

# PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)

**Bank Engagement**  
**02.07.2020**



# PM SVANidhi – Objectives & Eligible beneficiaries

- ✓ PM SVANidhi scheme announced by government of India aims to provide financial aid to Street vendors during the situation of COVID-19 pandemic.
- ✓ GoI has identified the urgent need to provide credit for working capital to street vendors in order for them to resume their businesses, as due to consequent lockdowns they might have exhausted their capital base and impacted their livelihoods adversely
- ✓ The Scheme will be available to all street vendors engaged in vending in urban areas as on or before March 24, 2020.

Category	Eligibility
A	Street vendors in possession of Certificate of Vending (CoV) / Identity Card issued by Urban Local Bodies (ULBs)
B	Street vendors who have been identified in the survey but have not been issued Certificate of Vending / Identity Card
C	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);
D	Street 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.



# PM SVANidhi – Key Features of Scheme

- One-year Loans of up to Rs 10,000 to eligible street vendors (SVs) affected by COVID-19.
- Interest subsidy of 7% p.a. to be disbursed quarterly to standard accounts as on claim dates
- Cash back Incentives of upto Rs 1200 (maximum) for encouraging digital transactions by SVs
- Nearly 50 lakh SVs are expected to be covered over the scheme period upto March 31, 2022.
- The interest subsidy and maximum cash back incentive together are more than the interest to be paid SV. This will make the scheme very attractive for the SV and also induce disciplined credit behaviour.
- SIDBI is the implementing partner for Ministry.
- **Ministry also wants to use this program to create good quality information and data base of the street vendors in all urban locations. This will play a very important role in formalizing them into Institutional framework, which will help them feel more secured and also facilitate Government to plan effective welfare programs for them. Thus, the information in one-page application form designed for the program has to be captured in program portal.**



# PM SVANidhi – Eligible Lenders & Rate of Interest

## Eligible Lenders Guarantee

- Scheduled Commercial Banks
- Regional Rural Banks (RRBs)
- Small Finance Banks (SFBs)
- Cooperative Banks
- Non-Banking Finance Companies
- Micro Finance Institutions (MFIs)
- SHG Banks (e.g. Stree Nidhi etc.)

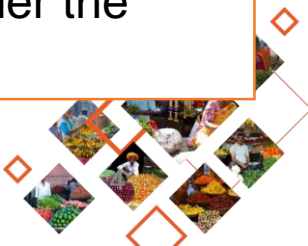
## Credit Guarantee

Graded Guarantee Cover for the loans sanctioned to be administered by CGTMSE on portfolio basis:

- 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.
- All loans given by each lending institution under the scheme will be considered for coverage under the guarantee. The periodicity of filing of claims by lending institutions will be quarterly.

## Rate of Interest

**In case of Scheduled Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks & SHG Banks, the rates will be as per their prevailing rates of interest.** In case of NBFC, NBFC-MFIs etc., interest rates will be as per RBI guidelines for respective lender category. In respect of MFIs (non NBFC) & other lender categories not covered under the RBI guidelines, interest rates under the scheme would be applicable as per the extant RBI guidelines for NBFC-MFIs.





