

MAIN : ADV- 72 / 2020-21



DT. 06.07.2020

SUB : MSME - 09

CO:MSMED

FILE M 2 S 203

**New Loan Product – “IND-PMSVANidhi”
{PM Street Vendors Atma Nirbhar Nidhi}**

Hon'ble Prime Minister of India has made announcement to build a self reliant “Atmanirbhar Bharat” package for reviving the economy after impact of COVID-19 pandemic. Under this project, Ministry of Housing and Urban Affairs has launched PM Street Vendor Atmanirbhar Nidhi **(PM SVANidhi)** for providing affordable loan to street vendors to resume their livelihoods that have been adversely affected due to Covid-19 pandemic. The main objectives of the Scheme is to facilitate working capital loan upto Rs. 10,000/- (initially), to incentivize regular repayment and to reward digital transactions.

Street Vendors represent a very important constituent on the urban informal economy and play a significant role in ensuring availability of the good 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 etc. The services include barber shops, cobblers, pan shops, laundry services etc. The Covid-19 pandemic and consequent lockdowns have already 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.

To assist the Street Vendors to revive their business, a new loan product “IND-PMSVANidhi” has been launched.

Features of the Product, “IND-PMSVANidhi”, format of application, Standard Operating Procedure, FAQ etc. are given in Annexure.

Field level functionaries are advised to utilize the product to support the Street Vendors to overcome the crisis and revive their livelihood.

K S SUDHAKARA RAO
GENERAL MANAGER (MSME)

Annexure I : Guidelines of the Product – “IND-PMSVANidhi”

Annexure II : Appraisal format

Annexure III : Standard Operating Procedure

Annexure IV : Frequently Asked Questions

Annexure V : Sanction letter format.

Annexure VI : Application Form

IND-PMSVANidhi – Product Features

SI No.	Parameter	Description
1.	Name of the Product	IND – PMSVANIDHI {PM STREET VENDOR'S ATMANIRBHAR NIDHI} {To provide financial assistance to Street Vendors during the situation of Covid-19 Pandemic}
2.	Eligible applicants	<p>All street vendors engaged in vending in Urban areas as on or before March 24, 2020.</p> <p>Categories of vending activities:</p> <ol style="list-style-type: none"> Fast food and food items Fruits and vegetables Home Décor & Handicrafts Kitchen items Electrical and electronic goods Cloth and Handloom items Flower and Pooja items Plastic items Footwear and Leather products Beauty and fashion accessories Services etc. <p>Street Vendors in the following three categories:-</p> <p>Category A : Having an Identity Card / Certificate of Vending (COV) issued by Urban Local Bodies (ULBs).</p> <p>Category B : Who have been identified in the survey but have not been issued COV / ID card (Through website of Ministry of Housing and Urban Affairs, one can know whether they are in the surveyed list or not) with a submission of provisional certificate of vending.</p> <p>Category C : Street Vendors (SV) out of the ULB-led identification survey or who have started vending after completion of the survey –</p> <p>C (i) SV has been issued Letter of Recommendation (LoR) by ULB/TVC – Copy of LOR to be obtained</p> <p>C(ii) SV has not been issued Letter of Recommendation (LoR) by ULB/TVC – On submission of application information on portal alongwith loan sanction letter – ULB will be issuing LoR within 15 days</p> <p>Category: D : SVs of surrounding development / peri urban / rural areas vending in the geographical limits of the ULBs and have been issued LoR or not – If not as given in C (ii) to be followed.</p>

SI No.	Parameter	Description
3.	Purpose	To facilitate street vendors to access affordable working capital loan for resuming their livelihoods activities.
4.	Facility Type	Term Loan (composite term loan)
5.	Loan Amount	<p>a) Initial Working capital loan upto Rs.10000/-</p> <p>b) On timely or early repayment, the vendors will be eligible for the Second loan with an enhanced limit of a maximum of 200% of earlier loan, subject to a maximum of Rs.20000/-</p> <p>{First Loan should have run for a minimum period of SIX months to get eligibility for Second Loan.}</p>
6.	Margin	NIL
7.	Rate of interest	Repo (4.00) + 4.40% (spread) presently Rs. 8.40% p.a.
8.	Interest 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 borrowers' account quarterly. Lending Institution has to submit claim on quarterly basis.</p> <p>Subsidy will be available for "Standard" accounts on respective claim dates and only for those months during which the account has remained "Standard" in the concerned quarter.</p> <p>Interest subsidy will be available upto 31.03.2022.</p>
9.	Cash Back Incentive for digital transaction	<p>The SVs are eligible for cash back incentive for digital transactions upto Rs. 100 per month subject to a maximum of Rs. 1200/- for the entire tenor of loan.</p> <p>Criteria for Cash Back Incentive:</p> <p>a) On executing 50 eligible transactions in a month : Rs. 50/-</p> <p>b) On executing the next 50 additional eligible Transactions in a month : Rs. 25/- (i.e., on reaching 100 eligible transactions in a Month, vendor will receive Rs. 75/-)</p> <p>c) On executing the next additional 100 or more Eligible transactions in a month : Rs. 25/- (i.e., on reaching 200 eligible transactions in a Month, vendor will receive Rs. 100/-)</p> <p>Eligible transaction mean a digital payout or receipt with minimum value of Rs. 25/-.</p> <p>The borrowers should be advised to download QR code through IB Merchant App. Through the QR code, digital transaction details will be captured by Government of India.</p>
10.	Repayment Period & Moratorium	<p>a) Maximum 12 months – 12 EMIs</p> <p>b) Holiday Period : NIL</p>
11.	Processing charges & other charges	N I L

