



Applicability	:	<b>KMB SVNDH</b> KMBL SVANIDHI product in line with PM Street Vendor's Atmanirbhar Nidhi-PM SVANidhi scheme for Street Vendors
Effective Date	:	24 <sup>th</sup> August 2020
Issue Date	:	24 <sup>th</sup> August 2020
Circular Number	:	KMB/ABG/PMSVANIDHI/001
Name	:	Circular on KMBL SVANIDHI product

**Comprehensive details of the product:**

S.NO	Particulars	Details
1	<b>Objective</b>	<p>It is a Special Micro-Credit Facility for providing affordable working capital loan to street vendors to resume their livelihoods that have been adversely affected due to COVID-19 lockdowns</p> <p>The scheme is launched by Ministry of Housing and Urban Affairs (MoHUA), Government of India.</p>
2	<b>Eligibility</b>	<p><b>Overall Scope of the scheme:</b> The Scheme is available for beneficiaries belonging to only those States/UTs which have notified Rules and Scheme under Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. Beneficiaries from Meghalaya, which has its own State Street Vendors Act may, however, participate</p> <p><b>Eligibility Criteria:</b> The Scheme is available to all street vendors engaged in vending in urban areas as on or before March 24, 2020. The eligible vendors will be identified as per following criteria:</p> <ul style="list-style-type: none"><li>a) Street vendors in possession of Certificate of Vending / Identity Card issued by Urban Local Bodies (ULBs)</li><li>b) 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. As per MoHUA guidelines, ULBs are encouraged to issue such vendors the permanent Certificate of Vending and Identification Card immediately and positively within a period of one month</li><li>c) 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)</li></ul>

		d) 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.
3	<b>Brief details of the loan product</b>	<ul style="list-style-type: none"> <li>Working Capital (WC) loan of up to INR 10,000</li> <li>Tenure of 1 year and repaid in monthly/fortnightly/weekly instalments.</li> <li>No collateral</li> <li>No Moratorium</li> <li>On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit</li> </ul>
4	<b>Interest Rate</b>	As per the banks prevailing interest rate ( fixed interest rate)
5	<b>Penalty and Charges</b>	<ul style="list-style-type: none"> <li>Processing Fee- NIL</li> <li>Renewal Fee- NIL</li> <li>Prepayment Penalty- NIL</li> <li>Penal Interest- NIL</li> </ul>
6	<b>Interest Subsidy</b>	<ul style="list-style-type: none"> <li>The vendors, availing loan under the scheme, are eligible to get an interest subsidy @ 7% from government. The interest subsidy amount will be credited into the borrower's account quarterly.</li> <li>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.</li> <li>The interest subsidy is available up to March 31, 2022. The subsidy will be available on first and subsequent loans up to that date. In case of early payment, the admissible amount of subsidy will be credited in one go.</li> </ul>
7	<b>Credit Guarantee by CGTMSE</b>	<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> <ul style="list-style-type: none"> <li>a) First Loss Default (Up to 5%): 100%</li> <li>b) Second Loss (beyond 5% up to 15%): 75% of default portfolio</li> <li>c) Maximum guarantee coverage will be 15% of the year portfolio</li> </ul> <p>The periodicity of filing of claims by the Bank will be quarterly.</p>
8	<b>Promotion of Digital Transactions by Vendors</b>	<ul style="list-style-type: none"> <li>MoHUA intends to incentivize digital transactions by vendors through cash back facility.</li> <li>The transaction trail created will build the credit score of vendors for enhancing their future credit needs.</li> <li>The network of lending institutions and digital payment aggregators like NPCI (for BHIM), PayTM, Google Pay, Bharat Pay, Amazon Pay, Phone Pe etc. to be used to on-board the street vendors for digital transactions.</li> </ul>

		<ul style="list-style-type: none"> <li>The on boarded vendors would be incentivised with a monthly cashback in the range of INR 50 - INR 100 as per the following criteria: <ul style="list-style-type: none"> <li>i. On executing 50 eligible transactions in a month: INR 50</li> <li>ii. On executing the next 50 additional eligible transactions in a month: INR 25 (i.e. on reaching 100 eligible transactions, the vendor to receive INR 75)</li> <li>iii. On executing the next additional 100 or more eligible transactions: INR 25 (i.e. on reaching 200 eligible transactions, the vendor to receive INR 100).</li> </ul> </li> </ul> <p>Here eligible transactions mean a digital payout or receipt with minimum value of INR 25</p>
9	<b>Sourcing of Proposals</b>	The Bank will use its existing branch network along with the network of empaneled Business Correspondents (BCs) to source applications and service the borrowers under this scheme.
10	<b>Loan Application and documentation</b>	Standard Loan Application Form (LAF) format is issued by Ministry for the scheme. Other required document in line with the Bank policy may obtained. Documentation shall be kept minimal.
11	<b>eKYC</b>	eKYC is mandatory under the scheme
12	<b>Disbursement Mechanism</b>	Bank Account transfer
13	<b>Implementation Partner</b>	Small Industries Development Bank of India (SIDBI) is the implementation partner of the MoHUA for scheme administration.
14	<b>Integrated IT application for Scheme Administration</b>	<p>a) An Integrated IT Platform along with Mobile App i.e PM SVANidhi App (PMS) is developed by the Ministry for administration of the scheme. This Portal provides one stop solution for administration of the scheme.</p> <p>The IT Platform is integrated with the vendor's data bases across the States/ UTs, BCs/ constituents/ agents of lending institutions, digital payment aggregators and PAiSA portal of MoHUA and Udyami Mitra portal managed by Small Industries Development Bank of India (SIDBI).</p> <p>Few important tasks supported on PMS are</p> <ul style="list-style-type: none"> <li>Adhar eKYC- OTP based eKYC is supported</li> <li>SRN- Complete list of vendors having SRN is available, it supports verification of SNR No.</li> <li>ULB List- Complete list of ULBs is available on portal</li> <li>New Loan Application- It supports punching of new loan application</li> </ul> <p>b) The Bank will use its banking applications - Core/Finflux to book loans under this scheme</p>