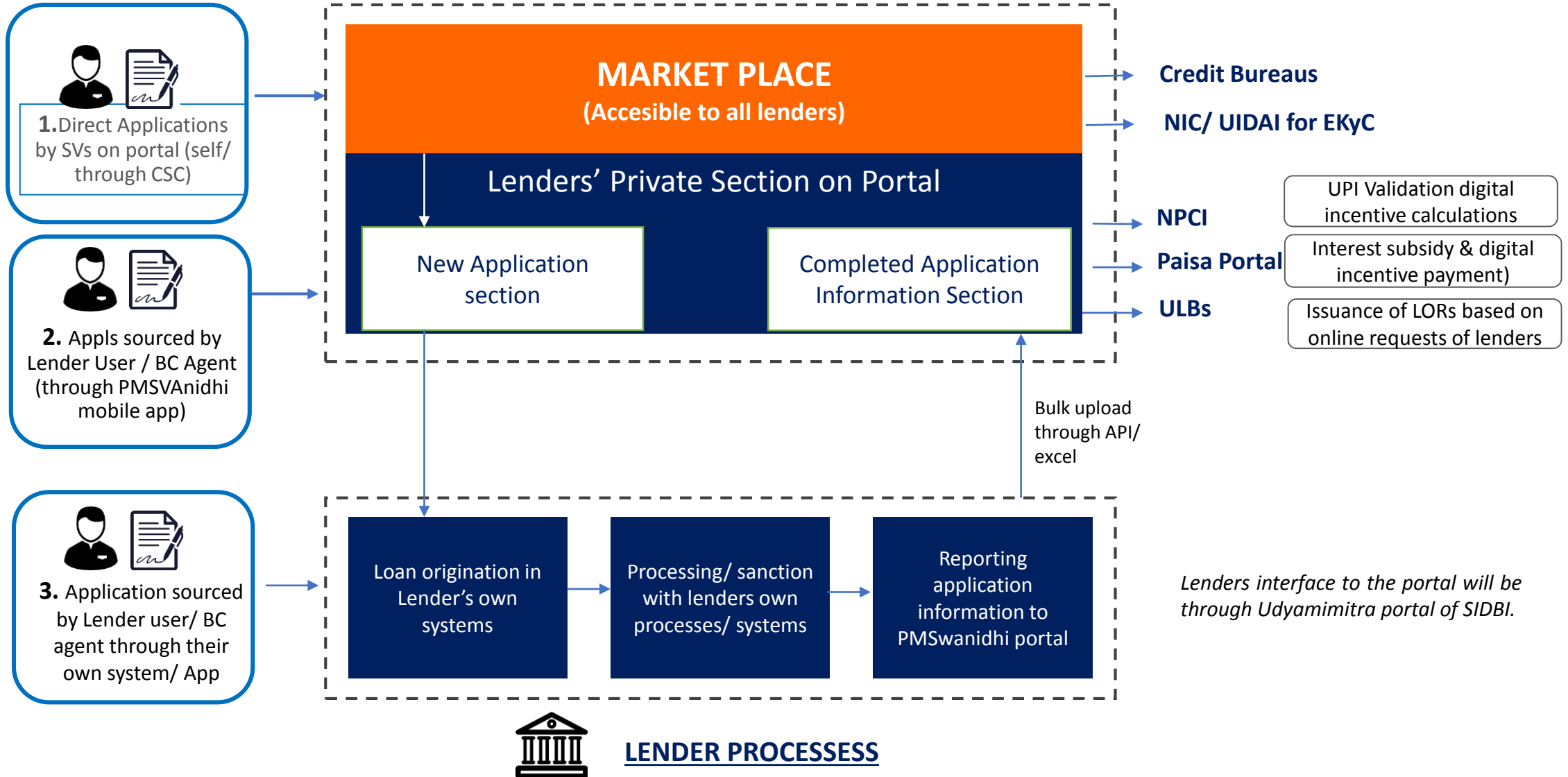
# PM SVANidhi Program Platform

# Portal functionality requirements



- ✓ An exclusive portal for the scheme with required integrations.
- ✓ Portal brings together SVs, lenders and ULB ecosystem.
- ✓ Survey data and enabling checking of name and unique number
- ✓ Direct Applications by SVs on portal (and through CSCs)
- ✓ Mobile App based application work flow
- ✓ EkYC must for applicants
  - ✓ MFIs not allowed aadhaar validation eKYC
  - ✓ One exclusive mobile based eKYC App for MFIs
- ✓ Deduplication of applications
- ✓ Submission of application data back on portal.
- ✓ Enabling payment of digital incentive, interest subvention in borrowers accounts
- ✓ Enabling system based approval by ULBs for certain legal documents.

