

PM SVANidhi Credit Card Operational Guidelines

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1. Background

The PM SVANidhi Scheme has played a vital role in uplifting street vendors (SVs) by extending micro-credit assistance that supports their livelihoods and business growth. Under the current term loan (TL) model, vendors repay through fixed monthly instalments over a defined period, which has enabled many to strengthen their operations.

As businesses evolve, street vendors often encounter new opportunities and requirements. To further empower them, a Credit Card facility is being introduced for PM SVANidhi beneficiaries. This initiative will provide vendors with on-demand access to credit, offering greater flexibility to meet day-to-day expenses and adapt to changing business needs. By complementing the existing loan structure, the Credit Card ensures that vendors can continue to grow with confidence and agility.

2. Credit card for PM SVANidhi beneficiaries

The Credit card issued under the Scheme will be a RuPay retail (personal) credit card with revolving credit facilities. It will be offered by public and private sector banks, and credit card issuing entities (referred to as “*issuers*”).

This initiative is designed to benefit vendors who have fully repaid the first two tranches of the loans under the scheme. By adhering to credit discipline, vendors can benefit from interest-free credit for a period of 20 to 50 days, allowing them to enhance liquidity and strengthen their financial planning.

Implementation and monitoring of the scheme would be the joint responsibility of Ministry of Housing & Urban Affairs (MoHUA) and Department of Financial Services (DFS), with DFS being responsible for facilitating access to loans/ credit cards through banks/ financial institutions and their ground level functionaries.

3. Objective

- a) To ensure street vendors who have shown a fair degree of financial discipline in the past have access to additional credit whenever needed.
- b) To provide sustained financial support that fosters long-term stability and resilience.
- c) To build stronger trust and collaboration between street vendors and lenders/ issuers.

- d) To enhance the financial literacy of street vendors, enabling them to manage their personal finances and cash flow more efficiently.

4. Target Group

The target beneficiaries of this component will be street vendors who have successfully repaid their 2nd tranche loans and are either eligible for or have already availed the 3rd tranche loan under the PM SVANidhi Scheme.

SVs who have already fully repaid their 3rd tranche of the loan will also be eligible for the credit card.

5. Eligibility Criteria

- a) All street vendors who have successfully repaid their 2nd tranche loan and are eligible for the 3rd tranche under the PM SVANidhi Scheme.
- b) Street vendors who have already availed the 3rd tranche loan—whether the loan is currently active or has been fully repaid—are also eligible for the credit card facility.
- c) The age of the applicant must be between 21 and 65 years at the time of application.
- d) The credit card facility shall be offered in addition to the 3rd tranche loan. Street vendors may choose to avail the 3rd tranche loan, the credit card facility, or both, as per their eligibility and preference.
- e) The applicant should not have any Non-Performing Asset (NPA) or written-off accounts with any lender. However, accounts classified as SMA-0 may be considered by the issuer, and a specific minimum credit bureau score should not be used as an eligibility criterion.
- f) The following documents must be submitted by the applicant:
 - i. Aadhaar Card
 - ii. PAN Card
 - iii. Certificate of Vending (CoV), Letter of Recommendation (LoR), or Identity Card issued by the Urban Local Body (ULB)/ Block offices as proof of being a street vendor
 - iv. Savings bank account details
 - v. Current address proof, if Aadhaar address is not the current address.

6. Product Proposition

6.1. Product Features

- a) **Credit Limit:** The PM SVANidhi credit card will have a credit limit of ₹30,000 (Rupees Thirty thousand). However, the operating limit will be initially fixed at ₹10,000 which would be gradually increased to ₹30,000, after observing satisfactory card usage.
- b) **Card Validity:** The card will be valid for a period of five years from the date of issue.
- c) **Interest Free Period:** The issuers will offer an interest-free credit period of 20 - 50 days, as per the existing policy of the Issuer.
- d) **UPI Linkage:** The credit card should be enabled to be linked to the UPI ID of the beneficiary. This will help the vendor to make payments using their credit card limit via UPI.
- e) **ECS/ NACH/ Auto Pay facility:** Issuers will provide an Electronic Clearing Service (ECS)/ NACH (National Automated Clearing House)/ Auto Pay facility for “full payable amount” to the card holders for facilitating credit card bill payments directly from the customer’s bank account on the due date.
- f) **No International and Forex transactions:** International and foreign exchange transactions are not allowed on this card.
- g) **No cash withdrawal:** Card will not permit any cash withdrawal through ATM or any Point of Sale (POS) machine.
- h) **MCC restriction:** The card will come with certain Merchant Category Codes (MCC) restrictions (Liquor, gambling, foreign airlines, Car Rental Service, International hotel chain, select direct marketing businesses etc.) as decided by Ministry/ Card Issuers and usage will be open to all other merchant types. An indicative list of MCCs to be blocked is attached in **Annexure 1**.
- i) **Revolving facility:** The card will function as a revolving credit facility, enabling borrowers to access funds up to the sanctioned limit, repay as per the terms, and reuse the available credit within the approved limit as needed.
- j) **EMI Facility:** Issuers may, at their discretion, allow cardholders to convert a minimum billed amount of ₹2,500 from a billing cycle into an EMI facility, provided the request is made before the payment due date. This facility will have a maximum interest rate of

up to 1.5% per month and also include a prepayment option with no penalties or additional charges.

