

Dear All ( Branch Managers / Bank Staff of respective Verticals ),

**Subject : Launch of the PM street vendor's AtmaNirbhar Nidhi (PM SVANidhi)**

Ministry of Housing and Urban Affairs has launched “**PM street vendor's AtmaNirbhar Nidhi (PM SVANidhi)**” scheme vide letter dated 05.6.2020. This is a special Micro-credit facility for providing affordable loan to street vendors, to resume their livelihoods, who have been adversely affected due to COVID – 19 lockdown.

The “PM SVANidhi” scheme targets to benefit over 50 lakh street vendors, who had been vending on or before 24.03.2020 in urban areas. Features of the Scheme include extension of collateral free loan of up to Rs.10,000, interest subsidy @7% per annum, the eligibility of higher loan on timely repayment of first loan and monthly cash back on digital transactions.

**Implementation of the scheme has started from July, 2020 and will be valid up to March 2022.** An integrated IT and Mobile App has been developed by / through Ministry of MoHUA to ensure transparent and time bound implementation'

The detailed features of the scheme are as under:

**A. Key features of the PM SVANidhi scheme:**

- a. **Scheme segment:**-PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)- A Special Micro-Credit Facility Scheme for providing affordable loan to street vendors.
- b. **Loan Amount:** - Completely collateral free loan of up to Rs. 10000/-
- c. **Loan Tenure:** - 12 Months
- d. **Eligibility:** - 50 lakh street Vendors from urban/semi-urban and rural areas - vending on or before, 24th March 2020 / approved by ULB- Urban Local Body
- e. **On-line Mode:** - Applicant can apply online through online portal- pmsvanidhi.mohua.gov.in Every Street Vendor (SV) will need to have a legitimate document to identify him/her as an identified and eligible Street Vendors.
- f. **Initial working capital:** - Term loan for one year of up to Rs. 10,000/- there by providing affordable loan -Collateral Free.
- g. **Beneficiary:** - Every Street Vendor (SV) will need to have a legitimate document to identify him/her as an identified and eligible SV.
- h. **Interest Subsidy:**-The vendors availing the scheme , are eligible to get Interest Subsidy 7%. The Interest Subsidy will be credited to customer Account on Quarterly Basis.
- i. **Scheme Validity-** The subsidy under the scheme is valid up to 31.03.2022

- j. **UPI ID Mandatory** : Scheme requires a UPI ID to be created for each customers , before disbursal.
- k. **Incentive:** - The scheme will incentivize digital transactions (digital pay-out/receipt of minimum Rs 25/-) by vendors through cash back. Rs 50/- for 50 digital transactions in a month, Rs 25/- for next 50 transactions, Rs 25/- for next 100 transactions.
- l. **Credit Guarantee:-** The Scheme has a provision of Graded Guarantee Cover by CGTMSE on portfolio, Bank can avail the guarantee coverage without any charges. First loss default (up to 5%) will be 100%. Second loss (beyond 5% to 15%) will be 75% of default portfolio. Maximum guarantee coverage will be 15% of the year portfolio.

To know more about the scheme details: please check the link: [pmsvanidhi.mohua.gov.in](https://pmsvanidhi.mohua.gov.in)

#### B. **Banks Process for PMSVANidhi Scheme**

- a. Bank stands committed to supporting the PM SVANidhi Scheme of the government.
- b. **Digital Applications:-**Government has advised “Digital “focus for the Scheme. Bank plans to process “**ONLY**“Digital applications received through the PM SVANidhi / Udaymi Mitra Portal. Business team shall pick up the potential customer details from PMSVANidhi portal
- c. **Mandatory Fields:-**applications with 100% completed “Mandatory Fields “ ( as per application forms advised by government ) , will only be taken for processing .
- d. **eKYC** :-eKYC for all customers has to be completed, bank proposes to leverage on the EKYC completed by the customers ( at the time of registration) through the PM Svanidhi portal . Sourcing teams ( SLI team / Unsecured Loan / Branches) to ensure the same without fail.
- e. **KYC documents and Application form:-**Sourcing team ( SLI team / Unsecured Loan/ Branches) shall collect all required documents including application form in prescribed format for Street Vendor (SV) loans, KYCs and Street Vendor identity cards/ Certificate of Vending/ Letter of Recommendation (LoR). Sourcing team ( SLI team / Unsecured Loan / Branches) will also collect Business Loan Agreement and Physical ACH Form for EMI Repayment.
- f. **PMJDY Accounts:-**All customers to have a savings accounts with the bank, in case the customers does NOT have a account with the bank , a PMJDY account to be opened and linked with Aadhaar for all the applicants under this scheme.
- g. **UPI ID:-**UPI ID is Mandatory as per the scheme guidelines for all SV loans and will need to be generated Mandatorily for all customers, before disbursals.
- h. **Product code/ Promo code:-**
  - Sourcing teams should log the case in LOS – under SLI / GSP Product Code : “PM\_SVANIDHI “
  - Along with uploading of Scan copies of the Customer Application Form and other documents collected from the customer including Agreement copy etc.
- i. **Sanction:-** Credit teams will do the necessary checks as per process. And cases meeting the bank norms will be approved for sanction and processing ahead.
- j. **Data Upload on PM SVANidhi Portal:-**Operations Team to Upload approved case data with all required fields as prescribed in scheme document on PMSVANidhi portal, and wait for Unique

ID/ Guarantee ID against each case from PMSVANidhi portal as a mandatory data feeder into the Bank system before scheduling disbursement.

- k. **Rate of Interest:-**ROI applicable for all PMSVANidhi applications will be as per the respective sourcing business vertical policy eg. SLI / Unsecured Loan / Branch.
- l. **LDM /Local level meetings:-**Meeting with SLBC 's /LDM / Local level meeting with Municipal Corporation and other local bodies on PMSVANidhi scheme will be done by branches locally. Support may be taken from respective business verticals, where required .
- m. **Liaising:-** Liaising with SIDBI officials for any scheme related query / clarification etc. Will be done by IBIG Team
- n. **Reporting:-** Reporting to Ministry , regulators will be done by RBI Reporting desk /IBIG Team.

For any queries, Branches , respective Channels can contact Mr. Venkatesh Acharya , V1694 (IBIG) or the SPOC from the respective business verticals.

Thanking You,

Ashey Aggarwal,

Inclusive Banking Initiatives Group (IBIG)

Annexures:

1. PM Svanidhi Scheme Guidelines issued by Ministry of Housing & Urban Affairs
2. PM Svanidhi FAQ's issued by Ministry of Housing & Urban Affairs