# PMSWANidhi Integrated IT platform

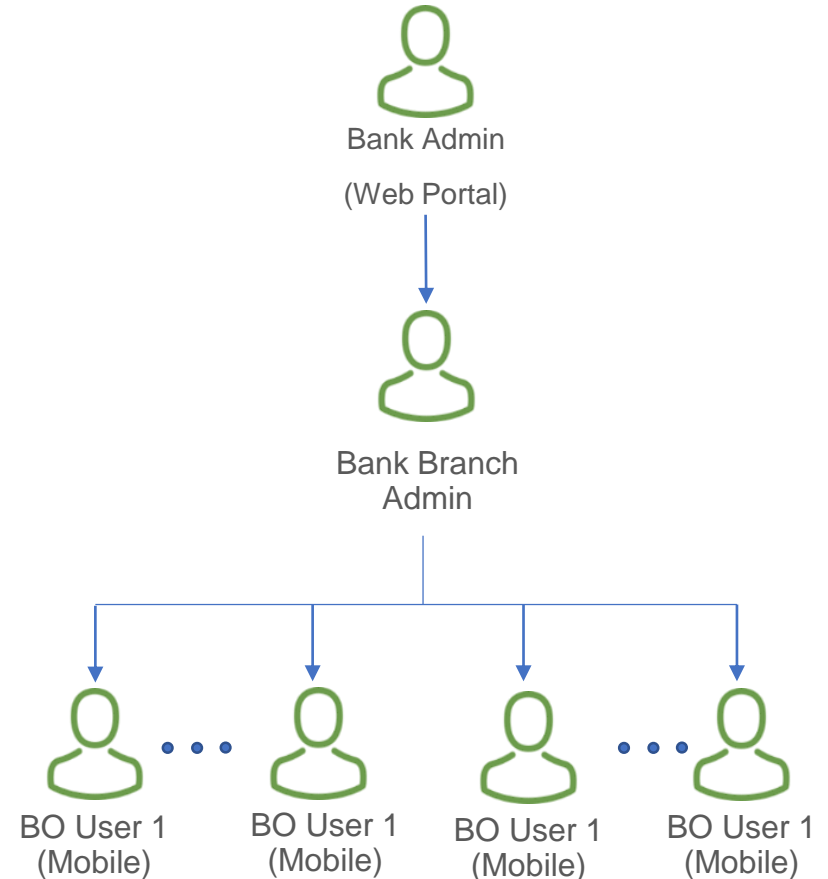


# PM SVANidhi - Bank Onboarding

- ✓ Most Banks are already onboarded on UMP.
- ✓ An excel sheet shall be provided to Banks containing IFSC code of the branches presently mapped with UMP. Banks will be required to update the PinCode, Active Status\* for PM SVANidhi of the Branches in the excel sheet and send back to us for updating in the system
- ✓ Bank's admin/Branches can create its users and forward link to its users (employee / BC Agent) for Mobile App download.
- ✓ Organization information shall be uploaded on the Udyami Mitra portal and log in IDs will be sent to all RO/ branch admins. Details of branches will be visible in search on home page.
- ✓ In case any Bank is not onboarded on UMP, they will be helped to do so.
- ✓ **Origin of applications, processing of applications and submission of application information on the portal by lenders could be done using 3 different processes described in subsequent slides.**

*\*Only Branches which will be carrying PMSVANidhi business may be marked as Active in excel sheet so that applications in market place can be seen by/ flow to only those branches.*

