



eCircular

Department: SME BUSINESS UNIT
Sl.No.: 914/2019 - 20
Circular No.: NBG/SMEBU-SME
ADVANC/50/2019 - 20
Date: Sat 5 Oct 2019

The Chief General Manager,
State Bank of India,
Local Head Office,
All Circles

04th October 2019

SMEBU/2019-20/WHR/PBV/

Madam/ Dear Sir,

**SME ADVANCES: SBI e-MUDRA (SBI CUSTOMERS) UPTO RS.50000/-
WEB LINK PORTAL END-TO END DIGITAL SOLUTION
COMPREHENSIVE INSTRUCTIONS**

SBI e-Mudra, a digital end-to-end solution, was introduced for extending finance to Micro enterprises for small value loans by using digital technology. The product features were circulated vide e-circular No NBG/SMEBU-SME ADVANCE/40/2019-20 dated 14.08.2019. SBI e-Mudra link will be available on our Bank's Corporate website <https://bank.sbi/> .

2. In this connection, based on the feedback received from Circles, it has been decided to modify some of the features of the product in order to offer flexibility to small businesses. We place undernoted items as Annexures:

- Modifications in existing e-Mudra Product features (Annexure I)
- Revised consolidated e-Mudra Product features (Annexure II)
- Standard Operating Procedure (Annexure III)
- Utilisation Certificate format (Annexure IV)
- Inspection Report format (Annexure V)
- Process Flow of Lender Dashboard (Annexure VI)

3. The revised Mudra Scoring Card (Shishu) and credit assessment rules are in-built in the credit engine for quick appraisal and instant sanction. The customer will do e-Signing of the loan document (Terms and Conditions form) through Aadhar based on OTP without any manual intervention. The loan account will be parked at customer's existing branch. The validations have been in-built in the product and in case of the following conditions, where the journey will not proceed further: -

- i. Applicant has already availed SME loan from SBI (SME loan account with other bank will be checked from Crif High Mark Bureau report).
- ii. Applicant has joint account or account linked to more than one CIF.
- iii. Applicant does not have any individual Savings or Current account with SBI.

- iv. CRIF is reflecting 3 or more instances of DPD of more than 30 days in last 6 months.
- v. CRIF is reflecting presence of negative accounts viz. Written-off, settled, restructured, devolved, sold to ARC, invoked, settled post write-off cases.
- vi. CRIF is reflecting more than 2 enquires for SME loans in past 6 months.
(One of the following documents must be available in CBS for fetching the CIC report. PAN, Voter ID, Passport, Ration Card or Driving License number)
- vii. Customer doesn't have **Aadhaar linked with the mobile number**.
- viii. The CIF of the customer is not linked with Aadhaar and same is not filled in Primary ID with Field No **49: "Aadhaar with same address"**
- ix. If the 'CIF' has a Staff Indicator.

The following cases will be handled as Referral cases at the Home branch, which maintains the account, through Lender Dashboard (path: CBS >> LOS SME >> e-Mudra):

- Aadhar number not matching with the one already available in CIF.
- Name as per Aadhaar matches below 70% with SBI records
- DOB not match between Aadhaar and CIF records (Match percentage 100%)
- Residence PIN code fetched from Aadhaar not matches with the Current residence PIN code as per CBS records.

An appropriate message will be populated to the customer in the portal advising him/her to visit the branch and getting the details/documents updated either in CBS or in UIDAI. In such cases, customer will visit the branch, verify the KYC documents of the customer for discrepancies and will arrange to update the same in CBS, if found otherwise and confirm on Lender Dashboard.

In case of discrepancies in Aadhar, the customer may be requested to approach UIDAI for rectification. Thereafter, customer will visit the branch with the updated Aadhar and arrange to get update his/her KYC in branch record. Branch official will confirm the same on Lender Dashboard. Thereafter, further journey will be done by the User in e-Mudra application. The detailed User Guide of Lender Dashboard has been attached as Annexure IV. It can only be accessed by officials with role of Credit Analyst (Field Officer) or Sanctioning Authority created in LOS SME.

4. After disbursement of the loan, the maintenance code will be shifted to linked SMECC/RASMECC/RACC within T+2 days for post disbursement inspection, monitoring, follow-up, review and recovery in NPA with the assistance from Branch. The digitally signed Terms and Conditions and Application form, Bureau report and Mudra Scoring card will be available to the branch/CPC through Lender Dashboard (path: CBS >> LOS SME >> e-Mudra).

