

**14**

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

**SEVENTEENTH LOK SABHA**

**MINISTRY OF HOUSING AND URBAN AFFAIRS**

**[Action Taken by the Government on the Recommendations contained in the Tenth Report  
(Seventeenth Lok Sabha) of the Standing Committee on Housing and Urban Affairs on the  
subject 'PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi)']**

**FOURTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2022/Shravana, 1944 (Saka)**

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**Presented to Lok Sabha on 04 .08.2022**

**Laid in Rajya Sabha on 04 .08.2022**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2022/Shravana, 1944 (Saka)**

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(ii)

**COMPOSITION OF THE COMMITTEE ON  
URBAN DEVELOPMENT (2021-22)**

***Shri Jagdambika Pal* - *Chairperson***

**MEMBERS**

**LOK SABHA**

2. Adv. A. M. Ariff
3. Shri Benny Behanan
4. Shri Ramcharan Bohra
5. Shri Hibi Eden
6. Shri Gautam Gambhir
7. Smt Hema Malini
8. Shri Syed Imtiaz Jaleel
9. Shri Sanjay Kumar Bandi
10. Shri Shankar Lalwani
11. Shri Hasnain Masoodi
12. Shri P.C. Mohan
13. Shri C.R. Patil
14. Shri Adala Prabhakara Reddy
15. Shri S Ramalingam
16. Smt. Aparajita Sarangi
17. Shri M V V Satyanarayana
18. Shri Rahul Ramesh Shewale
19. Shri Sudhakar Tukaram Shrangre
20. Shri Sunil Kumar Soni
21. Shri Ramesh Chander Kaushik

**RAJYA SABHA**

22. Shri Subhasish Chakraborty
23. Shri Ram Chander Jangra
24. Shri Kumar Ketkar
25. Shri Sanjay Singh
26. Smt Jebi Mather Hisham
27. Vacant
28. Vacant
29. Vacant
30. Vacant
31. Vacant

**SECRETARIAT**

1. Shri V. K. Tripathi - Joint Secretary
2. Ms Archna Pathania - Director
3. Ms. Swati Parwal - Deputy Secretary
4. Ms. Jisha James - Committee Officer

## INTRODUCTION

I, the Chairperson of the Standing Committee on Housing and Urban Affairs (2021-22) having been authorized by the Committee, present the Fourteenth Report (17<sup>th</sup> Lok Sabha) on the action taken by the Government on the Observation/Recommendations contained in the Tenth Report (17<sup>th</sup> Lok Sabha) of the Committee on the subject, 'PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)'.

2. The Tenth Report was presented to Lok Sabha on 13.12.2021 and laid on the table of Rajya Sabha on the same date. The Action Taken Replies of the Government to all the recommendation contained in the Report were received on 21.04.2022.

3. The Committee considered and adopted this Report at their Sitting held on 02<sup>nd</sup> August, 2022.

4. An analysis of the action taken by the Government on the recommendations contained in the Tenth Report (17<sup>th</sup> Lok Sabha) of the Committee is given at Annexure-II.

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

New Delhi  
02 August, 2022  
11 Shrawana, 1944 (Saka)

**JAGDAMBIKA PAL**  
Chairperson  
Standing Committee on  
Housing and Urban Affairs

## CHAPTER I

### REPORT

This Report of the Standing Committee on Housing & Urban Affairs (2021-22) deals with the action taken by the Government on the recommendations contained in their Tenth Report (Seventeenth Lok Sabha) on PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) which was presented to Lok Sabha on 13 December, 2021.