## Onboarding Hierarchy

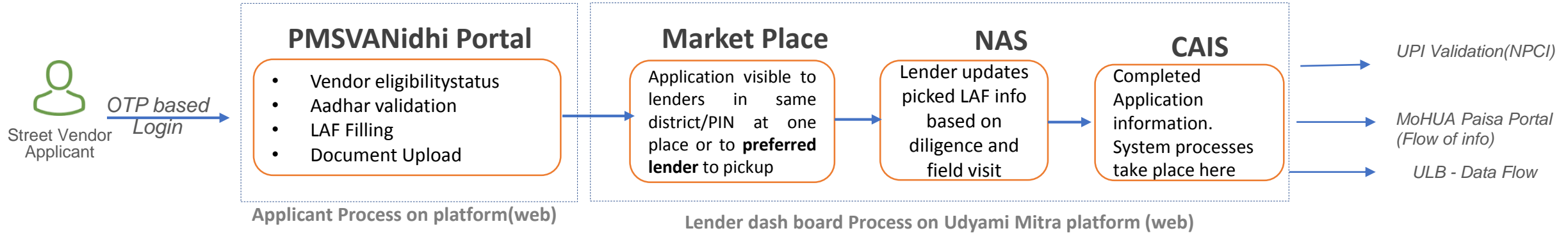




# 1. Direct Application by SVs on PMSVANidhi portal - Web

**NAS** – New Application Section;

**CAIS** – Completed Application Information Section

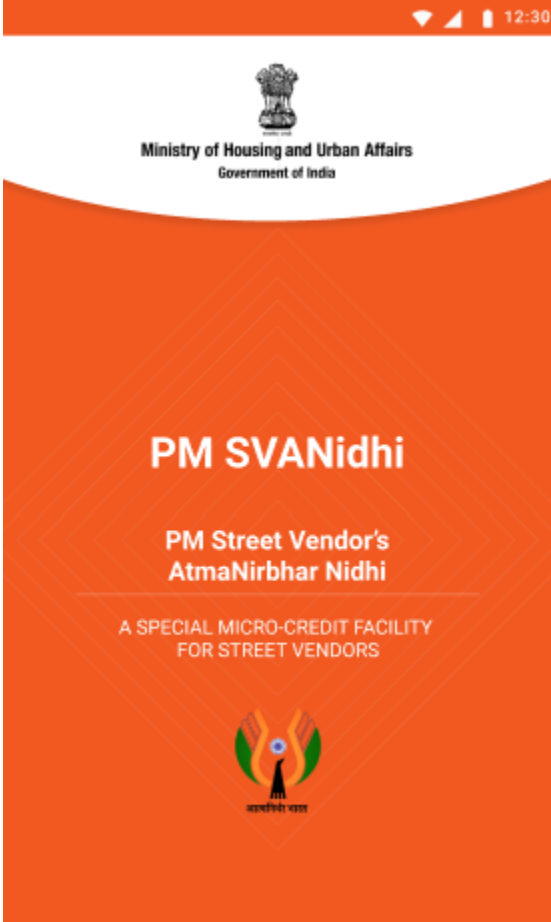
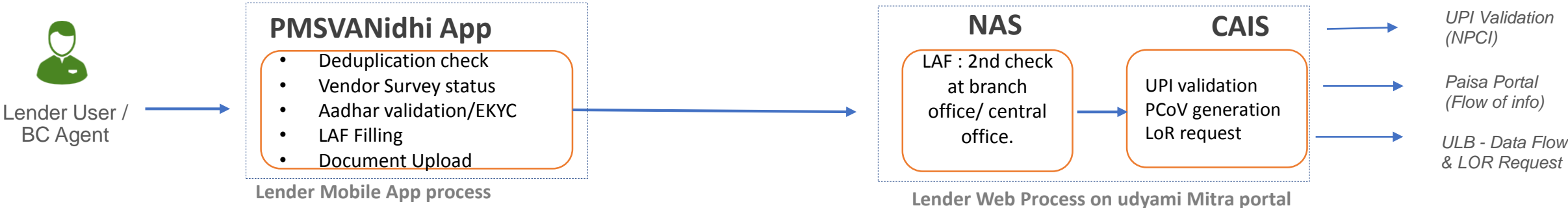


## PROCESS ILLUSTRATION

- Street Vendor (SV) registers on PMSVANidhi portal (directly or with the help of a CSC) and completes 4 step process for submitting application:
  - Check Vendor Eligibility (as per ULB provisions).
  - Fill application form (including Aadhar validation/ EKYC)
  - Upload documents
  - Submit application to Market Place (will be visible to all lenders in vicinity/ district) or to a preferred lender
- Lenders (Banks) who have registered on Udyamimitra portal (managed by SIDBI) will be able to see the application in the market place of UMP along with **an Identity check report & Credit rating report and score**. A Branch Manager will see applications in the vicinity/ District
- If a lender “picks up” an application it will reflect on his “New Application section (NAS)” of his dash board.
- In NAS lender will also get an editable version of application. Based on field visit/ diligence, lender can update the applicant information. A copy of original application and updated application information could be downloaded also. **Lender will sanction the application as per its internal process/ policy.**
- Once lenders marks the application completed after sanction, the application moves to “Completed Application Information section (CAIS)”.
- In CAIS only system based processes will take place viz. Validation of UPI ID (by NPCI) and online transmission of request of Lender for Letter of recommendation to concerned ULB (only in case of vendor Category C2 and D2 as explained in slide no. 13).

