



CENTRE OF FINANCIAL INCLUSION (CFI)

NEWSLETTER

June 2025

Volume 1 | Issue 4

Factsheet of MSME (Udyam) Registration Including Udyam Assist Platform (UAP) Facts Dated: - 07/07/2025 08:00:2 AM

	Factsheet of MSME (Udyam) Registration Including Udyam Assist Platform (UAP)	Factsheet of MSME (Udyam) Registration	Factsheet of Udyam Assist Platform (UAP)
Total Registration	6,56,01,452	3,83,36,846	2,72,64,606
Total Classified	6,55,48,873	3,82,84,267	2,72,64,606
Micro	6,50,36,681	3,77,72,075	3,29,34,437
Small	4,76,518	4,76,518	
Medium	35,674	35,674	
Total Employment	28,36,26,773	25,06,92,336	

READ ON

"Know Your Lender, Grow Your Business": A New Handbook for MSMEs

Empowering MSMEs: Your Guide to Financial Growth (20.06.2025)

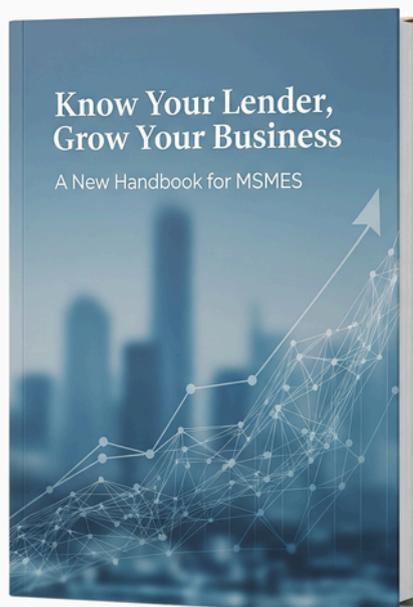
5th Project Advisory Committee Meeting of Centre of Financial Inclusion (CFI), ni-msme

"Insurance as a Business Investment: Not just a backup plan for MSMEs in India,"

CFI Engages Indian Economic Services Probationary Officers on Financial Inclusion

National Mission for Capacity Building of Bankers for Financing MSME Sector (NAMCABS 3.0) workshop in Silvassa.

"Know Your Lender, Grow Your Business": A New Handbook for MSMEs



The Ministry of Micro, Small and Medium Enterprises (MSME) has launched "Know Your Lender, Grow Your Business" (KYL-GYB), a comprehensive handbook designed to empower MSMEs with vital financial knowledge. This guide aims to demystify lending procedures, enhance awareness of credit access rights, and strengthen understanding of India's formal lending ecosystem.

The KYL-GYB handbook serves as a practical reference, compiling regulatory directions, government instructions, and institutional guidelines relevant to MSME credit in an accessible format. It promotes financial literacy, responsible lending practices, and an inclusive credit culture, helping MSMEs make informed borrowing decisions and improve access to formal finance.

The handbook covers essential topics, including various types of lenders (banks, NBFCs, MFIs, FinTechs, DFIs), priority sector lending, different loan types (term, working capital, composite), and strategies to reduce borrowing costs. It also details how to apply for loans, necessary documentation, and avenues for grievance redressal, such as the Reserve Bank - Integrated Ombudsman Scheme and the CHAMPIONS Portal. This initiative is crucial for accelerating India's economic development by fostering a robust MSME sector.

Empowering MSMEs: Your Guide to Financial Growth (20.06.2025)



At the Centre for Financial Inclusion (CFI), Nimsme, we're committed to boosting the financial well-being and growth of Micro, Small, and Medium Enterprises (MSMEs). We offer comprehensive counselling and financial literacy programs, all specifically designed to meet entrepreneurs' unique needs.

Navigating the world of government loans for MSMEs can be tricky, but CFI makes it easier. Our expert counselling helps you understand and access various schemes meant to support your business's expansion. We'll clarify eligibility requirements for each scheme, provide step-by-step guidance on the application process (including documentation and submission), and even connect you with Member Lending Institutions (MLIs) participating in these government initiatives.