k) Other credit card features:

- The card will be a retail credit card and not a merchant or business card.
- Reward points will be awarded in accordance with the respective card issuer's policy.
- Bill generation and due dates will follow the respective card issuer's policy.
- All additional features applicable to the RuPay credit card – classic variant, as offered by the respective card issuers, will be available to cardholders.

6.2. Charges

- a) **Joining or Annual Charges:** Eligible PM SVANidhi beneficiaries will be issued a lifetime free credit card by the card issuers. There will be no charges for enrolment/joining, activation, inactivity or annual renewal—these fees will be set at NIL.
- b) **Interest Fee/ Finance charges:** This will be applicable as per the respective Issuers' policy.
- c) **Late Payment Fees:** No penalty for due amount up to ₹500. The late payment charges will be applicable if any amount is more than ₹500 as per the Issuers' policy.
- d) **Other Charges:** Other charges such as card replacement, issuance of duplicate cards, hot listing, and similar services will be applicable as per the respective issuer's policy.

6.3. Credit Card Activation

The credit card must be activated within 60 days from the date of issuance. If the card remains inactive beyond this period, the issuer must obtain OTP-based consent from the customer before proceeding with activation.

The customer must initiate activation. Actions indicating the customer's intent to use the credit card such as PIN generation, changes to transaction controls, engagement through IVR, recorded calls to customer care, or SMS communication, shall be treated as valid forms of activation in line with the directions issued by Reserve Bank of India from time to time.

6.4 Modes of Settlement of Card Dues

Credit card dues may be paid using any of the following methods:

- a) Direct debit from the cardholder's bank account, in cases where the card issuer and the bank maintaining the account are the same.
- b) Through NEFT, in accordance with prevailing guidelines.
- c) Through ECS/ NACH, wherever feasible.
- d) Through UPI Auto Pay.
- e) Any other existing payment modes made available by the issuer.

Card issuers will offer these facilities to ensure seamless and timely settlement of credit card bills directly from the customer's bank account on or before the due date.

6.5 Additional Details

- a) **Card Issuance Limit:** Each customer shall be issued only a primary credit card, and no add-on cards.
- b) **Card Delivery:** Credit card delivery and handling of undelivered cards will follow the respective issuer's existing guidelines.
- c) **Disclosure of Terms and Conditions:** All terms and conditions must be clearly outlined in the Key Fact Statement (KFS) and the Most Important Terms and Conditions (MITC). These documents must be provided to cardholders at the time of onboarding and updated with prior notice whenever any changes are made.

7. Guarantee against Credit Card

- a) The Guarantee against default on the credit card will be provided through CGTMSE. Guarantee will be available for five years from the date of the issue of the card or card validity date, whichever is earlier.
- b) The guarantee will be extended up to an NPA level of 20%, i.e., NPAs up to 20% of the approved limit on all cards issued by the card issuer at the time of claim submission during the Scheme period. The risk coverage will be restricted to 75% of the

outstanding amount, subject to a maximum outstanding of ₹30,000 or the approved limit, whichever is lower, per card. An illustration of the application of the guarantee cover is given at **Annexure 2**.

- c) At the time of renewal of the card (after the initial validity period of the card), the issuer will take an independent business call and no guarantee coverage would be provided.
- d) Card issuers should register with CGTMSE for availing benefits under the Scheme for availing guarantee claim against card issued by them under the Scheme.
- e) Card issuers must submit claims to CGTMSE in accordance with the prescribed guidelines, within 180 days from the date the card's outstanding amount is classified as NPA. CGTMSE will settle eligible claims within 30 days from the receipt of a complete and valid claim submission by the card issuer.

