

| Version Number | Ref Number | PDG Date | Release Date | Subject & Link |
|----------------|---------------------|------------|--------------|---|
| 1 | Circular 51 of 2020 | 03-08-2020 | 04-08-2020 | PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme |

Background

1. Street vendors represent a very important constituent of the urban informal economy and play a significant role in ensuring availability of the goods and services at affordable rates at the door-step of the city dwellers. 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.
2. In response to the biggest economic crisis triggered by COVID-19 pandemic, Hon'ble Prime Minister has announced a special economic package (AtmaNirbhar Package) of Rs 20.00 lakh crore (equivalent to 10 % of India's GDP) with the aim of making the country independent against the tough competition in the global supply chain and to help in empowering the poor, laborers, migrants who have been adversely affected by COVID-19 pandemic.
3. The Ministry of Housing and Urban Affairs has launched the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi), 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 the COVID pandemic. It is one of the special economic packages to facilitate easy access to credit for the street vendors.
4. The Scheme targets to benefit the Street Vendors, who had been vending on or before 24.03.2020, in urban areas by March 2020. Features of the scheme include
 - a. Provision of collateral free working capital loan of up to Rs 10,000.
 - b. Interest subsidy @ 7% per annum.
 - c. No pre-payment penalty.
 - d. Eligibility of higher loan on timely payment of first loan etc

A. Scheme Aspects

| # | Conditions | Description |
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| 1 | Name | PMSVANidhi Scheme |
| 2 | Product code | 970 |
| 3 | Objective | <p>The scheme is a Central Sector Scheme by Ministry of Housing and Urban Affairs with the following objectives :</p> <ol style="list-style-type: none"> i) To facilitate working capital Term loan up to Rs. 10,000; ii) To incentivize regular repayment; and iii) To reward digital transactions <p>The scheme will help formalize the street vendors with above objectives and will open up new opportunities to this sector to move up the economic ladder.</p> |
| 4 | Eligibility Norms | <ol style="list-style-type: none"> a) Eligibility of States/ UTs: The Scheme is available for beneficiaries (applicants) 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. b) 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 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. |
| 5 | Details of Urban Local Bodies | The details of various Urban Local Bodies (ULBs) in all eligible States shall be listed on the home page of the PM SVANidhi portal. The unique Local Government Directory (LGD Code) of the ULB can be noted for future reference and use while filling loan application form |

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| 6 | Data base of existing surveyed SVs | The data base of existing vendors shall be available on PM SVANidhi portal home page for SVs, Lending institutions and other stakeholders to check survey status of an individual SV. After identifying an individual vendor on the survey list, a unique "Survey Reference Number (SRN)" could also be noted for future use as reference. |
| 7 | Data in Public Domain | The State / UT / ULB-wise list of identified street vendors will be made available on the website of the Ministry/ State Government/ ULBs and Web Portal developed for the purpose. |
| 8 | Formation of collective of Vendors | As per prevailing practice, the individual lending institution may form Joint Liability Groups (JLGs) of eligible vendors. The Common Interest Groups (CIGs) of street vendors, already formed by States, can be converted into JLGs by lending institutions. The ULBs should extensively encourage formation of CIGs of the street vendors to ensure maximum coverage of the scheme. List of CIGs of street vendors formed by ULBs will be shared with the lending institutions. Similarly, the lending institutions will share the list of JLGs of eligible street vendors formed with respective ULBs. Formation of such collectives is preferred and encouraged. However, it does not preclude individual vendors from availing the loan. |
| 9 | 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 borrower's account quarterly.</p> <p>Lenders 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.</p> <p>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.</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> <p>Interest subsidy would be available for the interest paid during the Scheme period i.e till March 31.2022. The scheme does not restrict the vendor availing benefit of any other subsidy or interest subvention scheme of any State / central Government.</p> |
| 10 | Incentives to SV | <p>Digital Cash Back incentives : Role of Bank</p> <p>The loan application form has fields for collection of ONE Active / Preferred UPI ID.</p> <p>If an Street Vendor does not have an UPI ID, the Bank shall ensure to make arrangement with a Bank / payment aggregator to get the SV obtain a UPI ID (P2PM category) along with a QR code on a durable material, before disbursal of the loan and then submit data on the portal.</p> <p>Bank shall also encourage SV to obtain a RuPay Card linked to the Bank Account mentioned in the Loan application.</p> <ol style="list-style-type: none"> 1. Integration with a durable QR code provided by a Digital Payment Aggregators (DPA) is a mandatory feature, either at the time of filling of the application or before disbursal of the loan amount. 2. Bank to ensure that UPI ID information along with the Loan Application Form information is submitted to the PM SVANidhi Portal. New UPI on-boarding shall be in P2PM (Person to Person & Merchant) category with MCC 7407 code and QR code on a durable material provided to SVs. 3. After submission of application information on the portal, NPCI will provide monthly digital transaction details based on the UPI ID mentioned in the Loan Application, for |

