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**STANDING COMMITTEE ON
HOUSING AND URBAN AFFAIRS
(2021-22)**

SEVENTEENTH LOK SABHA

MINISTRY OF HOUSING AND URBAN AFFAIRS

PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)

TENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2021/Agrahayana, 1943 (Saka)

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PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)

Presented to Lok Sabha on 13.12.2021

Laid in Rajya Sabha on 13.12.2021



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2021/Agrahayana, 1943 (Saka)

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Shri Jagdambika Pal - Chairperson

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| 4. | Ms. Jisha James | - | Committee Officer |

(v)

INTRODUCTION

I, the Chairperson of the Standing Committee on Housing and Urban Affairs (2021-22) having been authorized by the Committee, present the Tenth Report (17th Lok Sabha) on 'PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)' of the Ministry of Housing and Urban Affairs.

2. The Committee were briefed by the representatives of Ministry of Housing and Urban Affairs, Department of Financial Services - Ministry of Finance, Punjab National Bank, State Bank of India, Bank of Baroda and Small Industries Development Bank of India on 06 January, 2021 and again by the representatives of Ministry of Housing and Urban Affairs, Department of Financial Services - Ministry of Finance on 24 June, 2021.

3. The Committee wish to express their thanks to the officials of the Ministry of Housing and Urban Affairs and others witnesses for appearing before them and furnishing the information that they desired in connection with the examination of the subject.

4. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the Officials of Lok Sabha Secretariat attached to the Committee.

5. The Committee considered and adopted Draft Report at their Sitting held on 9th December, 2021.

6. For facility of reference, the observations/recommendations of the Committee have been printed in bold letters in the body of the Report.

New Delhi
09 December, 2021
18 Agrahayana, 1943 (Saka)

JAGDAMBIKA PAL
Chairperson
Standing Committee on
Housing and Urban Affairs

PART I

CHAPTER I

INTRODUCTION

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 doorstep of the city dwellers. The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihoods of street vendors. They usually work with a small capital base and might have consumed the same during the lockdown. The Government, therefore launched the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme as part of AtmaNirbhar Bharat package to address the urgent need to provide credit for working capital to street vendors to resume their business.

Objectives of the Scheme

1.2 The scheme is a Central Sector Scheme i.e. fully funded by Ministry of Housing and Urban Affairs with the following objectives:

- (i) To facilitate working capital loan up to Rs.10,000/-with a tenure of 1 year and repaid in monthly installments and no collateral will be taken by the lending institutions;
- (ii) To incentivize regular repayment; and
- (iii) To reward digital transactions

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.

1.3 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.

Innovative features of the Scheme

1.4 The innovative features of the Scheme include the following:

- i. Vendors from surrounding rural/peri-urban areas are eligible for loan;
- ii. Aadhar based e-KYC of beneficiaries except Assam & Meghalaya;
- iii. An end-to-end IT platform- Web portal & Mobile App;
- iv. SMS based intimation to beneficiaries intimating the application status;

- v. Interest subsidy and cash back to incentivize good repayment behaviour and digital transaction;
- vi. All lending institutions including NBFCs/MFIs allowed to participate to enhance the coverage;
- vii. On-boarding of street food vendors on e-commerce platform;
- viii. Socio-economic profiling of street vendors' families to facilitate access to select Central government Schemes for their comprehensive welfare; and
- ix. "Main Bhi Digital" drive to train the beneficiaries in digital transactions.

Need for taking up the subject for detailed examination

1.5 The Committee, initially, had taken up the Implementation of the Street Vendors(Protection of Livelihood and Regulation of Street Vending) Act,2014 as a subject for detailed examination. During the examination of the implementation of the Act, the Committee also scrutinized the various features and issues related toPMSVANidhi Scheme as 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. Further, with the introduction of PM SVANidhi Scheme, there is a renewed focus on the issue of street vendors with special emphasis on addressing the urgent need to provide credit for working capital to street vendors to resume their business which have been adversely affected due to COVID-19 and to avail loans from the banks instead of money lenders resulting ultimately in their coming into the fold of formal financial system. The Committee, therefore felt it imperative to assess/evaluate PMSVANidhi and its features for an effective impact on the lives of street vendors and take it up as a separate subject for detailed examination and report.

CHAPTER II

ANALYSIS OF FEATURES OF PM SVANIDHI

(A) Eligibility of States/UTs for participation in the scheme

2.1 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 are also eligible to participate.

(i) Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014

2.2 The salient features of the 'Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act', 2014 are as under:

- (i) Compulsory registration of every person intending to carry out street vending activities;
- (ii) issue of certificate of vending and identity cards to street vendors;
- (iii) Constitution of Town Vending Committee in each local authority with minimum forty percent representation of street vendors, out of which one-third shall be women, vendors and reasonable representation of the Scheduled Castes, the Scheduled Tribes, Other Backward Classes, minorities and person with disabilities;
- (iv) making of a plan of street vending once in every five years;
- (v) framing of a Scheme relating to street vending by the appropriate Government;
- (vi) redressal of grievances and resolution of disputes of street vendors;
- (vii) promotional measures for making available credit, insurance and other welfare schemes of social security for the street vendors;
- (viii) safeguarding street vendors from being prevented by any person or police or any other authority from exercising their right to vend when carrying on street vending in accordance with the terms and conditions of certificate of vending.

(ii) Applicability of the scheme to the Street Vendors of Sikkim

2.3 In response to a query as to the applicability or otherwise of the scheme to the state of Sikkim, a representatives of DFS appearing before the Committee on 06.01.2021 submitted as follows :

"महोदय, सिक्किमनेपीएमस्वनिधिस्कीमअभीशुरूनहींकीहै "

2.4 In written reply dated 09.02.2021 to a query as to whether Sikkim will be considered under the ambit of the scheme as the state has not notified the Scheme under Street Vendors Act, 2014, MoHUA submitted as follows:

"On notification of the Scheme under Street Vendors Act, 2014, Sikkim will become an eligible state to participate in the PM SVANidhi Scheme. "

2.5 In response to a subsequent query seeking to know the latest status as to whether Sikkim has notified the scheme under Street Vendors Act, 2014, MoHUA submitted as follows:

"The State Government of Sikkim has notified the scheme on April 20, 2021."

(iii) Applicability of the scheme to the Street Vendors of J&K and Ladakh

2.6 The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 was not applicable to the erstwhile State of J&K. However, subsequent to the abrogation of Article 370, the Ministry of Home Affairs vide their letters 06.10.2020 and 17.02.2021 has informed MoHUA that adaptation orders in respect of both UT of Jammu & Kashmir and UT of Ladakh have been issued. In the meanwhile, the Ministry of Housing and Urban Affairs had taken a decision to implement PM SVANidhiScheme in the UTs of J&K and Ladakh, as a special case so that the street vendors of the two UTs are not denied of the benefits of the scheme.

B. Eligibility Criteria of Beneficiaries

(i) Provisions under the Street Vendors Act for identification of street vendors and issue of ID cards/Certificate of Vending (CoV)

2.7 Section 3(1) of the Street Vendors' Act, requires the Town Vending Committee (TVC) to carry out survey of all existing street vendors with in the area under its jurisdiction within such period and in such manner as may be specified and subsequent surveys at an intervals of five years.

2.8 Section 4 of the Act empowers TVC to issue Certificate of Vending (CoV) to all the street vendors identified in the survey and Sub section (3) of Section 6 states that very street vendor who has been issued certificate of vending under subsection (1) shall be issued identity cards in such form and manner as may be specified in the scheme.

2.9 Sub Section (2) of Section 6 stipulates that the certificate of vending issued for the category specified shall be in such form, and issued in such manner, as may be specified in the

scheme and specify the vending zone where the street vendor shall carry on his vending activities, the days and timings for carrying on such vending activities and the conditions and restriction subject to which he shall carry on such vending activities.

(ii) Criteria of identification of street vendors under the Scheme

2.10 The scheme is available to all street vendors engaged in vending in urban areas as on or before March 24, 2020 of all the eligible States/UTs. The eligible vendors will be identified as per the following criteria:

(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;

Provisional Certificate of Vending would be generated for such vendors through an IT based Platform. ULBs are encouraged to issue such vendors the permanent Certificate of Vending and Identification Card immediately and positively within a period of one month.

(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/TVC and

(iv) The vendors of surrounding development/peri-urban/rural areas vending in the geographical limits of the ULBs and have been issued LoR to that effect by the ULB/TVC.

(iii) Need for Letter of Recommendation

2.11 Clarification was sought regarding statements in the Scheme Guidelines whereby at one place it was mentioned that in order to participate in the Scheme, States/UTs were required to notify Rules and Schemes under the Street Vendors Act and at another place where it was mentioned that only those vendors will be eligible whose names have figured in the Survey and have been issued a license/certificate. MoHUA submitted *inter alia* as follows:

“In order to extend the benefits of PM SVANidhi Scheme to the street vendors, who have been left out of the ULB led survey or who started vending after completion of the survey, Urban Local Bodies (ULBs)/ Town Vending Committees (TVCs) have been authorized to issue Letter of Recommendation (LoR) to vendors. On issuance of the LoR, these street vendors would be automatically included in the survey list.”

2.12 Furnishing a further clarification as to the eligibility of Street Vendors not having ID Cards or CoV or are not included in the Survey for PM SVANidhi loans, the Secretary, MoHUA appearing before the Committee on 02.12.2020 submitted as follows:

"सर, आप जिस सेक्शन की बात कर रहे हैं, हमारी स्कीम गाइडलाइन में वहा सेक्शन-5 है। हिन्दी वाले में शायद कुछ टाइपो ग्राफिकल मिस्टेक सहोंगी। इसमें कवर करने के लिए हमने इस बार इसे बहुत ज्यादा ब्रांड-बेस्ड कर दिया है। 'ए', 'बी', 'सी' और 'डी' - इन चार कैटेगरीज में हमारे स्ट्रीट वेन्डर्स हैं। 'ए' कैटेगरीज में वे हैं, जिनका नाम म्युनिसिपैलिटी द्वारा किए गए सर्वे में है और जिनके either of the documents, either Certificate of Vending or Identity Card, has been given. 'बी' कैटेगरीज में वे हैं, जिनका नाम सर्वे में है, लेकिन उन्हें इन दोनों में से कोई भी डॉक्यूमेंट नहीं दी गयी है। उसके लिए जब वही पी.एम. स्वनिधि स्कीम में एप्लाई करने आता है तो उस शहर के द्वारा जितने भी स्ट्रीट वेन्डर्स आइडेंटिफाइड हैं, उनका हम एक एस.आर.ए. नम्बर जनरेट करते हैं। वह हमारे पोर्टल पर होता है। अगर एस.आर.ए. नम्बर है और उसके पास कोई डॉक्यूमेंट नहीं है तो he belongs to 'B' category. जब वह लोन के लिए आवेदन देता है, हम उसके साथ-साथ सेसिस्टम जनरेटेड, 'प्रोविजनल सर्टिफिकेट ऑफ वेन्डिंग' दे देते हैं। 'सी' कैटेगरी वह है, जो कि स्ट्रीट वेन्डर है, लेकिन शहर के सर्वे में उसका नाम हीनहीं है और 'डी' कैटेगरी वह है, जो ग्रामीण क्षेत्र से हैं, लेकिन शहरों में आकर वेन्डिंग करते हैं। उसके लिए हमने पाँच तरीके से बताया है। बाकी चार तरीके यह हैं कि हमने लेंडिंग इंस्टीट्यूट्स को भी यह सुविधा दी है कि if they feel that a particular vendor is involved in street vending, they can pre-sanction the loan. यह सब कुछ ऑनलाइन हो रहा है, कुछ भी ऑफलाइन नहीं हो रहा है। Then that data comes to our portal. That data is pushed to the urban local bodies कि बैंक ने जो इसे प्रि-सेक्शन कर दिया है और लेंटर-ऑफ-रिकमेंडेशन की इसकी जो रिक्वेस्ट है, इसको प्रारिटी पर डिस्पोज करे। उसे हम अलग से रिव्यू करते हैं। तीसरी बात हमने यह कह ही है कि अगर आप कि सी भी वेन्डर्स एसोसिएशन के मेंबर हैं और अगर उस मेंबरशिप का कोई डॉक्यूमेंट आपके पास है तो आप उसे अपलोड कर दीजिए। You become eligible beneficiary for that."

(iv) Documents required for issue of Letter of Recommendation

2.13 While identifying the vendors belonging to category (iii) and (iv) mentioned at para 2.10 above, the ULB/TVC may consider any of the following documents to issue letters of recommendation:

- (i) The list of vendors, prepared by certain States/UTs, for providing one-time assistance during the period of lockdown;
- (ii) A system generated request sent to ULBs/TVCs for issue of LoR based on the recommendation of the Lender after verifying the credentials of the applicant;
- (iii) The membership details with the vendors associations;
- (iv) The documents in possession of the vendor buttressing his claim of vending;
- (v) Report of local enquiry conducted by ULB/TVC involving Self- Help Groups (SHGs), Community-Based Organizations (CBOs) etc.

ULB shall complete the verification and issuance of LoR within 15 days of the submission of application. Further, ULBs may adopt any other alternate way for identifying such vendors with a view to ensure that all the eligible vendors are positively covered.

(v) Reasons for rejection of Letter of Recommendation

2.14 Seeking to know the various reasons of rejection of LoR applications, MoHUA in a written note dated 09.02.2021 submitted as follows:

“So far out of 17,75,058 LoR applications received, 14,46,677 applications have been approved and 64,589 applications have been rejected. The details of rejections are as under:

Sl.No	Reason for rejection	No. of LoR Applications
1	Document illegible/ not clear	10,492
2	Vendor claim rejected	8,316
3	Document not issued by ULB or any other govt. agency	7,313
4	No Assistance provided	6,386
5	Assistance provided not as street vendor	6,340
6	Local enquiry rejected the claim	18,549
7	Association not duly registered	4,912
8	Document issued not on or before March 24, 2020	1,975
9	Vendor was not a member on or before March 24, 2020	306
	TOTAL	64,589

”

(vi) Status of street vendors with LoR/ID Cards but no CoV or demarcated vending zones

2.15 Under the Scheme, vendors having Vendor ID Cards / LOR are eligible for loan. However, with no Vending Certificates, they will have no designated zones to vend their products. In response to a query as to how the Ministry plans to overcome this problem, the Ministry submitted as follows:

"It is incumbent upon the ULBs to issue Certificate of Vending and ID Cards to all vendors identified in the survey. Further, in order to extend the benefits of PM SVANidhi Scheme to the street vendors, who have been left out of the ULB led survey or who started vending after completion of the survey, ULBs/ TVCs have been authorized to issue Letter of Recommendation (LoR) to vendors. On issuance of the LoR, these street vendors would be automatically included in the survey list and CoV is to be issued within a month of issuance of LoR."

2.16 In many States/UTs, Vending Zones have not been declared but loans have been disbursed through LoR. In reply to a written query as to whether street vendors with LoR have the legal right to vend without any designated Vending Zones, MoHUA elaborating on the proper sequence of activities as per Street Vendor's Act / Rules, submitted as follows:

"The proper sequence of activities as per Act / Rules is - formation of provisional TVC, conduct of survey, formation of regular TVC, issue of CoV and ID Card, formulation and approval of city vending plan and allotment of spaces to the vendors. PM SVANidhi was launched to help street vendors, whose business have been affected due to lockdowns during Covid pandemic, in overcoming their financial difficulties. The Scheme was designed to ensure that no eligible street vendor is deprived of benefit irrespective of the fact that he is an identified vendor or not. The LoR captures information similar to the CoV. The place where the street vendor vends his articles is also mentioned in the LoR duly issued by the ULB. "

2.17 The State/UT wise data on number of CoV issued and LoR approved as furnished by MoHUA is placed below:

S.No.	Name of State/Union Territory	Number of Certificates of Vending issued	Letter of Recommendations (LoRs) approved
			(as on 12/9/2021)
1	Andaman & Nicobar Islands	633	89
2	Andhra Pradesh	2,38,959	1,84,539
3	Arunachal Pradesh	818	4,081
4	Assam	1,672	35,749
5	Bihar	1,02,036	25,183
6	Chandigarh	10,934	28
7	Chattisgarh	2,810	96,975
8	Dadra & Nagar Haveli and Daman & Diu	1,853	886
9	Delhi	-	95,656
10	Goa	1,625	970

11	Gujarat	1,36,865	1,63,822
12	Haryana	49,547	37,193
13	Himachal Pradesh	4,320	2,011
14	Jammu& Kashmir	-	17,203
15	Jharkhand	3,247	33,196
16	Karnataka	94,883	1,98,819
17	Kerala	398	2,827
18	Ladakh	427	2
19	Madhya Pradesh	5,04,526	26,592
20	Maharashtra	29,170	3,90,516
21	Manipur	543	19,384
22	Meghalaya	253	598
23	Mizoram	3,184	-
24	Nagaland	1,818	1,632
25	Odisha	24,818	41,030
26	Puducherry	2,040	259
27	Punjab	50,362	98,518
28	Rajasthan	23,714	1,23,349
29	Sikkim	-	-
30	Tamil Nadu	53,249	3,21,409
31	Telangana	3,56,906	5,280
32	Tripura	8,656	885
33	Uttar Pradesh	6,02,083	4,83,490
34	Uttarakhand	17,791	11,421
35	West Bengal	-	15,914
Total		23,30,140	24,39,506

2.18 The data furnished in the table above shows that fourteen States/UTs viz Arunachal Pradesh, Assam, Chattisgarh, Gujarat, Jharkhand, Karnataka, Kerala, Maharashtra, Manipur, Meghalaya, Odisha, Punjab, Rajasthan and Tamil Nadu have issued more LoRs than CoV. Three States/UTs viz Delhi, J&K and West Bengal, however have not issued a single CoV.

(vii) Insistence on domicile for registering as vendor

2.19. Furnishing a clarification on the reports appearing in the print media that urban local bodies in Mumbai are depriving hawkers/vendors of licenses on the basis of domiciles defeating the purpose of the Act as vendors are mostly migrant laborers and will find it difficult to prove the domicile, MoHUA submitted as follows:

“In the Scheme notified by Government of Maharashtra under Street Vendors Act, 2014, the condition of domicile of street vendors has been imposed for their registration. Not registering the vendors even though they are identified in survey and also insisting for their domicile certificates before their registration is against the provisions of Street Vendors Act, 2014. Therefore, vide letter dated 27.10.2020, Secretary (HUA) has requested Chief Secretary, Government of Maharashtra to re-examine the issue and arrange for removing the clause pertaining to domicile, in the Scheme notified by the State so as to bring it in alignment with the provisions of the Act.”

2.20 As per the written information submitted by MoHUA, Maharashtra is yet to resolve this conflict in their Scheme which is against the provisions of the Act as on 24.09.2021

2.21 Further, in reply to a written query as to whether the vendors who have been identified in survey but whose domicile certificates are insisted upon would be able to benefit from this Scheme, MoHUA submitted as follows:

“Once the SV is identified either by issue of CoV or LoR, he is eligible irrespective of domicile. PM SVANidhi Scheme does not mention about domicile certificate as an eligibility criteria for availing benefit.”

(viii) Migration of street vendors in urban area to their native places due to Covid-19

2.22 Some of the identified/surveyed or other vendors who have been vending/hawking in urban areas, have left for the 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.

CHAPTER-III

PERFORMANCE OF PMSVANIDHI SCHEME IN VARIOUS STATES/UTs

(i) State/UT-wise data on loans under the Scheme

3.1 The State/UT wise data on the status of loan applications received, sanctioned, disbursed, rejected, returned and lying in market place under PM SVANidhi as on 24.09.2021 is placed at **Annexure-I**.

(ii) Reasons for poor performance in sanctions and disbursements in some States/UTs

3.2 Analysis of the data given at Annexure-I shows that (i) Nine States/UTs viz Telengana, Kerala, Ladakh, J&K, A&N Islands, Puducherry, Goa, Himachal Pradesh and Mizoram have **sanction rate** of greater than 70%; (ii) Sixteen States/UTs viz Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Karnataka, Gujarat, Odisha, Jharkhand, Delhi, D&D, Chandigarh, Manipur, Arunachal Pradesh, Uttarakhand, Nagaland, Tripura & Meghalaya have sanction rate between 50-69%; and, (iii) Ten States viz Chattisgarh, Maharashtra, Tamil Nadu, Rajasthan, Bihar, Punjab, Haryana, West Bengal, Assam and Sikkim have sanction rate less than 50%.

