

CIRCULAR TO ALL BRANCHES AND OFFICES IN INDIA

ISSUED BY 'MSME BANKING DEPARTMENT'

Dear Sir/Madam,

Ministry of Housing & Urban Affairs (MoHUA) has launched "PM Street Vendor's AtmaNirbhar Nidhi" (PM SVANidhi) under AtmaNirbhar Bharat package, a special micro-credit facility for providing affordable loan to street vendors to resume their livelihoods.

Based on guidelines issued by MoHUA, our Bank has approved 'PM SVANidhi' Scheme for implementation in our Bank. Detailed guidelines of the Scheme are enclosed as per Annexure-I

The highlights of the Scheme are as under:

- The proposed scheme is introduced by Ministry of Housing and Urban Affairs (MoHUA), Govt of India, with the following objectives:
 - To facilitate working capital loan up to Rs. 10,000 to street vendors.
 - To incentivize regular repayment; and to reward digital transactions (Maximum Cash Back up to Rs 1200/- for Digital Transaction)
- The Scheme is available to all street vendors engaged in vending in urban areas on or before March 24, 2020.
- The tenure of loan is one year on which MoHUA will give interest subsidy @7% p a up to 31st March 2022 for all standard accounts.
- The loans under the scheme shall be covered under Graded Guarantee Cover by CGTMSE, without any fees, which will be operated on portfolio basis as under:
 - First Loss Default (Up to 5%): 100%.
 - Second Loss (beyond 5% up to 15%): 75% of default portfolio.
 - Maximum guarantee coverage will be 15% of the year portfolio.
- Small Industries Development Bank of India (SIDBI) will be the implementation partner of the MoHUA for scheme administration.
- A simplified Internal Rating Model for the scheme is devised (Annexure VI)
- A simplified Assessment Format is devised for calculation of Loan limit. (Annexure VII)
- Process flow for the Scheme is attached as per Annexure VIII. Detailed guidelines regarding automated digital lending process shall be advised shortly by Digital Lending Dept.

Special Scheme code i.e. LA534 has been created for booking of accounts under the scheme. Branch to ensure that all the loan accounts are opened under this Scheme Code only.

Since it is Govt. Sponsored Scheme, performance under the scheme is being monitored by MoHUA and DFS on regular basis. List of the applications received in the PM SVANidhi Portal have already been sent to respective Zones & Regions.

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All the field functionaries are advised to ensure that applications pertaining to the respective branches are sanctioned and disbursed promptly.

For any query/ Clarifications please email to sales.sme.bcc@bankofbaroda.com

All the Best for your Endeavours.

Yours faithfully,



(Akhil Handa)
Head-Fintech, Partnerships & Mobile Banking
& Digital Lending Dept.



(Man Mohan Gupta)
General Manager
Head-MSME Lending –I



Encls:

- Annexure I: Scheme Guidelines
- Annexure II: Eligible Vendor Category and Eligibility
- Annexure III: Loan Application Form
- Annexure IV: Format for Lender's Request for LOR (For existing customer PM SVANidhi)
- Annexure V: Format for Lender's Request for LOR – For new customer PM SVANidhi
- Annexure VI: PM SVANidhi scheme – Scoring Sheet
- Annexure VII: Assessment Method
- Annexure VIII: Process flow for PM SVANidhi- (Manual)
- Annexure IX: User manual for mobile app.
- Annexure X: Procedure for picking up applications for lenders on Stand-up Mitra /Udyami Mitra portal