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| | | <p>the purpose of calculating cash back incentive.</p> <p>4. The cashback so arrived at would be credited to Savings / Current account mentioned in the Loan Application form.</p> <p>**Cash Back incentive shall be available only to a maximum limit of Rs.1200.</p> <p>Other benefits to borrower in shape of Cash Back at the time of repayment:</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 on-boarded vendors would be incentivised with a monthly cashback in the range of Rs. 50 – Rs. 100 as per following criteria :</p> <ol style="list-style-type: none"> 1. On executing 50 eligible transactions in a month: Rs.50; 2. 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>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). Here eligible transactions mean a digital pay-out or receipt with minimum value of Rs. 25.</p> |
| 11 | IT Platform for Scheme implementation | <p>The PMSVANidhi portal shall be integrated with Udyami Mitra Portal (UMP) managed by SIDBI. Banks interface will be with UMP for the scheme. The integrated portal will facilitate the following :</p> <ol style="list-style-type: none"> a) Disseminating information to different stakeholders b) Enabling Street Vendors (SVs) to apply directly (or through Customer Service Centres) and enable their applications to flow to Lenders. c) Enabling Banks/ Branch to pick the applications at market place of UMP. d) Providing Banks/ Branch the option to use PMSVANidhi mobile app for originating applications e) Enabling Branch to submit Loan Application Form information in the portal f) Facilitating validation of UPI IDs and also calculation of digital incentives of SVs through NPCI. g) Facilitating eligible Interest subvention information to flow from banks to MoHUA. h) Checking survey status of SVs and also checking ULB details. <p>Facilitating generation/ online request of required ULB document for certain categories of vendors and approval by ULBs.</p> |

B. Qualifying criteria

| # | Conditions | Description |
|---|--------------------------------------|--|
| 1 | Target Segment | <ol style="list-style-type: none"> a) Street Vendors known as vendors, hawkers, thelewala, rehriwala, theliphadwala etc. in different areas/ contexts. b) The goods supplied by them include vegetables, fruits, ready-to eat street food, textile, apparel, footwear, artisan products, books/ stationery etc. c) The services include barbershops, cobblers, pan shops, laundry services etc. |
| 2 | Borrower Eligibility criteria | <p>The Scheme will be available to all street vendors engaged in vending in Urban areas as on or before 24th March 2020. The categories of eligible borrowers is as under:</p> |

| SV Cat | Category Description | Lender Process |
|-----------|--|---|
| A | Street Vendors(SVs) identified in survey and in possession of Certificate of Vending (CoV) / Identity Card (ID Card) issued by Urban Local Bodies (ULBs) | <ul style="list-style-type: none"> • Check vendor name in survey (on portal or mobile App) and obtain Survey Reference Number (SRN) • Obtain copy of CoV/ ID card |
| B | SVs who have been identified in the survey but have not been issued CoV/ ID Card | <ul style="list-style-type: none"> • Check vendor name in survey (on portal or mobile App) and obtain Survey Reference number (SRN). • On submission of application information on portal a Provisional Certificate (PCoV) of Vending shall be generated. |
| C | SVs left out of the ULB-led identification survey or who have started vending after completion of the survey. Two subcategories will be there: | |
| C1 | SV has been issued Letter of Recommendation (LoR) by LB/TVC | Obtain copy of LoR |
| C2 | SV has not been issued Letter of Recommendation (LoR) by LB/TVC | On submission of application information on portal, along with the loan sanction letter of the LI, a system based online request along with a certificate of sanction will go to the respective ULB for issuing an LoR. ULB will be expected to issue an online LoR within 15 days. |
| D | SVs of surrounding development / per-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. Two sub categories will be there: | |
| D1 | SV has been issued Letter of Recommendation (LoR) by LB/TVC | Obtain copy of LoR |
| D2 | SV has not been issued Letter of Recommendation (LoR) by LB/TVC | On submission of application information on portal, along with the loan sanction letter of the LI, a system based online request along with a certificate of sanction will go to the respective ULB for issuing an LoR. ULB will be expected to issue an online LoR within 15 days. |

C. Loan features and disbursal conditions

| # | Conditions | Description |
|----|-----------------------------|--|
| 1 | Facility Type | Working Capital Term loan. |
| 2 | Loan Amount | Up to Rs.10000/- |
| 3 | Tenor | 12 months |
| 4 | ROI | 24%-28% |
| 5 | Age | Min 18 and Max 58(at the time of sourcing) |
| 6 | Processing Fees | 2% |
| 7 | Pre-payment Penalty charges | NIL |
| 8 | Penalty Charges | NIL |
| 9 | Insurance | NIL |
| 10 | Security | NIL |
| 11 | Mode of disbursement | The disbursement of the loan to be done in Saving account / Current account of the borrower. A separate loan account should be opened for the borrower |
| 12 | Repayment | Loan shall be paid in 12 Equated Monthly Instalments (EMI) On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit at bank's discretion. |