A testament to our commitment, entrepreneurs like Mr. Chaitnaya Kumar of Surya CVC Crafts, L.B. Nagar, Hyderabad, and Mr. G. Charan Teja of INDW Exports, KPHB, Hyderabad, have recently visited CFI to explore MSME loan opportunities and gain clarity on their financial options.

CFI also provides specialized counselling on the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme. We'll explain how CGTMSE helps new and existing MSMEs get loans without needing collateral or third-party guarantees. We clarify the eligibility criteria for new entrepreneurs, businesses looking to expand, and even for viable exit enterprises (businesses undergoing ownership changes or restructuring, subject to lender discretion).

5th Project Advisory Committee Meeting of Centre of Financial Inclusion (CFI), ni-msme

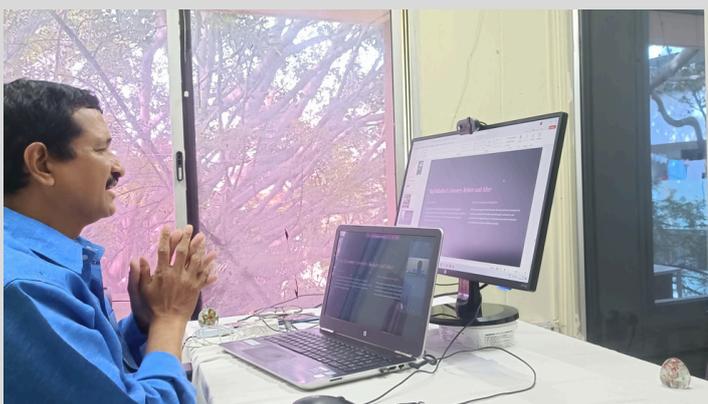


CFI has actively counselled 24 entrepreneurs, preparing DPRs and linking them with banks for collateral-free CGTMSE loans. Research presented highlighted challenges in microcredit for street vendors and proposed Revenue-Based Financing to mitigate MSME NPAs. PAC members suggested incorporating impact analysis for CFI initiatives and emphasized educating entrepreneurs on diverse funding options. CFI remains committed to fostering MSME financial well-being and growth

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Financial Express Panel Discussion

“Insurance as a Business Investment: Not just a backup plan for MSMEs in India,”



The Centre for Financial Inclusion (CFI) played a pivotal role in an insightful online panel discussion hosted by Financial Express Digital, in commemoration of International MSME Day, that falls on 27.06.2025. The session, titled "Insurance as a Business Investment: Not just a backup plan for MSMEs in India," brought together leading experts to explore the transformative potential of insurance for Micro, Small, and Medium Enterprises.

M. V. Kameswara Rao, Chair, CFI, ni-msme, joined distinguished panellists Kartik V Shah, Vice President Marketing, Probitas Insurance Brokers Private Limited, and Amit Goel, Director, Equirus Ragnall Insurance Brokers Private Limited. The engaging discussion, moderated by Tanya Krishana, Assistant Editor, Financial Express, took place on 20 June 2025 ,from 12:00 PM to 1:00 PM IST.

The panelists delved into critical questions shaping the future of business insurance for MSMEs: Evolving Role, Mindset Shift, Leading Sectors, Policy Impact, Penetration & Barriers , ni-msme Initiatives.

The discussion underscored that insurance, when strategically integrated, can significantly contribute to an MSME's resilience, stability, and growth trajectory. CFI firmly believes in empowering MSMEs with the knowledge and tools to make informed decisions about their financial future, and active participation in such forums is key to achieving this goal. We remain committed to championing initiatives that demystify financial instruments and promote their effective utilization for the benefit of the MSME sector.

CFI Engages Indian Economic Services Probationary Officers on Financial Inclusion



On June 23, 2025, the Centre for Financial Inclusion (CFI) at ni-msme hosted a significant session for the Probationary Officers of the Indian Economic Services (IES). The Chair, CFI, Mr. M V Kameswara Rao, delivered an insightful one-hour program from 10:00 AM in DJB, 104, shedding light on the core functions and objectives of the Centre of Financial Inclusion.

Mr. Kameswara Rao provided a comprehensive overview, emphasizing the critical importance of financial inclusion and financial literacy in India's economic landscape. He clarified various aspects during this program specifically designed for the IES Probationary Officers.