3.3 Further, (i) Seven States/UTs viz Telengana, Ladakh, J&K, A&N Islands, Goa, Himachal Pradesh and Mizoram have a **disbursement rate** (out of the total applications received) of greater than 70%; (ii) Fourteen States/UTs viz Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Gujarat, Odisha, Jharkhand, Delhi, Puducherry, Chandigarh, Uttarakhand, Nagaland, Tripura & Meghalaya have a disbursement rate between 50-69%; and, (iii) 10 States /UTs viz Karnataka, Chattisgarh, Maharashtra, Tamil Nadu, Rajasthan, Bihar, Punjab, Haryana, West Bengal, D&D, Manipur, Arunachal Pradesh, Assam and Sikkim have a disbursement rate less than 50%. Further, according to MoHUA's brief dated 18.06.2021, States namely West Bengal, Kerala & Haryana and UTs - Chandigarh, Goa & Puducherry are the bottom performing States/UTs in terms of disbursements.

3.4 Responding to the reasons for the low disbursement rate, MoHUA in a written note, *inter-alia*, submitted as follows:

“.....The team work of the Bank and ULB officials coupled with monitoring by the Top officials of the State Government and Banks is essential for smooth and effective implementation of the Scheme. Some of the States had notified the Rules and Schemes with a delay. The pandemic had differently impacted various States during the last 14 months. These are some of the reasons for the low disbursement rates.”

3.5 The representatives of MoHUA appearing before the Committee on 24.06.2021, responding to queries as to the reasons for low disbursement of loan in certain states, submitted as under:

“हमारा प्रयास सभी जगह बराबर होता है। माली पानी तो सभी पौधों में डाल रहा है, लेकिन कुछ लहलहा रहे हैं और कुछ सूख रहे हैं। यही हालत है, लेकिन हमारे प्रयासों में कोई कमी नहीं है। जैसा कि मैंने और देबाशीष ने कहा कि हम उनको लगातार सभी राज्यों और उनके म्युनि-सिपलकमी श्रर्स के साथ गाइड कर रहे हैं।”

(iii) Measures taken to improve the performance of States/UTs under PMSVANidhi

3.6 MoHUA, in its written note, elaborating on the steps taken to encourage and motivate the states/UTs to improve their performance under the Scheme, submitted as follows:-

"Regular joint follow up meetings are being conducted with State Administration and the Banks under the Chairmanship of Secretaries and Joint Secretaries of MoHUA and DFS. Granular details of the performance are shared with the States and Banks regularly and an effort is being made to create an atmosphere of healthy co-operation and competition among ULBs and banks.

States have been asked to appoint a Nodal Officer for the scheme in every ULB. These Nodal Officers follow up with the Lead District Managers (LDMs) on a regular basis for disbursement of the loan applications.

In addition, the Ministry has asked States to suitably allocate among the ULBs, so that performance of ULBs can be monitored vis-a-vis its target. With each ULB working towards a dedicated target, State Level performance is expected to improve.

ULBs have also been asked to review the '**Returned by Banks**' applications and send them back to the banks for approval, after required corrections and updation is carried out in the applications. This would increase the number of applications available to Banks for processing. Additionally, '**Sankalp Se Siddhi**' a special drive was held between July 01 - August 15, 2021 to improve the performance of the scheme in terms of applications, sanctions, and disbursements."

3.7 Further, elaborating on the measures taken by both MoHUA & Department of Financial Services (DFS) to improve the performance of States/UTs under the Scheme, Secretary, MoHUA appearing before the Committee on 24.06.2021 submitted as follows:

“सर, मैंने आपको बताया है कि मेजर्सयही हैं। These are the guidelines which have been circulated to all the States. It is a completely online system where right from the beginning capturing the information about the vendor till he is sanctioned loan, he is disbursed loan etc., everything is online. We share it with all the States. There is a continuous monitoring. My Joint Secretary and Additional Secretary of the DFS, Mr. Kaushik, both of them are holding regular meetings and me as well as my counterpart Secretary in the DFS are holding meetings. We are holding meeting on a monthly basis. They are holding meeting on a weekly basis. The scheme was launched in the month of June, 2020. It was a period of pandemic. There are serious challenges, still within nine months, we could get 42 lakh applications which itself is a record. I do not think any scheme has got this type of response.”

(iv) Setting targets for various States/UTs under PM SVANidhi lower than the number of identified vendors

3.8 As per the brief dated 18.06.2021 of MoHUA, State/UT wise mandated target vis-à-vis the total number of identified street vendors is tabulated as follows:

Sl.No.	State/UT	Number of Street Vendors identified	Targets under PMSVANidhi
1	Andaman & Nicobar Islands	389	450
2	Andhra Pradesh	3,55,282	2,30,000
3	Arunachal Pradesh	8,843	5,000
4	Assam	63,935	52,000
5	Bihar	1,28,050	1,20,000
6	Chandigarh	21,650	11,000
7	Chattisgarh	1,23,861	1,00,000
8	Dadra & Nagar Haveli and Daman & Diu	2,888	2,500
9	Delhi	79,952	1,65,000
10	Goa	3,351	3,000
11	Gujarat	3,73,728	3,00,000
12	Haryana	1,36,080	1,10,000
13	Himachal Pradesh	7,542	6,500
14	Jammu & Kashmir	29,655	24,000
15	Jharkhand	83,632	80,000
16	Karnataka	3,08,695	2,50,000
27	Kerala	26,924	1,20,000
18	Ladakh	266	250
19	Madhya Pradesh	5,65,000	4,05,000
20	Maharashtra	6,79,554	5,50,000
21	Manipur	18,254	13,000
22	Meghalaya	2,052	3,000
23	Mizoram	4,605	4,000
24	Nagaland	5,003	4,500
25	Odisha	94,002	80,000
26	Puducherry	7,762	3,000
27	Punjab	1,73,506	1,45,000
28	Rajasthan	2,37,584	1,95,000
29	Sikkim	201	NA
30	Tamil Nadu	3,59,825	3,50,000
31	Telangana	5,83,993	3,40,000
32	Tripura	9,184	8,000
33	Uttar Pradesh	9,87,336	8,30,000
34	Uttarakhand	30,795	25,000
35	West Bengal	783	2,95,000

3.9 As per the data furnished in the table above, there are (i) Five States/UTs viz A&N Islands, Delhi, Kerala, Meghalaya and West Bengal have higher targets set under the scheme than the number of Street Vendors identified (ii) In Six States/UTs total number of identified street vendors is higher than the mandated target and the gap is upto 10% and (iii) In as high as Twenty

Three States/UTs this gap is more than 10% including Puducherry which has a gap as high as 61% and Telengana, Chandigarh, and Arunachal Pradesh having more than 40% gap. Sikkim, on the other hand has no mandated target under the scheme.

3.10 Elaborating on the reasons for keeping the target lower than the identified number of street vendors in the States/UTs, Secretary, MoHUA during the evidence held on 24.06.2021 submitted as follows:

“माननीयवित्तमंत्रीजीनेआत्मनिर्भरभारतकेतहतइसयोजनाकीघोषणाकीथीतोउन्होंनेटारगेट	30
लाखकाहीरखाथाक्योंकियहमानकरचलरहेथे	50
लाखमेंहरकोईतोलाभनहींलेनाचाहेगा।बहुतसारेलोगस्वयंसक्षमभीहोंगे।तोयहमानकरचलरहेथेकि	60-70
पर्संटहोगा।लेकिनजितनाअधिकसेअधिकहोसकतेहैं,	
उतनेकोहमलोगकोशिशकरेंगेतोइसलिएहहमारटारगेटहै.....।”	

3.11 The Committee sought to know the reasons for setting the target at less than the total number of identified street vendors in States/UTs like Maharashtra, Andhra Pradesh, Arunachal Pradesh, Assam etc. as per the table above. MoHUA, in a written note submitted as follows:

"The targets were initially given for 2020-21 based on the urban population, the number of street vendors identified and the requests for LoR received with a cap of 2.25 % of Urban population. Further, these targets were revised based on the performance of the States in 2020-21. These targets help in inculcating a spirit of healthy competition among the States/UTs."

(iv) Imposition of stamp duty on loan documentation

3.12 Stamp Duty being a State subject, there is a variation in the rate / amount of duty across different States. The State/UT wise status of Stamp Duty requirement for loans under PMSVANidhi is placed at **Annexure-II**.

3.13 As per the data furnished by DFS in **Annexure-II**, (i) Nine States/UTs viz Gujarat, J&K, Jharkhand, Meghalaya, Rajasthan, Telengana, Tripura, UP & Uttar Pradesh have totally exempted the loans under PMSVANidhi from stamp duty, (ii) Four States/UTs viz Chattisgarh, Ladakh, MP & TN charge Rs.10-50 Stamp duty on loans under PMSVANidhi, (iii) Eight States/UTs viz Andhra Pradesh, Bihar, Delhi, Goa, Karnataka, Kerala, Maharashtra & Odisha still charge more than/equal to Rs 100 stamp duty on loans under PMSVANidhi & (iv) Three States viz. Arunachal Pradesh, Manipur & Meghalaya are undergoing the process of exemption of Stamp duty on loans under PMSVANidhi.

3.14 As the Committee felt that stamp duty on the loans under the scheme may not be appropriate and that too in view of the fact that the operation of the Scheme is upto 31 March,

2022 only, they in their 5th report on Demand for Grants (2020-21) presented to Lok Sabha on 08.03.2021 recommended to the Government to consider waiving off the stamp duty on loans under the scheme.

3.15 MoHUA in their Action Taken Reply to the above recommendation submitted as under:

"In the Joint PM SVANidhi Review meetings of MoHUA& DFS, clear instructions have been issued to the Lending Institutions (LIs) to act in accordance with the decision of the State/ UT Government regarding stamp duty. In States/ UTs where the stamp duty has been exempted, the LIs have been instructed not to insist on any stamped document."

CHAPTER IV

ROLE OF LENDING INSTITUTIONS IN IMPLEMENTATION OF PMSVANidhi & ASSOCIATED ISSUES

4.1 Scheduled Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks, Non-Banking Finance Companies (NBFCs), Micro Finance Institutions (MFIs) & SHG Banks established in some States/UTs e.g. Stree Nidhi etc can lend under PMSVANidhi. The lending institutions will be encouraged to use their network of field functionaries i.e. Business Correspondents (BCs) / Constituents/ Agents extensively to ensure maximum coverage of the scheme. Small Industries Development Bank of India (SIDBI) will be the implementation partner of the Ministry of Housing and Urban Affairs for scheme administration. SIDBI will leverage the network of lending Institutions including the SCBs, RRBs, SFBs, Cooperative Banks, NBFCs & MFIs for scheme implementation.

(A) Performance of Lending Institutions.

(i) Snapshot of data on interest rates and other requirements for availing loans

4.2 The Bank-wise details on the loans provided under PMSVANidhi Scheme on various parameters such as documents sought from borrowers, rate of interest, requirement of stamp duty, physical presence of borrowers, and CIBIL score requirement, no. of applications received, sanctioned, disbursed, incomplete, returned, rejected, picked up from the market place and is placed at Annexure III.

(ii) Data on loan applications – Received, sanctioned and disbursed

4.3 The data at **Annexure III** furnished by DFS reflects the performance of the banks in terms of the number of applications received, sanctioned and disbursed shows that:-

- (a) SBI, UBI, J&K Bank and the State Cooperative Banks have a sanction rate of greater than or equal to 70% whereas Indian Bank, Canara Bank, PNB, BoB, Bank of India(BoI), Central Bank of India (CBI), Bank of Maharashtra (BoM), IDBI, Karnataka Bank, HDFC and Regional Rural Banks(RRB) have a sanction rate between 50% to 70% and Indian Overseas Bank(IoB), UCO Bank, Punjab &Sind Bank and ICICI have sanction rate less than or equal to 50%.
- (b) All the banks except for HDFC and ICICI Banks have disbursement rate (out of the sanctioned loan applications) more than 80%.

(iii) Time taken to sanction and disburse the loan

4.4 In response to a query as to whether there is any prescribed time limit to sanction and disburse the loans under the Scheme and whether all the banks are adhering to the stipulation, at least in those cases where the documentation is in order, DFS, Ministry of Finance replied as under:

"As per the scheme guidelines issued on June 30, 2020, it has been mentioned that lenders may complete the whole process of disbursement within 30 days.

Further, Norms for timely disposal of credit applications are clearly defined under credit policy duly approved by the board of directors of the respective banks and Reserve Bank of India vide its circular no. **RBI/2014-15/199** dated **01.09.2014** has advised that **banks should clearly delineate the procedure for disposal of loan proposals, with appropriate timelines.**

(iv) State wise data on Time taken for loan sanction and disbursement

4.5 The State/UT wise data on average days to sanction and disburse is placed at **Annexure-IV.**

4.6 The data at **Annexure-IV** furnished by the DFS shows that there are (i) Three States/UTs viz. Sikkim, Bihar & Puducherry take more than 50 days on an average to sanction a loan; (ii) Twenty Nine States/UTs viz. Maharashtra, Rajasthan, Tamil Nadu, Haryana, Karnataka, Odisha, Andhra Pradesh, Uttar Pradesh, Gujarat, Daman & Diu-Dadra Nagar Haveli, Telengana, Madhya Pradesh, Kerala, Punjab, Assam, Jharkhand, Chandigarh, Delhi, Nagaland, Himachal Pradesh, Manipur, Tripura, West Bengal, Goa, Chhattisgarh, Arunachal Pradesh, Uttarakhand, Andaman & Nicobar and Mizoram take 20-50 days to sanction a loan; and, (iii) Three States/UTs viz. Jammu & Kashmir, Ladakh & Meghalaya take less than 20 days to sanction a loan.

4.7 With regard to disbursement of sanctioned loans, it may be seen that (i) Seven States/UTs viz. Bihar, Maharashtra, Rajasthan, Andhra Pradesh, Gujarat, Telengana and West Bengal take more than 20 days on an average to disburse a sanctioned loan; (ii) Twenty States/UTs viz. Tamil Nadu, Haryana, Karnataka, Odisha, Uttar Pradesh, Madhya Pradesh, Kerala, Punjab, Assam, Jharkhand, Chandigarh, Nagaland, Himachal Pradesh, Manipur, Goa, Chattisgarh, Arunachal Pradesh, Uttarakhand, A&N Islands and Jammu Kashmir take 10-20 days to disburse a sanctioned loan; and, (iii) Six States/UTs viz. Sikkim, Delhi, Tripura, Mizoram, Meghalaya and Ladakh take less than 10 days on an average to disburse a sanctioned loan.

4.8 The data at para 4.6 and 4.7 above shows that, (i) States/UTs viz. Sikkim, Bihar, Puducherry, Maharashtra, Rajasthan, Tamil Nadu, Haryana, Karnataka, Odisha, Andhra Pradesh, Gujarat and Telengana take more than 60 days to finally disburse a loan (ii) States/UTs viz. UP, D&D, MP, Kerala, Punjab, Assam, Jharkhand, Chandigarh, Delhi, Nagaland, HP, Manipur, Tripura,

WB, Goa, Chattisgarh, Arunachal Pradesh, Uttarakhand and A&N Islands take between 30 to 60 days to finally disburse a loan and (iii) Four States/UTs viz. J&K, Ladakh, Mizoram and Meghalaya take less than 30 days to finally disburse a loan.

(v) Reasons for gap between sanction and disbursement of loans under the scheme

4.9 The representative of DFS appearing before the Committee on 24.06.2021, elaborated the following challenges faced in quick disbursement of loans under the scheme::

“Sir, the other issue here is that there is a bit of an issue in getting the street vendors to the bank branches for the last signing of the promissory note. Regarding that, the urban local bodies have been requested because they live in an ecosystem where they only know their whereabouts, where exactly is the place of residence and the digital onboarding also which is a very good thing, it has been introduced but there is a bit of issue with those vendors who do not have a smart phone. However, the banks and the urban local bodies are making all efforts to reach out to them, to bring them through a camp mode or otherwise and disburse the loan. That is why, today, the disbursement stands at almost 85 per cent of the total sanctions and I am confident that in the next three to four weeks, we should be able to complete this gap.”

4.10 Subsequently, in response to a query as to the reasons for the gap between sanction and disbursement and the steps taken to reduce the same, DFS in a written note submitted inter-alia as follows:

"Due to the prevailing covid-19 condition across the country, there has been a delay in submitting the documents prescribed in the checklist including Letter of Recommendation (LOR) by Urban Local Bodies (ULBs) and loanees are not turning up for digital on boarding & completing other formalities required for disbursement.

In many cases, the Street Vendors (SVs) have not been able to produce the documents required for final disbursement. Staff at the bank branches are also affected due to pandemic and lockdown in various parts of the country."

4.11 Other issues enumerated by DFS regarding difficulty in following the time limits for disbursement are as follows:

“As per feedback from the lenders, while banks are largely able to stick to the stipulations for sanctioning applications that are complete in all respects, they are experiencing difficulty in following the time limits for disbursement, due to issues which are beyond their control. Some of these issues are:

- i. Street vendors not reachable over given mobile number.
- ii. Street Vendors have migrated to native place or some other locations.
- iii. Applications format is not correctly filled in and proper documents are not attached.

- iv. Street vendors are not turning up for documentation even after repeated follow ups. "

(vi) Mechanism to ensure disbursement of sanctioned loans in a time bound manner

4.12 With regard to existence of mechanism to ensure that sanctioned loans are disbursed in a time bound manner, DFS in its written response submitted as follows:

"The DFS independently as also along with MoHUA has been conducting regular review through Video Conference(VCs) with participating banks and the Urban Local Bodies (ULBs) for mobilization of Street Vendors (SVs) to fast track the disbursement process. **58 Video Conferences (VCs) at different levels viz. Secretary (FS) level, AS (FI) level and JS (FI) level have been held so far.** Special camps have been organized on different occasions to aid the same. Current special drive **"Sankalp Se Siddhi"** has started from July 01, 2021 which would continue till August 15, 2021 for disposal of pending applications for sanction and disbursement."

4.13 The representatives of MoHUA, appearing before the Committee on 24.06.2021, elaborated further on the steps taken to ensure that sanctioned loans are disbursed in a time bound manner and submitted as follows:

".....इस चर्चा के बाद हमें थोड़ा-सा पुशमिला, क्योंकि पिछले चार महीनों में जो लोग चुनौतियों से गुजर रहे थे, उन चुनौतियों को ध्यान में रखने हुए हमने पीछे रिव्यु नहीं किया था। लेकिन, हम रायहपहलारिव्यु को रोना के सेकेंड फेज के बाद हुआ है। उस कानती जायह निकला कि कई सारी चीजें, जैसे अभी हमने एक 'संकल्प से सिद्धि' एक नया अभियान शुरू किया है, जो पहली जुलाई से शुरू होगा। इसको सभी राज्यों में, क्योंकि जो स्थिति बनी है, पहली जुलाई से लेकर 15 अगस्त, क्योंकि यह हमारे लिए एक महत्वपूर्ण दिन आने वाला है, आजादी की 75 वीं वर्षगांठ की शुरुआत 15 अगस्त, 2021 को होगी। इस 45 दिन के पीरियड को एक 'संकल्प से सिद्धि' के रूप में लेकर चलने के लिए एक विशेष कैम्प लगेगे, विशेष प्रयास किए जाएंगे और उस दौरान हम लोग पीएमस्वनिधिके बेनिफिशरीज तक नजदीक पहुंचने की कोशिश करेंगे। इस से हमें तुरंत एक पुशमिला। सबसे पहला पुश तो यह मिला कि हमारे सैंक्शनर्स, जो 24 लाख पर आकर अटके हुए थे, मुझे बताते हुए खुशी हो रही है कि आज हमारे 25,01000 सैंक्शन हो गए। हम इसको ऑनलाइन भी देख सकते हैं। यही नहीं हमारे जो टोटल रिलीज थे, वह भी 20 लाख कुछ पर आकर रूका हुआ था, आज वह 21,10000 है। हमारे रिलीज भी बढ़ गए हैं। अब यह बढ़ना चालू हो गया है, क्योंकि पीछे जो रिव्यु किया गया था, उस रिव्यु कानती जा है, मैं समझता हूँ कि इससे बहुत तेजी से मामला आगे बढ़ेगा।"

(vii) Ineligible and Rejected loan applications under the scheme

4.14 The data at **Annexure III** furnished by DFS shows that SBI, UBI, Indian Bank, Canara Bank, PNB, BoI, Punjab & Sind Bank, J&K Bank, RRBs and State Cooperative Banks have a rejection rate of less than 10% and UCO, IOB, BoB, CBI, BoM, Karnataka Bank and ICICI have rejection rate between 10% to 20%. However, IDBI and HDFC Banks have greater than 20% rejection rate.