1.2 Action Taken Notes have been received from the Government in respect of all the 23 recommendations contained in the Report. These have been categorized as follows:

- (i) Recommendations/Observations, which have been accepted by the Government:

Recommendation Serial Nos. 1, 2, 3, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 18, 19,  
20, 21, 22 and 23

(Total -19)  
(Chapter-II)

- (ii) Recommendations/Observations, which the Committee do not desire to pursue in view of Government's replies:

Recommendation Serial No. 11 and 17

(Total -02)  
(Chapter-III)

- (iii) Recommendations/Observations, in respect of which replies of Government have not been accepted by the Committee:

Recommendation Serial Nos. 4 and 5

(Total -02)  
(Chapter-IV)

- (iv) Recommendations/Observations, in respect of which final replies of the Government are still awaited:

Recommendation Serial No. Nil

(Total -0)  
(Chapter-V)

**1.3 The Committee desire that specific replies to the Comments of the Committee as contained in Chapter-I may be furnished to them at the earliest and in any case, not later than three months from the presentation of this Report.**

1.4 The Committee will now deal with the action taken by the Government on some of their recommendations in the succeeding paragraphs.

### **Recommendation (Sl.No.1)**

#### **APPLICABILITY OF THE PM SVANIDHI ON THE STREET VENDORS OF SIKKIM**

1.5 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.

1.6 In their Action Taken Reply, the MoHUA have stated as follows:-

"The State Government of Sikkim notified the Scheme under the Street Vendors Act on April 20, 2021, enabling their Street Vendors (SVs) to become eligible for



availing loans under PM SVANidhi Scheme but is yet to initiate the Survey for identification of Street Vendors.

As per the provisions of the Street Vendors Act, 2014, the State is mandated to conduct survey to identify the street vendors. Ministry of Housing and Urban Affairs vide DO letters dated 18.01.2022 and reminder dated 15.02.2022 has also requested Government of Sikkim to conduct survey on priority. Further, as per the scheme guidelines, the vendors not identified in the Urban Local Body (ULB) led survey, can apply for Letter of Recommendation (LoR) to avail the benefit of the Scheme. They have also been requested to organise camps in coordination with various Lending Institutions to source maximum loan applications under PM SVANidhi Scheme."

1.7 In their Action Taken Reply, the DFS have stated as follows:-

" As per submission of the Public Sector Banks (PSBs), the implementation of the scheme has already been started through their branches in the state. Branches have been advised to dispose off the applications received under the scheme on priority in close coordination with Urban Local Bodies (ULBs). However, many of the banks have not received any applications under the scheme. Department of Financial Services (DFS) vide its **letter no. 16/01/2022-MO-DFS dated 24.02.2022** addressed to banks and SLBC Sikkim, has suggested various steps to implement the scheme in the State of Sikkim in mission mode. In order to create awareness amongst the field functionaries, banks were also requested to take steps as below:-

- (a) Appointment of Nodal Officers dedicated for implementation of the scheme in the state.
- (b) Organization of camps in coordination with Urban Local Bodies (ULBs) to create awareness about the scheme. The particular day of week may be designated for creating awareness about the scheme by contacting the Street Vendors in their area of operation and for disposal of applications received under the scheme.
- (c) Display of banners containing key features of the scheme at prominent places of branches visible to customers.

- (d) Use of Print/Electronic and Digital media to disseminate the awareness about the scheme by the banks.
- (e) Regular monitoring of the scheme by top management of the banks with the field officials in the branches.
- (f) Special trainings including webinars on the scheme may be imparted to the branches working in the state.
- (g) Participation of field functionaries of the banks in the different camps organized by the State Governments & their local authorities and banks etc.
- (h) Regular Review meetings may be conducted with the branches/offices to ensure penetration of information regarding the scheme to the last mile. "

**1.8 The State of Sikkim is a late entrant as the Scheme under the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 was notified on 20 April, 2021 by the State Government of Sikkim. The Committee are disappointed to note that despite MoHUA's efforts, the State has not yet conducted the survey for identification of vendors though more than a year has passed since the notification of the Act. Lack of implementation of the provisions of the Scheme indicates that the benefits of PMSVANidhi may not reach the target group. The Committee, therefore, recommend that the Ministry should vigorously continue to engage and handhold the State of Sikkim for implementation of the provisions of the Scheme so that benefits under PM SVANidhi could reach the intended beneficiaries in a time bound manner.**

#### **Recommendation (Sl.No.2)**

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

1.9 The Committee had recommended as under:

“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 PM SVANidhi. 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 level in the Government of

States/UTs so as to improve the performance of States and also provide time lines to the States/ UTs to improve their sanction and disbursal rate.”