The session had a profound impact, equipping these future economic leaders with a deeper understanding of grassroots financial challenges and the role of inclusion in national development. By clarifying complex concepts and highlighting practical applications, the program fostered a stronger appreciation for the groundwork necessary to drive inclusive economic growth. This engagement ensures that upcoming policymakers are well-versed in the nuances of financial inclusion and literacy, enabling them to formulate more effective policies in the future.

National Mission for Capacity Building of Bankers for Financing MSME Sector (NAMCABS 3.0) workshop in Silvassa.



Chair, CFI, Mr M.V. Kameswara Rao, delivered an online session to 40-45 commercial bank officers on "Recent Initiatives of Government of India for MSME Sector – Focus on Govt initiatives during last 2-3 years, Region specific schemes."

This session, held on June 25, 2025, equipped bankers with in-depth knowledge of various Govt. sponsored schemes like PM Mudra Yojana, PMEGP, Udyam Registration, PM Vishwakarma, and RAMP, etc., alongside regional support mechanisms, empowering them to better serve the MSME sector. A special mention of the CGTMSE non collateral Loans has been made, for awareness and implementation of the Bank Officers.

CFI remains steadfast in its mission to empower MSMEs through comprehensive support, strategic partnerships, and a deep understanding of the evolving financial landscape. Stay tuned for more updates as we continue to champion financial inclusion and growth for MSMEs across India.

Celebrating International MSME Day: A Collaborative Workshop on International MSME Day Awareness

FinRISE
ni-msme
Bank of Baroda

ENTREPRENEUR OUTREACH PROGRAMME ON MSME
JOINTLY ORGANISED BY CFI, NI-MSME AND BANK OF BARODA

DATE: 27th JUNE 2025 TIME: 10:00 AM - 1:00PM
VENUE: TRAINING BUILDING, NI-MSME, YOUSUFGUDA, HYDERABAD

DIGNITARIES

MR. B. MURALI KRISHNA
DOM - BUSINESS DEVELOPMENT
BANK OF BARODA

DR. E. VIJAYA, DIRECTOR
SCHOOL OF ENTERPRISE MANAGEMENT
NI-MSME

MR. M. KAMESWARA RAO, CHAIR
CENTRE OF FINANCIAL INCLUSION
NI-MSME

MR. SINGRAY MOHAN
ADM - CREDIT
BANK OF BARODA



The Centre for Financial Inclusion (CFI) at ni-msme, in a proud collaboration with Bank of Baroda, successfully organized a special workshop on International MSME Day, June 27, 2025.¹ Held at the ni-msme campus, this initiative was designed to significantly benefit both aspiring and existing entrepreneurs.



The workshop saw enthusiastic participation from 80 attendees, comprising a mix of budding business owners and successful entrepreneurs from Bank of Baroda's network. The presence of these experienced entrepreneurs offered invaluable real-world insights and inspiration to all participants.

A key highlight of the workshop was the direct interaction between Bank of Baroda officials and the aspiring entrepreneurs, where discussions revolved around their individual projects and business ideas. This personalized engagement allowed participants to receive initial feedback and guidance on their ventures directly from banking experts.

Distinguished speakers and attendees included:

- Mr. M V Kameswara Rao, Chair, CFI, ni-msme
- Dr. E. Vijaya, Director, School of Enterprises, ni-msme
- Mr. R. Murali Krishna, DGM Business Development, Bank of Baroda
- Mr. Singray Korah, AGM - Credit, Bank of Baroda

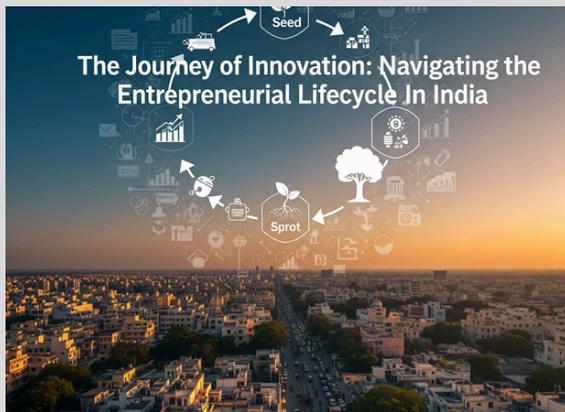


The event provided a vital platform for knowledge exchange, networking, and direct interaction with experts from both financial institutions and the entrepreneurial ecosystem. Most importantly provided for credit linkage to the prospective and dynamic entrepreneurs. Such collaborations are instrumental in bridging the gap between aspiring entrepreneurs and the resources they need to thrive.

