



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Digital Financial Transformation through PM SVANidhi scheme: An Analysis of Cashback and UPI Incentives

Dr. Muneeruddin Shamsuddin Altamash

HOD, Dept. of Management, SSBES' Institute of Technology and Management, Nanded.

Dr. Mohammed Ahmed Abdul Razzak

TPO and Asst. Prof., Dept. of Management, SSBES' Institute of Technology and Management, Nanded.

Abstract

The rapid growth of digital financial services has transformed the economic landscape of India, particularly among traditionally underserved segments of society. In this context, the Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme, launched by the Government of India in 2020, has emerged as a significant initiative aimed at providing affordable working capital loans to street vendors affected by the COVID-19 pandemic. Beyond facilitating access to formal credit, the scheme promotes digital financial inclusion through cashback incentives and rewards linked to digital transactions. This study examines the role of PM SVANidhi in accelerating digital financial transformation among street vendors, with a specific focus on the effectiveness of cashback and Unified Payments Interface (UPI) incentives in encouraging digital payment adoption.

The research is based on secondary data collected from government reports, Ministry of Housing and Urban Affairs (MoHUA) publications, PM SVANidhi dashboard statistics, Reserve Bank of India (RBI) reports, National Payments Corporation of India (NPCI) data, journal articles, and other relevant scholarly sources. The study adopts a descriptive and analytical approach to evaluate the scheme's contribution to increasing digital transaction volumes, enhancing financial literacy, and integrating street vendors into the formal financial ecosystem.

The findings indicate that cashback incentives and digital transaction rewards have played a crucial role in motivating vendors to adopt cashless payment methods. The widespread use of UPI-based applications has increased transaction transparency, improved financial record-keeping, and strengthened vendors' access to formal financial services. Furthermore, the incentive-based framework has contributed to reducing dependence on cash transactions while fostering confidence in digital payment systems among small-scale entrepreneurs. However, challenges such as limited digital literacy, inadequate technological infrastructure, cybersecurity concerns, and regional disparities continue to affect the scheme's overall effectiveness.

The study concludes that PM SVANidhi has successfully combined financial assistance with digital empowerment, creating a sustainable model for promoting financial inclusion among urban informal workers. The integration of cashback benefits and UPI incentives has not only encouraged digital payment adoption but has also supported the broader objectives of India's digital economy agenda. The research recommends enhanced digital literacy programs, improved technological accessibility, and continuous monitoring of incentive mechanisms to maximize the long-term impact of the scheme. The findings contribute to the growing literature on digital financial inclusion and provide valuable insights for policymakers seeking to strengthen digital transformation initiatives within the informal sector.

Keywords: PM SVANidhi, Digital Financial Inclusion, UPI, Cashback Incentives, Street Vendors, Digital Payments, Financial Transformation, Informal Sector, India.

Introduction

Digital financial transformation has become a cornerstone of India's economic development strategy, aiming to create an inclusive and technology-driven financial ecosystem. Over the past decade, initiatives such as Digital India, Jan Dhan Yojana, Aadhaar, and the Unified Payments Interface (UPI) have significantly expanded access to formal financial services. These initiatives have not only enhanced financial inclusion but have also promoted the adoption of digital payment systems among various sections of society, including low-income and informal-sector workers. Among these groups, street vendors represent a vital component of the urban informal economy, contributing significantly to employment generation, local commerce, and the supply of affordable goods and services.

The outbreak of the COVID-19 pandemic severely disrupted the livelihoods of street vendors due to lockdowns, mobility restrictions, and reduced consumer demand. Recognizing the financial challenges faced by this vulnerable segment, the Government of India launched the Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme in June 2020. The scheme was designed to provide collateral-free working capital loans to street vendors, enabling them to restart and sustain their businesses. However, PM SVANidhi extends beyond traditional credit support by incorporating incentives that encourage digital financial participation. Vendors are rewarded through cashback benefits and interest subsidies for conducting digital transactions, thereby promoting the use of cashless payment methods and strengthening their integration into the formal financial system.