1.10 In their Action Taken Reply, the Ministry have stated as follows:

“In order to review the performance of the Scheme, regular joint review meetings of MoHUA and DFS with States/ UTs and the Lending Institutions (LIs) are conducted. During the meeting, Principal Secretaries (Urban Development), State Mission Directors (NULM) and State Nodal Officers (PM SVANidhi) of the States/ UTs have been requested to issue necessary instructions to the ULBs to work in close coordination with the LIs to dispose of the entire sanction & disbursement pendency.

Senior officials from Ministry of Housing & Urban Affairs and Department of Financial Services had also been given instructions to visit select 41 Urban Local Bodies where maximum potential for disbursements and digital inclusion exists. But due to travel restrictions imposed during covid-19 third wave, the visits could not take place.

Further, during February, 2022, Secretary (HUA) reviewed the progress of the scheme, with special emphasis on expediting disbursement and repayments.”

**1.11 The Committee have been informed that due to travel restrictions imposed during Covid-19 third wave, senior officials from Ministry of Housing & Urban Affairs and Department of Financial Services who were instructed to visit select 41 Urban Local Bodies where maximum potential for disbursements and digital inclusion exists, could not visit. The Committee are of the view that such visits would go a long way in expediting disbursement and repayments under PM SVANidhi and hence the visits which could not take place before due to travel restrictions should be resumed to improve the sanction and disbursal rate of LIs in various States/UTs.**

#### **Recommendation (Sl. No. 4)**

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

1.12 The Committee had recommended as under:-

"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."

1.13 In their Action Taken Reply, the Ministry have stated as follows:-

"Letter of Recommendation (LoR) is one of the innovative features of the PM SVANidhi Scheme. Once the LoR has been issued by the ULB, a Certificate of Vending (CoV) is to be issued within a month of the issuance of LoR. During the joint review meetings conducted by MoHUA & DFS, ULBs are regularly asked to ensure that CoV is issued to all the identified SVs, to dispose of the LoR applications received at the earliest and issue CoVs against LoRs approved within a month of approval of LoR, so that the provisions of the Street Vendors Act are implemented in its true spirit.

Ministry is regularly taking up the matter with States/ Union Territories on regular basis. To capture data of CoV issued against LoR, Ministry of Housing and Urban Affairs has made a provision in MIS and detailed guidelines have been issued to all States/UTs in this regard. As a result of consistent pursuing by MoHUA, so far 3,05,735 CoVs have been issued against 29,57,375 LoRs issued by States/UTs.

Further, MoHUA issues advisories on implementation of the Street Vendors Act, 2014 to the States/UTs from time to time. Recent such advisory was issued on February 22, 2022 wherein it was inter-alia advised to implement the activities under the SV Act, 2014 in a proper sequence."

**1.14 The Committee while appreciating the concept of LoR as one of the innovative features of PM SVANidhi Scheme had pointed out that it is an interim/ad-hoc arrangement for securing loan under PMSVANidhi. CoV which is issued only after the vendor's survey is completed in a State, should be considered as the final document for providing legal vending right to a street vendor. In fact, the issuing of CoV to street vendors could only get a fillip post the introduction of PM SVANidhi Scheme. However, the Committee note with disappointment that inspite of clear cut guidelines to issue CoVs against approved LoRs within a month of issue of LoR, so far only 3,05,735 CoVs have been issued against 29,57,375 LoRs issued, i.e., a mere 10.33%. The Committee,**

therefore, reiterate that the matter may be taken up at the highest level in States/UTs so that the proper sequence of activities as per the Street Vendors Act may be followed and CoVs be expeditiously issued to all the identified street vendors.

### **Recommendation (Sl. No. 5)**

#### **INSISTENCE ON DOMICILE FOR REGISTERING AS VENDOR**

1.15 The Committee had recommended as under:-

" 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."