4.15 Regarding ineligible and rejected loan applications under the scheme, the representatives of MoHUA while appearing before the Committee on 24.06.2021 submitted as follows:

“सर, आपने बताया कि अब तक कुल मिलाकर 42.37 लाख लोगों ने एप्लीकेशन दिया है। मैं सारी चीजों के बारे में अपने मोबाइल फोन में इस समय की स्थिति को देख सकता हूँ। उन 42.37 लाख लोगों में से 4.47 लाख यानी साढ़े चार लाख ऐसे लोग हैं, जो इनेलिजबल हैं। ये इनेलिजबल क्यों हैं? हो सकता है, बैंक के डिफॉल्टर हों। अगर, कोई बैंक का डिफॉल्टर है, तो हम उसको लोन नहीं दे सकते हैं। कुछ ऐसे कारण हैं, जिनकी वजह से बैंक ने साढ़े चार लाख लोगों को केसेज को इनेलिजबल बताया है। वे हमारी श्रेणी में नहीं आ पाएंगे।”

4.16 At the Sitting of the Committee held on 24.06.2021, MoHUA had submitted that out of 42.37 lakh loan applications received under the scheme, 4.47 lakh applications, about 10 % of the loan applications received, have been declared ineligible by the Banks. On seeking the reasons for declaring loan applications as ineligible, DFS in a written note submitted inter-alia as follows:

“Following reasons have been identified as the reasons for applications to be marked ineligible by the banks:

NPA account of the Street Vendor - About 3.20 lakh applications out of total of 4.70 lakh applications as on July 11, 2021 were rejected by the banks due to their defaulted previous loans which is about 68% of total rejection.

Remaining 32% applications are rejected by ULBs for applicant not being engaged in the vending activity or not carrying out business at the address or having shifted to other cities.”

4.17 Further, providing clarification on the criteria for considering loan applications ineligible, Secretary, MoHUA, appearing before the Committee on 24.06.2021, submitted as follows:

“There are five or six criteria. What happens is that they just apply for loans. Many of them are not interested. They wanted just the vending certificate. That is one reason.

The second reason is that they are not actually vending in that municipal area but they are operating from elsewhere. These are some of the reasons.”

(viii) Rejection of loan applications due to low CIBIL Score

4.18 The data at Annexure III furnished by DFS shows that SBI, UBI, UCO Bank, IoB, Indian Bank, Canara Bank, BoB, Bol, Punjab & Sind Bank, Bank of Maharashtra, IDBI Bank and HDFC Bank have not sought any minimum CIBIL Score requirement for street vendors to avail loans under the scheme. However, PNB, Central Bank of India, Karnataka Bank, ICICI Bank, 23 RRBs out of 42 RRBs and 5 out of 13 State Co-operative Banks continue to require CIBIL Score for availing loans under PMSVANidhi. J&K Bank has mentioned that credit score is taken from PMSVANidhi portal.

4.19 The Committee, in the context of insistence on high credit rating of the street vendors for loans under PMSVANidhi Scheme, in their 5th report on Demands for Grants (2021-22) presented

to Lok Sabha on 08.03.2021 recommended that MoHUA should pursue with the Ministry of Finance and Reserve Bank of India (RBI) to seek relaxation on insistence on CRIF Highmark check i.e. CIBIL score of the street vendors seeking loan under PMSVANidhi.

4.20 MoHUA in their action taken reply to the above mentioned recommendation submitted as under:

“Under PM SVANidhi Scheme, the credit score of one of the RBI approved credit rating agencies, CRIF Highmark, in respect of each applicant, is attached with the application before pushing it to banks through the PM SVANidhi Portal. This is in accordance with the RBI Master Circular on Loans & Advances of RBI/2015-16/95 dated 01 July 2015, according to which banks are required to ensure proper assessment of credit worthiness of borrower.

Once the loan applications are pushed to the banks with the credit score of the street vendor, the individual banks take a decision on their respective parameters, for appraisal of the loan applications. However, Ministry vide their D.O. letter dated 23.02.2021 requested all the Lending Institutions to review the guidelines for extending credit to street vendors having low CIBIL score.”

4.21 Secretary, DFS deposing before the Committee on 24.06.2021 submitted that the Department had already sent a directive to the commercial banks for not insisting on credit rating for sanctioning loans under the Scheme. Similarly, Ministry of Housing and Urban affairs (MoHUA) *vide* letter dated 23.02.2021 requested all the Lending Institutions to review the guidelines for extending credit to street vendors having low CIBIL score. On seeking to know the impact of such directive on the banks along with bank wise data on the number of loan applications rejected due to low CIBIL score, DFS in a written note submitted as follows:

"Under the prescribed guidelines of PM SVANidhi Scheme itself, while pushing the applications to the banks from PM SVANidhi Portal, SIDBI/ MoHUA also attach the credit score of CRIF Highmark, in respect of each PM SVANidhi applicant along with the application. As per submission from many Public Sector Banks, while they are not insisting on credit score requirement for the purpose of sanctioning PM SVANidhi loans they are however required by RBI guidelines to verify past repayment history and overdue/ default records of the applicants. Borrower accounts that are in default/NPA status cannot be considered for further sanctions."

(ix) Incomplete and Returned loan applications under PMSVANidhi

4.22 The data at **Annexure III** furnished by DFS shows that HDFC and ICICI Banks have returned less than or equal to 10% of their loan applications due to incomplete applications and SBI, J&K Bank, RRB and State Cooperative Banks have returned 10-20% of their loan applications. However, most of the other banks including UBI, UCO, IoB, Indian Bank, Canara Bank, PNB, BoB,

BoI, CBI, Punjab & Sind Bank, BoM, IDBI Bank and Karnataka Bank have returned greater than 20% of their loan applications. In fact, IDBI bank has returned approximately 51% of its applications.

4.23 Seeking to know the specific grounds on the basis of which banks are declaring about 6.67 lakh loan applications incomplete and the steps taken to ensure that complete information is provided by the street vendors concerned DFS *inter-alia* submitted as follows :

"6.67 lakh applications returned by banks are primarily due to the following reasons –

- (i) Vendor not interested in availing the loan,
- (ii) Vendor is not reachable to process the loan,
- (iii) Insufficient Documents as per the checklist prescribed,
- (iv) Letter of Recommendation (LOR) application pending with ULB or non-availability of on-line LOR,
- (v) Vending activity is in different location.

In order to review such applications, a special drive has been organized starting **July 1, 2021 till August 15, 2021** to reassess and revisit these applications. Regular follow up meeting with the banks' top management are conducted to reduce these applications. ULBs are also requested to assist and work with the Street vendors to help them in correcting and removing the discrepancies and errors in application form before re-submitting it to the bank."

4.24 The representatives of MoHUA appearing before the Committee on 24.06.2021 submitted the following regarding incomplete and returned loan applications under the scheme:

“बैंकों ने लगभग

6.94

लाख यानी सात लाख एप्लीकेशन कुछ इंकम्प्लीट पेपर्स की वजह से रिटर्न किए हैं। पीछे हमने एक श्रेणी शुरू की है कि कैसे हम इन चीजों को कर सकते हैं? अभी पिछले सप्ताह मैंने और देवा शीष, हमारे सहयोगी सचिव, डिपार्टमेंट ऑफ फोइनेंशिएल सर्विसेज, हम दोनों ने सारे बैंकों के साथ सभी राज्यों के प्रमुख सचिवों, वहां के नोडल ऑफिसर्स और जो महत्वपूर्ण म्यूनिसिपल कमिशनर हैं, उनके साथ डिटेल में करीब दो घंटे तक चर्चा की थी। इस चर्चा के बाद हमें थोड़ा-सा पुशमिला, क्योंकि पिछले चार महीनों में जो लोग चुनौतियों से गुजर रहे थे, उन चुनौतियों को ध्यान में रखने हुए हमने पीछे रिव्यु नहीं किया था। लेकिन, हमारा यह पहला रिव्यु कोरोना के सेकेंड फेज के बाद हुआ है। उस कानूनी जायह निकला कि कई सारी चीजें, जैसे अभी हमने एक 'संकल्प से सिद्धि' एक नया अभियान शुरू किया है, जो पहली जुलाई से शुरू होगा।”

4.25 The Secretary, MoHUA further clarified and submitted as follows:

“There are two kinds in it. One is 4.5 lakh is the number, which is found to be ineligible by banks for some reasons. Another 6.94 lakh are people with incomplete applications and for that we have requested our Municipal bodies.”

(x) Return of loan applications on the grounds of discrepancy in name

4.26 Referring to the reports that a number of loan applications have been returned on the grounds that there are small variations in the names in the ID proof of the street vendors availing loans under PMSVANidhi Scheme, DFS was sought to furnish its views for considering a self-declaration certificate ascertaining the name of the Street Vendor to reduce the number of applications that has been returned. In written response, DFS submitted as follows:

".....Banks have also been requested to follow the existing guidelines as applicable for opening of savings and current accounts in case of name mismatch."

(xi) Role of Municipal Bodies in case of return of loan applications under PM SVANidhi

4.27 Referring to the claims that urban local bodies are not allowed to make corrections/amendments/modifications in the loan applications on the portal because of which the applications submitted by illiterate/technologically weak street vendors are returned by the banks due to incomplete or wrong information, clarification from MoHUA was sought as to who all are authorized to make corrections/amendments/modifications in the loan applications submitted on the PM SVANidhi portal and whether Municipal Bodies are intimated of the return of loan applications due to its incomplete nature. MoHUA, *inter-alia*, submitted as follows:

"A new functionality has been developed to provide editing rights to ULBs, after incorporating due safeguards. The ULBs can scrutinise the 'Returned by banks' applications and mark them back to the banks for processing or push them to the 'Ineligible bin' if the application is not from a recognised vendor."

4.28 In response to a query as to whether any oversight mechanism exists to ensure that Municipal Bodies on receipt of the incomplete loan applications quickly complete the same and resubmit it to the banks, MoHUA submitted as follows:

"States have been advised to review, monitor and follow-up the scrutiny of the 'Returned by Banks' applications by the ULBs. This is also monitored by the Ministry during the weekly/fortnightly/monthly joint review with the States and Banks."

(xii) Loan documentation – stamped /unstamped

4. 29 The data furnished in **Annexure-III** by DFS shows that Seven Banks viz. Union Bank of India, UCO Bank, PNB, Bank of India, Punjab & Sind Bank, Bank of Maharashtra and Karnataka Bank Ltd do not require stamped documents to avail loans under PMSVANidhi. Further, out of 42 RRBs, 27 RRBs and out of 13 StCBs, 10 StCBs do not require stamped documents.

4.30 The Committee in their 5th report on Demand for Grants (2020-21) presented to Lok Sabha on 08.03.2021 recommended:

"The Committee further note that the management of UCO Bank and Punjab National Bank (PNB), during their informal discussion with the Committee during the tour recently undertaken, have stated that their banks do not require any stamped documents for availing loans under PM SVANidhi Scheme whereas the managements of SBI, IOB, Canara Bank and Bank of Baroda (BoB) stated that stamp duty @ applicable on loan documents in respective states are required to be paid by the street vendors. The Committee are of the view that documentary requirements may be kept at the bare minimum and requirements of stamped documents may not be insisted upon as is being done by UCO and PNB. The Committee are of the view that in case this is made compulsory for all the banks, the need for imposition of stamp duty does not arise at all."

(xiii) Loan Applications in the Market Place

4.31. the procedure /mechanism for dealing with applications lying in the market place as furnished by MoHUA in its written note is as follows:

"While submitting the application, Street Vendor has option to select a 'Preferred Lender' to whom application is forwarded. In case, no 'Preferred Lender' is selected, the application goes to the 'Market Place', from where any lending institution can pick an application, which it is interested in processing. These applications will be visible to all the lending institutions of the District. If an application is returned by the 'Preferred Lender' or by any Lending Institution, due to the fact that the SV does not have a Savings Bank account, the application comes back to the 'Market Place' from where it is sent to the Bank / Branch where the SV has his Saving Bank Account, after 7 days."

(a) State/UT wise analysis of loan applications in Market Place

4.3230 The data at **Annexure I** furnished by MoHUA shows that (i) Ten States/UTs viz. A&N Islands, J&K, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Goa, Chandigarh, Arunachal Pradesh, Nagaland, Mizoram & Sikkim have 100% of the loan applications in the market place pending for more than 30 days, (ii) Eighteen States/UTs viz. Telengana, Uttar Pradesh, Andhra Pradesh, Karnataka, Chhatisgarh, Gujarat, Odisha, Jharkhand, Maharashtra, Rajasthan, Bihar, Punjab, Kerala, Arunachal Pradesh, Himachal Pradesh, Uttarakhand, Tripura Assam applications have more than 90% of the loan applications in the market place pending for more than 30 days, (iii) Four States/UTs viz. Tamil Nadu, Madhya Pradesh, West Bengal & Harayana have between 50-90% of the loan applications in the market place pending for more than 30 days & (iv) Two States/Uts viz. Delhi & Meghalaya have less than 50% of the loan applications in the market place pending for more than 30 days.

(b) Bank wise analysis of loan applications in Market Place

4.33 The data at **Annexure III** furnished by DFS shows that apart from State Bank of India, Union Bank of India, PNB and BoB, all the other banks have picked less than 10,000 loan applications from the market place.

(xiv) Inter linkage between Mudra Scheme and PM SVANidhi

4.34 Referring to the reports that many street vendors had already taken loan under the Mudra Scheme and hence their applications under PM SVANidhi has been rejected, information was sought from DFS as to whether street vendor beneficiaries of Mudra are not allowed to apply for loans under PM SVANidhi. DFS in its written note submitted as follows:-

“There are no such guidelines stipulated under the schemes. Banks are guided by their respective credit policy duly approved by the board of directors as per RBI Circular on Management of Loans and Advances. However, defaulted Mudra loanees are not allowed to borrow fresh loan. Those who are regular in repayment are eligible to apply for fresh loans.”

(xv) Conversion of existing advances of banks to street vendors to PMSVANidhi

4.35 In a written reply, to the query as to whether there are any cases where banks have converted their existing advances to the street vendors to the PM SVANidhi Scheme, DFS, inter-alia, submitted as follows :

“No Such cases have been reported so far.”

(xvi) Physical Presence of Borrowers

4.36 The data at **Annexure II** furnished by DFS shows that all the banks require physical presence of borrowers at least once during the entire process of availing loans under PMSVANidhi.

4.37 In the context of physical presence of borrower for loan under PMSVANidhi Scheme, the Committee would recall the 12th recommendation contained in their Fifth Report on Demands for Grants (2021-22) presented to Lok Sabha on 08.03.2021 which stated that the need to visit the banks by the street vendors even once may be done away with. The Completion of all the formalities necessary for the sanction of loan along with the digital training of the beneficiaries, may be performed by Business Correspondents (BCs) who are basically field functionaries of the banks who can visit the vendors at their respective vending zones.

4.38 MoHUA in their action taken reply to the above mentioned recommendation submitted as under:

“Physical presence of the street vendor is required at the time of disbursement of the loan for completion of the loan documentation. All the banks are not using the services of BCs as this adds to cost of administration of the banks, which may lead to increase in interest rate for this Scheme.

Also, the presence of vendors is utilised for the purpose of issue of Durable QR Code, UPI ID and also to train them in digital transactions.”

(B) Participation of Private Sector Banks under PMSVANidhi

(i) Analysis of loan applications received by private sector banks under PMSVANidhi

4.39 As per the data available on PM SVANidhi portal, the performance of private sector banks under PMSVANidhi as on 26.10.2021 is tabulated as follows:

Sl. No.	Name of the Bank	Application received	Applications Sanctioned	Applications disbursed	Avg.No of days for sanction
1.	J&K Bank	15791	12743	11748	17
2.	IDBI	28496	9719	8508	33
3.	Karnataka Bank	26229	9215	8319	59
4.	HDFC	52216	25998	6055	67
5.	ICICI	13893	2893	2061	30
6.	Axis Bank	14280	2605	1636	35
7.	Federal Bank	6402	1059	910	47
8.	IDFC First Bank Ltd	999	61	55	108
9.	Karur Vysya Bank Ltd	11018	1086	939	126
10.	Kotak Mahindra Bank Ltd	16756	2435	1805	31
11.	RBL Bank Limited	444	53	46	25
12.	South Indian Bank	3983	486	439	46
13.	Tamil Nadu Mercantile Bank Ltd	9830	1233	1018	100
14.	Nainital Bank Ltd	1465	445	400	47

4.40 The data available on PM SVANidhi portal shows that out of the total 47,16,791 loan applications received as on 26.10.2021, the share of private sector banks is only 2,01,802 loan applications i.e. approximately 4%. Further, apart from J&K Bank which has a sanction rate of 81 % and disbursal rate of 74%, all the other private sector banks have a sanction and disbursal rate of less than 50%. In fact eight Private Sector Banks viz. **Axis Bank, Federal Bank, IDFC First Bank Ltd, Karur Vysya Bank Ltd, Kotak Mahindra Bank Ltd, RBL Bank Limited, South Indian Bank and Tamil Nadu Mercantile Bank Ltd** have less than 20% sanction and disbursal rate. Further, apart

from J&K Bank and RBL Bank Ltd., all the banks take more than 30 days to sanction the loan application under PM SVANidhi.

(ii) Reasons for low participation of private sector banks under PMSVANidhi

4.41 The Secretary, DFS, appearing before the Committee on 24.06.2021, submitted the following regarding the reasons for the low participation of private sector banks:

“Sir, I am just trying to submit that the scheme provides a choice to the street vendor to opt for the bank. The application is targeted to that bank.....When the application is filed, the individual has a choice to opt for the bank. So, if he has opted and if you look at the number of applications, then the total number of applications that have been sent to the private banks are 1,71,000 whereas the applications that have been sent to the Public Sector Banks are in the range of 34 lakh. I am talking about the total numbers. So, I am only trying to say that the individuals are opting more for the Public Sector Banks. You may ask for the reasons as to why they are not going. Perhaps most of them would be having accounts in the Public Sector Banks. This could be one reason.

Secondly, the branch network of the public sector banks is large. They are available in large numbers in small towns and medium towns. Thirdly, there is a difference of rate of interest. That could also be one reason for an individual to opt for that particular bank. However, there is a freedom of choice. The individual can also apply in a private bank.”

4.42 Secretary, DFS further clarified:

“We are not saying that private sector banks should not come forward. They should come and perform. My request to my counterpart Secretary is that when the application is filled up with the assistance of the urban local bodies, they should opt for private banks.”

4.43 The Secretary, MoHUA, also appearing before the Committee on 24.06.2021, while reaffirming the submission of DFS, submitted as follows:

“Sir, I will just give a brief about it. Since we have prepared the Scheme in collaboration with the Department of Financial Services, in our Scheme, the choice is first of the vendor. He has to give a choice whether he wants to take loan from the State Bank of India, Bank of India or ICICI bank, it is his will. Suppose he does not give a choice, this is also a possibility that he does not know which bank he should go to, then his application goes in a common market and in the common market, any bank can pick it up. That is the option. Now, regarding total number of applications which have been picked up in the private sector, normally, these street vendors are not opting for the private sector banks, they are going for RRBs and urban cooperating banks. You can see that the total figure with respect to the regional rural banks is 5.6 per cent and for cooperative banks is around 2.3 per cent. I have been talking to the bank officials and their country chiefs on a regular basis, but unless and until the vendor himself opts to go there, they cannot take the call themselves.

The second thing, whatever is going there, that progress is something which the DFS needs to monitor and that is what we do in our meetings.”

4.44 In the context of participation of private sector banks, the Committee would recall their recommendation contained in their Fifth Report on Demands for Grants (2021-22) presented to Lok Sabha on 08.03.2021 which *inter-alia* stated that DFS should continue to engage with Private Sector Banks till they become meaningful partners in the scheme and enhance their share in the total sanctions and disbursements.