SI No.	Parameter	Description
12.	Security	Hypothecation of goods to be purchased
13.	Guarantors	Nil
14.	Guarantee Cover	<p>To be covered under CGTMSE – on Portfolio basis – Coverage will be done centrally at Corporate Office.</p> <ol style="list-style-type: none"> 1. First Loss Default (upto 5%) : 100% 2. Second Loss (Beyond 5% upto 15%) : 75% of default portfolio 3. Maximum guarantee coverage be 15% of the year portfolio.
15.	Guarantee Fee	Detailed instruction to be issued by CGTMSE in due course.
16.	Prepayment charges	N I L
17.	Sanctioning Authority	Branch Manager
18.	Others	<p>The loan applications are to be routed through PM SVANIDHI Portal which will do de-duplication check, vendor survey status, Aadhaar validation etc. before processing of loans at Bank level.</p> <p>After sanction the details are to be entered back to PMSVANIDHI portal.</p> <p>Other conditions:</p> <ol style="list-style-type: none"> a) Street Vendors should have any of the following documents for KYC Purpose : <ol style="list-style-type: none"> (i) Aadhaar Card (ii) Voter's Identity Card (iii) Driving Licence (iv) MNREGA Card (v) PAN Card b) Credit Information Company Score (CIBIL / CRIF Himark etc.) of the applicant to be extracted; No minimum score is stipulated for this product. However, NPA / write off, if any in the report, such application/s should not be considered. c) No Minimum Scoring (internal scoring) is applicable. d) Banks are permitted to use services of BCs for the scheme for sourcing applications e) There will be a PMSVANidhi portal, which will be integrated with Udyamimitra Portal (UMP) managed by SIDBI. The integrated portal will facilitate the following:- <ol style="list-style-type: none"> (i) Disseminating information to different stakeholders. (ii) Enabling SVs to apply directly and enable their applications to flow to Lenders. (iii) Enabling Banks to pick these applications at market place of UMP (iv) Providing Banks the option to use PMSVANidhi mobile app for originating applications (v) Enabling Banks to submit LAF information in the

SI No.	Parameter	Description
		portal (vi) Facilitating validation of UPI IDs and also calculation of digital incentives of SVs through NPCI. (vii) Facilitating eligible Interest subvention information to flow from banks to MoHUA. (viii) Checking survey status of SVs and also checking ULB details. (ix) Facilitating generation / online request of required ULB document for certain categories of vendors and approval by ULBs

An Illustration on the cash-back and interest subsidy under the Scheme for a loan amounting to Rs. 10000/-

Month	Principal	Interest @ 8.40%	EMI	Interest Subsidy @ 7%	Cash back Incentive (Maximum)	Total Benefit
A	B	C	D	E	F	G = (E + F)
1	802	70	872	58	100	158
2	808	64	872	54	100	154
3	813	59	872	50	100	150
4	819	54	872	46	100	146
5	825	47	872	42	100	142
6	830	42	872	36	100	136
7	836	36	872	32	100	132
8	842	30	872	27	100	127
9	848	24	872	22	100	122
10	854	18	872	17	100	117
11	860	12	872	12	100	112
12	863	9	872	6	100	106
Total	10000	465	10464	402	1200	1602

Annexure II

Date: _____

Appraisal Note IND- PMSVANidhi

1.	Name of the Applicant	
2.	Date of Birth of applicant	
3.	PMSVA Nidhi application No.	
4.	Mobile No.	
5.	Address	
6.	Savings Bank Account No. of the applicant with our BANK	
7.	KYC details	
8.	Date of verification of CIBIL / CRIF Himark / Experian etc. data and Reference No.	
9.	Remarks on above report	
10.	Vending Activity	
11.	Loan amount applied	
12.	Loan amount considered (Maximum : Rs. 10,000/-)	
13.	Repayment Period (Maximum: 12 months; No holiday period)	
14.	Existing facility of the applicant with us / other banks, if any and status	

Branch Manger's observations:

Sanctioned Rs. _____ **(Rupees** _____ **only) repayable in**
_____ EMI's commencing from_____.

Purpose: _____

Security: Hypothecation of goods purchased out of loan

Account to be covered under CGTMSE.

