

# PM VISHWAKARMA

The Scheme will be implemented as a Central Sector Scheme, fully funded by the Government of India, with an initial outlay of Rs 13,000 crore. The Scheme will be conjointly implemented by the Ministry of Micro, Small and Medium Enterprises (MoMSME), the Ministry of Skill Development and Entrepreneurship (MSDE) and the Department of Financial Services (DFS), Ministry of Finance (MoF), Government of India.

MoMSME will be the Nodal Ministry for the Scheme and Additional Secretary & Development Commissioner (MSME) in Ministry of MSME will be the focal point for all aspects of implementation and coordination. [Email: dcmsme@nic.in ; Tel: 011-23061176]

## Feature of the scheme

**Scheme Period:** PM Vishwakarma will be initially implemented for five years up to 2027-28  
**Age:-** The minimum age of the beneficiary should be 18 years on the date of registration. The registration and benefits under the Scheme shall be restricted to one member of the family.

**Benefits under the Scheme:** The following incentives/benefits will be available to the applicants:

**Skill Upgradation:** Basic Training of 40 hours, over 5-7 days. At the end of the training, the Vishwakarma should be confident to attempt new business practices in their trade, use the tools skillfully and have a concrete plan to utilize the subsequent Rs 1 lakh loan.

Board and lodging during the training will be provided free of cost and wage compensation support will be provided in the form of Rs. 500 stipend per day.

**Advanced Training:** Beneficiaries interested in further skill upgradation will be enrolled for Advanced Training of 15 days/ 120 hours or more at designated Training Centres. The beneficiary will be made aware of the second loan tranche upto Rs. 2 Lakh available under the Scheme. At the end of training, a proper assessment will be done and NSQF certification will be provided to the successful candidates. Wage compensation support will also be provided in the form of Rs. 500 stipend per day. Board and lodging during the training will be provided free of cost by the Government

**Credit Support:** Total credit assistance under the scheme is Rs. 3.00 lakhs, 1st tranche of 1 lakh followed by 2<sup>nd</sup> tranche of Rs. 2.00 lakhs.

**1<sup>st</sup> Tranche:** The beneficiaries having undergone Skill Assessment and completed Basic Training will be eligible to avail first tranche of credit support of upto Rs 1 lakh under the Scheme. The financial support will be provided to the targeted beneficiaries in the form of collateral free 'Enterprise Development Loans'.

**2<sup>nd</sup> Tranche:** will be available to beneficiaries who have availed the 1st tranche and maintained a standard loan account and have adopted digital transactions in their business or have undergone Advanced Training. They should have repaid the first loan tranche before availing the second tranche

## Repayment:

Tranche I loan of Rs. 1.00 lakhs is to be repaid within total repayment period of 18 months

Tranche II loan of Rs. 2.00 lakhs is to be repaid within total repayment period of 18 months

## Concessional Interest and Interest Subvention

Concessional rate of interest chargeable to beneficiaries for loan will be fixed at 5%. The interest subvention by the Government of India will be to an extent of 8% and provided upfront to the banks

## Graded Guarantee cover for Tranche I

First Loss Default (0 to 7.5%): 100% coverage

Second Loss (More than 7.5% and up to 20%): 80% coverage of default portfolio, and



Third Loss (More than 20% and up to 50%): 60% coverage of default portfolio.  
Maximum guarantee coverage will be 50% of the year portfolio for the first tranche of loan.  
Effective Guarantee cover will be 35.5%

**Graded Guarantee cover for Tranche II**

First Loss Default (Up to 5%): 100% coverage and for,  
Second Loss (beyond 5% and up to 15%): 80% coverage of default portfolio  
Maximum guarantee coverage will be 15% of the year portfolio for the second tranche of loan.  
Effective Guarantee cover will be 13%.

**Incentive for Digital Transaction:** An amount of Re. 1 per eligible digital transaction (upto maximum 100 eligible transactions monthly) will be credited to the beneficiary's bank account in DBT mode through Aadhaar Payment Bridge System (APBS). Here, eligible transaction means a digital pay-out or receipt in the bank account of the beneficiary.

**Other Conditions:** The beneficiary should be engaged in the trades concerned on the date of registration and should not have availed loans under similar credit-based schemes of Central Government or State Government for self-employment/ business development, e.g. PMEGP, PM SVANidhi, MUDRA, in the past 5 years. However, the beneficiaries of MUDRA and SVANidhi who have fully repaid their loan, will be eligible under PM Vishwakarma. This period of 5 years will be calculated from the date of sanction of the loan

For availing benefits under the Scheme, a 'family' is defined as consisting of the husband, wife and unmarried children

For more details go to <https://excelbanking.co.in/study-material/>