D. Repayment Mechanism and Credit Guarantee

| # | Conditions | Description |
|---|------------------|---|
| 1 | Repayment Mode | NACH |
| 2 | Credit Guarantee | <p>CGTMSE shall operate a special scheme for PMSVANidhi guarantee coverage.</p> <ul style="list-style-type: none"> CGTMSE shall provide 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 : <ul style="list-style-type: none"> 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. An illustration of the guarantee coverage is explained below: <ul style="list-style-type: none"> If a bank covers a portfolio of Rs 100 crore and has a portfolio loss of Rs 5 crore, 100% of the loss (Rs 5 crore) shall be covered by CGTMSE. If a bank covers a portfolio of Rs 100 crore and has a portfolio loss of Rs. 15 crore then CGTMSE will cover Rs 12.5 Crore loss (100% of Rs 5 crore + 75% of Rs 10 crore). If a bank covers a portfolio of Rs 100 crore and has a portfolio loss of more than Rs 15 crore then CGTMSE coverage will be still Rs 12.5 Crore. <p>CGTMSE shall have online process for portfolio coverage and claim settlement. The Guarantee coverage on subsequent cycles (upto eligible enhanced limit) will be available on the portfolio covered by CGTMSE during the scheme period i.e. upto 31.03.2022.</p> |

E. Underwriting criteria

| # | Conditions | Description |
|---|--|--|
| 1 | Pre-sanction Appraisal | As per guidelines shared by MoHUA, the potential borrowers are selected by Urban Local Bodies (ULB) / Town Vending Committee (TVC) who will give the Certificate of Vending / Identity Card to the borrowers, based on their survey. FSE to visit the vendor business location for the due diligence. New to Bank customer CIBIL score must be 680 |
| 2 | Residential Stability | Current address proof to be collected along with permanent contact details. Requirement of minimum vintage is not applicable. |
| 3 | Personal discussion (PD) and verification | 1. Personal discussion with the borrower by FSE is must. 2. FSE to visit SV's present business address 3. FSE to capture the visit details in the prescribed format |

F. Documentation

| # | Conditions | Description |
|---|---------------------------|--|
| 1 | e-KYC | e-KYC is mandatory for all direct loan applicants. The following fields shall be fetched from UIDAI as part of the e-KYC exercise: <ul style="list-style-type: none"> • Full Name • Date of Birth • Gender • Photo • Permanent Address Portal shall facilitate eKYC for online applications made by SVs on the portal. Banks which are not allowed to conduct eKYC or Aadhaar validation by extant regulations, will necessarily carry out eKYC of their customers using the PMSVANidhi app. Banks which are allowed to conduct eKYC or Aadhaar validation, can carry out eKYC through their own authorized systems and provide the unique reference number issued by UIDAI or the unique key vault number along with the application information. Aadhaar number collected for the scheme shall not be stored by any Bank. |
| 2 | Documents required | Following documents will be taken from the borrowers for this scheme: <ol style="list-style-type: none"> a) Loan Application – Loan application is available on Integrated IT Platform along with Mobile App developed by Ministry b) Copy of Certificate of Vending(CoV)/ID card c) Letter of recommendation(as applicable) d) DPN e) NACH Consent Form |

G. Collections and Recourse to Credit Guarantee


| # | Conditions | Description |
|---|------------------------------|--|
| 1 | Collection Frequency | Monthly EMI collections. |
| 2 | Collection Mode | Collection through NACH is mandatory for all Customers. |
| 3 | Recourse to guarantee | The periodicity of filling claims by banks will be quarterly |






H. Process

- 1) Each branch will be assigned a User ID and password to login into the Udyami Mitra portal where the Branch Head has to report the daily sanctions and disbursals. Also the portal gives branch access to the marketplace to pick up the fresh leads given by the ULBs.
- 2) Branch to ensure the opening of savings account and creation of UPI ID for the account via any PSP app (PhonePe, Google pay, Paytm etc) prior to the submission of loan application form

| Activity | Description | Owner |
|--|--|------------|
| Sourcing | a) Direct Application by SV on PMSVANidhi Portal-Web | Applicant |
| | b) Application sourced by Bank-onprogram MobileApp | RM |
| | c) Application sourced by Bank-on LOS (IT integration on later stage) | RM |
| Log in to UMP for application download | Go to New Application sanction | BM |
| | Update LAF on UMP portal | |
| | Download the application | |
| Pre-sanction activity | Field Visit and appraisal | RM |
| | Recommendation for sanction | |
| Log in to UMP for application download | Goto complete application information section on UMP portal | BM |
| | Update the information and Submit | |
| Disbursement | Branch Ops to execute the DB documentation | Branch Ops |
| | Branch Ops raise the request to CPC for LAN creation and Fund transfer | |
| LAN Creation and FT | CPC to create LAN and raise FT request in the borrower's SA account | CPC |

I. Annexures

| # | Name | Attachments |
|---|-----------------------|---|
| 1 | Loan Application Form |  PM SVANidhi LAF.pdf |

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|----|--|---|
| 2 | Letter of Recommendation (LoR) –Existing customers |  LoR for Existing customers.docx |
| 3 | Letter of Recommendation (LoR) –New to Bank customers |  LoR for NTB customers.docx |
| 11 | Procedure for applying for loan |  PM SVANidhi Application Filling P |
| 12 | Udyami Mitra Portal User Manual |  i_Lender Guide_Loan Applica |
| 13 | FAQs |  FAQEng.pdf |