



Central Banking Operations

Ref: JKB/CHQ/CBO/GSS/2020-21

July 16, 2020

All Business Units/ Offices/Extension Counters

Circular No 256

Reg: PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi)

The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihood of street vendors, who usually work with a small capital base and might have consumed the same during the lockdown. As such, there is an urgent need to provide credit for working capital to street vendors to resume their business.

In order to help formalize the street vendors & open up new opportunities to this sector to move up the economic ladder, Ministry of Housing & Urban affairs, Gol has launched a central sector scheme “**PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi)**” for all street vendors engaged in vending in urban areas as on or before March 24, 2020. The scheme is valid up to **March 31, 2022**.

These Vendors are known as 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 broad categories of Vending activities are:

- a) Fast food & food items.
- b) Fruits & Vegetables.
- c) Home decor & Handicrafts.
- d) Kitchen Items.
- e) Electrical & Electronic Goods.
- f) Cloth & Handloom items.
- g) Flower & Pooja items.
- h) Plastic Items.
- i) Footwear & leather Items.
- j) Beauty & fashion items.
- k) Services.
- l) Others.



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The key features of the scheme are

- To facilitate working capital Term loan up to ₹ 10,000
- The vendors, availing loan under the scheme, are eligible for interest subsidy @ 7% upto March 31, 2022. The procedure for lodgment of claims will be separately issued by TUFS Department Central Banking Operations CHQ.
- The scheme will incentivize digital transactions by vendors through cash back facility. The transaction trail so created in the Savings Account of vendor will build the credit score of vendors for enhancing their future credit needs. The network of lending institutions and digital payment aggregators like NPCI (for BHIM), PayTM, GooglePay, BharatPay, AmazonPay, PhonePe etc. will be used to on-board the street vendors for digital transactions.
- The scheme does not restrict the vendor availing benefit of any other subsidy or interest subvention scheme of any State/Central Government.
- The Scheme provides Graded Guarantee Cover for the loans sanctioned, to be administered by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which will be operated on portfolio basis. Separate guidelines for coverage under CGTMSE will be issued by CGTMSE Team Central Banking Operations CHQ.
- Each Street Vendor is required to have ONE Active/Preferred UPI ID/QR Code. In case the Vendor does not have the same, the business Unit immediately after sanctioning the loan shall ensure to make arrangement for obtaining the UPI ID before disbursement of loan, through Digital & Alternate Channel Department CHQ by submitting information of Street vendor as per annexed format for UPI ID/QR Code on email ID qrcode@jkbmail.com. **This will be an interim arrangement till Digital & Alternate channels CHQ will issue separate guidelines for creation of UPI ID/QR Code at Business Unit level.**
- e-KYC is mandatory for all direct loan applicants. The fields like Full name, Date of birth, Gender, photo, permanent Address shall be fetched from UIDAI as part of the eKYC exercise. Business Units can carry out eKYC of their customers using the PMSVANidhi app also.

The detailed scheme guidelines, Loan Application Format, Request format for issuance Letter of Recommendation (LOR), CBS Customization, Draft of Legal Documents & Format for Creation of UPI ID/QR Code is annexed herewith.

All the Business Units/Offices are advised to ensure strict compliance to the scheme guidelines while appraising the loans under the subject scheme & dispose of cases received under the scheme on fast track basis. It must be

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ensured that accounts are opened strictly as per annexed CBS Customization with proper GL Subhead & Scheme Code.

Peer Masood Ahmad Chisti
Vice President (CBO)



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PM STREET VENDORS ATMA NIRBHAR NIDHI
(PM SVANIDHI)