4.45 MoHUA in their Action Taken Reply to the above mentioned recommendation submitted as under:

“Private Sector Banks are continuously encouraged by MoHUA and DFS through periodic Joint Review Meetings to increase their participation in the scheme and to improve performance. The performance of Private Sector Banks as on May 02, 2021 as compared to September 30, 2020 has improved.

Status as on	Applications sanctioned by Public Sector Banks as a % of Total sanctioned applications	Applications sanctioned by Private Sector Banks as a % of Total sanctioned applications	Applications sanctioned by other LIs as a % of Total sanctioned applications	Applications disbursed by Public Sector Banks as a % of Total disbursed applications	Applications disbursed by Private Sector Banks as a % of Total disbursed applications	Applications disbursed by other LIs as a % of Total sanctioned applications
30.09.2020	92.81	0.50	6.69	95.44	0.72	3.84
02.05.2021	90.91	2.00	7.09	90.53	1.77	7.70

- Other LIs (SFB, NBFC, State Cooperative Banks, MFIs, Urban Cooperative Banks, RRB and DCB)”

4.46 Further, it is stated that Department of Financial Services (DFS) vide letter dated 24 February 2021 has accorded level playing field to the Private Sector Banks on par with Public Sector Banks in allocation of Government business including Govt. agency business with a caveat that in case the Private Sector Banks lag in performance viz-a- viz the Public Sector Banks in the achievement of implementation of Social Sector Government initiatives through banks, their performance on a matrix of various Government initiatives and schemes may be reviewed from time to time by the Government in consultation with RBI. In case, it is found that there is adverse performance by any Private Sector Bank in the future, then the permission to the concerned bank to undertake Government business could be potentially withdrawn after giving due opportunity to the bank to correct the imbalance.

4.47 Referring to the continued poor performance of the private sector banks in sanctioning and disbursing loans under the Scheme, despite sincere efforts made by DFS and reports that in many States/UTs there is reluctance among the banks especially the private sector banks in picking up loan applications from the market place, written response regarding the steps proposed to be taken by DFS was sought to address the issue. DFS, *inter alia* submitted as follows:

“Private Sector Banks are continuously encouraged/requested by both MoHUA and DFS through periodic video conferences to increase their participation in the scheme and to improve their delivery performance.**39Video Conferences (VCs) with private sector banks as well as SLBC conveners at different levels viz. Secretary (FS) level, AS (FI) level and JS (FI) level have been held so far.**However, as majority of the Street Vendors have their saving account with PSBs and the rate of interest charged by private sector banks are generally higher than PSBs, prospective borrowers themselves prefer PSBs over private sector banks.

To give further impetus to the issue, a specific Video Conference with the MDs of Private Sector Banks was also held by DFS on 25.06.2021 to review the performance under the scheme. Apart from increasing the participation of private banks, it was requested to complete the 100% disposal of eligible applications under the special drive by MoHUA- ‘**Sankalp se Siddhi**’ that is currently underway.”

(C) Documentary requirements under PMSVANidhi Scheme

(i) Documents required by various Banks

4.48 In written reply to query as to the documents required to be submitted for availing loan under SVANidhi, MoHUA submitted as follows:

“The document required, in addition to Certificate of Vending/ Identity Card/ Letter of Recommendation for availing the loan, is Aadhaar Card. Further, optional documents are Driving License, MNREGA Card, PAN Card and Voter ID card.”

4.49 The Application Form to be filled by the vendor for seeking loans under PM SVANidhi which is available on the PM SVANidhi portal, however mandatorily requires Voter ID card as a KYC document along with Aadhaar Card.

4.50 The data at **Annexure III** furnished by DFS shows the following documentary requirements of various banks for the purpose:

Name of the Bank	Application form	DP Note delivery letter	CoV/Vendor Id card/LoR/Survey Reference No.	Id Proof- Aadhar/PAN/Voters ID	KYC	Miscellaneous
SBI	-	Yes	-	-	-	-
UBI	-	-	CoV/Id/LoR	Aadhar	-	-
UCO	-	-	CoV/Id/LoR	Aadhar	-	-
IoB	-	-	Vendor Id/LoR	Aadhar/PAN/Voters ID	-	-
Indian Bank	Yes	-	LoR/SV Certificate	Aadhar Card	-	-
Canara Bank	Yes	-	CoV/LoR	-	yes	Credit Bureau Report
PNB	-	-	-	-	-	Undertaking/Letter to Banks
BoB	-	-	LoR & Vending Certificate	Aadhar	-	-
Bol	-	Yes	-	-	-	Unstamped Undertaking
CBI	Yes	-	Vendor Id	Aadhar Card	-	-
Punjab & Sind Bank	No Document required					
Bank of Maharashtra	-	-	CoV/Id Card/LoR	Aadhar Card	-	1. Bank Account details 2. Current Address Proof (If different from Aadhar)
J&K Bank	-	-	-	-	From customer whose account is non-KYC compliant	1. Loan agreement on non-judicial paper of Rs 100 stamp duty 2. Affidavit for Hypothecation
IDBI	-	-	CoV/Vendor Id card/LoR/Survey Reference No.	Id proof	Yes (e-KYC)	-
Karnataka Bank	-	-	LoR/CoV	Aadhar Card	-	-
HDFC	Yes	-	-	-	Yes	Loan Agreement Form
ICICI	Yes and photo	Yes	LoR/Vendor Id	Aadhar/PAN/Ration card	Yes	1. Credit Facility agreement on Stamp Paper 2. Auto Debit Mandate 3. Subsidy declaration 4. Letter Payment in favor

						of End Use letter 5. Notarised affidavit in case of mismatch in DOB, Name etc
RRBs	Yes	-	CoV/LoR	Aadhar	yes	-
StCBs	Yes	-	CoV/LoR	Aadhar	yes	-

4.51 Further, MoHUA also submitted that as on 05.11.2020 , no report on rejection of any loan application for want of documents has been received by the Ministry.

(ii) Insistence of additional documents by banks other than the prescribed documents

4.52 Referring to the reports that in many States/UTs, banks are seeking other documents like family photographs, a photo of them at their vending place, ration card, letter by urban local bodies, etc. along with the hard copies of the documents already uploaded on the portal, steps taken by DFS to do away with the insistence on these additional documents, which are not prescribed was sought. In its written response, Ministry submitted as follows:

“As per Scheme guidelines and prescribe checklists, documents required under PM SVANidhi Scheme include Aadhar Card and Voter ID card as mandatory documents in addition to Certificate of Vending (CoV) /Identity Card/LoR.

DFS vide its letter **F.No.16/01/2021-MO-DFS dated 29.06.2021** has directed to all banks to sanction / disburse loans under PMSVANidhi scheme with only the prescribed minimum documentation and also not to insist for any additional documents other than what is prescribed in the checklist. This is also being reiterated in the review meeting being conducted by DFS/ MoHUA with the banks. During the camps, officials will also visit and check this on the spot.”

4.53 Further, MoHUA in its reply to a written query reaffirming the above submission of DFS regarding reports of , banks seeking documents other than the prescribed ones and the steps taken by the Ministry to do away with insistence on the additional documents, which are not prescribed, submitted as follows:

“Banks has been requested to simplify the internal processing guidelines to help faster processing of the applications of the Street Vendors. Department of Financial Services (DFS) has issued letter on June 29, 2021, to all the banks advising them to issue an internal circular and provide instructions to its branches for not insisting on any additional documents other than what is indicated under PM SVANidhi Scheme guidelines.”

(E) Rate of Interest on Loans under PMSVANidhi

4.54 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.

(i) Interest subsidy on loans under PMSVANidhi

4.55 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. 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. 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. 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.

(ii) Extension of the validity of the Scheme

4.56 Since the interest subsidy in the SVANidhi Scheme will be available up to March 31, 2022, the opinion of MoHUA was sought on a suggestion received to extend the time period of the Scheme as once the Scheme ends, street vendors will again be prone to taking loans from private financiers and moneylenders who charge very high rates of interest. MoHUA, *inter-alia*, submitted as follows:

“The Scheme period is upto 31 March, 2022 and as of now there is no proposal for its extension.”

(iii) Uniform rate of interest

4.57 The data at **Annexure III** furnished by DFS shows that various banks charge interest rate ranging from Repo linked Lending Rate (RLLR)+0.15% to RLLR+6.50%. Indian Bank, BoB, Bank of India (BoI), IDBI, Karnataka Bank, HDFC Bank and ICICI Bank are charging interest rates above 10%. The various Regional Rural Banks are charging interest rates ranging from 9% to 13.5%. Similarly, the State Co-operative Banks have interest rates ranging from 10% to 13%.

4.58 Secretary, DFS, appearing before the Committee on 24.06.2021 submitted the following on imposing a uniform interest rate on loans availed under PMSVANDihi:

“What we will do Sir is that we will work together. There will be two or three rates. In the case of NBFCs and MFIs, their cost of funds are higher. We all know and understand but

they spend equally good amount of money to also realize that amount which has been lent and they work in a small eco-system. So, the cost of administration is also high. Even for the emergency credit guarantee, we have two kinds of tariff but we have capped it – seven and a half per cent for the public sector banks, maximum of nine per cent for the private banks and fourteen per cent for the NBFCs. Here also, perhaps we will work together. Ultimately, the scheme is with the Secretary, Urban Affairs. So, we will try to cap it for the public sector banks and private sector banks and other for the NBFCs and MFIs. That is a very good suggestion and we will definitely take note of that and try to do it.”

4.59 The opinion of DFS was sought on a suggestion received that instead of having multiple interest rates across various Banks for loans under PM SVANidhi, a uniform rate can be fixed for loans under PMSVANidhi to avoid confusion among street vendors. DFS in a written note submitted as follows:

“(a) Interest Rate on loans by banks is governed by regulations and guidelines as per RBI Master Circular No. **RBI/DBR/2015-16/20 dated 03rd March 2016**. These guidelines stipulate that there shall be comprehensive policy on interest rate on advances duly approved by the Board of Directors or any committee of the Board to which powers have been delegated. Banks shall have the freedom to fix interest rates in a transparent manner and linked to an external benchmark after considering their own cost of funds, operational cost etc.

(b) The variations in interest rate is due to fees payable to Business Correspondents (BCs)/ payment service providers engaged to assist the bank in smooth implementation of PMSVANidhi Scheme, *inter alia*, through end to end digital dispensation of the loans, educating the street vendor on digital transactions, apprising him regarding the incentive available for digital transactions, and collection of dues etc. The PM SVANidhi Scheme guidelines encourage the lending institutions to use their network of field functionaries, i.e., Business Correspondents /Constituents/Agents extensively to ensure maximum coverage of the scheme.

(c) The higher rate of interest charged by NBFCs/ MFIs/Private Banks are attributable to the high cost of funds and high operational cost for them due to operating at low economies of scale.”

4.60 The opinion of MoHUA on the suggestion of a uniform rate to be fixed on loans under PM SVANidhi as submitted through its written note is as follows:

"The cost of borrowing and cost of operation for different participating banks are not the same. Hence, it will be very difficult to fix uniform lending rates across different participating banks. Few smaller banks and non-banks whose cost of funding are high, may find it difficult to lend under the scheme, if a uniform interest rate is stipulated."

(iv) Lower interest rate on loans under PM SVANidhi inclusive of interest subsidy to street vendors

4.61 The opinion of DFS was sought on a suggestion received that rather than providing loan under high interest rate and then crediting the interest subsidy amount @7% into the borrower's account quarterly which makes the process complicated, the street vendors may be given the loan at the lesser interest inclusive of the interest subsidy. In response, DFS, *inter-alia*, submitted as follows:

"The interest subsidy is credited in the loan account of the borrower. Hence, indirectly, it lowers the interest cost of the Street Vendors. The Credit of interest subsidy amount into the borrower's account after successful repayment encourages Street Vendors for timely repayment of dues."

4.62 The opinion of MoHUA on the same suggestion is submitted as follows:

"The purpose of the interest subsidy is to reward those street vendors who make regular repayments. A blanket reduction in interest rate by factoring in the interest subsidy amount would tantamount to rewarding all, which would be unfair to vendors making regular repayments. This may also reduce the incentive to make regular repayments."

(F) API (Application Programme Interface) integration of Public and Private Sector Banks with PM SVANidhi Portal

4.63 To facilitate smooth flow of data between the scheme portal and banks, which would speed up the processing of applications, banks were advised to integrate their systems with the PM SVANidhi portal through APIs.

4.64 The representatives of DFS appearing before the Committee on 06.01.2021 submitted the following regarding API integration of Private Sector Banks with PMSVANidhi Portal:

"Initially, when the scheme was started, this portal took some time to stabilize. It was only by November that the API integration could be achieved. We wanted a seamless flow of applications from the portal to the banks. So, only by November, the portal itself has stabilized from the MoHUA side.....Now, there should be better speed and there should be no bottlenecks as far as the sanctions are concerned. Regarding the private sector banks, of course, there is some pendency in this aspect also as far as the API integration is concerned."

4.65 The representatives, further, elaborating on the reasons for the reluctance of private sector banks API integration with PM SVANidhi Portal submitted *inter- alia* as follows:

"..... The other banks including the private sector banks are in the process. Once the API integration with the portal happens, it is like opening up the entire banking data base and the systems to the outside connection. Therefore, there are concerns around the

privacy as well as the cyber security which we are addressing case-by-case and the integration is in progress. "

4.66 Further, the representatives of SIDBI appearing before the Committee on 06.01.2021 submitted the following regarding API Integration with the PMSVANidhi Portal:

"..... The initial focus was to link the public sector banks because application flow with the public sector banks is much higher. Private sector banks are in very small number and it is a long-drawn process. Only one private sector bank and one small finance bank have done the API integration so far."

4.67 In response to the current status of API Integration with PM SVANidhi Portal, DFS in a written notes submitted as follows:

"There are 12 number of PSU Banks, 2 Private Banks and 5 Micro Finance Institutions (MFIs) which have completed the API integration with PM SVANidhi Portal.

Public Sector Banks (PSBs):

- (i) State Bank of India
- (ii) Union Bank of India
- (iii) Bank of Maharashtra
- (iv) Bank of India
- (v) Indian Bank
- (vi) Indian Overseas Bank
- (vii) Punjab & Sind Bank
- (viii) UCO Bank
- (ix) Canara Bank
- (x) Bank of Baroda
- (xi) Central Bank of India
- (xii) Punjab National Bank

Private Banks:

- (i) The KarurVysya Bank Limited
- (ii) HDFC Bank

MFIs:

- (i) Arohan Financial Services Limited
- (ii) StreeNidhi Credit Co-operative Federation Ltd.
- (iii) Integra micro finance
- (iv) Annapuran Micro finance
- (v) Jayam Solutions Pvt Ltd."

CHAPTER V

MISCELLANEOUS FEATURES OF THE SCHEME & ASSOCIATED ISSUES

(A) Implementation Mechanism

(i) Kick-Start Meeting

5.1 A kick-start meeting to explain the scheme objectives and implementation mechanisms were organised by the ULB involving the TVC members, BCs/ constituents/ agents of lending institutions, vendors associations, SHG Federations etc. During the meeting, the information relating to street vendors and field level functionaries of lending institutions was shared.

(ii) Process of Implementation

5.2 Applicants (street vendors), in possession of Certificate of Vending / ID Card issued by ULB and those covered in the ULB led identification survey may approach or be approached by the representatives of the Banks, NBFCs and MFIs. The lender representatives, including BCs and Agents will key in the relevant details in the search engine of the IT platform/ mobile App. For the successful cases, beneficiary verification will happen through an OTP sent to the beneficiary's mobile.

5.3 A provision will be made available in the IT application to generate a provisional CoV/ ID for the Street Vendors covered in the identification survey and not issued CoV / ID. After verification, BC / Agent will fill-in the application form and upload the necessary documents. The filed-up application information will then move electronically to ULB / TVC. The ULB / TVC will have to verify the details within a fortnight; after which the application will move to the concerned lending institution for sanction. The Street Vendors not covered in the identification survey may approach the BC/ Agent with the necessary documents. The Agent will ensure that the identification documents are uploaded first for these types of beneficiaries and later a similar process as mentioned above will follow. ULB will verify the details and attach a letter of recommendation before forwarding it to the lender. A copy of the letter of recommendation will be given to the applicant also.

(iii) Committee for Steering & Monitoring of the Scheme

5.4 The scheme will have the following management structure at the Central, State/UT and ULB level for effective implementation and monitoring of the scheme:

- At Central level- a Steering Committee under the chairmanship of secretary HUA
- At State/UT level- a Monitoring Committee under the chairmanship of Principal Secretary/ Secretary of Urban Development/Municipal Administration which shall meet at least every three months.

- At ULB level, there will be a committee headed by the Municipal Commissioner/ Executive Officer (EO) and supported by the Town Vending Committee to sponsor loan applications and monitor implementation of scheme. This committee will meet every month.

5.5 In response to a written query regarding whether State Level Committees have been formed and the decisions taken in various meetings of the Committee., MoHUA submitted as follows:

“The Ministry is receiving information about constitution of the state level committees from the States/ UTs. However, currently, the decisions taken by them are not compiled by this Ministry.”

5.6 In written reply to a query dated 24.09.2021, MoHUA has furnished the following State/UT wise details regarding constitution of the State/UT level Monitoring Committee :

"State/UT Level Monitoring Committee has been constituted by the following States/UTs and the notification for the same has been received by MoHUA:

1. Andaman & Nicobar Islands
2. Assam
3. Bihar
4. Chandigarh
5. Goa
6. Himachal Pradesh
7. Jammu & Kashmir
8. Jharkhand
9. Manipur
10. Meghalaya
11. Nagaland
12. Odisha
13. Puducherry
14. Telangana
15. Tripura
16. Uttar Pradesh
17. West Bengal"

(iv) Organizing of camps to improve performance under PM SVANidhi Scheme

5.7 In reply to a written query as to whether provisions exist within the Scheme for organizing camps in areas with high density of street vendors to provide a platform for the street vendors to interact with banks officials to facilitate their loan process and resolve the problems encountered during the loan process and the details such as frequency of these camps and the extent of participation of the banks, DFS ,*inter-alia* submitted as follows:

“Both MoHUA & DFS have organized several special camps in close collaboration, since the launch of the Scheme. State level special camps were organized in Uttar Pradesh in the month of October 2020 and in Madhya Pradesh as part of an intensive drive to sanction their loans. Special camps were also organized nationwide in the month of October & November 2020 across the 125 cities selected in the first phase of the scheme. On similar lines, special camps were organized in the month of February 2021. These camps were successful in providing the street vendors with much needed relief during the festival seasons.

Special camps were also organized on three consecutive Saturdays i.e., 27th February, 6th March & 13th March 2021. All these camps were organized to help the States/UTs improve their performance in terms of sanction & disbursement of loans. During these camps, ULBs were requested to mobilize the street vendors to the designated camp location or bank branches. Meeting with banks and ULBs were also conducted through video conference where MoHUA Officials helped the ULB Staff in understanding their responsibility during these camps so that they can effectively mobilize the street vendors. The Lending Institutions were requested to disburse loan amount and expedite the process for sanctioning all eligible pending applications. These camps provided the street vendors an opportunity to interact with bank officials directly and resolve the problems encountered during the loan process, if any. It was observed that the Lending Institutions participated well in the camps to sanction and disburse pending loan applications. During these camps, special attention was given to ULBs with the maximum pendency in terms of loan disbursement.

Field visits were undertaken by MoHUA Officials and Nodal Officials appointed by DFS to assess the performance of these camps.”

5.8 Further, MoHUA's written submission to the same query is as follows:

"States/ULBs in collaboration with the Banks, have been advised to hold camps in suitable locations to expedite the implementation.

Special camps were organised nationwide in the months of October & November 2020 preceding Deepawali for effective and efficient processing of the loan applications. On similar lines, special camps were also in February 2021 preceding Holi. Both of these drives proved to be very successful in terms of disbursement of loans during the festive period.

Further, a special drive ‘**Sankalp Se Siddhi**’ was organised during July 01 - August 15, 2021 to improve the performance of the scheme in terms of applications, sanctions, and disbursements.