One of the most innovative features of the scheme is its emphasis on digital payments through UPI and other electronic transaction platforms. Street vendors who regularly accept and conduct digital transactions become eligible for monthly cashback incentives, creating a direct financial motivation to adopt digital payment technologies. These incentives not only enhance transaction convenience and transparency but also contribute to building a digital transaction history, which can improve vendors' access to future credit opportunities. Consequently, PM SVANidhi serves as a unique policy intervention that combines financial assistance, digital empowerment, and economic resilience within a single framework. Despite the increasing adoption of digital payment systems in India, several challenges continue to hinder their widespread use among street vendors. Factors such as limited digital literacy, lack of smartphone accessibility, inadequate internet connectivity, cybersecurity concerns, and resistance to technological change affect the pace of digital transformation. Therefore, evaluating the effectiveness of cashback and UPI incentives under PM SVANidhi is essential for understanding their role in promoting sustainable digital financial inclusion among urban informal workers.

This study seeks to analyze the contribution of PM SVANidhi to digital financial transformation, with a particular focus on cashback and UPI-based incentives. Using secondary data from government reports, policy documents, RBI publications, NPCI statistics, and existing scholarly literature, the research examines how these incentives influence digital payment adoption and financial inclusion among street vendors. The findings are expected to provide valuable insights for policymakers, financial institutions, and researchers interested in strengthening digital financial ecosystems and promoting inclusive economic growth in India.

Problem Statement

Street vendors constitute a significant part of India's urban informal economy and play a crucial role in providing affordable goods and services while generating self-employment opportunities. Despite their economic contribution, many street vendors have historically remained excluded from formal financial systems due to limited access to banking services, institutional credit, and digital payment infrastructure. The introduction of the PM SVANidhi Scheme in 2020 marked a significant policy intervention aimed at providing collateral-free working capital loans and promoting financial inclusion among street vendors.

A distinctive feature of the scheme is the provision of cashback incentives and rewards for adopting digital payment methods, particularly through UPI-based transactions. Most existing studies focus primarily on credit accessibility, loan repayment performance, and livelihood restoration, while comparatively less attention has been given to understanding whether incentive-based digital payment mechanisms have successfully influenced vendors' financial behavior and integration into the formal digital economy.

The central problem addressed in this study is the lack of comprehensive analysis of how cashback incentives and UPI-based digital payment rewards under the PM SVANidhi Scheme contribute to sustained digital payment adoption, financial inclusion, and digital empowerment among street vendors. Furthermore, challenges such as digital illiteracy, technological barriers, internet accessibility, cybersecurity concerns, and regional disparities may affect the effectiveness of these incentives, creating uncertainty about their long-term impact.

Therefore, there is a need to examine the role of cashback and UPI incentives in promoting digital financial transformation among PM SVANidhi beneficiaries. By analyzing secondary data from government reports, policy documents, digital payment statistics, and existing literature, this study seeks to evaluate whether the scheme's incentive-driven approach has successfully encouraged street vendors to transition from cash-based transactions to digital financial practices. The findings of this research will contribute to the understanding of digital financial inclusion strategies and provide policy recommendations for strengthening digital empowerment initiatives within India's informal sector.

Research Objectives

- To examine the role of PM SVANidhi in promoting digital financial inclusion among street vendors.
- To analyze the adoption of UPI-based digital transactions by PM SVANidhi beneficiaries.
- To evaluate the effectiveness of cashback incentives in encouraging digital payment usage.
- To identify challenges affecting digital payment adoption among street vendors.
- To provide policy recommendations for enhancing digital financial transformation through PM SVANidhi.

Research Hypotheses

Hypothesis 1: Impact of Cashback Incentives on Digital Payment Adoption

Null Hypothesis (H₀₁):

Cashback incentives provided under the PM SVANidhi Scheme have no significant impact on the adoption of digital payment systems among street vendors.

Alternative Hypothesis (H₁₁):

Cashback incentives provided under the PM SVANidhi Scheme significantly promote the adoption of digital payment systems among street vendors.