S. No.	PARTICULARS	DETAILS
1	Scheme Title	PM STREET VENDOR'S ATMA NIRBHAR NIDHI
2	Purpose	<p>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.</p> <p>The purpose of scheme is to help formalize the street vendors & open up new opportunities to this sector to move up the economic ladder.</p>
3	Objective	<p>The scheme is a Central Sector Scheme issued by Ministry of Housing and Urban Affairs with the following objectives:</p> <ol style="list-style-type: none"> To facilitate working capital Term loan up to ₹ 10,000 To incentivize regular repayment; and To reward digital transactions
4	Scheme Validity	Upto March 31, 2022
5	Identification of Beneficiaries	<p>The eligible vendors will be identified as per following criteria:</p> <ol style="list-style-type: none"> Street vendors in possession of Certificate of Vending/Identity Card issued by Urban Local Bodies (ULBs). The vendors, who have been identified in the survey but have not been issued Certificate of Vending/Identity Card. Provisional Certificate of Vending would be generated for such vendors through an IT based Platform. ULBs are encouraged to issue such vendors the permanent Certificate of Vending and Identification Card immediately and positively within a period of one month. Street Vendors, left out of the ULB led identification survey or who have started vending after completion of the survey and have been issued Letter of Recommendation (LoR) to that effect by the ULB / Town Vending Committee (TVC) and The vendors of surrounding development/peri-urban / rural areas vending in the geographical limits of the ULBs and have been issued Letter of Recommendation (LoR) to that effect by the ULB / TVC. <p><u>Identification of Beneficiaries left out of the Survey or belonging to the surrounding Rural Areas.</u></p> <p>While identifying the vendors belonging to category (c) and (d) above, the ULB/ TVC may consider any of the following documents to issue letters of recommendation:</p> <ol style="list-style-type: none"> The list of vendors, prepared by certain States/ UTs, for providing one-time assistance during the period of lockdown; <p>OR</p> <ol style="list-style-type: none"> A system generated request sent to ULBs/ TVCs for issue of LoR based on the recommendation of the Lender after verifying the credentials of the applicant. <p>OR</p>

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		<p>iii. The membership details with the vendors associations including National Association of Street Vendors of India (NASVI)/ National Hawkers Federation (NHF)/ Self-Employed Women's Association (SEWA) etc.;</p> <p>OR</p> <p>iv. The documents in possession of the vendor buttressing his claim of vending;</p> <p>OR</p> <p>v. Report of local enquiry conducted by ULB/TVC involving Self-Help Groups (SHGs), Community Based Organizations (CBOs) etc. ULB shall complete the verification and issuance of LoR within 15 days of the submission of application.</p> <p><u>Further, ULBs may adopt any other alternate way for identifying such vendors with a view to ensure that all the eligible vendors are positively covered.</u></p> <p><u>Vendors who have gone back to their native places due to COVID-19</u></p> <p>Some of the identified/surveyed or other vendors who have been vending/hawking in urban areas, have left for their native places prior to or during the lockdown period because of COVID-19 pandemic. Such vendors are likely to come back after the situation normalizes and resume their business. These vendors, whether from rural/peri-urban areas or city dwellers will be eligible for the loan on their return as per eligibility criteria for identification of beneficiaries mentioned above.</p>
6	Eligibility	<p>The Scheme is available to all street vendors engaged in vending in <u>urban areas</u> as on or before March 24, 2020. 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 broad categories of Vending activities are</p> <ol style="list-style-type: none"> Fast food & food items. Fruits & Vegetables. Home décor & Handicrafts. Kitchen Items. Electrical & Electronic Goods. Cloth & Handloom items Flower & Pooja items. Plastic Items. Footwear & leather Items. Beauty & fashion items. Services. Others. <ul style="list-style-type: none"> Assistance under the scheme could be provided to existing borrowers of Bank subject to overall indebtedness limit or any other relevant instructions that may have been prescribed by RBI/Bank. The scheme does not restrict the vendor availing benefit of any other subsidy or interest subvention scheme of any