5. The loans sanctioned and disbursed under e-Mudra platform will be mandatorily covered under guarantee cover of Credit Guarantee Fund for Micro Units (CGFMU), for detailed guidelines, please refer SMEBU e-circular No NBG/SMEBU-CGFMU/47/2016-17 dated 01.09.2016 in respect of CGFMU.

Please ensure meticulous compliance of the instructions.

Yours faithfully,

(D S Mishra)
Chief General Manager (SME & SCF)

Modification in Existing Product Features : SBI e-Mudra (Web-link)

Parameter	Existing Features	Modified features
Type of Loan	Working Capital Demand Loan	Term Loan
Repayment Tenure	12 months (EMI Based)	60 months including moratorium period of 3 months (EMI Based)
Rate of Interest	2.75% above MCLR (as per Mudra Scheme)	Fixed Rate of Interest – 9.00% p.a
Other Charges (Inspection, Penal Interest etc)	As per Banks extant guidelines	Nil
Stock Statement /Utilisation Certificate	Stock Statement /Utilisation Certificate to be obtained within 3 months from the date of disbursal.	Utilisation Certificate to be obtained within 1 month from the date of disbursal (to ensure end use of fund)- Format attached as Annexure IV.
Review	Not mentioned	Annually
Inspection	Branch will do the Post disbursement inspection of the unit within 3 months.	SMECC/RASMECC/RACC will do the Post disbursement inspection of the unit within 1 month and thereafter, at Half Yearly intervals. Format attached as Annexure V. During Inspection, if Inspecting official finds any irregularities viz non-existence of business activity, asset not built up pertaining to the specified finance etc, then recovery process to be initiated immediately as per the Bank's extant instructions.

REVISED CONSOLIDATED e-MUDRA (WEB-LINK) PRODUCT FEATURES

Sr. No.	Particulars	Details
1	Target Group	Micro enterprises (MSME)- Individual
2	Purpose	To provide hassle free finance for financing their multiple requirements related to their business activity.
3	Eligibility	<ul style="list-style-type: none">Existing customer- Individual customer maintaining Saving Bank/Current account with us, will be onboarded on e-Mudra digital platform.Applicant should be 18 to 65 years of age.Applicant must obtain a minimum overall score of 50% in Mudra Scoring Card for Shishu.Not availed any SME loan in past.Satisfactory Bureau report from CRIF Hi Mark.
4	Limit Assessment	In-built Credit engine will assess the limit based on Mudra loan guidelines.
5	Loan amount	Up to Rs.50000/-
6.	Type of loan	Term Loan (Earlier it was approved as Demand loan. Henceforth, no Demand loan will be provided under e-Mudra)
7	Sanction	Credit Engine based instant Digital sanctioning (i.e. without designated sanctioning authority or reporting to next higher authority).
8.	Security	Primary: Charge on the stock and receivables Collateral: Nil. To be covered under CGFMU (CGFMU fees to be paid by borrower)
9.	Margin	Nil
10.	Utilisation Certificate	Within 1 month from date of disbursement from Borrower -Format attached as annexure IV
11	Period of Loan	60 months including uniform moratorium period of 3 months (Earlier it was approved for 12 months).
12	Insurance	Waived
13.	Documentation	Acceptance of the Terms and conditions by e-Sign

		using Aadhar based OTP.
14.	Inspection	SMECC/RASMECC/RACC Within 1 month of disbursement and thereafter at Half yearly intervals. During Inspection, if Inspecting official finds any irregularities viz non-existence of business activity, asset not built up pertaining to the specified finance etc, then recovery process to be initiated immediately as per the Bank's extant instructions. Format attached as Annexure V.
15.	Repayment	EMI (Principal + Interest) based, will start after completion of uniform moratorium period of 3 months. Interest component applied during moratorium will be capitalised and EMI will be fixed on the Principal plus Interest capitalised. Overall repayment period including moratorium period should not exceed 60 months.
16	Rate of Interest	Fixed Rate of Interest – 9.00% p.a
17	Processing fee	Nil
18.	Other charges (Inspection, penal interest etc)	Nil
19	Credit Guarantee	All loans to be covered under guarantee cover of Credit Guarantee Fund for Micro Units (CGFMU). Yearly premium will be payable during the tenure of the loan on the limit sanctioned at applicable rates as prescribed by NCGTC. Current, CGFMU Premium fee- 1.00% of sanctioned limit + GST (18%) i.e. effective premium amount 1.18%, payable by the applicant *(Note it will be subject to change in case of rates revised by National Credit Guarantee Trust Company (NCGTC))
20	Review	TL to be reviewed annually and recorded, put up to CPC head.
21	Legal Action	Waived. However, SMECC/RASMECC/RACC/Branch has to do follow-up for recovery/collection as per the extant guidelines.