CFI remains committed to fostering an environment where MSMEs can access comprehensive support, from financial literacy and counselling to understanding government schemes and connecting with crucial banking partners. We believe that empowering entrepreneurs is key to driving economic growth and creating sustainable livelihoods across the nation.

The Journey of Innovation: Navigating the Entrepreneurial Lifecycle in India

M V Kameswara Rao, Chair, CFI, ni-msme



Entrepreneurship in India is more than just a buzzword; it's a dynamic force shaping the nation's economic landscape, driven by a vibrant ecosystem of startups, a growing digital infrastructure, and a youthful, ambitious population. Understanding the entrepreneurial lifecycle is crucial for aspiring and current business leaders to navigate the challenging yet rewarding path of building a successful venture. This article explores the key stages of this lifecycle, adapting them to the unique nuances and opportunities present in the Indian context.

1. Identifying and Assessing Business Opportunities: The Indian Lens

The initial spark of any entrepreneurial journey lies in identifying and assessing compelling business opportunities. These opportunities can either be "found," by addressing an existing unmet need or an underserved market, or "made," by creating entirely new possibilities through innovation. In India, the vast diversity in demographics, income levels, and technological adoption presents a fertile ground for both approaches.

For "found" opportunities, entrepreneurs can look at:

- **Tier 2 and Tier 3 Cities:** Many essential services and products are still underdeveloped or inaccessible in smaller towns and rural areas, creating significant market gaps for solutions in education, healthcare, finance, and e-commerce.
- **Solving Local Problems:** Innovations addressing challenges specific to Indian contexts, such as affordable clean energy, waste management, sustainable agriculture, or accessible digital literacy, have immense potential. Social entrepreneurship thrives here, focusing on societal benefit rather than just profit.

"Made" opportunities often emerge from technological advancements and a visionary approach:

- **Deep Tech and AI:** India's growing talent pool in AI, machine learning, and data science can lead to the creation of novel products and services, much like global tech giants.
- **Cultural and Lifestyle Innovations:** Businesses that creatively integrate technology with India's rich cultural heritage, or cater to evolving urban lifestyles, can carve out unique market niches.

Assessing these opportunities is paramount before committing significant time and resources. John Mullins' framework suggests evaluating three crucial elements: the market, the industry, and the founding team.

- **Market Attractiveness in India:** This involves both macro and micro-level analysis. At the macro level, India's large and diverse consumer base, increasing disposable income, and government initiatives supporting digital adoption (e.g., Digital India, UPI) point to immense market size. At the micro-level, identifying specific customer segments with unmet needs, such as affordable internet for rural areas or specialized online education platforms, is key.
- **Industry Attractiveness:** Entrepreneurs should analyze the competitive landscape using frameworks like Porter's Five Forces, considering factors like supplier power, threat of substitutes, buyer power, threat of new entrants, and industry rivalry. In India, new entrants face challenges from established players but also find opportunities in rapidly evolving sectors less dominated by legacy businesses.
- **Team Capability:** A successful entrepreneurial team, often comprising complementary skills, is vital for execution. In India, this often means a blend of technical expertise, business acumen, and a deep understanding of local market dynamics and cultural nuances.
- A simple yet effective tool for initial assessment is the
- **New, Useful, Feasible (NUF) framework**, where an idea is scored based on whether it's new, useful, and practically implementable.
- **2. Ideation and Testing: Validating Concepts in the Indian Market**
- Once an opportunity is identified, the next crucial step is to translate ideas into products or services and rigorously test them with potential customers. This iterative process of "Build-Measure-Learn" is fundamental to the Lean Startup methodology.
- Steve Blank's customer development process emphasizes that startups are not miniature versions of large corporations; instead, they are organizations designed to

search for a repeatable and scalable business model. This process involves:

- **Customer Discovery:** Building hypotheses about customer problems and testing them directly with potential users. In India, this often involves on-the-ground research, understanding diverse consumer behaviors across regions, and overcoming language barriers.
- **Customer Validation:** Confirming whether the proposed solution truly addresses customer problems and achieves product-market fit. This stage often involves developing a

Minimum Viable Product (MVP) – the simplest version of a product that allows for maximum validated learning with minimal effort. For instance, a food delivery startup in India might start with a limited menu in a specific locality to test demand and delivery logistics before scaling up.

