The Ministry of Housing and Urban Affairs launched a micro-credit scheme for street vendors, which was announced by Finance Minister Nirmala Sitharaman on May 14 as a part of the economic package for those affected by the COVID-19 pandemic and lockdown.

The Pradhan Mantri Street Vendor’s AtmaNirbhar Nidhi Scheme is aimed at benefiting over 50 lakh vendors who had their businesses operational on or before March 24.

The scheme is valid till March 2022.

The vendors will be able to apply for a working capital loan of up to ₹10,000, which is repayable in monthly instalments within a year.

On timely/early repayment of the loan, an interest subsidy of 7% per annum will be credited to the bank accounts of beneficiaries through direct benefit transfer on a six monthly basis.

There will be no penalty on early repayment of loan.

The Ministry said an online portal and mobile application were being developed to ensure speedy implementation of the scheme.

The loans would be without collateral.

The loans are meant to help kick-start activity for vendors who have been left without any income since the lockdown was implemented on March 25.