Date:

Branch Manager

Standard Operating Procedure: (For IND-GECLS-COVID-19)

Step -1 – Sourcing of application

Sl. No.	Activity	Particulars
1.	Sourcing of application	1.1 PMSVANidhi Portal / Udyami Mitra Portal – Market Place {PMSVANidhi.mohua.gov.in >> Login as Lender/ULB >> User ID & Password provided to branches for UDYAMIMITRA portal to be entered} 1.2 Branches can pick the application available from the list – Details of application can be viewed by selecting (*) mark against the application and application can be picked up for sanction, if satisfied. 1.3 Details of eKYC verification, KYC documents, Certificate of Vending (CoV) can be downloaded for our record purpose. 1.4 The applicant is also having option to choose preferred lender. 1.5 Sourcing by branches – The application sourced by the branch directly also should be routed through PMSVANidhi Portal (pmsvanidhi.mohua.gov.in) 1.6 The Applicant should be given handholding support to submit the application through PMSVANidhi portal 1.7 Before applying the applicant should ensure that his/her mobile number is linked to Aadhaar Number for completion of eKYC verification by the portal.
2.	List of documents to be collected from the borrower.	2.1 Simplified application form. 2.2 KYC details

Step -2 – Appraisal and Sanction of Loan

Sl No.	Activity	Particulars
3.	Due diligence	3.1 Credit Information company report – Consumer / Commercial as the case may be- (CIBIL / Experian / CRIF High mark etc) to be extracted to ensure account/s of the applicant is in NOT in NPA category with any of the Bank / FI / NBFC. 3.2 No Minimum score is stipulated for the scheme.
4.	Appraisal	4.1 Appraisal format (enclosed with circular) to be used. 4.2 PMSVANidhi application number allotted by PMSVANidhi portal must be recorded properly in the appraisal format 4.3 Entry Level scoring is not applicable for the scheme. 4.4 Sanctioning authority to ensure that applicant is in the line of activity for which loan is to be sanctioned.
5.	Sanctioning Powers	5.1 Branch Manager

Sl No.	Activity	Particulars
6.	Security	6.1 Hypothecation of goods purchased out of loan proceeds.
7.	Guarantors	NIL
8.	Credit Guarantee Coverage	8.1 The accounts are eligible for CGTMSE coverage. 8.2 Portfolio coverage will be done at Corporate office level 8.3 For this purpose, the loan account must be opened in the PRODUCT CODE allotted only in CBS. 8.4 Guarantee fee details will be informed once it is received from CGTMSE.
9.	Interest Subsidy	9.1 These loans are eligible for Interest subsidy @ 7% from Government of India. 9.2 IN CBS account should be opened with CARD Rate of interest applicable for the product (i.e., 8.40% at present) and EMIs to be fixed with the Card Rate of interest only. 9.3 Claim to be submitted on quarterly basis. 9.4 Claiming procedure will be intimated upon receipt of the same from Government of India.

Step -3 – Documentaion / Disbursement

Sl No.	Activity	Particulars			
10.	Documentation	10.1 Acceptance of sanction 10.2 Demand Promissory Note 10.3 Agreement for hypothecation of Movables			
11.	Disbursement	11.1 After completion of documentation, loan account to be opened in the Product Code allotted for the scheme. 11.2 Disbursement to be made through the Saving Bank account of the borrower. NO direct cash disbursals should be allowed.			
12.	Product Codes	Sl No.	Product Name	Code for IB branches	Code for eAB branches
		12.1	IND-PMSVA Nidhi	8237 0001	
13.	End use verification	13.1 Branch to ensure that the borrower is using the loan amount for business purpose.			
14.	Digital Transaction	14.1 The borrowers are eligible for Cash incentive upto Rs. 50/- per month for Digital transaction, which will be paid by Government of India. 14.2 Branches should enable by providing QR Code etc. for the customer to capture the cash transaction by Government of India. QR Code can be generated from IB Merchant App by the borrower.			
15.	Monitoring & Follow up	Bank shall closely monitor the account, and shall put in all required efforts to ensure that the account is serviced regularly.			

Stage-wise Turn Around Time (TAT)

SI No.	Particulars	Time frame
1.	Submission of application by the borrower	1 day
2.	Due diligence / appraisal / sanction / documentation / disbursement	1 day

Annexure IV

“IND-PMSVANidhi” - Frequently Asked Questions (FAQs)

S. No	Question	Answer
1.	Whether the applicant should be our existing customer	No.
2.	Whether sanction can be accorded to our existing customer (street vendor) without referring to PMSVANidhi portal	No.
3.	Whether branches can return the proposal received by them, in case of ineligibility	No. Since it is a priority sector loan, permission from Zonal Office to be obtained.

Annexure V
Branch :
Date :
SANCTION LETTER – “IND-PMSVANidhi”
To
Dear Sir / Madam,

With reference to your application dated _____, we are pleased to inform you that following facility has been sanctioned:

(Rupees)

Facility	Limit	Rate of Interest	Period
Term Loan (composite)			
Product Code:			

Purpose of Loan:
Existing Facilities:
Securities : Hypothecation of goods purchased out of loan
General Terms & Conditions:

- Facilities will be released after completion of documentation and security extension.
- Loan should be utilized for the business purpose.
- The facility will be covered under CGTMSE

Bank reserves the right to cancel / suspend / reduce any or all the facilities and to alter / amend / vary the terms and conditions of our sanction including the rate of interest.

Branch Manager
Accepted terms and conditions
(Signature of Borrower)