1.16 In their Action Taken Reply, the Ministry have stated as follows:-

" Hon'ble High Court of Maharashtra in a judgement passed in November 2017 has set aside the Scheme framed by the State under the Street Vendors Act, 2014 and issued a number of directions to the State/ ULBs. These inter-alia include conduct of fresh survey wherever not yet conducted, establishment of TVCs as per the 2009 policy of the State, conduct of elections for electing Street Vendor representatives in the TVC, vending to be allowed as per the policy of 2009 on hawking zones till the notification of vending and non-vending zones by MCGM.

These orders of the Hon'ble Court are yet to be implemented by the State Government/ULBs.

Further, as per the Street Vendors Act, a domicile certificate is not a criterion for registration as SV in a particular state. In addition, PM SVANidhi Scheme does not impose domicile as a criterion and allows SVs from the surrounding development/peri-urban/ rural areas vending in the geographical limits of the ULBs to avail the benefit under the Scheme. This is one of the innovative features of the Scheme and was added keeping in mind that vendors are mostly migrant labourers. Secretary, MoHUA Vide letter dated 27.10.2020 has already requested the Chief Secretary, Government of Maharashtra to re-examine the issue of insistence on domicile certificates and arrange for removing the clause pertaining to domicile, in the scheme notified by the State so as to align it with the Act."

**1.17 The Committee are surprised to note that despite the stipulations under the Street Vendors Act, 2014; subsequent judgment of Hon'ble High Court of Maharashtra, passed in November 2017, setting aside the Scheme framed by the State under the Street Vendors Act, 2014, and Secretary, MoHUA written request dated 27.10.2020 to Chief Secretary, Maharashtra, the State Government of Maharashtra continue to seek domicile certificate from street vendors for their registration. The Committee desire to know further steps taken by MoHUA to**



**pursue the matter with State Government of Maharashtra since the last written request made and impress upon the State Government 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.**

### **Recommendation (Sl. No. 23)**

#### **FORMATION OF COLLECTIVES OF THE VENDORS**

1.18 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 onboarding 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.

1.19 In their Action Taken Reply, the MoHUA have stated as follows:-

"MoHUA vide a D.O. letter dated 17.06.2020 all the States/UTs to form CIGs and JLG. 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.

Ministry vide DO letters dated 18.01.2022 and 16.02.2022 again directed States/UTs to issue necessary directions to ULBs, to initiate the process of formation of the CIGs."

**1.20 Though the Ministry vide DO letters dated 18.01.2022 and 16.02.2022 again directed States/UTs to issue necessary directions to ULBs, to initiate the process of formation of the CIGs, but have yet not compiled the information on formation of CIGs/JLGs by ULBs. The Committee desire that the Ministry should continue to ensure implementation of timely formation of the CIGs.**

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## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Sl. No. 1)

##### **APPLICABILITY OF THE PM SVANIDHI ON THE STREET VENDORS OF SIKKIM**

2.1 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.

2.2 In their Action Taken Reply, the MoHUA have stated as follows:-

" The State Government of Sikkim notified the Scheme under the Street Vendors Act on April 20, 2021, enabling their Street Vendors (SVs) to become eligible for availing loans under PM SVANidhi Scheme but is yet to initiate the Survey for identification of Street Vendors.

As per the provisions of the Street Vendors Act, 2014, the State is mandated to conduct survey to identify the street vendors. Ministry of Housing and Urban Affairs vide DO

letters dated 18.01.2022 and reminder dated 15.02.2022 has also requested Government of Sikkim to conduct survey on priority. Further, as per the scheme guidelines, the vendors not identified in the Urban Local Body (ULB) led survey, can apply for Letter of Recommendation (LoR) to avail the benefit of the Scheme. They have also been requested to organise camps in coordination with various Lending Institutions to source maximum loan applications under PM SVANidhi Scheme."