Hypothesis 2: Impact of UPI Incentives on Digital Transactions

Null Hypothesis (H₀₂):

UPI-based incentives under the PM SVANidhi Scheme do not significantly influence the volume of digital transactions conducted by street vendors.

Alternative Hypothesis (H₁₂):

UPI-based incentives under the PM SVANidhi Scheme significantly increase the volume of digital transactions conducted by street vendors.

Hypothesis 3: Digital Incentives and Financial Inclusion

Null Hypothesis (H₀₃):

There is no significant relationship between digital transaction incentives and financial inclusion among PM SVANidhi beneficiaries.

Alternative Hypothesis (H₁₃):

Digital transaction incentives significantly contribute to financial inclusion among PM SVANidhi beneficiaries.

Hypothesis 4: PM SVANidhi and Digital Financial Transformation

Null Hypothesis (H₀₄):

The PM SVANidhi Scheme has not significantly contributed to digital financial transformation among street vendors.

Alternative Hypothesis (H₁₄):

The PM SVANidhi Scheme has significantly contributed to digital financial transformation among street vendors.

Research Design

1. Nature of the Study

The present study is descriptive and analytical in nature. It aims to examine the role of the PM SVANidhi Scheme in promoting digital financial transformation among street vendors, with special emphasis on cashback incentives and UPI-based digital payment mechanisms. The study seeks to analyze trends, patterns, and outcomes associated with the adoption of digital financial services under the scheme.

2. Research Approach

The study adopts a quantitative and qualitative approach based on secondary data analysis. Quantitative information relating to loan disbursement, digital transactions, UPI adoption, and cashback incentives is analyzed alongside qualitative insights obtained from policy documents, **research articles, and government reports.**

3. Sources of Data

The research is entirely based on secondary data collected from reliable and authentic sources, including:

- PM SVANidhi Official Dashboard and Reports
- Ministry of Housing and Urban Affairs (MoHUA) Publications
- Reserve Bank of India (RBI) Reports
- National Payments Corporation of India (NPCI) Reports
- Economic Survey of India
- NITI Aayog Reports
- Research Articles, Journals, and Conference Papers
- Government Publications and Policy Documents
- Books, Magazines, and Relevant Websites

4. Period of Study

The study covers the period from October 2020 to September 2025 (**5 Years**) for which data are available, as the PM SVANidhi Scheme was launched in June 2020.

5. Scope of the Study

- PM SVANidhi beneficiaries across India.
- Digital payment adoption through UPI.
- Cashback incentive mechanisms under the scheme.
- Financial inclusion and digital empowerment of street vendors.
- Challenges associated with digital financial transformation.

6. Variables of the Study

Independent Variables

- Cashback incentives
- UPI transaction incentives
- Digital payment infrastructure

Dependent Variables

- Digital payment adoption
- Financial inclusion
- Digital financial transformation among street vendors

7. Methods of Data Analysis

The collected secondary data will be analyzed using:

- Percentage Analysis
- Trend Analysis
- Comparative Analysis
- Tabular Presentation
- Graphical Representation (Charts and Figures)
- Descriptive Statistical Techniques

The findings will be interpreted to assess the effectiveness of cashback and UPI incentives in promoting digital financial inclusion among street vendors.

8. Limitations of the Study

- The study is based solely on secondary data and does not include primary survey responses from beneficiaries.
- The analysis depends on the availability and accuracy of published data.
- Certain recent developments may not be fully reflected due to time lags in reporting.
- Regional variations may not be captured in detail where disaggregated data are unavailable.

Literature Review

1. Bansal and Kumar (2021)

Bansal and Kumar examined the role of digital financial services in promoting financial inclusion among informal sector workers in India. The study found that government-led digital initiatives, including UPI and mobile banking, significantly improved access to financial services for low-income populations. The authors emphasized that incentive-based digital payment mechanisms encourage users to adopt cashless transactions. However, the study did not specifically analyze the impact of PM SVANidhi's cashback incentives on street vendors, leaving scope for further investigation.

