



Instruction no. : Circular/RISK/019/2020-21
Date : 22-07-2020

Launch of Special Product - Prime Minister Street Vendor Atma Nirbhar Nidhi (PM SVANidhi)

Due to COVID-19, Prime Minister and Finance Minister has announced various schemes for benefits of the less privilege section of the society. Under the Prime Minister's package for farmers, Hon'ble Finance Minister has announced a special micro credit facility PM Street Vendor's Atma Nirbhar Nidhi Scheme (PM SVANidhi) for street vendors to make them self-reliant.

Street vendors represent a very important constituent of the urban informal economy and play a significant role in ensuring availability of the goods and services at affordable rates at the doorstep of the city dwellers. They are known as vendors, hawkers, thelewala, rehriwala, theliphadwala etc. in different areas/ contexts. The goods supplied by them include vegetables, fruits, ready-to-eat street food, tea, pakodas, breads, eggs, textile, apparel, footwear, artisan products, books/ stationary etc. The services include barber shops, cobblers, pan shops, laundry services etc. The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihoods of street vendors. They usually work with a small capital base and might have consumed the same during the lockdown. Therefore, there is an urgent need to provide credit for working capital to street vendors to resume their business.

Accordingly, the Bank has devised a Special Product in line with Government of India guidelines. Detailed product guidelines are enclosed at Appendix.

The contents of this circular may please be brought to the notice of all the concerned staff members for information and implementation.

RURAL LENDING

Appendix

Product Features

Prime Minister Street Vendor Atma Nirbhar Nidhi (PM SVANidhi)

S. No	Particulars	Terms & Conditions																		
1	Scheme	Prime Minister Street Vendor Atma Nirbhar Nidhi (PM SVANidhi)																		
2	Scheme Code	Working Capital Term loan : LNSTL Scheme Label : PMSVANIDHI																		
3	Eligibility conditions of Beneficiaries	<p>Every street vendor will need to have a legitimate document to identify him/her as an identified and eligible SV. SV considered assistance shall be accorded following codes for different categories they fall in :</p> <table> <tr> <th>SV Code</th><th>Category Description</th><th>Lender Process</th></tr> <tr> <td>A</td><td>Street Vendors (SVs) identified in survey and in possession of Certificate of Vending (CoV) / identity Card (ID Card) issued by Urban Local Bodies (ULBs)</td><td> > Check vendor name in survey (on portal or mobile App) and obtain Survey Reference Number (SRN) > Obtain copy of CoV/ ID card </td></tr> <tr> <td>B</td><td>SVs who have been identified in the survey but have not been issued CoV/ ID Card</td><td> > Check vendor name in survey (on portal or mobile App) and obtain Survey Reference Number (SRN). > On submission of application information on portal a Provisional Certificate (PCoV) of Vending shall be generated. </td></tr> <tr> <td>C</td><td colspan="2">SVs left out of the ULB-led identification survey or who have started vending after completion of the survey. 2 sub categories will be there:</td></tr> <tr> <td>C1</td><td>SV has been issued Letter of Recommendation (LoR) by ULB/TVC</td><td>Obtain copy of LoR</td></tr> <tr> <td>C2</td><td>SV has not been issued Letter of Recommendation (LoR) by ULB/TVC</td><td>On submission of application information on portal, along with the loan sanction letter of the LI, a system based online request along with a certificate of sanction will go to the respective ULB for issuing an LoR. ULB will be expected to issue an online LoR within 15 days.</td></tr> </table>	SV Code	Category Description	Lender Process	A	Street Vendors (SVs) identified in survey and in possession of Certificate of Vending (CoV) / identity Card (ID Card) issued by Urban Local Bodies (ULBs)	> Check vendor name in survey (on portal or mobile App) and obtain Survey Reference Number (SRN) > Obtain copy of CoV/ ID card	B	SVs who have been identified in the survey but have not been issued CoV/ ID Card	> Check vendor name in survey (on portal or mobile App) and obtain Survey Reference Number (SRN). > On submission of application information on portal a Provisional Certificate (PCoV) of Vending shall be generated.	C	SVs left out of the ULB-led identification survey or who have started vending after completion of the survey. 2 sub categories will be there:		C1	SV has been issued Letter of Recommendation (LoR) by ULB/TVC	Obtain copy of LoR	C2	SV has not been issued Letter of Recommendation (LoR) by ULB/TVC	On submission of application information on portal, along with the loan sanction letter of the LI, a system based online request along with a certificate of sanction will go to the respective ULB for issuing an LoR. ULB will be expected to issue an online LoR within 15 days.
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4	Purpose of Loan	<p>The scheme is a Central Sector Scheme i.e. fully funded by Ministry of Housing and Urban Affairs with the following objectives:</p> <ul style="list-style-type: none"> (i) To facilitate working capital loan up to Rs. 10,000; (ii) To incentivize regular repayment; and (iii) To reward digital transactions <p>The scheme will help formalize the street vendors with above objectives and will open up new opportunities to this sector to move up the economic ladder</p>									
5	Age of applicant	Age criteria min. 18 max 70									
6	CIBIL Norms	<p>CIBIL Check to be mandatorily done.</p> <p>Hit cases: >= 690, No Hit cases : 0,-1 will be eligible.</p> <p>Though applicants have CIBIL score >= 690, but in case they are either suit filed, SMA, settled cases/ write off cases, they should not be considered. Only credit card settled cases can be approved by Head – Under writing & Policy.</p> <p>All due diligences to be done before sanction as mentioned below :</p> <ul style="list-style-type: none"> • BQS check to be done • Hunter check to be done. 									
7	Bank Statement	<p>6 months latest bank statement to check the general hygiene in the banking of the borrower. Min average bank balance should be Rs. 2000/-</p> <p>Any deviation to be approved at AVP, Underwriting - CO</p>									
8	Lending norms under PM SVANidhi Scheme	<p>Urban street vendors will be eligible to avail a Working Capital (WC) loan of up to Rs. 10,000 with tenure of 1 year and repaid in monthly instalments. For this loan, no collateral will be taken by the lending institutions.</p> <p>On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit subject to a ceiling of Rs. 20,000/-</p>									