- **Pivoting or Persevering:** Based on customer feedback, entrepreneurs must decide whether to make a "pivot" (a major correction to their hypothesis) or "persevere" (continue with minor adjustments).¹⁶¹⁶¹⁶ The agility to pivot is particularly important in India's fast-evolving market.

- **3. Business Model Generation: Crafting a Sustainable Indian Venture**

- A business model articulates how an organization creates, delivers, and captures value. The **Business Model Canvas** by Alexander Osterwalder and Yves Pigneur provides a comprehensive framework with nine building blocks: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structures.

For an Indian context, adapting these blocks means:

- **Customer Segments:** Beyond demographics, consider psychographics related to aspirations, cultural values, and digital adoption rates across different Indian consumer groups.
- **Value Propositions:** Focus on solutions that offer convenience, affordability, accessibility, or address unique cultural needs. For instance, a FinTech startup might offer micro-lending solutions tailored to small business owners in rural areas, emphasizing ease of access over complex features.

- **Channels:** Leverage a mix of online and offline channels. While digital platforms are crucial, physical presence (e.g., local agents, kirana store partnerships) might be necessary for deeper penetration in many parts of India.
- **Revenue Streams:** Explore diverse revenue models beyond direct sales, such as subscription models for digital content in regional languages, or commission-based models for connecting local artisans with wider markets.
- **Key Partners:** Collaborations with local communities, government bodies, NGOs, and traditional distribution networks can be critical for success in India.
- Entrepreneurs should develop and test multiple business model hypotheses, as "paper is free" and iterating on models on paper is far less costly than in the market.

4. Resource Acquisition: Fueling Growth in India's Startup Ecosystem

Defining the business model hypothesis leads to one of the most critical challenges: acquiring the necessary resources. While funding is often seen as the primary resource, it encompasses human capital, intellectual property, and strategic partnerships.

In India, the resource acquisition landscape has evolved significantly:

- **Funding:** The Indian startup ecosystem has matured, with a growing number of angel investors, venture capitalists, incubators, and government schemes (e.g., Startup India Seed Fund Scheme). However, entrepreneurs must be prepared for the stringent due diligence processes and often highly competitive funding rounds.
- **Effectuation:** Saras Sarasvathy's concept of effectuation suggests starting with available means ("who I am, what I know, who I know") and allowing goals to emerge contingently. This approach is particularly relevant in India, where entrepreneurs often leverage personal networks, local knowledge, and innate capabilities to kickstart ventures, especially in the early stages or in resource-constrained environments. For example, a local artisan starting an e-commerce venture might leverage their community ties for sourcing and initial sales, rather than waiting for external funding.

- Talent Acquisition: Attracting and retaining skilled talent is a persistent challenge. Entrepreneurs need to build compelling value propositions for employees, focusing on growth opportunities, impact, and a vibrant work culture.
- 5. Management and Execution: Scaling for Impact
- Once a repeatable and scalable business model is identified, the entrepreneurial process shifts to the execution phase: customer creation and company building. This involves creating end-user demand and building the organizational capabilities to meet that demand, effectively transitioning from a startup to a scalable business.
- Key aspects of management and execution in the Indian context include:
 - Customer Acquisition and Retention: Beyond initial sales, focus on building sustainable customer relationships. Digital marketing, content in regional languages, and community-building initiatives are crucial.
 - Operational Excellence: As the business scales, establishing robust operational processes, supply chain management, and efficient resource allocation becomes critical. This includes managing complex logistics across diverse geographies and ensuring quality control.
 - Building a Strong Culture: Fostering a resilient, adaptable, and innovative culture is essential for navigating India's dynamic market. This includes empowering teams, encouraging continuous learning, and celebrating local achievements.
 - Adaptability and Agility: The Indian market is characterized by rapid changes in consumer preferences, technological advancements, and regulatory landscapes. Entrepreneurs must maintain agility to adapt their strategies and operations quickly.
- In conclusion, the entrepreneurial lifecycle in India, while mirroring global stages, demands a nuanced understanding and application of its principles. By strategically identifying opportunities, rigorously testing ideas, building adaptable business models, creatively acquiring resources, and executing with precision and cultural sensitivity, Indian entrepreneurs can truly unlock the nation's immense potential for innovation and growth.