# 2. Application Sourced by Lenders –onProgram Mobile App

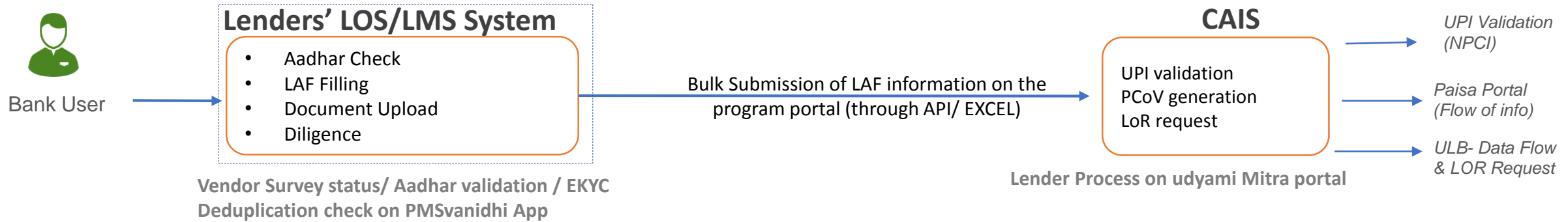
NAS – New Application Section; CAIS – Completed Application Information Section



### PROCESS ILLUSTRATION

- Lenders will be provided a mobile app to originate the loan applications
- App will be mapped to the respective Bank branch from where link has been sent to branch users
- Mobile App users will be able to log in using their user ids.
- App will have following sections
  - Check SRN no of surveyed vendors
  - Aadhar Validation/ EKYC of vendors
  - Fill application form
  - Scan documents and take photograph of vendor.
- On submission the application will reach the New Application Section (NAS) of respective branch along with *an identity and Credit rating report and score.*
- In NAS lender will also get an editable version of application. Lender will sanction the application as per its internal process/ policy. They can also down load the application from here.
- Once lenders marks the application completed after sanction, the application moves to “Completed Application Information section (CAIS)”.
- In CAIS only system based processes will take place viz. Validation of UPI ID ( by NPCI) and online transmission of request of Lender for Letter of recommendation to concerned ULB (only in case of vendor Category C2 and D2 as explained in slide no.13).
- Later lenders update details on CAIS section for disbursement and quarterly interest subsidy calculations

### 3. Application Sourced by Lenders through their own systems



NAS – New Application Section; CAIS – Completed Application Information Section

#### PROCESS ILLUSTRATION

- This process is for lenders who will want to use their existing IT systems and processes for sourcing applications
- Banks will be provided a mobile app for 2 mandatory functions :
  - Vendor category marking (as explained in page 16)
  - Aadhar Validation/ EKYC of vendors
- On completion a program **application number** shall be generated, which lenders shall submit as proof of aadhar validation and also for future use while bulk uploading data.
- After lenders complete their process and sanction loan through their own processes, they will submit the information on Udyamimitra portal through Excel or API. In case of excel upload they will have to submit documents individually.
- In CAIS only system based processes will take place viz. Validation of UPI ID ( by NPCI) and online transmission of request of Lender for Letter of recommendation to concerned ULB (only in case of vendor Category C2 and D2 as explained in slide no.13).
- Later lenders update details on CAIS section for disbursement and quarterly interest subsidy calculations

# Street Vendor Eligibility Check – By Lenders

Category	Eligibility	Document
A	Street vendors 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"> <li>CoV/ ID Card</li> </ul>
B	Street vendors who have been identified in the survey but have not been issued CoV/ ID Card	<ul style="list-style-type: none"> <li>Provisional CoV to be generated on portal</li> </ul>
C	Street Vendors, left out of the ULB-led identification survey or who have started vending after completion of the survey. 2 sub categories will be there :	
	C1 : SV has been issued Letter of Recommendation (LoR) by ULB/TVC	LoR to be uploaded
	C2 : SV has <u>not</u> been issued LoR by ULB/ TVC	Lender online request for LoR to ULB
D	Street vendors of surrounding development/ peri-urban / rural areas vending in the geographical limits of the ULBs ( not covered in Survey). 2 sub categories will be there :	
	D1 : SV has been issued Letter of Recommendation (LoR) by ULB/TVC	LoR to be uploaded
	D2 : SV has <u>not</u> been issued LoR by ULB/ TVC	Lender online request for LoR to ULB