8. Implementation Strategy

8.1 Credit Card Application Process

- a) **Application Sourcing:** Eligible street vendors will apply for the PM SVANidhi credit card via the PM SVANidhi (PMS) portal or the PMS mobile app, where a standardized application form is available. Applicants must complete the e-KYC process and select their preferred card issuer based on the following hierarchy:
 - i. By default, the applicant's existing bank (where their savings account is held) will be the preferred card issuer if the bank is onboarded on the PMS portal as a credit card issuer.
 - ii. If the applicant's bank does not issue credit cards but partners with an onboarded issuer, the partner issuer will be set as the default card issuer.
 - iii. Applicants with loans sanctioned by NBFCs, MFIs, Cooperative Banks, or banks without credit card issuing capabilities or tie-ups may select any other onboarded card issuer available on the portal.
- b) **Application Sharing:** Application details and KYC data will be securely transmitted to the selected Card Issuer via API integration or other means as mutually agreed to.
- c) **KYC Compliance:** PMS Portal will conduct e-KYC using OTP or biometric authentication of Aadhaar and a live photograph of the applicant and share the relevant data as permissible with the card issuer along with the application details. Card issuers

may adopt additional KYC measures as required in terms of the directions issued by the Reserve Bank of India from time to time.

- d) **Underwriting Criteria:** The underwriting decision should primarily be based on the borrower's successful repayment of the first two tranches of the PM SVANidhi loan. The submission of income proof or income tax returns (ITR) shall not be insisted upon. Furthermore, eligibility should not be dependent upon achieving a specified minimum credit bureau score.
- e) **Data Sharing and Monitoring:** Card Issuers will be required to regularly update the application status, sanction details, and key MIS (including card usage, repayments, and overdue information) on the PMS Portal to ensure effective scheme monitoring.

8.2 Technology Development

- a) The credit card application module will be integrated into the existing PM SVANidhi portal and mobile app, allowing beneficiaries who have repaid their 2nd tranche loan and qualify for the 3rd tranche to apply seamlessly.
- b) The portal will display a list of all credit card issuers along with the features of each product offered.
- c) Applicants will fill in the application form and complete e-KYC on the PMS Portal as detailed earlier. Application data will then be transmitted to card Issuers via API or any other agreed mode.
- d) The Portal will implement de-duplication measures to prevent multiple applications from the same applicant; however, re-application will be allowed if the previous application was rejected or withdrawn.
- e) Issuers will provide regular updates on application status and issued card details to the PMS Portal, ensuring transparency for applicants and stakeholders and its easy and effective monitoring.
- f) An MIS dashboard will provide insights into applications received, approvals, cards issued, activations, payment status, and other relevant metrics.
- g) A reporting mechanism will monitor credit card defaults exceeding predefined thresholds or overdue periods to enable timely follow-up.
- h) To ensure consistency, a standardized card design approved by MoHUA and aligned with RuPay card guidelines will be used.

8.3 IEC Strategy & Capacity Building:

Extensive IEC campaigns and targeted capacity-building initiatives will be carried out to enhance awareness and promote active engagement among beneficiaries. These efforts will emphasize proactive outreach and clear, accessible communication.

The goal is to ensure that all stakeholders have a thorough understanding of the credit card's features, advantages, and proper usage, thereby supporting its effective adoption and seamless implementation.

9. Role of Urban Local Bodies and Block Offices

The Urban Local Bodies (ULBs) and Block offices would be the nodal agency for promoting and implementing the 'credit card' component. The following key tasks will be managed by the ULB/ Block:

- a) To identify and facilitate applications for availing credit card facility from eligible PM SVANidhi beneficiaries.
- b) To function as intermediaries between the applicants and card issuers, ensuring smooth coordination and facilitating communication.
- c) To monitor the implementation at various stages, ensuring that the credit card initiative runs efficiently and addresses the needs of street vendors.
- d) To plan and conduct IEC strategies for the credit card. This includes raising awareness among eligible street vendors and resource persons about the features/ benefits, usage, and financial discipline for the effective uses of the credit card, ensuring widespread understanding and encouraging participation in the scheme.

10. Role of Banks and Credit Card Issuers

The responsibilities of banks and credit card issuers under the credit card scheme are as follows:

- a) Issuing the credit card to eligible street vendors in accordance with the scheme guidelines.

- b) Collaborating to integrate their systems with the PMS portal for seamless operations and 2-way data exchange.
- c) Defining and finalizing the specific features of the credit card in line with Scheme guidelines and regulatory requirements.
- d) Conduct targeted awareness campaigns to educate street vendors on the features, usage, and benefits of the credit card, along with the importance of financial discipline.
- e) Providing comprehensive support to cardholders, including assistance with card activation, repayment processes, and resolution of usage-related issues. Ensuring that street vendors receive timely guidance to activate their cards within the specified period, thereby preventing deactivation or cancellation.
- f) Providing beneficiary data regarding the repayment status of SVs including overdue/ NPA status.

11. Monitoring and Evaluation

Regular and systematic reviews will be undertaken jointly by Ministry of Housing & Urban Affairs (MoHUA) and Department of Financial Services (DFS) to assess the progress and performance of this component. These evaluations will focus on key indicators, implementation milestones, and outcomes to ensure alignment with the scheme's objectives.