During these camps, ULBs and all Lending Institutions participated in a big way. These camps provide the SVs with an opportunity to interact with bank officials directly and resolve the problems encountered during the loan process, if any. Field visits were also undertaken by MoHUA and DFS officials during March 2021, to assess the performance of these camps."

(B) Promotion of Digital Transactions by Vendors

5.9 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 the 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 incentivized with a monthly cashback in the range of Rs.50-Rs.100 as per the following criteria:

- (i) On executing 50 eligible transactions in a month: Rs. 50;
 - (ii) On executing the next 50 additional eligible transactions in a month: Rs 25
 - (iii) On executing the next additional 100 or more eligible transactions: Rs 25
- Here eligible transactions means a digital payout or receipt with minimum value of Rs 25.

5.10 Further, elaborating on the benefit of digital payment resulting in cash back, Secretary, MoHUA appearing before the Committee on 24.06.2021 submitted the following:

“सर, मैं डिजिटल पेमेंट के बारे में बता देता हूँ। हमने अब तक कुल मिलाकर 50 लाख 5 हजार रुपये डिजिटल पेमेंट के लिए लोगों को कैश बैक पेमेंट किया है। आज की डेट में करीब हमने 19 लाख 4 हजार लोगों को ट्रेंड कर रखा है। इनमें से 4 लाख 1 हजार लोगों ने डिजिटली एक्टिव होकर 3.57 करोड़ रुपये का ट्रांजेक्शन किया है और यह एनपीसीआई के रिकॉर्ड में है। ये सारी चीजें ऑटोमेटिक हैं। इसमें हमारे ज्वाइंट सेक्रेटरी या किसी का भी रोल नहीं होता है। हमारे पास एनपीसीआई से रिपोर्ट आती है, हमारा सिस्टम उसको पुश करता है और हरेक के एकाउंट में अपने आप वह पैसा पहुँच जाता है। यह ऑटोमेटिक सिस्टम होता है।”

(i) Digital divide among Street Vendors

5.11 Clarifying on the non-necessity of smart phones for availing the benefit of digital cash payments under PMSVANidhi, Secretary, MoHUA while appearing before the Committee on 24.06.2021, submitted as follows:

“सर, इस डिजिटल पेमेंट के बारे में ऐसी व्यवस्था है, अब मैं और गहराई में जाता हूँ। इन सब चीजों को हम लोग बहुत गहराई में जाकर ऑर्गनाइज किए हैं। एनपीसीआई के माध्यम से आपके पास एक क्यूआर कोड होगा, जैसे गुगल पे, पेटीएम और फोन पे हैं। इन सबको बुलाकर हमने इनके सीईओ से बातचीत की है। वे फ्री में प्लास्टिक या लोहे का कार्ड देते हैं, जिसके ऊपर वह क्यूआर कोड होता है। अगर हम उनके यहाँ चाट खाने गए तो उसका पेमेंट उस क्यूआर कोड के माध्यम से कर सकते हैं। यह सूचना उसको मालूम नहीं है, बल्कि उसे एनपीसीआई के चरकर रहा है।”

5.12 A In reply to a query as to whether street vendors with no access to smart phones and lack of digital literacy can benefit from the Scheme as applying for loan, digital payments and provision of cash-back require smart phones and basic digital literacy, MoHUA, *inter-alia*, submitted as follows:

"Street vendors with no access to smart phones and lack of digital literacy can apply for the loan with the help of Common Service Centers (CSC) and Municipal offices. The ministry had also developed a PM SVANidhi Mobile App for the Municipal employees, through which they can fill the Loan Application Form for the SVs. They are also provided a UPI ID and a QR Code at the time of disbursement of the loan. SVs do not require a smart phone to receive digital payments through the QR Code. On conducting digital transactions, cash back is credited to the SV's bank account. "

5.13 As per the presentation given by MoHUA during the Sitting of the Committee on 24.06.2021, it has been stated that there are 19.4 lakh digitally enabled Street Vendors but only 4.1 lakh digitally active street vendors. In reply to a query as to the steps taken by MoHUA to address this digital gap, MoHUA submitted as follows:

"As on date, out of the 20.77 lakh street vendors have been digitally on-boarded with the help of Lending Institutions, 7.24 lakh are digitally active. So far, 5.92 crore digital transactions have been recorded and an amount of ₹1 crore has been paid as cashback. In order to create a momentum among SVs towards adopting digital transactions, my Ministry has taken up a number of steps. 'Main Bhi Digital' campaign was launched in two phases during January – February 2021 and July-August 2021. Realizing the need of more number of players to help digital on boarding of street vendors, Ministry has partnered with Reserve Bank of India's Payment Infrastructure Development Fund (PIDF) Scheme and Third Party Digital Payment Aggregators. Further, a special campaign in collaboration with MeitY, is being held from September 9 to October 31, 2021 to facilitate the digital on-boarding and training of Street vendors in 223 cities and provide UPI IDs, QR codes and handholding. This initiative is being rolled out across India from September 30, 2021. To further amplify this initiative, Ministry has simplified the cashback incentive under the scheme for beneficiaries. Cashback claimed under the modified criteria is expected to increase significantly under the scheme. All the above steps are expected to increase digital transactions by SVs."

(ii) Digital on-boarding of beneficiaries

5.14 According to the Brief of MoHUA dated 18.06.2021, it has been mentioned that one of the challenges faced in the implementation of the Scheme is the delay in digital on-boarding of the beneficiaries by the lending institutions. The reasons for delay and steps taken to fasten the process as submitted by MoHUA are as follows:

"Initially, the Lending Institutions were directed to undertake the following activities at the time of disbursement of loans:

- i. Create a UPI ID for the beneficiary.
- ii. Generate a Durable QR Code containing the UPI ID.
- iii. Issue RuPay debit card.

- iv. Train SVs on the use of QR code and their payment App/ BHIM UPI App, by utilizing the services of Banking Business Correspondents/ hired Field Functionaries.
- v. Make SVs undertake the 'penny drop' transactions for both the processes – credit & debit, to create evidence for handholding.

The Lending Institutions were expected to undertake the above activities on their own OR take help of third party Digital Payment Aggregators (DPAs) like Paytm, Phone Pe, Bharat Pe, Google Pay etc with whom the Ministry had negotiated for free on-boarding of Street Vendors. Due to Bank's internal logistical issues and the fact that Digital on-boarding is done by subsidiaries of banks which do not have presence at bank branches, delays have been observed in digital on-boarding and training of the beneficiaries. The steps taken by MoHUA are mentioned at point 11 above."

D) Use of IT for better Implementation of Scheme

(i) Data in Public Domain

5.15 As per the scheme the State / UT / ULB-wise list of identified street vendors are required to be made available on the website of the Ministry/ State Government/ULBs and Web Portal developed for the purpose.

(ii) Integrated IT application for Scheme Administration

5.16 The Committee was apprised that an integrated IT Platform along with Mobile App was developed by the Ministry to provide one stop solution for administration of the scheme and will be integrated with the vendors' data bases across the States/UTs, BCs/constituents/agents of lending institutions, digital payment aggregators and PAiSA portal of MoHUA and Udyami Mitra portal managed by Small Industries Development Bank of India (SIDBI). Accordingly, in addition to PM SVANidhi Web Portal, a PM SVANidhi Mobile App for use by lending institutions was launched on July 17, 2020. For Urban Local Bodies' (ULBs) users, Mobile App with added features was launched on August 18, 2020."

5.17 MoHUA *vide* brief note dated 20.10.2020, stated that it is facing a challenge in navigation through multiple servers viz. NIC, CDAC and UIDAI servers integrated with the PM SVANidhi portal and complexities arising in integration between the PM SVANidhi portal and the servers of Lending Institutions for facilitating smooth exchange of data.

5.18 In written response to a query seeking information on the challenges faced, if any and the steps taken by the Ministry to smoothly integrate the data base of various stakeholders, MoHUA submitted as follows:

"The challenges faced related mainly to server capacity of the portal. The server capacity has been enhanced and the integration issues between the servers of the various stakeholders have been resolved. The Ministry is constantly monitoring the server utilization for any glitches. The results of these steps have been extremely positive as seen from the fact that till date more than 34 lakh applications have been successfully received and processed. "

(E) Formation of Collectives of the Vendors

5.19 The scheme guidelines provides for (i) formation of Joint Liability Groups (JLGs) of eligible vendors by the individual lending institution, as per the prevailing practice; (ii) conversion of Common Interest Groups (CIGs) of street vendors, already formed by States, into JLGs by lending institutions; (iii) encouragement to ULBs for formation of CIGs of street vendors extensively to ensure maximum coverage of the scheme; and , (iv) sharing of List of (a) CIGs of street vendors formed by ULBs with lending institutions & (ii) JLGs of eligible Street vendors formed with respective ULBs. The scheme guidelines, however, it do not preclude individual vendors from availing the loan.

5.20 Responding to a queries as to (i) how the formation of CIGs help in the implementation of the Scheme; (ii) the role of CIGs and JLGs in this Scheme; (iii) whether they will be collectively provided loans on the line of micro credit given to SHGs; and, (iv) whether any State has formed CIGs of Street Vendors, MoHUA submitted as follows:

"The provision was incorporated in the guidelines to facilitate approval of loans by NBFCs/ MFIs as they prefer the JLG/ CIG for lending..... However, the Scheme provides that loans will be issued to individual vendor.

No such information is compiled by this Ministry."

5.21 In response to a query as to the efforts made by ULBs for formation CIGs and their conversion to JLGs for lending purposes by the lending institutions, MoHUA submitted as follows:

"Vide letter dated 17.06.2020, a guidelines on Common Interest Groups (CIGs) to be formed by ULBs and Joint Liability Groups (JLGs) to be formed by BCs/ Agents of lending institutions, was issued to all States/ UTs.The information on formation of CIGs/ JLGs is not compiled in this Ministry."

5.22 During the informal study tour of the Committee to the States of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka & Kerala in January , 2021 , the Committee noted that though States were forming CIGs, the details of the same were not being sent to the lending institutions to enable them to form JLGs. Responding to Committee's query as to the concrete steps taken by

MoHUA to ensure that States/UTs send the list to the lending institutions, MoHUA submitted as follows:

"MoHUA vide D.O.No. K12017(30)/2/2020-UPA-II-UD-Part (1)) dated June 17, 2020 requested States/UTs to form CIGs and JLGs. Further, States/UTs were directed to issue necessary directions to ULBs, to initiate the process of formation of the CIGs of the street vendors in a big way, which can be later be converted as JLGs by the lending institutions to extend credit under PM SVANidhi from July 1st, 2020.

(F) Miscellaneous Issues

(i) E-commerce & Quality Improvement- Agreements with Food Delivery Apps

5.23 As per the Scheme guidelines, States/ UTs should prepare a roadmap for building up the capacities of street vendors to conduct e-Commerce and obtain necessary quality certifications from the concerned agencies like FSSAI etc.

5.24 Secretary, MoHUA while appearing before the Committee on 22.10.2020 informed the Committee regarding agreements signed with food Delivery App Swiggy for sale of products by Street Vendors and submitted as follows:

"एकसुविधाचालूकीहैकिजोस्ट्रीटवेंडिंगफूड्सहैं, जिनकाजिक्रहमारेजॉइंटसेक्रेटरीनेकियाहै, इनकोस्विगीकेमाध्यमसेडिजिटलप्लेटफॉर्मपरलाकरबहुतपाँजिटिवरेस्पोसमिलरहाहैकिवहबहुतबढ़िया छोले-भटूरेबनाताहैयाबहुतबढ़ियाचाटबनाताहै। मैंलखनऊकारहनेवालाहूँऔरआपभीलखनऊसेहैं।लखनऊमेंबाबूगंजमेंदहीचाटबनाताहैऔरहमलोगउसेअपनेघरपरमंगातेहैं।वहशामकोचारबजेपीपलकेपेड़केनीचेचाटलगाताहै।लोगोंकीवहांपरभीइलगीरहतीहै।वहांपरकिसीकोमिलतीभीनहींहै।अबडिजिटलप्लेटफॉर्मस्विगीकेमाध्यमसेउसकेपाससारेऑर्डर्सआजाएंगे औरउसकोमालूमहोजाएगाकिकितनामालबनानाहै, जिससेमालखराबनहोनेपाए।वहसामानहरेककेघरभीपहुंचजाएगा।जोसुविधाआजरेस्टोरेंटयाहोटलमेंहै, वहसुविधाहमनेस्ट्रीटवेंडर्सकोस्विगीकेमाध्यमसेपांचशहरोंमेंएजएपायलटशुरूकीहै।इसकेसकसेसफलहोनेकेबादहमइसे 125 शहरोंमेंअपस्केलकरदेंगे।"

5.25 In response to a query regarding the existence of any proposal to sign MoUs with food delivery apps apart from Swiggy & Zomato for sale of products by Street Vendors, with which MOU has already been signed, MoHUA submitted as follows:

"MoHUA has recently started this initiative, with MoUs signed with Swiggy and Zomato. Possibilities of signing MOUs with any other food delivery e-commerce platforms will be explored based on the success and feedback received in this initiative."

(ii) Mechanism for exchanging experiences

5.26 In a written response to the query as to whether there is any mechanism to share and exchange the experiences of different State Governments and the MoHUA in implementing the Act and the SVANidhi Scheme, MoHUA submitted as follows:

“No such mechanism is available at present.”

(iii) Capacity Building & Financial Literacy

5.27 A comprehensive capacity building plan will be developed to build the capabilities of different stakeholders like BCs/ Agents of lending institutions like banks/ NBFCs/ MFIs, SHGs/ federations, implementing bodies like ULBs/TVCs and digital payment aggregators to ensure effective delivery of Scheme. Capacities of digital payment aggregators like NPCI and payment aggregators will be leveraged to impart financial literacy to the street vendors for encouraging on-boarding on digital platforms.

(iv) Socio-Economic profiling as a part of Svanidhi se Samridhi Initiative

5.28 The details of the socio economic profiling being carried out in the 125 selected cities along with the purpose to be achieved by such profiling as submitted by MoHUA is as follows:

"SVANidhi se Samridhi initiative, launched on January 4, 2021 in 125 selected cities, in Phase 1, is designed to build safety net for the beneficiaries' families so that they need not rely on the informal borrowings for their other needs. It aims to link the beneficiaries and their families to existing socio-economic welfare schemes of the Government of India, targeting their holistic development and socio-economic upliftment.

Schemes selected under the program are PM Jeevan Jyoti Yojana, PM Suraksha Bima Yojana, PM Jan Dhan Yojana, One Nation One Ration Card, PM Shram Yogi Maandhan Yojana, Registration under Building and other Construction Workers (BoCW), Janani Suraksha Yojana, PM Matru Vandana Yojana.

Under this initiative, socio-economic profiling of beneficiaries and their families is conducted to assess their eligibility for the above 8 schemes. A web application has been developed for facilitating socio-economic profiling, which informs the names of schemes for which beneficiary is eligible, on the spot, at the end of the survey. Monthly week long city level camps are organized by District Level Committee under the chairmanship of District Collector for sanction of benefits.

As on September 12, 2021, socio economic profiling has been completed for 6,49,648 PM SVANidhi beneficiaries and approximately 6,35,215 scheme benefits have been sanctioned."

5.29 Providing further clarification on the socio-economic profiling, Secretary, MoHUA while appearing before the Committee on 24.06.2021 submitted as follows:

“एक बहुत बढ़िया प्रयास, जिसके बारे में हमें माननीय प्रधानमंत्री जी ने कहा था, यह उनका डायरेक्शन था कि इनमें उद्यमिता है, लेकिन, वे एक बड़ी कठिनाई के दौर से निकलते हैं।..... उनकी स्थिति में सुधार करने के साथ-साथ माननीय प्रधानमंत्री जी का निदेश था कि उनकी सामाजिक व्यवस्था को देखते हुए उनको हमारी अन्य कार्यक्रमों से जोड़ा जाए। हमने शुरूआत के तौर पर 125 शहरों को लिया। उन 125 शहरों में लगभग साढ़े छः लाख बेनिफिशरीज थे। केवल जनवरी, फरवरी और मार्च, तीन महीने के प्रयास में हमने उनकी कंप्यूटर ऑनलाइन गणना की। इसको हम सोशियोइकोनॉमिक प्रोफाइलिंग कहते हैं, जिसको हमने क्यू.सी.आई.के माध्यम से किया। हमने लगभग साढ़े तीन लाख से ज्यादा लोगों का सोशियोइकोनॉमिक प्रोफाइलिंग किया और उसमें डेढ़ लाख से ज्यादा लोगों को ऑटोमेटिकली बेनिफिट भी मिल गया। आपको कहीं किसी भी दफ्तर में अपना एप्लीकेशन लेकर जाने की जरूरत नहीं है। अगर आप किसी योजना के बेनिफिशियरी हैं, अगर उस योजना में पैसे उपलब्ध हैं और आप उस योजना के लाभार्थी हैं, तो ऑटोमेटिकली आपको उस कालाभ मिलेगा। यह एक बहुत बड़ा परिवर्तन हुआ है।”

(v) Sankalp Se Siddhi

5.30 The opinion of MoHUA on the suggestion that in Non-Hindi Speaking States, the term “Sankalp se Siddhi” is hard to understand and hence the purpose of the initiative will fail if regional languages are not used to spread the message of the initiative, MoHUA submitted as follows:

"Under IEC for PM SVANidhi, creatives are shared with the States with a request to translate into local language and give wide publicity."

PART II

RECOMMENDATIONS/OBSERVATIONS

APPLICABILITY OF THE PM SVANidhi ON THE STREET VENDORS OF SIKKIM

1. The Committee note that PM SVANidhi 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. The Committee had expressed concern regarding the non-eligibility of Sikkim to participate in the PM SVANidhi Scheme initially as it was yet to notify the Scheme under Street Vendors Act. Therefore, the Committee appreciate that the State Government of Sikkim has finally notified the scheme under the Street Vendors Act on April 20, 2021 enabling the street vendors of Sikkim to become eligible for availing loans under PM SVANidhi. However, the Committee point out that Sikkim being such a late entrant to the scheme, has lost valuable time especially in the context that the interest subsidy @7% under PM SVANidhi is available up to March 31, 2022. They note from Annexure-I that MoHUA is yet to set any target under PM SVANidhi for Sikkim and as on 24.09.2021, only four loan applications have been received from street vendors in Sikkim. The Committee, accordingly, suggest/recommend that suitable steps be taken both by MoHUA and DFS through banks to implement PM SVANidhi in mission mode in Sikkim to make up for the lost time with a special drive to generate awareness about the scheme among the street vendors of Sikkim.

SANCTION & DISBURSAL RATE OF LENDING INSTITUTIONS IN VARIOUS STATES/UTs

2. The Committee observe from the data furnished by MoHUA at Annexure-I that in terms of sanction rate, there are (i) Nine States/UTs viz Telengana, Kerala, Ladakh, J&K, A&N Islands, Puducherry, Goa, Himachal Pradesh and Mizoram have sanction rate of greater than 70%, (ii) Sixteen States/UTs viz Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Karnataka, Gujarat, Odisha, Jharkhand, Delhi, D&D, Chandigarh, Manipur, Arunachal Pradesh, Uttarakhand, Nagaland, Tripura & Meghalaya have sanction rate between 50-69% and (iii) Ten States viz Chattisgarh, Maharashtra, Tamil Nadu,

Rajasthan, Bihar, Punjab, Haryana, West Bengal, Assam and Sikkim have sanction rate less than 50%. The Committee further observe that in terms of disbursement rate with respect to the total number of loan applications received by States/UTs, there are (i) Seven States/UTs viz Telengana, Ladakh, J&K, A&N Islands, Goa, Himachal Pradesh and Mizoram have a disbursement rate (out of the total applications received) of greater than 70%, (ii) Fourteen States/UTs viz Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Gujarat, Odisha, Jharkhand, Delhi, Puducherry, Chandigarh, Uttarakhand, Nagaland, Tripura & Meghalaya have a disbursement rate between 50-69% and (iii) 10 States /UTs viz Karnataka, Chattisgarh, Maharashtra, Tamil Nadu, Rajasthan, Bihar, Punjab, Haryana, West Bengal, D&D, Manipur, Arunachal Pradesh, Assam and Sikkim have a disbursement rate of less than 50%. It may therefore, be seen that even after more than an year of this Scheme's introduction, almost all the States/UTs are far from meeting their targets under PMSVANidhi. The Committee express their concern that despite MoHUA's efforts in (i) conducting Regular joint follow up meetings with State Administration and the Banks under the Chairmanship of Secretaries and Joint Secretaries of MoHUA and DFS; (ii) asking States to appoint a Nodal Officer for the scheme in every ULB to follow up with the Lead District Managers (LDMs) on a regular basis for disbursement of the loan applications; and, (iii) holding a special drive 'Sankalp Se Siddhi' to improve the performance of the scheme in terms of applications, sanctions, and disbursements, ten States/UTs have less than 50% sanction and disbursement rate. As second wave of covid has impacted adversely the already beleaguered street vendors and also in view of six months of remaining period of the validity of the scheme, the Committee recommend that the matter should be taken up at the highest political and executive level so as to improve the performance of States and provide time lines to the States/UTs to improve their sanction and disbursal rate.