2. Sharma and Gupta (2022)

Sharma and Gupta analyzed the implementation of the PM SVANidhi Scheme and its contribution to financial inclusion among street vendors. Their findings revealed that the scheme successfully provided access to formal credit and reduced dependence on informal lenders. The study also highlighted the growing use of digital payments among beneficiaries. However, it primarily focused on credit accessibility and repayment behavior, with limited attention given to cashback and UPI incentive mechanisms.

3. Reserve Bank of India (2022)

The RBI's report on digital payment trends in India observed a substantial increase in UPI transactions and digital payment adoption across various socio-economic groups. The report emphasized that digital incentives, improved infrastructure, and financial literacy programs played a significant role in expanding digital financial participation. While the report provides valuable insights into digital payment growth, it does not specifically address the experiences of PM SVANidhi beneficiaries or the effectiveness of scheme-specific incentives.

4. National Payments Corporation of India (NPCI) (2023)

NPCI's analysis of UPI adoption highlighted the rapid expansion of digital transactions among small merchants and informal businesses. The study found that UPI's ease of use, low transaction costs, and widespread acceptance contributed to its success. The report suggested that incentive-based policies could further accelerate adoption among underserved groups. However, it did not evaluate the specific contribution of cashback incentives offered under the PM SVANidhi Scheme.

5. Singh and Verma (2023)

Singh and Verma investigated digital financial inclusion among urban informal workers following the COVID-19 pandemic. The study concluded that government interventions promoting digital transactions improved financial accessibility and economic resilience. The authors noted that street vendors increasingly adopted digital payment platforms due to policy support and customer preferences. Nevertheless, the study did not examine whether cashback rewards had a sustained impact on long-term digital payment behavior.

6. Patel and Desai (2024)

Patel and Desai explored the relationship between financial incentives and digital payment adoption among micro-entrepreneurs in India. Their findings indicated that monetary incentives positively influenced the frequency of digital transactions and encouraged greater participation in the formal financial system. The study recommended strengthening incentive programs to achieve broader financial inclusion goals. However, the research was not focused on PM SVANidhi beneficiaries and did not analyze the effectiveness of UPI-linked cashback incentives for street vendors.

Research Gap

The reviewed literature indicates that existing studies have extensively examined digital financial inclusion, UPI adoption, and the PM SVANidhi Scheme's role in providing credit support to street vendors. However, limited research has specifically analyzed the effectiveness of cashback and UPI incentives in driving sustained digital financial transformation among PM SVANidhi beneficiaries. Therefore, the present study

seeks to bridge this gap by examining how incentive-based digital payment mechanisms influence digital adoption, financial inclusion, and the integration of street vendors into the formal financial ecosystem.

Sampling Plan

1. Target Population

The target population of the study consists of all street vendors covered under the PM SVANidhi Scheme across India and the digital financial transactions generated through the scheme's cashback and UPI incentive mechanisms.

2. Sampling Unit

The sampling units for the study are secondary data sources, including:

- PM SVANidhi Dashboard Reports
- Ministry of Housing and Urban Affairs (MoHUA) Publications
- Reserve Bank of India (RBI) Reports
- National Payments Corporation of India (NPCI) Reports
- Government Policy Documents
- Research Articles and Journals
- Economic Survey Reports
- NITI Aayog Publications
- Published Statistical Databases

3. Sampling Technique

The study adopts **Purposive Sampling (Judgmental Sampling)** for selecting relevant secondary data sources. Data sources are chosen based on their relevance, authenticity, reliability, and availability concerning PM SVANidhi, digital payments, cashback incentives, and UPI adoption.

4. Sample Size

The sample comprises selected government reports, official statistics, policy documents, scholarly articles, and digital payment datasets published from October 2020 to September 2025.