## Vendor Eligibility ( PROCESS for lenders )

- Category A :** In case SV possesses a CoV/ ID card, Banks will check his name in survey list on APP/ portal and obtain his Survey reference Number. they will have to submit copy of CoV along with application information on portal.
- Category B :** In case vendor says he was surveyed but he was not issued a CoV/ ID card, lender to obtain his SRN and after they submit application information on CAIS, a Provisional CoV (only for the scheme) shall be generated automatically.
- Category C1/D1 :** Vendor not covered in survey but is in possession of LoR issued by ULB/TVC. Lender to upload copy of LoR while submitting application information
- Category C2/ D2 :** Vendors are not covered in survey and LoR is also not issued to them. After completing their diligence/sanction and submission of application information on CAIS, a system generated on line request for issue of LoR will be transmitted to the concerned ULB. As per the scheme ULBs will be expected to issue the LoR within a time period of 15 days.

# Digital Payment Aggregators Onboarding

- ✓ The loan application form has fields for collection of UPI ID, if SV has one and also for collecting details of Rupay Card if he has one.
- ✓ If not, lender is expected to make arrangement with payment aggregators to get the SV onboarded on the digital mode and obtain UPI ID.
- ✓ Major Payment aggregators like Paytm has agreed to provide free UPI ID to the SV.
- ✓ UPI ID/ Rupay Card Validation will take place through NPCI system on the portal when lenders submit information in the CAIS section.
- ✓ NPCI to provide monthly digital transaction details along-with eligible cash back incentive info to the portal which will be transmitted to Paisa portal of MoHUA and eligible cash back will be paid directly in SV's accounts.
- ✓ Lender process only to ensure he has a UPI ID before application information is submitted in CAIS.

# CGTMSE Onboarding

- ✓ Most Banks are already onboarded on CGTMSE & registered as Member Lending Institutions (MLIs)
- ✓ MFIs will be onboarded on the CGTMSE platform for the **first time** for the scheme
- ✓ CGTMSE has system driven process for making coverage applications and also claim settlement.
- ✓ **A new scheme shall be created by CGTMSE for PMSVANidhi**
- ✓ **First lodgement of portfolio by July end and first claim submission will be after Q2.**

# Banking Correspondence (BCs)

- ✓ A Consultation meeting with BCs was held by MoHUA & SIDBI
- ✓ All leading BCs of the country attended & expressed great interest to participate in the program
- ✓ The first loss guarantee makes an interesting proposition for the lenders & BCS to collaborate for the scheme
- ✓ Keeping in view, the small ticket size of the loan and profile of the beneficiary (Street Vendors), the BC arrangement expected to be a good strategy for the success of the program
- ✓ Govt. is also encouraging engagement of BCs in the program.

# Immediate action points (To Do) for Banks

- ✓ Nominate a nodal officer for the Scheme.
- ✓ Update branch data in Udyami Mitra Portal as explained in presentation
- ✓ Create a new Scheme Code for PMSVANidhi scheme.
- ✓ It is advised to have a simple IT driven score based approval process.
- ✓ Active branches to be ready for picking applications in Market Place. Process 1 described to be used by all Banks for Direct applicants
- ✓ Banks are advice to decide on using either Process 2 or 3 (explain in earlier slides) for applications sourced by their employee
- ✓ Banks to positively explore using Bank Correspondents(BCs) keeping in view small value loan. Several BCs have shown interest.
- ✓ Start accepting applications from July 1.



# Project Timelines

<b>Activity</b>	<b>Timeline</b>
Portal Launch	June 29, 2020
Direct Application on portal	July 2, 2020
Mobile App based application flow for lenders	July 9, 2020
ULB module for LoR approval and dashboard for monitoring	July 10, 2020
Integration with Banks for application data flow 1st set of APIs to be circulated for review on Jul3, 2020	July 10 onwards
NPCI integration	July 15, 2020
Interest subvention	July 30, 2020

# Contact Details

- Shri. Yoginder Singh, Director, MoHUA
- Email id - [dirud-mud@nic.in](mailto:dirud-mud@nic.in)
  
- Shri Pratyush Mishra, SIDBI
- Shri Chanchal Sahu, SIDBI
- Shri Neeraj Verma, SIDBI
- Email ID- [pmsvanidhi.support@sidbi.in](mailto:pmsvanidhi.support@sidbi.in)



# Thank You!!

AtmaNirbhar Bharat