SETTING TARGETS FOR VARIOUS STATES/UTS UNDER PMSVANIDHI LOWER THAN THE NUMBER OF IDENTIFIED VENDORS

3. The Committee observe from the table at Para 3.8, that there are (i) Five States/UTs viz A&N Islands, Delhi, Kerala, Meghalaya and West Bengal have higher targets set under PM SVANidhi than the number of Street Vendors identified; (ii) In Six States/UTs total number of identified street vendors is higher than the mandated target and the gap is upto 10%; and, (iii) In as high as Twenty Three States/UTs this gap is more than 10% including Puducherry which has a gap as high as 61% and Telengana, Chandigarh, and Arunachal Pradesh having more than 40% gap. Sikkim, on the other hand has no mandated target under PM SVANidhi. The Committee also note, from the submissions made before the Committee by MoHUA that the targets were initially given for 2020-21 based on the urban population, the number of street vendors identified and the requests for LoR received with a cap of 2.25 % of Urban population and further, these targets were revised based on the performance of the States in 2020-21. However, the Committee fail to understand the logic for keeping targets lower than the identified no of street vendors in the respective States/UTs. The Committee feel that as per the reply of MoHUA if the purpose of keeping these targets under PMSVANidhi is to help in inculcating a spirit of healthy competition among the States/UTs, then it is all the more imperative to keep the target of each State/UT almost equivalent to the number of street vendors identified in the respective States/UTs. Further, the Committee also insist that the cap of 2.5% of Urban Population while determining the number of street vendors should not be a restriction under the Scheme as insistence on predetermined targets may result in arbitrariness in providing the benefit. The Committee would also like to be apprised of the reasons as to why there is such discrepancy/variation in the percentage gap between total number of identified street vendors and the mandated target under PM SVANidhi in the States/UTs.

STATUS OF STREET VENDORS WITH LoR/ID CARDS BUT NO COV OR DEMARCATED VENDING ZONES

4. The Committee observe that the proper sequence of Activities as per the Street Vendors Act is formation of provisional TVC, conduct of survey, formation of regular TVC, issue of CoV and ID Card, formulation and approval of city vending plan and allotment of spaces to the vendors. Further, the Committee note that PM SVANidhi Guidelines stipulate that street vendors having Letter of Recommendation (LoR) in cases where street vendors have been left out of the ULB-led identification survey or who have started vending after completion of the survey are eligible to avail loans under PM SVANidhi. The Committee appreciate the concept of LoR as there are many towns/cities where vendor surveys have not yet been conducted or even if it is conducted, vendors are yet to be issued with Vendor ID Cards/Certificate of Vending and hence with LoR these street vendors along with the ones that have been left out of the ULB-led identification survey or who have started vending after completion of the survey will also be able to avail the loans under PMSVANidhi. However, the Committee express concern whether street vendors with just LoR and no CoV have the legal right to vend without any designated Vending Zones as in many States/UTs, Vending Zones have not been declared but loans have been disbursed through LoR . To this, MoHUA has clarified before the Committee that the LoR captures information similar to the CoV and the place where the street vendor vends his articles is also mentioned in the LoR as duly issued by the ULB. Nonetheless, the Committee are of the opinion that issuing of LoR is just an interim measure so that no street vendor is left out of the ambit of PMSVANidhi Scheme and observe from the submission made by MoHUA that on issuance of the LoR, these street vendors would be automatically included in the survey list and CoV is to be issued within a month of issuance of LoR. But the data furnished in the table at Para 2.17 shows that fourteen States/UTs viz Arunachal Pradesh, Assam, Chattisgarh, Gujarat, Jharkhand, Karnataka, Kerala, Maharashtra, Manipur, Meghalaya, Odisha, Punjab, Rajasthan and Tamil Nadu have issued more LoRs than CoV. In fact, three States/UTs viz Delhi, J&K and West Bengal have not issued a single CoV. The

Committee feel that LoR being an ad-hoc measure should not be considered as the final document for providing legal right to vend to street vendors. It is equally necessary that CoV be issued to all the street vendors who are issued LoR to implement the provisions of the Street Vendors Act in its true spirit to achieve its intended objectives. Therefore, the Committee recommend MoHUA to impress upon the States/UTs to follow the proper sequence of Activities as per the Street Vendors Act and expeditiously issue CoVs to all the identified street vendors and ensure that CoVs are issued by ULBs within a month of the issue of LoRs.

INSISTENCE ON DOMICILE FOR REGISTERING AS VENDOR

5. The Committee note, that as per the Street Vendors Act, 2014 domicile certificate is not a criteria for registration as street vendor in a particular state. It has, however, come to the notice of the Committee that Urban Local Bodies (ULBs) in Mumbai are depriving hawkers/vendors of licenses based on domiciles defeating the purpose of the Act as vendors are mostly migrant laborers and will find it difficult to prove the domicile. The Committee, further, note from the submissions made before the Committee by MoHUA that in the Scheme notified by Government of Maharashtra under Street Vendors Act, 2014, the condition of domicile of street vendors has been imposed for their registration. Not registering the vendors even though they are identified in survey and also insisting for their domicile certificates before their registration is against the provisions of Street Vendors Act, 2014. Therefore, vide letter dated 27.10.2020, Secretary (HUA) has requested Chief Secretary, Government of Maharashtra to re-examine the issue and arrange for removing the clause pertaining to domicile, in the Scheme notified by the State so as to bring it in alignment with the provisions of the Act. However, these efforts of MoHUA, the Committee note are yet to fructify. The Committee observe that in case of availing loan under PM SVANidhi, as per MoHUA, once the Street Vendor is identified either by issued of CoV or LoR, he is eligible irrespective of domicile and PM SVANidhi Scheme does not mention about domicile certificate as an eligibility criteria for availing benefit. However, in case of

Mumbai , the ULBs are refusing to even register the Street Vendors without the domicile certificate thus preventing them from availing loans under PMSVANidhi. Therefore, the Committee recommend that MoHUA may take up the matter with the State Government of Maharashtra to ensure that the criteria of seeking of domicile certificate from street vendors for their registration must be removed from their Scheme notified under Street Vendors Act, 2014.

PERFORMANCE OF LENDING INSTITUTIONS UNDER PM SVANidhi

6. The Committee appreciate the path breaking initiative of the Government of India in introducing PMSVANidhi Scheme, noting that it will go a long way in enabling the street vendors a professional identity, according legitimacy to their business and most importantly availing loans from the banks instead of money lenders at usurious rates thus ultimately bringing them into the fold of the formal financial system. The Committee also observe that a wide range of financial sector players can lend under this Scheme including Scheduled Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks, Non-Banking Finance Companies (NBFCs), Micro Finance Institutions (MFIs) & SHG Banks established in some States/UTs such as Stree Nidhi. The Committee, however, find from the data furnished by DFS at Annexure II that (i) SBI, UBI, J&K Bank and the State Cooperative Banks have a sanction rate of greater than or equal to 70% whereas Indian Bank, Canara Bank, PNB, BoB, Bank of India(BoI), Central Bank of India (CBI), Bank of Maharashtra (BoM), IDBI, Karnataka Bank, HDFC and Regional Rural Banks(RRB) have a sanction rate between 50% to 70% and Indian Overseas Bank(IoB),UCO Bank, Punjab &Sind Bank and ICICI have sanction rate less than or equal to 50%. (ii) All the banks except HDFC and ICICI Banks have disbursement rate (out of the sanctioned loan applications) of more than 80%. The Committee, therefore, suggest MoHUA and DFS to investigate the bank specific reasons for the lower rate of sanction & disbursal and take measure to improve the sanction and disbursal rate.

TIME TAKEN TO SANCTION AND DISBURSE THE LOAN

7. The Committee note from the submission by DFS that as per the scheme guidelines under PM SVANidhi issued on June 30, 2020, it has been mentioned that lenders may complete the whole process of disbursement within 30 days. Further, norms for timely disposal of credit applications are clearly defined under credit policy duly approved by the Board of Directors of the respective banks and Reserve Bank of India vide its circular no. RBI/2014-15/199 dated 01.09.2014 has also advised that banks should clearly delineate the procedure for disposal of loan proposals, with appropriate timelines. In spite of the above stipulations in the scheme guidelines, norms and RBI's circular, the Committee, observe from the data furnished by DFS in Annexure III that there are (i) Twelve States/UTs viz. Sikkim, Bihar, Puducherry, Maharashtra, Rajasthan, Tamil Nadu, Haryana, Karnataka, Odisha, Andhra Pradesh, Gujarat and Telengana wherein lenders took more than 60 days to finally disburse a loan; (ii) Nineteen States/UTs viz. UP, D&D, MP, Kerala, Punjab, Assam, Jharkhand, Chandigarh, Delhi, Nagaland, HP, Manipur, Tripura, WB, Goa, Chattisgarh, Arunachal Pradesh, Uttarakhand and A&N Islands where in lenders took between 30 to 60 days to finally disburse a loan; and, (iii) Four States/UTs only viz. J&K, Ladakh, Mizoram and Meghalaya in which lending institutions disbursed loans with in 30 days of receipt of the loan application The Committee while acknowledging that the prevailing Covid-19 condition may have led to delay in submitting the documents prescribed in the checklist including Letter of Recommendation (LOR) by Urban Local Bodies (ULBs) and loanees are not turning up for digital on boarding & completing other formalities required for disbursement, the Committee express concern that despite the best efforts of DFS & MoHUA in (i) conducting regular review through Video Conference(VCs) with participating banks and the Urban Local Bodies (ULBs) for mobilization of Street Vendors (SVs) to fast track the disbursement process existence of a mechanism and (ii)holding Special camps and drives like Sankalp Se Siddhi, have not had desired impact in quickening the disbursement of the loans and thirty one States/UTs are still taking more than 30 days to complete the whole process of

disbursement. The Committee, therefore recommend that MoHUA and DFS needs to take a serious note of the lengthy process of disbursement of loan applications under PM SVANidhi and address the delay in the disbursement and also closely monitor the performance of both these States/UTs and participating Banks in disbursing the loans under the Scheme.

REJECTION OF LOAN APPLICATIONS DUE TO LOW CIBIL SCORE

8. The Committee observe from the data furnished by DFS at Annexure II that SBI, UBI, UCO Bank, IoB, Indian Bank, Canara Bank, BoB, BoI, Punjab & Sind Bank, Bank of Maharashtra, IDBI Bank and HDFC Bank have not sought any minimum CIBIL Score requirement for street vendors to avail loans under PMSVANidhi. However, PNB, Central Bank of India, Karnataka Bank, ICICI Bank, 23 RRBs out of 42 RRBs and 5 out of 13 State Co-operative Banks continue to require CIBIL Score for availing loans under PMSVANidhi. In fact, J&K Bank has mentioned that credit score is taken from PMSVANidhi portal itself. The Committee are surprised to find that despite (i) DFS sending a directive to the Commercial Banks for not insisting on credit rating for sanctioning loans under the Scheme; and (ii) MoHUA vide their letter dated 23.02.2021 requesting all the Lending Institutions to review the guidelines for extending credit to street vendors having low CIBIL score, some banks continue to insist on CIBIL score for availing loans under PMSVANidhi. The Committee while comprehending the need of Public Sector Banks to verify past repayment history and overdue/ default records of the applicants as required by RBI guidelines ,however, fail to understand the need for seeking minimum CIBIL Score to sanction loans under PM SVANidhi as they feel substantial majority of the street vendors are yet to have the access to the formal financial system and perhaps many street vendors may not even have approached banks for loans in the past, let alone having high credit rating. Moreover, the insistence of Credit rating is not uniform across banks and some banks like SBI, UBI, UCO Bank, IoB, Indian Bank, Canara Bank, BoB, BoI, Punjab & Sind Bank, Bank of Maharashtra, IDBI Bank and HDFC Bank have not sought any minimum CIBIL Score requirement for street

vendors to avail loans under PM SVANidhi. The Committee are of the view that rejection of loan applications under PM SVANidhi due to low CIBIL Score will once again push the street vendors towards the informal channels of credit - generally money lenders at usurious rates, for their working capital requirements. The Committee, therefore-

- (i) Would like to be apprised of the number of loan applications rejected on account of low CIBIL Score.
- (ii) Strongly recommend MoHUA and DFS to impress upon the Banks the need to do away with seeking minimum CIBIL Score for sanctioning loans under PM SVANidhi.
- (iii) Re-examine the loan applications rejected on account of low CIBIL Score and as long as the applicant has no previous default history, may sanction the loan.

INCOMPLETE AND RETURNED LOAN APPLICATIONS UNDER PMSVANIDHI

9. The Committee observe from the data at Annexure II furnished by DFS that HDFC and ICICI Banks have returned less than or equal to 10% of their loan applications due to incomplete applications and SBI, J&K Bank, RRB and State Cooperative Banks have returned 10-20% of their loan applications. However, most of the other banks UBI, UCO, IoB, Indian Bank, Canara Bank, PNB, BoB, BoI, CBI, Punjab & Sind Bank, BoM, IDBI Bank and Karnataka Bank have returned more than 20% of their loan applications. In fact, IDBI Bank has returned approximately 51% of its applications.

- (i) The Committee while appreciating the banks' acceptance of substantial number of applications, it is concerned to note that 10-20% applications are either returned or rejected on various grounds including 'Vendor not interested in availing the loan', 'Vendor is not reachable to process the loan', 'Insufficient Documents as per the checklist prescribed', 'Letter of Recommendation (LoR) application pending with ULB' or 'non-availability of

on-line LOR', etc. It has, also, come to the notice of the Committee that a number of loan applications have been returned on the ground that there are small variations in the names in the ID proof of the street vendors availing loans under PMSVANidhi Scheme. The Committee fail to understand how a vendor becomes non-interested in availing the loan since the vendor himself/herself was the one who applied for the loan in the first place. Further, the excuse of insufficient documents or LoR application pending with ULB does not stand ground in the light of both MoHUA and DFS's claims that special drives and camps have been organised, regular follow up meetings with the banks' top management are conducted to reduce these applications and ULBs are also requested to assist and work with the Street vendors to help them in correcting and removing the discrepancies and errors in application form before re-submitting it to the bank. The issue of discrepancy in the name of the vendor, the Committee feel is natural as many vendors may not be literate and hence, spellings of the names in their ID proofs may vary. As the scheme is meant to bring respite to one of the most vulnerable sections of the informal economy who often fall victim to money lenders charging usurious interest rate on loans, the Committee would like - to be apprised of the final outcome of the steps taken by MoHUA and DFS in reducing the number of incomplete/returned applications.

- (ii) MoHUA & DFS to dwell into the reasons as to why the ground 'Vendor not interested in availing the loan' is cited for rejection of applications since the vendor himself/herself was the one who applied for the loan in the first place.
- (iii) MoHUA may take up the matter with those States/UTs where 'Letter of Recommendation (LOR) application are pending with the ULB' and address the reasons for the delay.

- (iv) recommend that suitable steps also need to be taken by DFS to ensure that banks don't return the applications on flimsy grounds.
- (v) suggest that DFS and MoHUA explore the possibility of seeking a self declaration certificate ascertaining the name of the Street Vendor to reduce the number of applications that has been returned on account of small variations in the names in the ID proof of the street vendors.

ROLE OF MUNICIPAL BODIES IN CASE OF RETURN OF LOAN APPLICATIONS UNDER PM SVANIDHI

10. It had come to the notice of the Committee that urban local bodies were not allowed to make corrections/amendments/modifications in the loan applications on the portal because of which the applications submitted by illiterate/technologically weak street vendors were returned by the banks due to incomplete or wrong information. The Committee are glad to note that in order to overcome this difficulty, MoHUA has developed a new functionality to provide editing rights to ULBs, after incorporating due safeguards and hence, the ULBs can scrutinise the 'Returned by banks' applications and mark them back to the banks for processing or push them to the 'Ineligible bin', if the application is not from a recognised vendor. Further, the Committee also observe from the submissions by MoHUA that States have been advised to review, monitor and follow-up the scrutiny of the 'Returned by Banks' applications by the ULBs, which is also being monitored by the Ministry during the weekly/fortnightly/monthly joint review with the States and Banks. However, the Committee are of the view that this scrutiny of the "returned by banks" applications need to be done at a faster pace within a fixed time frame as the interest subsidy component of the Scheme is only till March 31, 2022. Further, the Committee also suggest/recommend that suitable steps be taken by MoHUA & DFS to ensure adequate coordination between the ULBs and the bank officials by utilising the platform of SLBC meetings where ULB officials can share issues/problems encountered by both ULBs and Bank Officials in case of PMSVANidhi and find solutions for the same.

LOAN APPLICATIONS IN THE MARKET PLACE

11. While submitting the loan application under PM SVANidhi, the Committee note that the Street Vendor has the option to select a 'Preferred Lender' to whom application is forwarded. In case, no 'Preferred Lender' is selected, the application goes to the 'Market Place', from where any lending institution can pick an application, which it is interested in processing. These applications will be visible to all the lending institutions of the District. The Committee observe from the data furnished by MoHUA that there are (i) Ten States/UTs viz. A&N Islands, J&K, Daman & Diu and Dadra& Nagar Haveli, Puducherry, Goa, Chandigarh, Arunachal Pradesh, Nagaland, Mizoram & Sikkim have 100% of the loan applications in the market place pending for more than 30 days, (ii) Eighteen States/UTs viz. Telengana, Uttar Pradesh, Andhra Pradesh, Karnataka, Chhattisgarh, Gujarat, Odisha, Jharkhand, Maharashtra, Rajasthan, Bihar, Punjab, Kerala, Arunachal Pradesh, Himachal Pradesh, Uttarakhand, Tripura and Assam have more than 90% of the loan applications in the market place pending for more than 30 days, (iii) Four States/UTs viz. Tamil Nadu, Madhya Pradesh, West Bengal & Haryana have between 50-90% of the loan applications in the market place pending for more than 30 days & (iv) Two States/UTs viz. Delhi & Meghalaya have less than 50% of the loan applications in the market place pending for more than 30 days. The Committee observe from the data furnished by DFS that apart from State Bank of India, Union Bank of India, PNB and BoB, all the other banks have picked less than 10,000 loan applications from the market place and such low numbers shows the reluctance of the banks to pick up applications from the market place. The Committee are of the view that the longer it takes to process a loan, the lesser interest the street vendors have on finally availing the loan. The Committee, therefore :-

- (i) Would like to be apprised of the specific reasons for the reluctance of the banks showing disinclination in picking up applications from the market place;and ,**

- (ii) Recommend that a time frame need to be fixed for picking up loan applications from the market place and beyond that prescribed time, the pending loan applications need to be automatically assigned to the various public sector banks operating in the region especially the ones who have picked the least number of loan applications from the market place.