		No prepayment penalty will be charged from the vendors for repayment before the scheduled date.
9	Rate of Interest	12% p.a. fixed interest rate
10	Processing Fees	NIL
11	Repayment / Tenure	Tenure of 1 year and repaid in monthly instalments.
12	Mode of Disbursement	The loan amount should be disbursed in the savings / current account of the borrower.
13	Prepayment penalty	There shall be no lock in period and no penalty for prepayment shall be levied.
14	Pre and Post sanction follow up	<p>Pre-Sanction Credit appraisal: As per guidelines shared by MoHUA, the potential borrowers are selected by Urban Local Bodies (ULB) / Town Vending Committee (TVC) who will give the Certificate of Vending / Identity Card to the borrowers, based on their survey.</p> <p>On the basis of Field Investigation (FI) report and Branch head recommendation, GSS-CO will sanction the loan application to the borrower.</p> <p>Post sanction follow up : Branch has to ensure repayment of loan timely.</p>
15	Credit Guarantee	<p>The Scheme has a provision of Graded Guarantee Cover for the loans sanctioned, as indicated below, to be administered by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which will be operated on portfolio basis:</p> <p>a) First Loss Default (Up to 5%): 100%</p> <p>b) Second Loss (beyond 5% up to 15%): 75% of default portfolio</p> <p>c) Maximum guarantee coverage will be 15% of the year portfolio.</p> <p>All loans given by each lending institution under the scheme will be considered for coverage under the guarantee. The periodicity of filing of claims by lending institutions will be quarterly.</p> <p>All the participating lending institutions shall be eligible to avail this guarantee cover without any charges.</p> <p>Further, a representative of MoHUA shall be a special invitee at the meetings of the Board of trustees of CGTMSE whenever the Scheme is taken up for consideration.</p> <p>.</p>
16	Interest Subvention	<p>The vendors, availing loan under the scheme, are eligible to get an interest subsidy @ 7%. The interest subsidy amount will be credited into the borrower's account quarterly.</p> <p>Lenders will submit quarterly claims for interest subsidy for quarters ending as on June 30, September 30, December 31 and March 31 during each financial year. Subsidy will only be considered in respect of accounts of borrowers, which are Standard (non-NPA as per extant RBI guidelines) on respective claim dates and only for those months during which the account has remained Standard in the concerned quarter.</p>