22	Crif High Mark Bureau Report	<p>CRIF High Mark Bureau report will be used with following No/Go criteria:</p> <ul style="list-style-type: none"> ➤ CRIF is reflecting 3 or more instances of DPD of more than 30 days in last 6 months. ➤ CRIF is reflecting presence of negative accounts viz. Written-off, settled, restructured, devolved, sold to ARC, invoked, settled post write-off cases. ➤ CRIF is reflecting more than 2 enquiries for SME loans in past 6 months. ➤ Applicant is having a SME loan account in SBI/Other bank at present.
23	Monitoring and follow up	<p>Executive dashboard being developed for monitoring and follow up purpose. We propose to implement the monitoring mechanism as under: -</p> <p>The loan account will get parked at the branch of borrower's existing account.</p> <p>After disbursement, the account will be migrated to linked SMECC/RASMECC/RACC within T+2days for post disbursement inspection, monitoring, Review and follow up.</p> <p>Executive dashboard will be available shortly for MIS data to all concerned officials at Corporate Centre, Circles, Network, Module, Branch/ CPC and Regions.</p>
24	Role and responsibility of operating functionaries (branch).	<p>The loan processing, sanctioning, documentation, loan account creation and disbursement will be done digitally. Loan account will be parked in the same banch, where the customer has existing SB/CA.</p> <p>SMECC/RASMECC/RACC</p> <ul style="list-style-type: none"> • After disbursement, the account will be migrated to linked SMECC/RASMECC/RACC for post disbursement inspection, monitoring, follow-up, Review and recovery in NPA with the assistance from Branch. • SMECC/RASMECC/RACC will do the Post disbursement inspection of the unit within 1 month of disbursement. • During inspection, SMECC/RASMECC/RACC will obtain Utilisation certificate from the customer. • If Inspecting official finds any irregularities viz non-

		<p>existence of business activity, assets not built up pertaining to the specified finance etc, then recovery process to be initiated immediately as per the Bank's extant instructions.</p> <p>Branch</p> <ul style="list-style-type: none"> • Branch will handle Referral cases through Lender Dashboard. • To assist linked SMECC/RASMECC/RACC for follow-up and recovery in SMA/NPA accounts.
25	Product Code	MCTL-SBI-e-MUDRA (6420-7819)

SBI e-Mudra is a digital platform for sanctioning Small Business Loan through Technology Driven Platform “to extend finance up to Rs. 50,000/-“. The project is to digitize the entire loan process from Application to disbursal for smoothening of loan process and enhancing the customer experience. The product features of e-Mudra- web-portal version (end-to-end digital solution) for financing Micro enterprises up to the limit of Rs.50000/- (for existing customers) are as under: -

i)Sourcing:

- It is an end-to-end digital financing to Micro Enterprises without manual intervention.
- Initially, we propose to cover our existing customers under e-Mudra (Web link) platform. Applicant needs to have Saving Bank/Current Account (Individual) with us to be eligible in the platform.

ii)Sanctioning:

- The Web application will facilitate appraisal, sanction and disbursal of loans up to Rs.50000/- observing all norms of Mudra loan (Shishu). It is end-to-end digital process i.e. without any manual intervention.
- It will do real time verification of customer details by using Aadhar (UIDAI), Bureau report (CRIF Hi Mark) and account details (existing customer).
- Mudra Scoring Card (Shishu) and credit assessment rules of Mudra Scheme are in-built in the credit engine for quick appraisal and instant sanction
- Loan processing will be done through Credit Engine.

iii)Documentation:

- e-Documentation: As per the design flow, the borrower will E-Sign the Terms and conditions through OTP received from UIDAI based on Aadhar number.

iv)Maintenance:

- The loan account will be parked in the existing branch i.e. Home branch of the Customer.
- The digitally signed documents viz Terms and Conditions and Application form, Bureau report and Mudra Scoring card will be available to the CPC/Branch through Lender Dashboard already developed (path: CBS >> LOS SME >> e-Mudra).

v)Guarantee Cover:

- The loan is covered under Credit Guarantee Scheme for Micro Units (CGFMU). Initial premium to be recovered for the appropriate period from Sanctioned date to 31st March. Thereafter, yearly premium will be payable during the tenure of the loan on the limit sanctioned at applicable rates as prescribed by NCGTC.

vi) Follow-Up:

- After disbursement of the loan, the maintenance code will be shifted to linked SMECC/RASMECC/RACC within T+2 days for post disbursement inspection, monitoring, Review and follow up. SMECC/RASMECC/RACC will do the Post sanction inspection within 1 month after the disbursement.
- Branch will ensure migration of these accounts to linked SMECC/RASMECC/RACC within T+2 days.

vii) Recovery:

SMECC/RASMECC/RACC will follow-up for post disbursement inspection, monitoring, follow-up, Review and recovery in NPA with the assistance from Branch.

viii) **SOP for Home branch for handling Branch Referral cases**

The following cases will be handled as Referral cases at the Home branch, which maintaining the account, through Lender Dashboard (path: CBS >> LOS SME >> e-Mudra):

- Aadhar number not matching with the one already available in CIF.
- Name as per Aadhaar matches below 70% with SBI records
- DOB not match between Aadhaar and CIF records (Match percentage 100%)
- Residence PIN code fetched from Aadhaar doesn't match with the Current residence PIN code as per CBS records.

An appropriate message will be populated to the customer, for visiting the branch and getting update the details/documents either in CBS or in UIDAI.

Customer will visit the branch, who will verify the KYC documents of the customer for discrepancies and will arrange to update the same in CBS, if found otherwise and confirm on Lender Dashboard.

If discrepancies are in Aadhar, the customer may be requested to approach UIDAI and get the same rectified. Thereafter, customer will visit the branch with the updated Aadhar and arrange to get update his/her KYC in branch record. Branch official will confirm the same on Lender Dashboard.

Thereafter, further journey will be done by the User in e-Mudra application.

ix) **SOP for linked SMECC/RASMECC/RACC for Post disbursement maintenance.**

- i. After disbursement, the account will be migrated to linked SMECC/RASMECC/RACC within T+2 days for post disbursement inspection, monitoring, follow-up and recovery in NPA with the assistance from Branch.

- ii. SMECC/RASMECC/RACC will do the Post disbursement inspection of the unit within 1 month and thereafter, at half yearly intervals. During inspection, SMECC/RASMECC/RACC will obtain Utilisation certificate from the customer. Further, if Inspecting official finds any irregularities viz non-existence of business activity, asset not built up pertaining to the specified finance etc, then recovery steps to be initiated immediately as per the Bank's extant instructions.
- iii. TL to be reviewed annually as per Mudra loan format, by linked SMECC / RASMECC /RACC, recorded and put up to CPC head.

x) **CGFMU:**

- a) The loans sanctioned and disbursed under e-Mudra platform will be mandatorily covered under guarantee cover of Credit Guarantee Fund for Micro Units (CGFMU).
- b) After disbursement, the account will be migrated to linked SMECC/RASMECC/RACC for maintenance. The linked SMECC/RASMECC/RACC should manually activate/fill following Flag/Fields for CGFMU in loan tracking: -

- Credit Guarantee Scheme Flag- to be selected as 'M'
- CGPAN No- to be filled as 'e-Mudra CGFMU' (as no specific CGPAN is allotted by National Credit Guarantee Trustee Company (NCGTC))
- Limit to be guaranteed- amount disbursed to be entered in this field.

The above-mentioned changes to be done immediately by linked SMECC/RASMECC/RACC after migration of account.

- c) Data of 'M' flag accounts will be captured by Corporate Centre on quarterly basis and the accounts will be covered on a portfolio basis. Intimation for Guarantee premium payment by debiting to the account of borrower, will be advised to the operational functionaries of respective Circles.
- d) Guarantee fee/premium: As per Bank's guidelines issued vide SMEBU e-circular No NBG/SMEBU-CGFMU/47/2016-17 dated 01.09.2016 regarding CGFMU, guarantee fee is to be borne by the borrower. Guarantee fee shall be paid within 16 days from the end of the quarter in which the credit facility was sanctioned / renewed. The operational functionaries need to collect Guarantee premium amount by debiting to SB/CA account of the borrower and remit the same to Corporate Centre through respective Circle.
- e) Yearly premium will be payable during the tenure of the loan on the limit sanctioned at applicable rates as prescribed by NCGTC.