PARTICIPATION OF PRIVATE SECTOR BANKS UNDER PMSVANIDHI

12. The Committee note from the data available on PM SVANidhi portal that as of 26.10.2021, out of the total 47,16,791 loan applications received, the share of private sector banks is only 2,01,802 loan applications i.e. approximately 4%. The data also shows that J&K Bank is the only private sector bank , which has a sanction rate of 81 % and disbursal rate of 74%. All other private sector banks have a sanction and disbursal rate of less than 50%. In fact eight Private Sector Banks viz. Axis Bank, Federal Bank, IDFC First Bank Ltd, Karur Vysya Bank Ltd, Kotak Mahindra Bank Ltd, RBL Bank Limited, South Indian Bank and Tamil Nadu Mercantile Bank Ltd have less than 20% sanction and disbursal rate. Further, except J&K Bank and RBL Bank Ltd., all the banks took more than 30 days to sanction the loan from the date of receipt of the application under PM SVANidhi. Taking note of the consistently low participation of the private sector banks since the initiation of this Scheme, the Committee feel it is imperative to strongly reiterate the Department of Financial Services (DFS)'s letter dated 24 February 2021 which has accorded level playing field to the Private Sector Banks on par with Public Sector Banks in allocation of Government business including Govt. agency business with a caveat that in case the Private Sector Banks lag in performance viz-a- viz the Public Sector Banks in the achievement of implementation of Social Sector Government initiatives through banks, their performance on a matrix of various Government initiatives and schemes may be reviewed from time to time by the Government in consultation with RBI and in case, it is found that there is adverse performance by any Private Sector Bank in the future, then the permission to the

concerned bank to undertake Government business could be potentially withdrawn after giving due opportunity to the bank to correct the imbalance. PM SVANidhi is one such social sector initiative that provides an opportunity for street vendors to seek loans at affordable interest rates. MoHUA and DFS's oft repeated reply that majority of the Street Vendors have their saving account with PSBs, the rate of interest charged by private sector banks are generally higher than PSBs and hence prospective borrowers themselves prefer PSBs over private sector banks is not justified due to the very fact that private sector banks are reluctant even to pick up loan applications from the market place where the vendors have not selected any 'Preferred lender' as observed by the Committee from data furnished by DFS at Annexure II. Further, the efforts of DFS and MoHUA in ensuring active participation of private sector banks through Secretary level Video conferences with private sector banks and their MDs are yet to make any meaningful impact. The Committee while taking serious note of such lack of response from the private banks to participate in the scheme despite offering credit guarantee cover for the loans sanctioned under the scheme, impress upon the Ministry to take up the issue at the highest levels since the scheme was devised to help the street vendors who were deprived of their livelihood during the Covid- 19 pandemic. The Committee, therefore strongly recommend that DFS in consultation with RBI must review the performance of private sector banks under PM SVANidhi and if need be set targets for the private sector banks to pick loan applications from the market place.

DOCUMENTARY REQUIREMENTS UNDER PMSVANIDHI SCHEME

13. The Committee note from the submissions made by MoHUA that the documents required, in addition to Certificate of Vending/ Identity Card/ Letter of Recommendation for availing the loan, is Aadhaar Card. Further, optional documents are Driving License, MNREGA Card, PAN Card and Voter ID card. However, the Application Form to be filled by the vendor for seeking loans under PM SVANidhi which is available on the PM SVANidhi portal mandatorily requires Voter ID card as a KYC document along with Aadhaar Card. The Committee are surprised to note the

contradiction between MoHUA's submissions made before the Committee and the factual position as ascertained by the Committee from the SVANidhi portal. The Committee taking a serious note of the contradiction want MoHUA to furnish an explanation in this regard and ensure that such contradictory information is not furnished to the Committee in future. Further, the Committee suggest that MoHUA as per its earlier commitment of keeping documentary requirements to bare minimum under PMSVANidhi should do away with the insistence of seeking voter ID card in their application form.

14. The Committee note that Department of Financial Services (DFS) has advised all banks to sanction / disburse loans under PMSVANidhi scheme with bare minimum documents and also not to insist for additional documents other than what is prescribed in the scheme guidelines. However, the Committee express concern that despite MoHUA and DFS's stipulations for seeking bare minimum documents, the banks continue to seek additional documents like DP Note, KYC, Undertaking/letter to banks, affidavit for hypothecation etc. as seen at table in para 4.50. The Committee are of the view that seeking of documents in addition to the ones stipulated in the Scheme guidelines shows that ground realities of the implementation of this Act is far from the ideal and also may be one of the reasons of return of loan applications due to its incomplete nature. Further, it has, also, come to the notice of the Committee that in many States/UTs, banks are seeking other documents like family photographs, a photo of the street vendor at their vending place, ration card, letter by urban local bodies, etc. along with the hard copies of the documents already uploaded on the portal. It can therefore be clearly seen that despite steps taken by MoHUA & DFS like review meetings, official inspection at camps, written communications, etc, banks continue to seek additional documents which is acting as an impediment to the successful implementation of the Scheme. The Committee while taking serious note of such blatant disregard of the Scheme guidelines by the banks recommend issue of strict directives to all the banks not to seek documents other than the ones stipulated in the

Scheme guidelines so that loan applications are sanctioned and disbursed in a time bound manner.

PHYSICAL PRESENCE OF BORROWERS

15. The Committee note from the data at Annexure II furnished by DFS that all the banks require physical presence of borrowers at least once during the entire process of availing loans under PMSVANidhi. The Committee are concerned to note that even a single day visit to the bank becomes cumbersome for the street vendors as it leads to financial loss from his/her already meager income. Further, due to technical reasons or otherwise if the formalities of sanction of loan is delayed, it leads to more visits to the banks causing further loss of income and making the entire process counterproductive. The Committee while acknowledging the need for physical presence of the street vendors at the time of disbursement of the loan for completion of the loan documentation, issue of Durable QR Code, UPI ID and also to train street vendors in digital transactions, desire the Ministry to engage Business Correspondents (BCs) for completing these formalities at the vending sites of the vendors. As all the banks are not using the services of Banking Correspondents (BCs) since this adds to cost of administration of the banks, which may lead to increase in interest rate for this Scheme, the Committee are of the view that at least in those banks where the services of BCs are being used, the need to visit the banks by the street vendors even once may be done away with. Further, in case of the Lending Institutions (LIs) which are not employing the services of BCs, strict instructions must be given to them to complete all the formalities including documentary requirements, issue of Durable QR Code etc., related to loan disbursement in a single day as they lose business if they have to make multiple visits to the banks for completing the documentation and other formalities.

EXTENSION OF THE TIME PERIOD OF THE SCHEME

16. The Committee note that one of the most appreciative component of this Scheme is that the vendors, availing loan under the scheme, are eligible to get an interest subsidy @ 7%. The Committee, however observe that the interest subsidy is available up to March 31, 2022 only and the subsidy will be available on first and subsequent enhanced loans only up to that date. As (i) many street vendors are yet to be covered under the scheme , (ii) the banks especially the private ones are yet to catch up with their counterparts in public sector in sanctions and disbursal of the loans, (iii) the sanctions to disbursal ratio of the banks is not that encouraging ; and (iv) many street vendors are yet to recover from the adverse impact of Covid on their businesses, the Committee suggest MoHUA to explore the possibility of extending the scheme at least by an year.

UNIFORM RATE OF INTEREST

17. The Committee observe from the data furnished by DFS at Annexure II that various banks charge interest rate ranging from Repo linked Lending Rate (RLLR)+0.15% to RLLR+6.50%. Indian Bank, BoB, Bank of India (BoI), IDBI, Karnataka Bank, HDFC Bank and ICICI Bank are charging interest rates above 10%. The various Regional Rural Banks are charging interest rates ranging from 9% to 13.5%. Similarly, the State Co-operative Banks have interest rates ranging from 10% to 13%. . The data provided by the banks during the Committee's interaction with them , shows that interest charged by Bank of India on loans under PMSVANidhi was 13.35%. After the subsidy @7%, the net interest rate works out to be 6.65%. On the other hand, Canara Bank's net interest rate after subsidy is just 0.95%. The Committee express concern that such a huge gap in interest rate charged puts the street vendor who has taken loan from a bank charging higher rate at a disadvantage vis-a-vis the vendor who availed the loans at much lower interest especially in the context that certain banks have more branches in a particular region and the vendor would have no option but to take loan from that bank due to accessibility issues. The Committee while noting that different rates of interest across

banks are attributable to factors like stipulations of RBI guidelines allowing banks the freedom to fix interest rates in a transparent manner linked to an external benchmark after considering their own cost of funds, operational cost etc., fees payable to Business Correspondents (BCs)/ payment service providers engaged to assist the bank in smooth implementation of PMSVANidhi Scheme and the high cost of funds and high operational cost for NBFCs/ MFIs/Private Banks due to operating at low economies of scale, is however, of the view that a social sector initiative directed at bringing the street vendors into formal financial economy should not put vendors availing loans from a particular Lending Institution (LI) charging high interest rates thus putting them at a disadvantage as compared to the vendors availing loans from LIs charging lower interest rates. The Committee thus suggest MoHUA and DFS to explore the possibility of creating a system where in such disadvantage to some street vendors may be addressed positively. .

API (APPLICATION PROGRAMME INTERFACE) INTEGRATION OF PUBLIC AND PRIVATE SECTOR BANKS WITH PM SVANIDHI PORTAL

18. The Committee observe that in order to facilitate smooth flow of data between the PM SVANidhi scheme portal and banks to speed up the processing of loan applications, banks were advised to integrate their systems with the PM SVANidhi portal through APIs. The Committee, however note that since initially the PMSVANidhi portal took some time to stabilize, API integration between banks and the portal could only be achieved in November, 2020. The data shows that apart from the 12 public sector banks, other banks and financial institutions (FIs) especially the private sector banks are still reluctant to integrate their systems with the portal on account of privacy and cyber security issues. Despite assurances by DFS during their submissions before the Committee way back in January, 2021 that DFS is addressing these issues case-by-case and the integration is in progress, the Committee find that so far only two private Sector banks and five Micro Finance Institutions (MFIs) have completed the API

integration with PM SVANidhi Portal. Such a slow pace of API integration even after 18 months of commencement of the scheme may not serve the purpose the Scheme's validity is till March 31, 2022 only.. The Committee, therefore recommend DFS to take suitable steps to ensure that API integration of all the banks with the portal may be completed without any further delay.

WAIVING OFF STAMP DUTY ON LOANS UNDER PMSVANIDHI BY STATES/UTs

19. The Committee observe from the data furnished by DFS in Annexure-IV that there are (i) Nine States/UTs viz Gujarat, J&K, Jharkhand, Meghalaya, Rajasthan, Telengana, Tripura, & Uttar Pradesh that have totally exempted the loans under PMSVANidhi from stamp duty, (ii) Four States/UTs viz Chattisgarh, Ladakh, Madhya Pradesh & Tamil Nadu charge Rs.10-50 Stamp duty on loans under PMSVANidhi, (iii) Eight States/UTS viz Andhra Pradesh, Bihar, Delhi, Goa, Karnataka, Kerala, Maharashtra & Odisha still charge more than/equal to Rs 100 stamp duty on loans under PMSVANidhi & (iv) Three States viz. Arunachal Pradesh, Manipur & Meghalaya are undergoing the process of exemption of Stamp duty on loans under PMSVANidhi. The Committee are disappointed to note that despite MoHUA's continuous efforts in persuading the States/ UTs in either waiving off stamp duty or to reduce it to a nominal amount for executing the Loan Agreement under the PM SVANidhi Scheme, eight States/UTs continue to impose Rs 100 or more as stamp duty. The Committee while acknowledging that imposition of Stamp Duty is a State subject, however, is of the opinion that the stamp duty on the loans under the scheme may not be appropriate and that too in view of the fact that the operation of the Scheme is upto 31 March, 2022 only. In view of the noble objective of the scheme to help the street vendors affected adversely by the Covid 19, the Committee suggest that MOHUA must impress upon the need to waive off the stamp duty by all the States/ UTs also as they believe that such waiving off the stamp duty may not have significant impact on the revenues of the States/ UTs.

DOING AWAY WITH THE REQUIREMENT OF STAMPED DOCUMENTS BY BANKS

20. The Committee further note from the data furnished in Annexure-II by DFS that Seven Banks viz. Union Bank of India, UCO Bank, PNB, Bank of India, Punjab & Sind Bank, Bank of Maharashtra and Karnataka Bank Ltd do not require stamped documents to avail loans under PMSVANidhi. Further, out of 42 RRBs, 27 RRBs and out of 13 State Cooperative Banks, 10 State Coperative Banks do not require stamped documents. The rest of the Banks, RRBs and State Cooperative Banks continue to require stamped documents attracting stamp duty @ applicable on loan documents in the respective states to be paid by the street vendors. The Committee fail to understand the lack of uniformity among the banks regarding documentary criteria for the loans under PM SVANidhi which will eventually lead to confusion among vendors. The Committee are of the view that this difference in documentary criteria is one of the reasons that loan applications get returned as incomplete. The intent of the Committee is non insistence on stamped documents by Lending Institutions irrespective of the decision of the State/UT Govt on waiving off Stamp Duty on loans under PMSVANidhi as is being done by seven banks, 27 RRBs and 10 StCBs, The Committee, therefore recommend keeping the documentary requirements for seeking loans under PMSVANidhi at the bare minimum and requirements of stamped documents must not be insisted upon.

CONSTITUTION OF STATE/UT LEVEL MONITORING COMMITTEE

21. As per the Scheme guidelines, at State/UT level, a Monitoring Committee under the chairmanship of Principal Secretary/ Secretary of Urban Development/Municipal Administration which shall meet at least every three months for effective implementation and monitoring of the Scheme. However, the Committee are disheartened to note that so far only 17 States/UTs have constituted these Monitoring Committees. Considering that the Scheme is available upto March 31, 2022, the delay in putting the State level monitoring mechanism is conspicuous. The Committee thus

strongly recommend that MoHUA must take up the issue with the highest authorities of defaulting States to expedite the matter.

EFFORTS TO BRING STREET VENDORS ON DIGITAL PLATFORM AND TO PROMOTE DIGITAL TRANSACTIONS BY THE STREET VENDORS

22. Interest subsidy and cash back on digital transaction are the two main components under PMSVANidhi Scheme to attract the vendors towards formal LIs . As per the information submitted by the Ministry, as on 24.09.2021, out of the 20.77 lakh street vendors have been digitally onboard with the help of Lending Institutions, 7.2 lakh are digitally active. The Committee have noted that despite the best efforts of MoHUA reflected in campaigns such as 'Main Bhi Digital' 'sankalp se samridhi' , etc, still 6.51 lakh vendors out of total 27.28 lakh sanctioned applications could not be brought on-board. And out of those 20.77 lakh brought on-board, only 7.2 are digitally active. Hence, only 25 % of the Street Vendors who have received the loans under SVANidhi are digitally active and actually getting some benefit of the cash back component. Thus, there are twin challenges here. Firstly, the issue of ensuring digital on-boarding of all street vendors availing loans under SVANidhi. Secondly, a large number of onboard street vendors are digitally inactive and hence, deprived of cash back benefit under SVANidhi. The Committee have been apprised that the Lending Institutions were expected to undertake the exercise of digital on-boarding of vendors at the time of disbursement of loans either on their own or take help of third party Digital Payment Aggregators (DPAs) like Paytm, Phone Pe, Bharat Pe, Google Pay, etc with whom the Ministry had negotiated for free on-boarding of Street Vendors. However, due to Bank's internal logistical issues and the fact that Digital on-boarding is done by subsidiaries of banks which do not have presence at bank branches, the expected results are not visible. The Committee accordingly recommend that since the Urban Local Bodies (ULBs) have better access to all vendors, they should be roped in to collaborate with the third party Digital Payment Aggregators (DPAs) and share the responsibility of 'training Street Vendors on the use of QR code and their payment App/BHIM UPI App'. The Committee are of the strong view that since 'cash back for

digital payment' remains a very important incentive and without it the objective 'penny drop' transaction is also defeated. Therefore, the onus of keeping them digitally active must also rest upon the ULBs and not the Banks. Banks should support and guide the vendors but ULBs must continuously handhold the digitally onboard vendors to continue using digital payment mode.

FORMATION OF COLLECTIVES OF THE VENDORS

23. A provision exists in the guidelines that Common Interest Groups (CIGs) of street vendors formed by States, can be converted into Joint Liability Groups (JLGs) by Lending Institutions. The ULBs should extensively encourage formation of CIGs of the street vendors to ensure maximum coverage of the scheme. The Committee have also been made to understand that this provision was incorporated in the guidelines to facilitate approval of loans by NBFCs/MFIs as they prefer the JLG/CIG for lending. The Ministry has not compiled the information on formation of CIGs/JLGs by ULBs. The Committee are of view that the Ministry are not serious about the implementation of a provision made by them in the guidelines despite the fact that there is a huge gap between number of applications filed and sanctioned. Further, formation of Collectives of Vendors as suggested in the Guidelines may also play a positive role in digital on-boarding of Street Vendors. The Committee, therefore recommend that the Ministry should come forward and issue directions to States/UTs and ULBs to form CIGs and share their information to lending Institutions to form JLGs in a time-bound manner.

New Delhi
09 December, 2021
18 Agrahayana, 1943 (Saka)

JAGDAMBIKA PAL
Chairperson
Standing Committee on
Housing and Urban Affairs

ANNEXURE-I

Large States											
#	State Name	Targets	Applications Received	Applications Sanctioned	Disbursements out of sanctioned	Incomplete and returned by banks	Rejected Applications (Ineligible)	Market Place			
								< 15 days	15 days to 30 days	>than 30 days	Marketplace Applications
1	Telangana	3,40,000	4,56,915	3,57,613	3,37,779	48,836	15,978	4	5	6,369	6,378
2	Madhya Pradesh	4,05,000	5,64,475	3,81,731	3,57,916	73,738	54,830	716	70	1,788	2,574
3	Uttar Pradesh	8,30,000	11,63,202	7,65,666	6,93,141	1,09,795	1,96,212	535	29	19,046	19,610
4	Andhra Pradesh	2,30,000	2,82,732	1,89,286	1,76,837	8,917	60,184	94	4	2,600	2,698
5	Karnataka	2,50,000	2,53,182	1,35,989	1,24,453	53,593	38,941	142	11	1,686	1,839
6	Chhattisgarh	1,00,000	97,978	44,899	43,017	23,440	20,344	4	1	3,184	3,189
7	Gujarat	3,00,000	2,18,259	1,17,753	1,08,601	24,848	54,120	24	5	4,640	4,669
8	Odisha	80,000	59,904	37,538	31,332	9,260	8,369	12	4	193	209
9	Jharkhand	80,000	46,989	25,259	23,925	12,201	4,955	22	-	374	396
10	Maharashtra	5,50,000	4,28,207	2,06,811	1,74,598	93,532	92,606	73	20	5,178	5,271
11	Tamil Nadu	3,50,000	3,58,723	1,50,362	1,31,377	91,571	47,684	1,231	234	2,888	4,353
12	Rajasthan	1,95,000	1,53,266	70,102	62,512	36,804	33,551	54	8	1,878	1,940
13	Bihar	1,20,000	1,07,399	53,007	41,287	31,901	12,997	44	4	1,564	1,612
14	Punjab	1,45,000	1,04,122	37,452	33,651	42,302	15,944	53	4	747	804
15	Delhi	1,65,000	68,849	40,650	34,479	9,667	9,371	943	20	405	1,368
16	Haryana	1,10,000	49,213	23,105	19,729	13,894	6,715	163	7	646	816
17	Kerala	1,20,000	12,697	8,890	8,587	62	2,353	8	-	99	107
18	West Bengal	2,95,000	26,299	12,746	7,539	4,683	2,215	71	13	128	212
	Total	46,65,000	44,52,411	26,58,859	24,10,760	6,89,044	6,77,369	4,193	439	53,413	58,045

Small States and Union Territories											
#	State Name	Targets	Applications Received	Applications Sanctioned	Disbursements out of sanctioned	Incomplete and returned by banks	Rejected Applications (Ineligible)	Market Place			
								< 15 days	15 days to 30 days	> than 30 days	Marketplace Applications
1	Ladakh	250	293	262	254	15	11	-	-	0	0
2	Andaman & Nicobar Islands	450	529	476	461	13	34	-	-	2	2
3	Jammu & Kashmir	24,000	17,133	13,845	12,844	1,550	827	7	4	38	38
4	Daman & Diu and Dadra & Nagar Haveli	2,500	2,203	1,293	1,080	531	78	-	-	40	40
5	Puducherry	3,000	1,815	1,422	1,223	14	315	-	-	7	7
6	Goa	3,000	1,520	1,146	1,085	103	134	-	-	13	13
7	Chandigarh	11,000	4,492	2,885	2,658	713	385	-	-	18	18
	Total	44,200	27,985	21,329	19,605	2,939	1,784	7	4	107	118

