHUA,
Gol

With ref to the sub & refs cited, the Cabinet Committee on Economics Affairs,
Gol in the meeting held on 27.04.2022 has approved continuation of PM SVANidhi
scheme 2.0 beyond March, 2022. The details are as follows:

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

2. Accordingly, the revised guidelines for implementation of PM SVANidhi 2.0
scheme is enclosed herewith.

3. Hence, the Commissioner, GHMC and Municipal Commissioners of all ULBs
are hereby requested to coordinate with Branch Managers for release of 3rd tranche
loans of Rs. 50,000/- to Street Vendors who have repaid the 2nd dose loan and take
necessary action.

Encls: Revised Guidelines PM SVANidhi 2.0

**Dr N Satyanarayana I A S
MISSION DIRECTOR**

To
The Commissioner, GHMC

The MCs of all ULBs of Telangana

The PDs, PD/DMCs, MEPMA of all Districts of Telangana

Copy to the AC, LBs of all Districts for information and n/action.

Copy to the Collectors and District Magistrates of all Districts for information and n/action.

Copy to the Convenor, SLBC for information and with a request to issue necessary instructions to all the Banks and LDMs

Copy submitted to the Special Chief Secretary to Govt, MA&UD Dept, GoTS for favor of information

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

Nirman Bhawan, New Delhi

Dated: 1st 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 3rd loan of upto ₹50,000 with a term of 36 months; in addition to 1st & 2nd loans of ₹10,000 and ₹20,000 respectively.
- iii. Modification in Credit Guarantee cover for 1st, 2nd and 3rd loans: The Effective Credit guarantee on 1st loans is enhanced from 12.5% to 31.875%; On 2nd loans, is reduced from 12.5% to 8.25% and on 3rd 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,

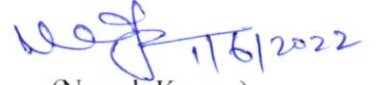

(Naresh Kumar)

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

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

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

3. **Minimum Repayment Period for 2nd Loan:** It has been decided to keep a minimum repayment period of 6 months for 2nd 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 1st, 2nd and 3rd 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 1st and 2nd 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 1st and 2nd loans (i.e., 1st and 2nd loans disbursed on or after June 1, 2022) and all 3rd loans, a revised guarantee coverage as indicated below will be applicable:

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

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