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SVANidhi 2.0: Innovative Approaches to Empower India's Street Vendors - Reimagining Outreach

Dr.C.G.Sastry, Vertical Head, Research and Publications, CFI, ni-msme.

Street vendors and small enterprises contribute greatly to the employment especially for less skilled and unskilled who lack formal employment opportunities. They support economic growth by enhancing micro economic stability and entrepreneurship (Roever, 2016).

In many a case, these businesses act as entry point for entrepreneurship and innovation, providing avenues for economic mobility and resilience (ILO, 2018) Theories on street vendors and small businesses are based on the concepts of the informal economy, micro-entrepreneurship, and livelihood strategies. These theories highlight the importance of small businesses in economic growth, poverty reduction, and urban development. The Dual Economy Theory explains how informal and formal businesses exist together, each serving a unique role in the economy (Chen, 2007).

The 'informal economy' includes micro enterprises run by individuals with or without any place of work or running their business from their home or from their premises. But it must be noted that they play significant role in any economy. The Micro enterprises play a crucial role in economic development, particularly countries like India wherein we have 65% of population live in rural areas (as per 2011 Census and projections for 2024). If you are referring to micro enterprises, the data varies, but according to the National Sample Survey (NSS) and MSME Ministry reports shows that 51% of micro enterprises exist in Rural areas and 49% of micro enterprises in Urban areas. These micro enterprises contribute much in employment generation, income distribution and economic resilience, poverty alleviation and livelihood support

Micro enterprises play a crucial role in economic development, particularly in countries with large informal sectors. They contribute to employment generation, income generation and income distribution, and economic resilience. This apart these micro enterprises help lift people out of poverty. They enable individuals to become self-reliant, reducing dependency on government support programs. In addition to these Micro enterprises operate in diverse sectors, which includes retail, manufacturing, good services, handicrafts and repair services from many. Their ability to quickly adopt to market needs is quite high in micro enterprises which allows them to survive economic fluctuations better than larger businesses.

The lessons drawn from COVID-19, micro enterprises played a crucial role in economic resilience. Those that adopted digital solutions like online payments and e-commerce platforms were able to sustain operations. Small businesses diversified themselves by shifting to new products, such as tailors making masks and restaurants focusing on home delivery. Government support through schemes like PM SVANidhi and ECLGS helped micro enterprises access credit and restart their businesses. Local supply chains became stronger, as kirana stores and small manufacturers filled gaps left by disruptions in global trade.

This real time disruption is real stress test to understand how robust these micro enterprises when compared to large enterprises oiling economy and becoming vital part in distribution chain, supplying goods and services to large businesses and final consumers. They facilitate last-mile delivery, help deliver products and services to remote hilly areas like Himachal areas where e-commerce and quick delivery services do not reach.

Though their existence is important, these micro enterprises led by individuals face immense hardship in getting institutional credit. Most of these businesspeople operate in the informal sector lack proper documentation, financial history, or collateral making it difficult for them to secure loans from banks and financial institutions. As a result, they are forced to borrow from informal money lenders who charge exorbitant interest rates, trapping them into cycle of debt and financial agony and distress. High interest rates reduce their profit margins, limit savings, limit further investments for expansion and sustenance. Thus, the need and Government intervention - A SPECIAL MICRO-CREDIT FACILITY FOR STREET VENDORS titled "PM SVANidhi scheme was launched on June 1, 2020 by the Ministry of Housing and Urban Affairs (MoHUA), Government of India. This scheme is aimed at providing collateral-free credit

The scheme is aimed at providing Street vendors/hawkers vending in urban areas including the vendors of surrounding peri-urban and rural areas. The scheme supports the street vendor with an initial working capital loan of ₹10,000 (repayable in monthly instalments over 1 year) and on timely and full repayment vendors will become eligible for second loan of ₹20,000 and third loan of ₹50,000

This scheme was to provide collateral-free credit making street vendors easy access to credit. If one observes the number of loans disbursed and total amount of loans disbursed the Table 1 shows that around ₹. 20.58 lakh loans amounting to ₹. 2039 crores were disbursed in 2020-21 the year of launch of the scheme.