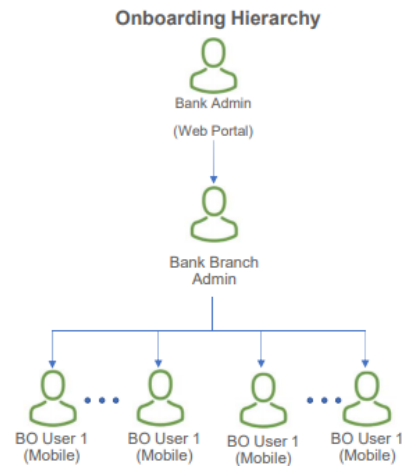
		<p>The interest subsidy is available up to March 31, 2022. The subsidy will be available on first and subsequent enhanced loans up to that date.</p> <p>In case of early payment, the admissible amount of subsidy will be credited in one go.</p> <p>Interest subsidy would be available for the interest paid during the Scheme period i.e till March 31.2022. The scheme does not restrict the vendor availing benefit of any other subsidy or interest subvention scheme of any State / central Government.</p>
17	Overall Monitoring of Interest Subvention	<p>The Rural Lending Operations Team will centrally monitor the interest subvention amount.</p> <p>The entire exercise of calculation of interest subvention will be calculated at the Central Office by Rural Lending operations Team. The same will be uploaded on portal centrally by the Rural Lending Operations Team.</p>
18	Application Software	<p>Integrated IT application for Scheme Administration : An integrated IT platform (pmsvanidhi.mohua.gov.in) has been developed for facilitating scheme implementation and management. This shall be integrated with Udyami Mitra portal of SIDBI, PAISA Portal of MoHUA managed by Indian Bank and other Institutions like NPCI/ UIDAI. Udyami Mitra portal shall be the lenders interface with the integrated platform.</p>
19	Formation of Collectives of the Vendors	<p>As per prevailing practice, the individual lending institution may form Joint Liability Groups (JLGs) of eligible vendors. The Common Interest Groups (CIGs) of street vendors, already formed by States, can be converted into JLGs by lending institutions.</p> <p>The ULBs should extensively encourage formation of CIGs of the street vendors to ensure maximum coverage of the scheme. List of CIGs of street vendors formed by ULBs will be shared with the lending institutions. Similarly, the lending institutions will share the list of JLGs of eligible street vendors formed with respective ULBs. Formation of such collectives is preferred and encouraged. However, it does not preclude individual vendors from availing the loan.</p>
20	A) Others benefit to borrower in shape of Cash Back at the time of repayment.	<p>The scheme will incentivize digital transactions by vendors through cash back facility. The transaction trail so created will build the credit score of vendors for enhancing their future credit needs. The on boarded vendors would be incentivised with a monthly cashback in the range of Rs. 50 – Rs. 100 as per following criteria :</p> <p>(i) On executing 50 eligible transactions in a month: Rs.50; (ii) On executing the next 50 additional eligible transactions in a month: Rs.25 (i.e on reaching 100 eligible transactions, the vendor to receive Rs. 75); and (iii) On executing the next additional 100 or more eligible transactions: Rs. 25 (i.e on reaching 200 eligible transactions, the vendor to receive Rs. 100). Here eligible transactions mean a digital payout or receipt with minimum value of Rs. 25.</p>

20	B) Digital Cash Back incentives	<p>The loan application form has fields for collection of ONE Active / Preferred UPI ID. If an Street Vendor does not have an UPI ID, the Bank shall ensure to make arrangement with a Bank / payment aggregator to get the SV obtain a UPI ID (P2PM category) along with a QR code on a durable material, before disbursal of the loan and then submit data on the portal. Bank shall also encourage SV to obtain a RuPay Card linked to the Bank Account mentioned in the Loan application.</p> <p>Integration with a durable QR code provided by a Digital Payment Aggregators (DPA) is a mandatory feature, either at the time of filling of the application or before disbursal of the loan amount.</p> <p>LI to ensure that UPI ID information along with the LAF information is submitted to the PM SVANidhi Portal. New UPI onboarding shall be in P2PM (Person to Person & Merchant) category with MCC 7407 code and QR code on a durable material provided to SVs.</p> <p>After submission of application information on the portal, NPCI will provide monthly digital transaction details based on the UPI ID mentioned in the Loan Application, for the purpose of calculating cash back incentive.</p> <p>The cashback so arrived at would be credited to Saving / Current account mentioned in the Loan Application form.</p> <p>Cash Back incentive shall be available only to a maximum limit of Rs.1200.</p>
21	IT Platform for scheme implementation	<p>An integrated IT platform has been developed for facilitating the scheme implementation and management. The program portal www.svanidhi.mohua.gov.in will be integrated with Udyamimitra Portal (UMP) of SIDBI, PAiSA portal of MoHUA maintained by Indian Bank, NPCI and UIDAI. Various stakeholders for the program viz. Street Vendor loan applicants, Bank, Urban Local Bodies and other stakeholders will be connected to the platform for different roles.</p>
22	Application Process Flow on PM SVANidhi Portal	<p>The details of application process flow, as shared by SIDBI, is as follows:</p>