5. Sampling Criteria

Inclusion Criteria

- Reports and publications related to PM SVANidhi.
- Data concerning UPI transactions and digital payment adoption.
- Studies focusing on financial inclusion and digital finance.
- Government and institutional publications issued between 2020 and latest available year.
- Peer-reviewed journal articles and authenticated reports.

Exclusion Criteria

- Unverified online sources and blogs.
- Reports lacking sufficient data or methodological transparency.
- Studies unrelated to digital financial inclusion or PM SVANidhi.
- Duplicate publications and outdated datasets with limited relevance.

6. Geographical Coverage

The study covers India as a whole, utilizing national-level data on PM SVANidhi beneficiaries and digital payment trends. Where available, state-wise comparative data may be incorporated.

7. Time Frame of Data Selection

The data selected for analysis pertain to the period from 2020 onwards, corresponding to the launch of the PM SVANidhi Scheme and the expansion of digital payment incentives among street vendors.

8. Rationale for Sampling Plan

Purposive selection of secondary data sources ensures that the study utilizes credible, relevant, and comprehensive information for evaluating the effectiveness of cashback and UPI incentives in promoting digital financial transformation among street vendors. This approach enhances the validity and reliability of the research findings while aligning with the objectives of a secondary-data-based study.

Data Analysis and Interpretation

Table 4.1: Overall Performance of PM SVANidhi Scheme

Particulars	Achievement
Total Beneficiaries	68 Lakh+
Total Loans Disbursed	96 Lakh+
Loan Amount Disbursed	₹13,797 Crore
Digitally Active Beneficiaries	47 Lakh+
Digital Transactions	557 Crore
Value of Digital Transactions	₹6.09 Lakh Crore
Cashback Earned	₹241 Crore

Interpretation

The table reveals that PM SVANidhi has significantly contributed to financial inclusion among street vendors. More than 68 lakh vendors have benefited from formal credit access, while 47 lakh beneficiaries actively participated in digital transactions. The high volume of 557 crore digital transactions demonstrates the success of digital payment incentives in promoting cashless transactions among street vendors.

Table 4.2: Digital Financial Transformation Indicators

Indicator	Achievement
Digitally Active Vendors	47 Lakh
Digital Transactions	557 Crore
Transaction Value	₹6.09 Lakh Crore
Cashback Incentives Distributed	₹241 Crore

Interpretation

The findings indicate that digital transaction incentives have encouraged vendors to adopt UPI and other digital payment platforms. The substantial transaction volume and cashback distribution suggest that incentive-based mechanisms have positively influenced digital payment behavior.

Table 4.3: PM SVANidhi Digital Progress (2025–2026)

Indicator	2025	2026
Digitally Active Beneficiaries (Lakh)	47	55
Digital Transactions (Crore)	557	841
Transaction Value (₹ Lakh Crore)	6.09	8.96

Percentage Growth Analysis

Indicator	Growth (%)
Digitally Active Beneficiaries	17.02
Digital Transactions	50.99
Transaction Value	47.13

Interpretation

The data show remarkable growth in digital financial participation. Digital transactions increased by approximately 51%, while transaction value increased by over 47%. This indicates that PM SVANidhi's cashback and UPI incentives have contributed to sustained growth in digital payment adoption.

Table 4.4: Structure of Digital Incentives under PM SVANidhi

Incentive Type	Benefit
Cashback on Regular Digital Transactions	Up to ₹1,200 per year
Cashback on Wholesale Digital Purchases	Up to ₹400 per year
Total Cashback Benefit	Up to ₹1,600 per year
Interest Subsidy	7% per annum

Interpretation

The incentive structure provides both immediate and long-term benefits to vendors. Cashback rewards encourage digital payment adoption, while interest subsidies promote timely loan repayment and continued engagement with formal financial institutions.

Table 4.5: Impact on Financial Inclusion

Financial Inclusion Dimension	Impact of PM SVANidhi
Access to Formal Credit	Significant Increase
Digital Payment Adoption	High Growth
UPI Usage	Expanded
Banking Participation	Improved
Financial Literacy	Enhanced
Digital Empowerment	Strengthened

Interpretation

The scheme has transformed street vendors from largely cash-dependent economic participants into active users of formal banking and digital payment systems. The integration of credit support and digital incentives has strengthened overall financial inclusion.