But the number of loans disbursed, and amount loans disbursed has fallen in the initial period after this in 2021-22 and 2022-23 with hesitance of the banks with regard to possible failure to recover the amounts disbursed on this account. But the scheme seems really working well after the initial years of launch as it shows the loans disbursed and amount disbursed has significantly gone up showcasing aggressive lending behaviour from the bankers where the loans and amount disbursed has risen by 340% and 148.50% of that of previous financial year when compared to partial period of 2023-24 (upto 5th Dec).

Table 1. PM SVANidhi Loan Disbursement Data

Year	Loans Disbursed (Lakhs)	% Change from Previous Year	Loan Amount Disbursed (₹ Crores)	% Change from Previous Year
2020-21	20,58,032	100	2039	100
2021-22	8,86,811	-57	1,248	-38.79
2022-23	5,02,602	-43	1,866	49.52
2023-24 (upto 5 th Dec)	22,11,292	340	4,637	148.50
Total	56,58,744		9790	

Sources: Rajya Sabha Starred Question No. 78, 2023 (Sansad Parliamentary Questions] (<https://sansad.in/getFile/annex/262/AS78.pdf?source=pqars>)

Though the figures present a positive picture challenges remain related to awareness, implementation, and accessibility. Strengthening financial literacy, simplifying loan procedures, and expanding digital lending platforms can help bridge this credit gap, ensure unbanked street vendors take the advantage of the scheme.

Although the scheme has reached a substantial number of beneficiaries, its impact can be significantly enhanced if the implementing authority adopts alternative outreach models or methods. One such alternative outreach model for PM SVANidhi could be:"

Objective of the Study

To explore innovative approaches for enhancing outreach and financial Inclusion in PM SVANidhi

Research Methodology

This research assumed a qualitative approach by conducting one to one interview with banking officials involved in the implementation of the PM SVANidhi scheme. The study is to understand the perspectives, challenges, and strategic insights of bankers regarding loan disbursement to street vendors.

Research Design

The study follows an exploratory research design, allowing an in-depth understanding of the factors influencing the participation of banks in extending micro-credit to informal sector vendors. The research methodology involves primary data collection through unstructured interviews.

Data Collection Method

1. Selection of Participants

- Banking officials were selected based on their direct involvement in credit disbursement under the PM SVANidhi scheme.
- Participants included branch managers and other banking officials public sector banks.

1. Interview Process

- A total of 100 banking officials were interviewed over a period of three months.
- Interviews were conducted in-person and through mobile communication ensuring flexibility and wider participation.
- The discussions followed a semi-structured format, allowing open-ended responses while maintaining a focus on key research themes.

Alternative Outreach Model for PM SVANidhi

Based on discussions with bankers to understand the challenges in loan disbursement under PM SVANidhi and to explore ways to enhance its reach, it was inferred that the scheme's outreach can be significantly improved by adopting the following approaches:

- Targeting communities instead of individuals, to ensure collective awareness and mobilization.
- Leveraging technology for borrower identification, enabling faster, data-driven profiling and eligibility assessment.
- Providing last-mile handholding support, especially to urban street vendors who have been left out due to lack of documentation or digital literacy.

Model Modalities

1. Create Community Mobilisation Units (CMUs).

-Deploy specific number of trained local youth drawn from local universities or SHG members and designate as "SVANidhi Mitras".

-These SVANidhi mitras will go to each street in the village, town or locality in the city to identify the vendors, geo-tag and do the necessary profiling of the individuals.

-Support the vendors in documentation, application filling and digital onboarding of street vendor by taking to the local bank.