PM SVANidhi - Bank Onboarding

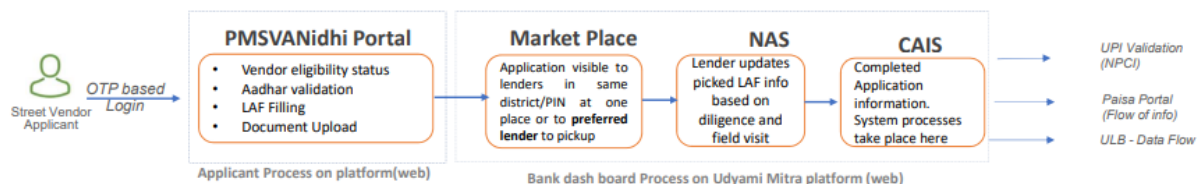
- ✓ Most Banks are already onboarded already onboarded on UMP.
- ✓ An excel sheet shall be provided to Banks containing IFSC code of the branches presently mapped with UMP. Banks will be required to update the PinCode, Active Status* for PM SVANidhi of the Branches in the excel sheet and send back to us for updating in the system
- ✓ Bank's Admin is empowered to create any new branch and its users.
- ✓ Branch can create its users and forward link to its users (employee / BC Agent) for Mobile App download
- ✓ In case any Bank is not onboarded on UMP, they will be helped to do so.

**Only Branches which will be carrying PMSVANidhi business may be marked as Active in excel sheet so that applications in market place can be seen by/ flow to only those branches.*