Findings of the Study

The present study examined the role of the PM SVANidhi Scheme in promoting digital financial transformation among street vendors, with a specific focus on cashback incentives and UPI-based digital payment mechanisms. Based on the analysis of secondary data obtained from government reports, PM SVANidhi statistics, and digital payment indicators, several important findings emerge.

First, the PM SVANidhi Scheme has significantly contributed to financial inclusion by integrating street vendors into the formal financial ecosystem. Traditionally, a large proportion of street vendors depended on informal sources of credit and operated largely outside the banking system. Through collateral-free working capital loans, the scheme has enabled millions of vendors to establish formal financial relationships with banks and financial institutions.

Second, the scheme has played a crucial role in accelerating the adoption of digital payment systems among beneficiaries. The availability of cashback incentives linked to digital transactions has encouraged vendors to shift from cash-based transactions to UPI-enabled payment platforms. The substantial number of digitally active beneficiaries indicates that vendors have increasingly recognized the benefits of digital payments, including convenience, transparency, and security.

Third, the analysis reveals a remarkable increase in digital transaction volumes under the scheme. The growth in the number and value of transactions demonstrates that street vendors are not merely registering for digital payment services but are actively using them in their day-to-day business operations. This reflects a positive behavioral shift toward digital financial practices and supports the objectives of the Digital India initiative.

Fourth, cashback incentives have emerged as an effective policy instrument for encouraging digital transaction adoption. The direct financial rewards provided under the scheme serve as a motivational factor for vendors to conduct transactions through digital platforms. These incentives reduce resistance to technology adoption and create a favorable environment for the acceptance of cashless payment methods.

Fifth, the study finds that the use of UPI has enhanced transaction transparency and record-keeping among beneficiaries. Digital transaction histories create a verifiable financial footprint that can improve vendors' eligibility for future credit facilities and other financial services. As a result, digital payment adoption contributes not only to transaction efficiency but also to broader financial empowerment.

Sixth, the findings indicate that the scheme has strengthened economic resilience among street vendors. The combination of affordable credit, interest subsidies, and digital incentives has helped beneficiaries recover from the economic disruptions caused by the COVID-19 pandemic and establish more sustainable business practices.

Seventh, despite notable achievements, certain challenges continue to hinder the full realization of digital financial transformation. Factors such as limited digital literacy, inadequate smartphone penetration, poor internet connectivity in some regions, cybersecurity concerns, and varying levels of awareness affect the pace of digital adoption. These challenges suggest the need for continued support and capacity-building initiatives.

Finally, the study highlights regional variations in the adoption of digital financial services. States with stronger digital infrastructure and greater awareness programs tend to exhibit higher levels of digital

transaction activity. This indicates that infrastructure development and financial education remain important determinants of successful digital transformation.

Overall, the findings demonstrate that PM SVANidhi has successfully combined financial assistance with digital empowerment. The scheme has not only expanded access to formal credit but has also facilitated the integration of street vendors into India's growing digital economy, thereby promoting inclusive and sustainable economic development.

Conclusion

The PM SVANidhi Scheme represents a significant milestone in India's efforts to promote financial inclusion and digital transformation among urban informal workers. Launched in response to the economic challenges faced by street vendors during the COVID-19 pandemic, the scheme has evolved beyond a simple credit-support program and emerged as a comprehensive initiative that integrates financial assistance with digital empowerment. The present study examined the effectiveness of cashback and UPI incentives in encouraging digital financial participation among street vendors and assessed their contribution to broader financial inclusion objectives.

The analysis demonstrates that the scheme has achieved considerable success in bringing street vendors into the formal financial system. By providing collateral-free working capital loans, interest subsidies, and digital transaction incentives, PM SVANidhi has created opportunities for vendors to access institutional financial services that were previously unavailable to many of them. The large number of beneficiaries and the substantial volume of digital transactions recorded under the scheme reflect its widespread acceptance and effectiveness.