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		<p>State/Central Government.</p> <ul style="list-style-type: none"> Each Street Vendor is required to have ONE Active/Preferred UPI ID in case the Vendor does not have the same, the business Unit immediately after sanctioning the loan shall ensure to make arrangement for obtaining the UPI ID before disbursement of loan, through Digital & Alternate Channel Department CHQ as per the procedure given at Point No 10 below
7	Nature of the Facility.	Working Capital Term Loan up to ₹ 10,000 (Ten thousand Only) with tenure of 1 year (12 Months) repayable in monthly instalments. On timely or early repayment, the vendors will be eligible for the next cycle of working capital Term Loan with an enhanced limit of maximum of 200% of the earlier loan, subject to ceiling of Rs. 20000.
8	Quantum of Finance	Up to ₹ 10,000 (Ten thousand Only)
9	Subsidy	<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 Savings account quarterly. Bank will submit quarterly claims of 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 vendors will also be eligible for benefit of interest subsidy on the enhanced limit (If enhanced after 01 year) which will be available maximum upto March 31, 2022.</p>
10	Incentive on Digital Transactions	<p>The scheme will incentivize digital transactions by vendors through cash back facility. The transaction trail so created in the Savings Account of vendor will build the credit score of vendors for enhancing their future credit needs. The network of lending institutions and digital payment aggregators like NPCI (for BHIM), PayTM, GooglePay, BharatPay, AmazonPay, PhonePe etc. will be used to on-board the street vendors for digital transactions. The on-boarded vendors would be incentivized with a monthly cashback in the range of ₹ 50 - ₹ 100 as per the following criteria:</p> <ol style="list-style-type: none"> On executing 50 eligible transactions in a month: ₹50. On executing the next 50 additional eligible transactions in a month: ₹25 (i.e. on reaching 100 eligible transactions, the vendor to receive ₹75); and. On executing the next additional 100 or more eligible transactions: ₹25 (i.e. on reaching 200 eligible transactions, the vendor to receive ₹100). <p><u>Please note that eligible transactions mean a digital payout or receipt with minimum value of ₹25 & maximum Cash Back incentive shall be available only upto Rs. 1200.</u></p>
11	Procedure for Subsidy Claim	Will be communicated separately by TUFs Department CHQ.
12	Classification	Priority Sector

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13	Loan Tenor	Maximum 12 Months However, On timely or early repayment, the vendors will be eligible for the next cycle of Working Capital term Loan with an enhanced limit of maximum of 200% of the earlier loan, subject to ceiling of Rs. 20000 per Vendor.
14	Promoter's Margin	Nil
15	Security	Verbal hypothecation of stocks created out of Bank finance to be confirmed by borrower by submitting an affidavit as per the format provided in legal documents. <u>Collateral Security:-</u> Nil
16	Disbursement	Before Disbursement of the sanctioned Loan, the business Units need to ensure that the Street Vendor has UPI ID/QR Code for digital transactions & in case the Street Vendor does not have UPI ID, the business Unit must request Digital & Alternate Channels Team for creation of UPI ID/QR Code on email ID qrcode@jkbmail.com & submit details as per the UPI ID Creation Form (Format annexed to Circular). Once the UPI ID/QR Code is obtained from DAC, the printout of same must be provided to respective Street Vendor & loan released in Savings Account of Vendor.
17	Credit Guarantee (CGTMSE)	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: a. First Loss Default (Up to 5%): 100% b. Second Loss (beyond 5% up to 15%): 75% of default portfolio. c. Maximum guarantee coverage will be 15% of the year portfolio. All loans (First as well as enhanced) given by the bank under this scheme will be considered for coverage under the guarantee. The periodicity of filing of claims by Bank will be quarterly & the loans under this scheme shall be eligible to avail this guarantee cover without any charges. <u>Guidelines for the Procedure will be separately issued by CGTMSE Team (CBO)</u>
18	Processing Charges	Nil
19	Rate of Interest	RLLR +2.75%
20	Repayment	12 Months. No pre-payment penalty to be charged.
21	Documentation to be Obtained by the Business Units	PRE-SANCTION ❖ Loan Application Form (Format enclosed). ❖ Certificate of Vending, Vendor Identity Card/Letter of recommendation issued by ULB/TVC. ❖ Savings account details of beneficiary. ❖ KYC is required for non- KYC compliant accounts, otherwise any officially valid documents (OVDs) for KYC purpose to be

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		<p>obtained.</p> <ul style="list-style-type: none"> ❖ eKYC is mandatory for all loans under the scheme, which can be carried out by using PMSVANidhi app. ❖ Aadhaar Number of beneficiary is mandatory for eKYC. <p>POST SANCTION</p> <ul style="list-style-type: none"> ❖ Loan agreement (To be executed by the Borrower (Street Vendor) on Non Judicial paper of requisite stamp duty as per applicable rates in the respective States and UTs in consultation with the concerned law Departments) and Affidavit for Hypothecation.
22	Finacle Customization	<p>GL Subhead 26038 Scheme Code PMSVA (Detailed CBS Customization Annexed to Circular)</p>
23	Sanctioning Powers	<p>Business Unit Head.</p>