1. Direct Application by SVs on PMSVANidhi portal - Web

NAS – New Application Section; CAIS – Completed Application Information Section

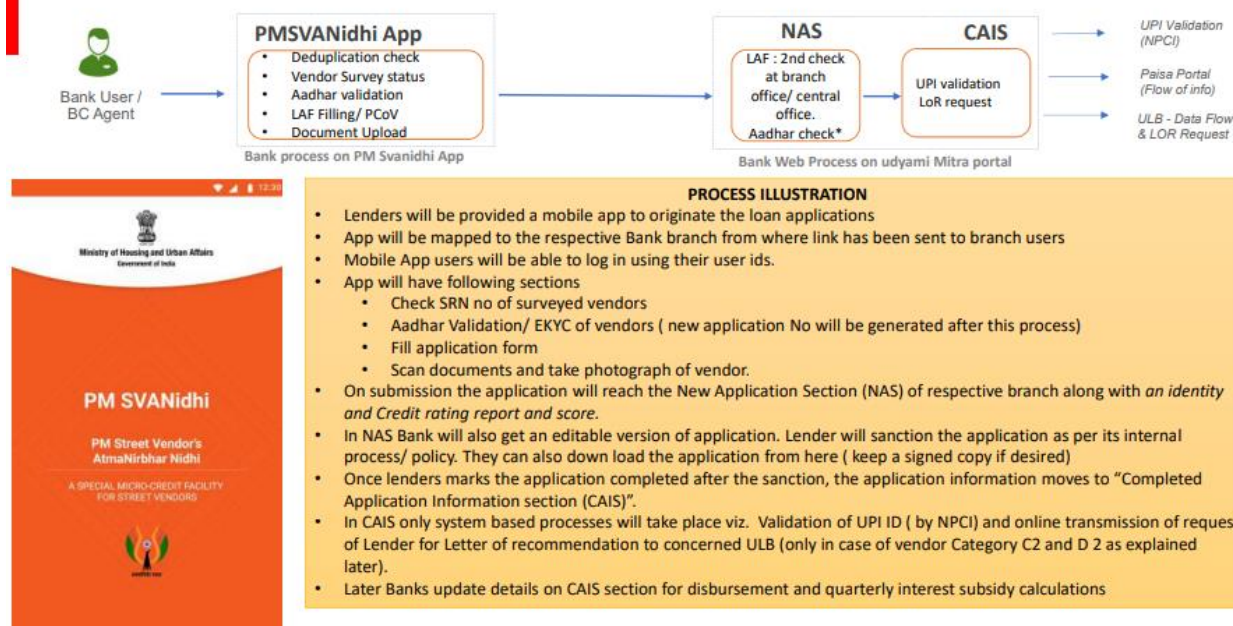


PROCESS ILLUSTRATION

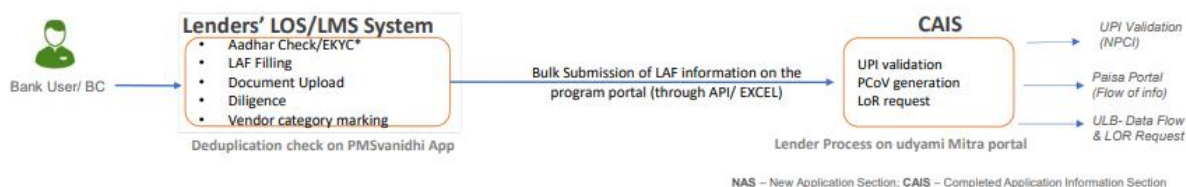
- Street Vendor (SV) registers on PM SVANidhi portal (directly or with the help of a CSC) and completes 4 step process for submitting application:
 - Check Vendor Eligibility (as per ULB provisions).
 - Fill application form (including Aadhar validation/ EKYC)
 - Upload documents
 - Submit application to Market Place (will be visible to all lenders in vicinity/ district) or to a preferred lender
- Banks registered on Udyamimitra portal (managed by SIDBI) will be able to see the application in the market place along with **an Identity check report & Credit rating report and score**. A Branch Manager will see applications in the vicinity/ District.
- If a lender "picks up" an application it will reflect on his "New Application section(NAS)" of his dash board.
- In NAS lender will also get an editable version of application. Bank branch can refer the case to a laon officer or a BC/ Agent. Based on field visit/ diligence, lender can update the applicant information. A copy of original application and updated application information could be downloaded also. Lender will sanction the application as per its internal process/ policy. Banks will take a final version of application information and take applicant signature/ authentication on it and keep for records (if its edited in NAS)
- Once lenders marks the application as completed, the application moves to "Completed Application Information section (CAIS)".
- In CAIS only system based processes will take place viz. Validation of UPI ID (by NPCI) and online transmission of request of Lender for Letter of recommendation to concerned ULB (only in case of vendor Category C2 and D 2 as explained later).

2. Application Sourced by Banks–onProgram Mobile App

NAS – New Application Section; CAIS – Completed Application Information Section



3. Application Sourced by Lenders through their own systems

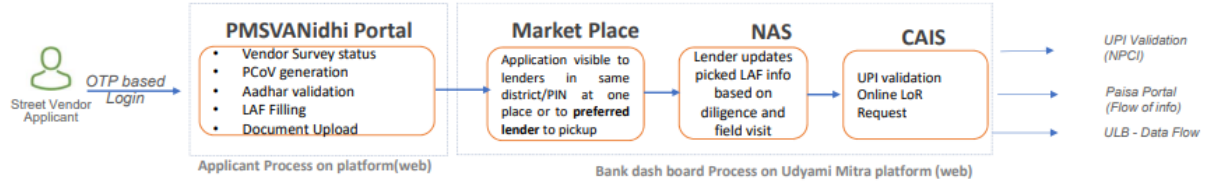


*This is being finalized. In case ministry requires all EKYC to be done on PMSVNidhi App, then Banks will do this exercise on the App and get a unique number for reference and do rest of the credit processes as above. We will get clarity in next 2 -3 days.

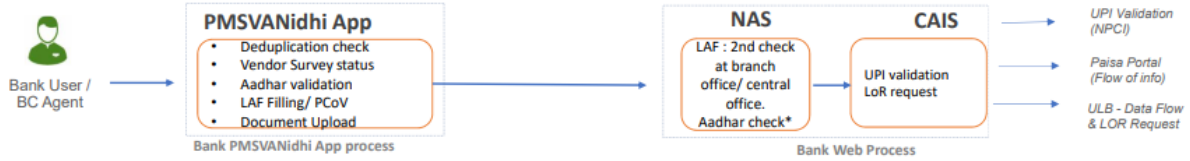
SUMMARY of 3 PROCESSES

NAS – New Application Section; CAIS – Completed Application Information Section

1. Direct Application - Web



2. Application Sourced by Lenders – Program Mobile App



3. Application Sourced by Lenders through their own system