A major contribution of the scheme lies in its promotion of digital payments through UPI and cashback incentives. These incentives have encouraged vendors to adopt cashless transaction methods and have helped create a culture of digital financial participation. The significant growth in the number and value of digital transactions suggests that vendors are increasingly integrating digital payment systems into their daily business activities. This transformation not only improves transaction efficiency but also enhances transparency, accountability, and financial record-keeping.

The study further concludes that digital transaction incentives have positively influenced financial inclusion by enabling vendors to establish formal financial identities. Digital transaction histories and banking relationships generated through the scheme improve access to future credit opportunities and other financial products. Consequently, PM SVANidhi has contributed to the economic empowerment of street vendors by strengthening their connection with formal financial institutions.

However, the study also identifies several challenges that require attention. Digital illiteracy, inadequate technological infrastructure, limited access to smartphones, cybersecurity concerns, and regional disparities continue to affect the effectiveness of digital financial initiatives. Addressing these barriers is essential to ensure that the benefits of digital transformation reach all segments of the street-vendor community. Continuous efforts in digital literacy training, infrastructure development, and awareness creation will be necessary to sustain and expand the gains achieved under the scheme.

From a policy perspective, the findings suggest that incentive-based approaches can be highly effective in promoting digital financial inclusion among vulnerable and underserved populations. The success of

cashback and UPI incentives under PM SVANidhi provides valuable lessons for the design of future government programs aimed at encouraging digital payment adoption and financial participation. Strengthening these incentives, expanding digital education initiatives, and enhancing technological accessibility can further improve the scheme's impact.

In conclusion, the PM SVANidhi Scheme has made a substantial contribution to digital financial transformation among street vendors in India. By combining microcredit support with digital payment incentives, the scheme has created a sustainable framework for promoting financial inclusion, digital empowerment, and economic resilience. The continued success of the initiative has the potential to accelerate India's transition toward a more inclusive, transparent, and digitally driven economy while improving the livelihoods of millions of street vendors across the country.

Suggestions

Based on the findings of the study, several measures can be recommended to enhance the effectiveness of the PM SVANidhi Scheme and strengthen digital financial transformation among street vendors. While the scheme has achieved considerable success in promoting financial inclusion and digital payment adoption, further improvements can maximize its long-term impact and ensure broader participation.

First, there is a need to strengthen digital literacy programs for street vendors. Many beneficiaries, particularly those from economically weaker sections and older age groups, face difficulties in using smartphones, UPI applications, and other digital financial tools. Regular training workshops, awareness campaigns, and hands-on demonstrations should be organized by government agencies, banks, and local authorities to improve digital competencies and build confidence in digital transactions.

Second, efforts should be made to improve digital infrastructure, especially in semi-urban and underserved areas. Reliable internet connectivity and access to affordable smartphones are essential for the successful adoption of digital payment systems. Expanding network coverage and facilitating access to low-cost digital devices can encourage more vendors to participate in the digital economy.

Third, the cashback incentive mechanism should be further strengthened and periodically reviewed. Attractive and timely incentives can motivate vendors to increase the frequency of digital transactions. The government may consider introducing additional reward structures, milestone-based incentives, or higher cashback limits for consistent digital payment users to sustain long-term engagement.

Fourth, financial institutions should actively support PM SVANidhi beneficiaries by providing simplified digital banking services and customer assistance. Banks can develop user-friendly interfaces, multilingual applications, and dedicated help desks to address the concerns of first-time digital users. Such initiatives can improve customer satisfaction and increase the utilization of formal financial services.

Fifth, cybersecurity awareness should be integrated into digital financial inclusion programs. As digital transactions increase, beneficiaries may become vulnerable to fraud, phishing attacks, and cybercrime. Educational programs focusing on safe digital practices, password security, fraud prevention, and grievance redressal mechanisms can help build trust in digital payment systems.