-This helps financial literacy and financial inclusion.

This process will help Peer-level trust among SHG member and others and will have uptick in formal credit and reduce the dependence of the vendors on money lenders.

2. Mobile PM SVANidhi Vans

-The Ministry of Housing and Urban Affairs which is nodal agency which is overseeing this PM SVANidhi should operate mobile vans with designated officers equipped with tablets, bio-metric kits, internet connectivity to reach out to different rural and urban pockets.

-These mobile vans officers should connect with local bank personal and take them to the street vendors for a day or two to do the on-the-spot registration, KYC, application submission and to address any grievances.

This activity will reach to uneducated street vendors cutting the bureaucracy.

3. Use E-Commerce Platforms

-Partner with delivery aggregators and Quick commerce platforms (Swiggy, Zomato etc to onboard street vendors through delivery boys (rationale of this is to reach street vendors quickly).

4. Use AI-based Targeting & Predictive Mapping

- Use satellite imagery and GIS data with AI models to identify informal vending zones in cities.

- Match the above data collected with municipal data and prioritize outreach in under-covered zones. (This helps hard-to-reach vendors who are outside official lists or surveys collected earlier by municipal bodies.

5. Leverage Banking Correspondents and Microfinance Institutions (MFIs)

- Leverage Banking Correspondents (Employed specifically to drive in PM SVANidhi Scheme)
- Tie up with micro lending agencies and SHGs and give them ‘fee’ for onboarding each successful street vendor and disbursement of the loan and for collecting and depositing the collected instalments from street vendors

6. Create Hybrid Products of Credit

- Motivate bankers to create hybrid products clubbing credit, insurance and investments/savings tailored for informal vendors. This will take the financial services to the doorsteps of street vendors.

7. Give Social Recognition

- introduce a ‘Digital Vendor Star’ certification based on repayment of loans. Stickers titled “Vendor Star” with his or her ‘name’ on it” be given to vendors in recognition which they can paste on their carts/stalls.

All the activities discussed in the preceding paragraphs are expected to positively impact the coverage of vendors in the following ways.

Table 2. Expected Outcome in term of Coverage Ratios

Indicator	Current	PM SVANidhi Plus Target
Coverage of total vendors	~60–70%	>90%
Women vendor participation	~20%	>35%
Repeat loan uptake	~15%	>40%
Digital payment adoption	~55%	>80%

Sources: 1. Ministry of Housing and Urban Affairs (MoHUA) PM SVANidhi Dashboard

(<https://pmsvanidhi.mohua.gov.in>),

2. SEWA Bharat Report on Women Street Vendors, 2023 <https://www.sewabharat.org>, MoHUA Gender Data in press releases,

3. MoHUA updates and PIB coverage

4. NPCI and MoHUA UPI Integration Reports <https://www.npci.org.in>

Conclusion

PM SVANidhi has proven successful in supporting street vendors, yet its full potential remains untapped due to its outreach and implementation gaps. Alternative models suggested like SVANidhi Mitras, mobile vans, and tech-enabled targeting can speed up financial inclusion and scheme access. These approaches are expected to significantly improve vendor coverage, digital adoption, and financial literacy. A coordinated effort by all stakeholders is vital to scale its impact. With the right push, PM SVANidhi can evolve into a powerful engine of inclusive rural and urban growth apart from being the lesson for future for policy makers which impacted rural and urban employment at the bottom of the pyramid.

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Top Bank Officials' Comments on the Article“

The suggestions made in the article are good. The recommendations regarding Mitras, Vans, Student NSS Volunteers, and SHG members are particularly commendable.”

“If feasible, a list of vendors utilizing various UPI apps can be obtained, especially those with a minimum turnover who do not yet have any existing credit tie-ups and target them.”

Additionally, banks can be encouraged to conduct special drives in collaboration with local bodies and municipalities. These drives could facilitate the registration of trade licenses, regulation of commercial areas, and simultaneous sanctioning of loans.”

**D.Rajesh,
AGM, SBI**

"Set up support centers in vendor-dense areas for direct assistance and introduce awards and commendations to recognize high-performing banks."

**S.Brahmananda Rao,
Faculty member in CTI-APCOB,Hyderabad
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