

Head Office Agriculture and Rural Business Department 10, B T M Sarani, Kolkata – 700 001	 UCO BANK Honours Your Trust	Circular No. CHO/ARBD/06/2020-21 Dated: 29.06.2020
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All Branches / Offices Under Jurisdiction of India.

Sub: PM Street Vendor's AtmaNirbhar Nidhi" (PM SVANidhi, पीएम स्वनिधि) – for financing to Street Vendors.

Gist & Action Points

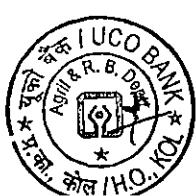
- **Special Loan Schemes for financing to Street vendors maximum Rs10000/- per vendors** who had been vending on or before 24 March, 2020, in urban area/ surrounding development/peri-urban / rural areas vending in the geographical limits of the ULBs.

In wake of COVID-19 pandemic the imposition of lockdown was inevitable in order to curb its spread and to protect public health in general. Every one faced the hardship but low income group, migrants worker working in informal sector are most affected. Street vendor is one of such group whose livelihood was adversely impacted during the period. They usually work with small capital base and might have consumed the same during the lockdown.

A scheme was envisaged by the Housing and Urban Affairs Ministry as per announcement made by Hon'ble Finance Minister in May 2020 to enable the street vendors to resume their livelihood. Further, the Prime Minister launched a new scheme christened as Pradhan Mantri Street Vendor's Atmanirbhar Nidhi (PM SVANidhi) scheme. PM SVANidhi targets to benefit over 50 lakh Street Vendors, who had been vending on or before 24 March, 2020, in urban area. The scheme is a Central Sector Scheme fully funded by Ministry of Housing and Urban Affairs with the following objectives:

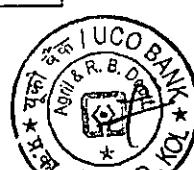
- (i) To facilitate working capital loan up to Rs..10,000;
- (ii) To incentivize regular repayment;
- (iii) To reward digital transactions

Salient features of the product are as under:-

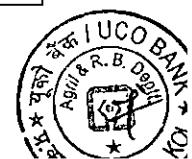


PM Street Vendor's AtmaNirbhar Nidhi" (PM SVANidhi, पीएम स्वनिधि)

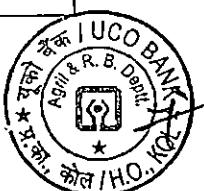
Parameter	Norms
Target Group & Eligibility	<p>The Scheme is available for beneficiaries belonging to only those States/UTs which have notified Rules and Scheme under Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. Beneficiaries from Meghalaya, which has its own State Street Vendors Act may, however, participate.</p> <p>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"> (i) Street vendors in possession of Certificate of Vending / Identity Card issued by Urban Local Bodies (ULBs); (ii) The vendors, who have been identified in the survey but have not been issued Certificate of Vending / Identity Card; <p>Provisional Certificate of Vending would be generated for such vendors through an IT based Platform which will be done by ULB.</p> <ul style="list-style-type: none"> (iii) 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); <p>and</p> <ul style="list-style-type: none"> (iv) 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>Vendors who have gone back to their native places due to COVID-19: 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</p>



	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 , as enumerated above..
Purpose	To restart the business which has been adversely affected due to lockdown on account of COVID- 19 outbreak.
Validity	As decided by Bank.
Nature of facility	Working capital loan
Finacle Code	LA644- TL-PM SVA NIDHI-INDIVIDUAL LA645-TL- TL-PM SVA NIDHI-JLG
Method of Finance	Either Individual Vendor or Joint Liability Groups of eligible vendors.
Quantum of Loan & Periodicity of Repayment	Individual: Working Capital loan upto Rs.10,000/- per vendor. JLG: The quantum will be maximum Rs.10,000/-per vendor per group. The loan will have tenure of 1 year and repaid in monthly instalments. On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit. No prepayment penalty will be charged from the vendors for repayment before the scheduled date.
Margin	Nil
Rate of Interest	MCLR for 1 year+1.15%=9.05%
Interest Subsidy	An interest subsidy @ 7%. The interest subsidy amount will be credited into the borrower's account quarterly. Bank 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



	<p>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. In case of early payment, the admissible amount of subsidy will be credited in one go.</p>
Security	<p>No collateral security.</p> <p>However, 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"> 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. <p>All loans given 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>
Sanctioning Authority	Branch Head in any Scale.
Disbursement	<p>Directly to the current account of Individual vendors OPENED UNDER SCHEME CA-141 (CA-PM SVA NIDHI). In said current account One cheque book containing 50 leaves will be given free of cost. For more cheque books normal cheque charges will be applicable.</p> <p>However, The Money Receipt/Kaccha/Pacca receipt of the material purchased for selling should be asked from vendor and preserved in loan file.</p>
Processing Charges & other charges	NIL



(Documentation charges, EM charges, Review charges etc.)	
Review	Not applicable.
Others	<p>Promotion of Digital Transactions by Vendors</p> <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 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 onboarded vendors would be incentivised with a monthly cash back in the range of Rs.50 – Rs.100 as per the following criteria:</p> <p>(i) On executing 50 eligible transactions in a month: Rs.50;</p> <p>(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</p> <p>(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).</p> <p>Here eligible transactions mean a digital payout or receipt with minimum value of Rs.25/-</p> <p>Bhim Aadhar pay devices may be provided to the vendor.</p>
Documentation	<p>List of documents:</p> <ol style="list-style-type: none"> 1. DP Note, 2. Inter se Agreement (In case of JLG), 3. Letter of Waiver, 4. Agreement for hypothecation of Goods.

Expected Business volume and other scopes:

The scheme has been envisaged by Govt. amid the lockdown period as a stepping step for unlocking the economic activity undertaken by street vendors.



Though the Govt. targets to finance 50 lakh street vendors under this scheme, we expect to finance approx. 1 lakh street vendors under the scheme having total exposure of Rs. $100000*10000/-=100,00,00,000$ say 100 crores. Focus should be to facilitate the cross selling of ADC products including devices of Aadhar Payment etc to such street vendors. This will also enable us to meet the target of weaker section.

Please note that loan under this scheme will be sanctioned only to applicants whose loan application has been forwarded by Urban Local Bodies and comply with the eligibility criteria. Proper due diligence of borrower must be done by branches without fail.

All the Branches/Offices are advised to take careful note of the above guidelines and ensure compliance.

Vijay Kumar

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एआरबीडी & एफआई/ ARBD & FI



" ONE TEAM ONE DREAM "