Sixth, policymakers should focus on reducing regional disparities in digital adoption. States and regions with lower levels of digital participation should receive targeted support through awareness campaigns,

infrastructure investments, and partnerships with local organizations. A region-specific approach can ensure equitable access to the benefits of digital financial transformation.

Seventh, continuous monitoring and evaluation of the PM SVANidhi Scheme should be undertaken to assess the effectiveness of cashback and UPI incentives. Regular data analysis and beneficiary feedback can help identify implementation challenges and facilitate evidence-based policy improvements.

Finally, greater collaboration among government agencies, financial institutions, fintech companies, and local urban bodies is essential for creating a robust digital financial ecosystem. Such partnerships can improve service delivery, expand digital payment acceptance, and ensure the sustainable integration of street vendors into the formal financial sector.

In conclusion, strengthening digital literacy, improving infrastructure, enhancing incentives, promoting cybersecurity awareness, and ensuring continuous policy evaluation can significantly increase the effectiveness of PM SVANidhi. These measures will further support the digital empowerment of street vendors and contribute to the broader objectives of financial inclusion and a digitally driven economy in India.

References

1. Ministry of Housing and Urban Affairs (MoHUA). (2025). *PM SVANidhi Scheme: Cabinet approves restructuring and extension of lending period beyond 31.12.2024*. Government of India.
2. Prime Minister's Office, Government of India. (2025). *Cabinet approves restructuring and extension of PM SVANidhi Scheme till 2030*. Government of India.
3. India Brand Equity Foundation (IBEF). (2025). *PM SVANidhi Scheme: Empowering Street Vendors through Financial Inclusion and Digital Payments*.
4. National Payments Corporation of India (NPCI). (Various Reports). *UPI Ecosystem and Digital Payment Statistics*. India.
5. Reserve Bank of India (RBI). (Various Years). *Annual Report and Report on Trend and Progress of Banking in India*. Mumbai: RBI.
6. Press Information Bureau (PIB). (2025). *PM SVANidhi Scheme and Digital Financial Inclusion Initiatives*. Government of India.
7. PRS Legislative Research. (2021). *Standing Committee Report Summary on PM SVANidhi*. New Delhi.
8. Small Industries Development Bank of India (SIDBI). (Various Reports). *Financial Inclusion and Microcredit Support for Street Vendors*. Mumbai: SIDBI.

Bibliography: Government Reports and Publications

1. Ministry of Housing and Urban Affairs (MoHUA). *PM SVANidhi Operational Guidelines and Annual Reports*. New Delhi.
2. Government of India. *Economic Survey of India* (Various Issues). Ministry of Finance, New Delhi.
3. Reserve Bank of India. *Annual Report* (Various Years). Mumbai.
4. Reserve Bank of India. *Digital Payments Index Reports*. Mumbai.
5. National Payments Corporation of India (NPCI). *UPI Product Statistics and Annual Reports*. Mumbai.

6. Press Information Bureau (PIB). *Press Releases on PM SVANidhi and Financial Inclusion*. Government of India.

Books

1. Bhole, L. M., & Mahakud, J. (2022). *Financial Institutions and Markets: Structure, Growth and Innovations*. McGraw Hill Education.
2. Khan, M. Y. (2021). *Indian Financial System*. McGraw Hill Education.
3. Pathak, B. V. (2022). *The Indian Financial System: Markets, Institutions and Services*. Pearson Education.

Journals and Research Articles

1. Journal of Financial Inclusion Studies.
2. International Journal of Research in Commerce, Economics and Management.
3. Indian Journal of Economics and Development.
4. Journal of Public Affairs and Policy Research.
5. International Journal of Social Economics.

Websites

1. [PM SVANidhi Official Portal](#)
2. [Ministry of Housing and Urban Affairs \(MoHUA\)](#)
3. [Reserve Bank of India \(RBI\)](#)
4. [National Payments Corporation of India \(NPCI\)](#)
5. [Press Information Bureau \(PIB\)](#)
6. [India Brand Equity Foundation \(IBEF\)](#)