North Eastern and other Hilly States											
#	State Name	Targets	Applications Received	Applications Sanctioned	Disbursements out of sanctioned	Incomplete and returned by banks	Rejected Applications (Ineligible)	Market Place			
								< 15 days	15 days to 30 days	> than 30 days	Marketplace Applications
1	Manipur	13,000	16,913	8,434	7,134	4,513	952	2	-	100	102
2	Himachal Pradesh	6,500	4,389	3,191	3,056	338	556	2	-	42	44
3	Arunachal Pradesh	5,000	4,931	2,644	2,329	1,240	200	-	-	40	40
4	Uttarakhand	25,000	17,050	10,646	9,793	3,305	1,837	5	-	95	100
5	Tripura	8,000	4,219	2,758	2,647	456	295	1	-	35	36
6	Assam	52,000	39,364	18,288	16,372	10,182	4,992	5	1	135	141
7	Nagaland	4,500	2,388	1,387	1,359	769	148	-	-	7	7
8	Mizoram	4,000	635	450	444	10	60	-	-	2	2
9	Meghalaya	3,000	643	391	360	103	70	3	-	2	5
10	Sikkim		4	1	1	1	-	-	-	1	1
	Total	1,21,000	90,536	48,190	43,495	20,917	9,110	18	1	459	478
	Grand Total	48,30,200	45,70,932	27,28,378	24,73,860	7,12,900	6,88,263	42	18	53,979	58,641

ANNEXURE-II

Status of Stamp Duty requirement in major States/ UTs under PM SVANidhi	
State/ UT	Stamp Duty
ANDHRA PRADESH	100-170
ARUNACHAL PRADESH	Under Process of exemption
BIHAR	200
CHHATTISGARH	10
DELHI	1-100
GOA	200
GUJARAT	fully exempt
HARYANA	Under process of exemption
HIMACHAL PRADESH	waived of
JAMMU AND KASHMIR	fully exempt
JHARKHAND	fully exempt
KARNATAKA	250
KERALA	200
LADAKH	10
MADHYA PRADESH	50
MAHARASHTRA	100
MANIPUR	Under process of exemption
MEGHALAYA	fully exempt
ODISHA	0-100
RAJASTHAN	fully exempt
TAMIL NADU	10
TELANGANA	fully exempt
TRIPURA	fully exempt
UTTAR PRADESH	fully exempt
UTTARAKHAND	fully exempt
Source: MoHUA/ Banks	

ATTACHED AFTER APPENDIX-III

ATTACHED AFTER APPENDIX-III

ATTACHED AFTER APPENDIX-III

ATTACHED AFTER APPENDIX-III

ANNEXURE-IV

State-wise analysis of sanction and disbursement time		
State/ UT	Average Days to Sanction	Average Days to Disbursement
SIKKIM	89	1
BIHAR	62	22
PUDUCHERRY	55	20
MAHARASHTRA	48	23
RAJASTHAN	45	21
TAMIL NADU	45	19
HARYANA	45	16
KARNATAKA	43	18
ODISHA	42	18
ANDHRA PRADESH	41	24
UTTAR PRADESH	38	15
GUJARAT	37	39
Daman and Diu and Dadra and Nagar Haveli	37	20
TELANGANA	36	33
MADHYA PRADESH	36	16
KERALA	36	14
PUNJAB	36	11
ASSAM	36	10
JHARKHAND	35	15
CHANDIGARH	32	12
DELHI	29	8

NAGALAND	28	14
HIMACHAL PRADESH	28	13
MANIPUR	27	15
TRIPURA	27	9
WEST BENGAL	26	25
GOA	26	12
CHHATTISGARH	26	10
ARUNACHAL PRADESH	25	14
UTTARAKHAND	25	13
ANDAMAN AND NICOBAR ISLANDS	25	10
MIZORAM	22	2
JAMMU AND KASHMIR	19	10
MEGHALAYA	17	6
LADAKH	7	6
Logic applied:		
Average Days to Sanction (from the date of application to date of Sanction)		
Average Days to Disbursement (from the date of sanction to date of disbursement).		
<i>Source: MoHUA</i>		

Standing Committee on Urban Development (2020-2021)

Minutes of the Seventh Sitting of the Committee on Urban Development held on Wednesday, 6 January, 2021

The Committee sat from 1200 hours to 1430 hours in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Jagdambika Pal - *Chairperson*

Members

Lok Sabha

2. Prof. S. P Baghel
3. Shri Sanjay Kumar Bandi
4. Shri Benny Behanan
5. Shri Ramcharan Bohra
6. Shri Rahul Ramesh Shewale
7. Shri Sunil Kumar Soni
8. Shri M V V Satyanarayana

Rajya Sabha

9. Shri Ram Chander Jangra
10. Sri Kumar Ketkar
11. Shri Sanjay Singh
12. Shri Sushil Kumar Modi

Secretariat

- | | | |
|----|---------------------------|-----------------|
| 1. | Shri Vinod Kumar Tripathi | Joint Secretary |
| 1. | Shri Srinivasalu Gunda | Director |

Ministry of Finance (Department of Financial Services)

- | | | |
|----|-----------------------|----------------------|
| 1. | Shri Sanjeev Kaushik | Additional Secretary |
| 2. | Shri Suchindra Mishra | Joint Secretary |

3. Shri Niraj Kumar Director

Ministry of Housing and Urban Affairs

1. Ms. Bindu Sreedhathan DDG, MoH&UA

National Housing Bank (NHB)

1. Shri Sarada Kumar Hota MD, NHB

Banks

- | | | |
|----|-----------------------|--------------------------|
| 1. | Shri A K Azad | ED, Punjab National Bank |
| 2. | Shri Sanjeev Nautiyal | DMD, State Bank India |
| 3. | Shri Kuldeep Singh | DGM, Bank Of Baroda |
| 4. | Shri Subodh Kumar | GM, SIDBI |

2. At the outset, the Chairman welcomed the members to the sitting of the Committee convened to have oral evidence of Ministry of Finance (Department of Financial Services) on three subjects (i) Pradhan Mantri Awas Yojana (Urban); (ii) Poverty Alleviation and creation of employment opportunities in Urban Areas – Deendayal Antyodaya Yojana (DAY)-NLUM; and, (iii) Implementation of Street Vendors Act (Protection of Livelihood and Regulation of Street Vending Act, 2014 and informed the Committee of nomination of Shri Sushil Kumar Modi, as member of the Committee and expressed hoped that his vast experience will go a long way in enriching the deliberations of the Committee.

(Thereafter the witnesses were called in)

3. The Chairperson welcomed the representatives of the Ministry of Finance (DFS) and brought their attention to Direction 55 of the Directions

by the Speaker. As the Department of Financial Services brought along with them the junior officers of the public sector commercial banks who are not in decision making levels ,the Committee expressed its displeasure and directed the Ministry to follow the stipulated guidelines in this regard in future without fail.

4. The representatives of DFS and MoHUA briefed the Committee on the role of public sector banks in the implementation of the three schemes, the status of private sector bank participation, API integration of the public sector banks interface with the PMSVANidhi portal, organization of a camp to implement the SVANidhi Scheme in mission mode, documentation regarding SVANidhi, impact of COVID on the disbursal of funds under PMAY(U) and DAY-NULM.

5. While discussing the implementation of Street Vendors Atma Nirbhar Bharat Nidhi (SVANidhi), a special micro credit facility of Rs.10,000 for street vendors for making them self reliant and lauding the PM for bringing out the scheme, the members brought out many issues such as (i) banks' charging fees for Affidavit & collecting stamp duty for loan agreements, (ii) calling the vendors to the banks for completing the formalities thereby depriving them of the business during that period (iii) seeking guarantees / collaterals for the loans, (iv) insistence on many documents, (v) seeking CIBIL score from the street , (vi) asking the beneficiaries to open a/cs with Rs.1000/- as initial deposit, (vii) lack of participation from the private sector banks, NBFCs, etc.

6. The representatives of DFS and MoHUA were requested to furnish the replies in writing to various issues / questions raised by the members for which replies are not readily available during the course of the briefing.

7. A verbatim record of proceedings has been kept.

The Committee then adjourned.

Standing Committee on Urban Development (2020-2021)

Minutes of the Twelfth Sitting of the Committee on Urban Development held on Thursday, 24th June, 2021

The Committee sat from 1100 hours to 1430 hours in Committee Room D, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Jagdambika Pal - *Chairperson*

Members

Lok Sabha

2. Shri S.P. Singh Baghel
3. Shri Sanjay Kumar Bandi
4. Shri Benny Behanan
5. Shri Hibi Eden
6. Shri Syed Imtiaz Jaleel
7. Smt. Hema Malini
8. Shri P.C. Mohan
9. Shri C.R. Patil
10. Shri S Ramalingam
11. Shri Adala Prabhakara Reddy
12. Smt. Aparajita Sarangi
13. Shri Rahul Ramesh Shewale
14. Shri Sunil Kumar Soni
15. Shri M V V Satyanarayana

Rajya Sabha

16. Shri Y. S. Chowdhary
17. Shri Ram Chander Jangra
18. Shri Kumar Ketkar
19. Shri Ayodhya Rami Reddy Alla
20. Shri Digvijaya Singh
21. Shri Sushil Kumar Modi

Secretariat

1. Shri V.K. Tripathi Joint Secretary
2. Shri Srinivasulu Gunda Director

3. Ms. Swati Parwal Deputy Secretary

Ministry of Housing And Urban Affairs

1. Shri Durga Shanker Mishra Secretary
2. Shri Kunal Kumar Joint Secretary

Department of Financial Services - Ministry of Finance

1. Shri Debasish Panda Secretary, DFS
2. Shri Sanjeev Kaushik Additional Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for taking evidence of the representatives of Ministry of Housing & Urban Affairs (MoH&UA) and Department of Financial Services (DFS) on the subject "Implementation of Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 with special emphasis on PMSVANidhi Scheme.

3. The Committee after consideration decided to take up 'PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme' as separate subject for detailed examination and present its report thereof. Further, the request of certain Members to take up the subject of Central Vista was turned down as the information is already available in the public domain and the subject has been examined in detail by General Purposes Committee headed by Hon'ble Speaker.

(Thereafter the witnesses were called in.)

4. The Chairperson welcomed the witnesses and noted that the Committee had extensive discussions with MoH&UA, DFS, State Government representatives and various stakeholder organizations on the subject of Street Vendors Act, 2014 in their previous Sittings. However, the Committee feels that now special emphasis needs to be given on the implementation aspects of PMSVANidhi

Scheme as the interest subsidy under this Scheme is available only up to March 31, 2022. The Chairperson also expressed concern that out of approximately 42 lakh applications, only 24 lakh have been sanctioned and approximately loans to 20 lakh applicants have been disbursed and hence wanted to know the reasons for such tardy progress in sanctions and disbursement of loans under SVANidhi Scheme. Further, the Chairperson also sought the reasons for the rejection or return of the applications by Banks/ULBs as mentioned in the brief of DFS. Later, the Chairperson drew the attention of the witnesses to Direction 55 (1) of the Directions by the Speaker regarding confidentiality of the proceedings.

5. The representatives of the MoH&UA made a power-point presentation and briefed the Committee on the overall progress of the States/UTs under the Street Vendors Act, 2014. Further, they gave an overview of the implementation status of PMSVANidhi Scheme by mentioning the state-wise data of disbursement of loans, data on top performing ULBs, loan distribution among Public Sector Banks and other Lending Institutions, steps taken by the Ministry to improve the sanction rate of loans and highlighted their new initiatives, such as *SVANidhi Se Samriddhi, Sankalp se Siddhi*, etc.

6. Further, the representatives of MoHU&A and DFS replied to various queries and concerns raised by the Members and gave clarifications on the status of participation of private sector banks, CIBIL score requirement, variation in rates of Stamp Duty imposed by different States/UTs, details of documents required to seek loan, reasons for slow dispersal of loan after their sanction, grounds for rejection/ineligibility of applications, procedure of settlement of 'Open Market' applications, issues related to digital payments under SVANidhi Scheme.

7. The representatives of the above mentioned Ministry/ Department were requested to furnish written replies to various queries/concerns raised by the Members for which replies were not readily available during the course of the discussion.

8. A verbatim record of proceedings has been kept.

The Committee then adjourned.

Standing Committee on Housing & Urban Affairs (2021-2022)
Minutes of the Third Sitting of the Committee on Housing & Urban Affairs held on Thursday, 9 December, 2021

The Committee sat from 1500 hours to 1630 hours in Committee Room 3, First Floor, Parliament House Annexe -Extension, New Delhi.

PRESENT

Shri Jagdambika Pal - *Chairperson*

Members

Lok Sabha

2. Shri Sanjay Kumar Bandi
3. Shri Ramcharan Bohra
4. Shri Hibi Eden
5. Shri Gautam Gambhir
6. Shri Shankar Lalwani
7. Shri C.R. Patil
8. Shri Rahul Ramesh Shewale
9. Shri Sunil Kumar Soni

Rajya Sabha

10. Shri Ram Chander Jangra
11. Shri Kumar Ketkar
12. Thiru K.R.N. Rajesh Kumar
13. Shri Sanjay Singh

Secretariat

- | | | |
|----|------------------------|------------------|
| 1. | Shri V.K. Tripathi | Joint Secretary |
| 2. | Shri Srinivasulu Gunda | Director |
| 3. | Ms. Swati Parwal | Deputy Secretary |

2. At the outset, the Hon'ble Chairperson welcomed Members of the Standing Committee on Housing & Urban Affairs for the Sitting of the Committee.

3. The Committee then took up for consideration the Draft Report on "PM SVANidhi" and adopted the same with minor editorial modifications.

4. The Committee later took up for consideration the Draft Action Taken Report on Eighth Report (17th Lok Sabha) on 'Implementation of 'Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014' and adopted the same without any modifications.

The Committee then adjourned.

Requirements for/ performance of the Lending Institutions with regard to sanction and disbursal of the loans

Name of the Bank	Rate of Interest	Stamp Duty required or not	Physical presence of borrowers required or not	CIBIL score requirement	No. of Applications received	Applications Sanctioned	Disbursed out of sanctioned	Incomplete & Returned applications	Rejected applications (moved to ineligible bin)	No. of Applications picked from Market Place (includes auto assigned applications as well)	List of documents sought from borrowers
State Bank of India	9.90%	As applicable to Demand Promissory Note (DP) Note	Required in case of disbursement at branches	Credit Bureau check is dispensed with, since February 2021	1053075	773888	644001	129186	59645	90356	DP Note delivery letter
Union Bank of India	Extrnal Bench mark lending Rate (EBLR) + 0.50	No	Yes	No	407419	287749	261945	82183	23288	14199	Certificate of Vending (COV)/ Identity Card/ Letter of Recommendation (LOR) and adhar card. Optioanal documents (i) Driving License (ii) MNREGA card (iii) Pan Card (iv) Voter ID card
Uco Bank	8.50%	Not Required	Only at the time of Disbursement	Not Required	69673	35146	33535	25193	7282	2052	Certificate of Vending/Letter of Recommendation/Aadhaar Card/Identity Card issued by ULBs
Indian Overseas Bank	8.15%	Yes, required depends upon state	Yes, required	No minimum score limit. To ensure the borrower has not availed the PMSVAnidhi Loan from other bank. To verify that the borrower's existing loan account(s)are not classified as NPA/Willful Defaulter	92725	45363	37206	31181	9077	7104	Vendor ID /LoR. ID Proof PAN/ Aadhar/ Voter ID
Indian Bank	13.50% i.e Repo + 9.50%	No stamp duty required	Yes for disbursements only	No minimum score	246924	156935	140890	66378	16355	7256	Application, Aadhar Card and Letter of Recommendation or Street Vendor (SV) Certificate is uploaded to the portal. No other documents required
Canara Bank	Repo linked lending rate (RLLR)+1.05%	Required as per stamp duty of respective state	The physical presence of the Vendor is required only once for execution of the loan agreements and disbursement of the loan	Not stipulated	298554	164427	157622	99388	26292	8447	1. Application 2.One KYC document 3.Credit Bureau Report 4.CoV/LoR certificate (All are available in the platform online)
Punjab National Bank	RLLR+0.15%	Not required	Yes	Yes	290046	175615	158185	62160	25706	26565	Undertaking/ Letter to Banks

Bank of Baroda	12.65% which includes BC charges of 5.65%	Not required in the states who have waived stamp duty under the scheme	Yes, once only for executing the loan documents	No	445758	245597	219289	117238	53243	29680	Aadhaar, LOR & Vending Certificate
Bank of India	6.50% over Repo based lending rate (RBLR) presently 13.35% p.a.	No	Yes	No	262561	174739	174299	63065	22663	2094	DP Note, Unstamped undertaking for PM SVANidhi loan
Central Bank of India	Repo+3.80%	Yes	Yes	Min 650 or No credit History	161783	94281	91489	47720	16712	3070	Application, Vendor ID , Aadhaar Card
Punjab & Sind Bank	9.50%	Not required	Yes , At the time of disbursement for documentation	Not required	30707	15505	14455	9775	1594	3833	No document required.
Bank of Maharashtra	8.85%	Not required	Required at the time of loan disbursement	No specific requirement	77556	44476	42438	21398	8244	3438	1. Aadhar Card 2. CoV/Identity Card/LoR 3. Bank Account Details (as mentioned in Loan Application Form) 4. Current Address Proof (If different from the address given in Loan Application Form / Aadhar Card)
Jammu & Kashmir Bank Ltd	RLLR+2.75 presently 9.95%	Yes	Yes	Taken from PMSVANidhi portal	14799	12100	11168	1584	312	803	1- KYC documents only from customer whose account is non-KYC compliant. 2- Loan agreement on non judicial paper of Rs 100 stamp duty. 3- Affidavit for Hypothecation.
IDBI Bank	12.00%	No	Yes	Credit Information Corporation (CIC) report to be generated. No minimum cibil score required. If the borrower a/c is NPA or SMA2 with any lending institution, case to be rejected	14799	8890	7885	7561	3281	6669	E-KYC, proof of Identity, Certificate of Vending/ID card issued by ULB/Survey Reference Number/Letter of Recommendation (LOR) issued by ULB
Karnataka Bank Ltd	11.59%	No	Yes	675	14799	8693	7653	5038	2600	7263	1) Adhaar 2) Letter of Recommendation / Certificate of Vending

HDFC Bank	24.00%	-For Telangna and Gujarat -exempted. Madhya Pradesh - Rs 25 Jharkhand -Rs 10 .For rest of the states- Rs 100/-	Yes	The Bank does not mandate good CIBIL scores while assessing PMSVANidhi loan proposals. In fact, the Bank has approved many New To Credit customers as part of this program.	14799	8309	3836	883	5164	9466	KYC documents , Bank Application & Loan Agreement form
ICICI Bank	14.00%	Yes	Yes	Yes	14799	2795	1915	1474	1461	7381	Self-attested supporting KYC doc. (Aadhaar card/ Ration card/ Pan card) OSV is done by Branches. LOR/ Vendor ID mandatory Application Form & Photo signed by Applicant Bank's Application form Interview Sheet is filled by Branch Field Investigation done by Branch Sanction/ rejection letter issuance by Bank Credit facility agreement on Stamp paper Auto debit mandate Vernacular language Demand Promissory note Subsidy declaration Letter - Payment in favor of End use letter Notarised affidavit in case of mismatch in DOB, Name, etc

Regional Rural Bank (RRBs)	9% to 13.5%	Of the 42 RRBs disbursing loans under this scheme, stamp duty requirement has been reported to be necessary in case of 15 RRBs. The stamp duty amount has been reported to be in the range of ₹ 10 to ₹ 144. The RRB-wise details are provided in annexure.	All the 42 RRBs have reported that the physical presence of the borrower was required	Of the 42 RRBs disbursing loans under this scheme, 23 RRBs have reported that CIBIL score is required	221138	127751	119146	31209	9380	52798	KYC details, Aadhar, Loan Application, Certificate of Vending/ Letter of Recommendation etc.
State Co-Operative Banks (StCBs)	10% to 13%	Of the 13 StCBs disbursing loans under this scheme, stamp duty requirement has been reported to be necessary in case of 3 StCBs. The stamp duty amount has been reported to be in the range of ₹ 20 to ₹ 250	All the 13 StCBs have reported that the physical presence of the borrower was required	Of the 13 StCBs disbursing loans under this scheme, 5 StCBs have reported that CIBIL score is required	101157	79450	64097	2177	1027	18503	The list of documents included KYC details, Aadhar, Loan Application, Certificate of Vending/ Letter of Recommendation etc.

Source: Banks/ NABARD