2.3 In their Action Taken Reply, the DFS have stated as follows:-

" As per submission of the Public Sector Banks (PSBs), the implementation of the scheme has already been started through their branches in the state. Branches have been advised to dispose off the applications received under the scheme on priority in close coordination with Urban Local Bodies (ULBs). However, many of the banks have not received any applications under the scheme. Department of Financial Services (DFS) vide its **letter no. 16/01/2022-MO-DFS dated 24.02.2022** addressed to banks and SLBC Sikkim, has suggested various steps to implement the scheme in the State of Sikkim in mission mode. In order to create awareness amongst the field functionaries, banks were also requested to take steps as below:-

- (i) Appointment of Nodal Officers dedicated for implementation of the scheme in the state.
- (j) Organization of camps in coordination with Urban Local Bodies (ULBs) to create awareness about the scheme. The particular day of week may be designated for creating awareness about the scheme by contacting the Street Vendors in their area of operation and for disposal of applications received under the scheme.
- (k) Display of banners containing key features of the scheme at prominent places of branches visible to customers.
- (l) Use of Print/Electronic and Digital media to disseminate the awareness about the scheme by the banks.
- (m) Regular monitoring of the scheme by top management of the banks with the field officials in the branches.

- (n) Special trainings including webinars on the scheme may be imparted to the branches working in the state.
- (o) Participation of field functionaries of the banks in the different camps organized by the State Governments & their local authorities and banks etc.
- (p) Regular Review meetings may be conducted with the branches/offices to ensure penetration of information regarding the scheme to the last mile. "

2.4 For comments of the Committee please see *para 1.8* of Chapter-I of the Report.

### **Recommendation(SI. No. 2)**

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

2.5 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 PM

SVANidhi. 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.

2.6 In their Action Taken Reply, the MoHUA have stated as follows:-

" In order to review the performance of the Scheme, regular joint review meetings of MoHUA and DFS with States/ UTs and the Lending Institutions (LIs) are conducted. During the meeting, Principal Secretaries (Urban Development), State Mission Directors (NULM) and State Nodal Officers (PM SVANidhi) of the States/ UTs have been requested to issue necessary instructions to the ULBs to work in close coordination with the LIs to dispose of the entire sanction & disbursement pendency.

Senior officials from Ministry of Housing & Urban Affairs and Department of Financial Services had also been given instructions to visit select 41 Urban Local Bodies where maximum potential for disbursements and digital inclusion exists. But due to travel restrictions imposed during covid-19 third wave, the visits could not take place.

Further, during February, 2022, Secretary (HUA) reviewed the progress of the scheme, with special emphasis on expediting disbursement and repayments."

2.7 For comments of the Committee please see *para 1.11* of Chapter-I of the Report.

### **Recommendation (Sl. No. 3)**

#### **SETTING TARGETS FOR VARIOUS STATES/UTS UNDER PM SVANIDHI LOWER THAN THE NUMBER OF IDENTIFIED VENDORS**

2.8 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 Telangana, 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 PM SVANidhi 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.

2.9 In their Action Taken Reply, the MoHUA have stated as follows:-

" The disbursement targets were initially decided based on the Urban Population in 2011, the number of SVs identified, and the requests for LoR received. Further, these targets were revised based on the performance and the representations received from the States/ UTs. Certain States/UTs, have reported non-availability of certain SVs as they had migrated to their home States/ UTs and lack of interest shown by some of the available SVs in availing credit under the Scheme. In other States/UTs like NCT of Delhi, the survey for identification of SVs is still ongoing. Therefore, there is variation in the targets set by the Ministry.

The National Policy for Urban Street Vendors (2006) states that around 2% of the total population of a city is engaged in street vending. However, the States/ UTs have been repeatedly requested to cover all the SVs, which is evident in some States/ UTs as they have achieved higher disbursements above 2% of the urban population."

### **Recommendation (Sl. No.6)**

#### **PERFORMANCE OF LENDING INSTITUTIONS UNDER PM SVANidhi**

2.10 The Committee appreciate the path breaking initiative of the Government of India in introducing PM SVANidhi 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(Bol), 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(loB), 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.

2.11 In their Action Taken Reply, the MoHUA have stated as follows:-

" In order to improve the performance under the PM SVANidhi Scheme, regular joint review meetings by MoHUA and DFS with States/ UTs and LIs were held to assess the regional level performance and address the issue, if any. During the meeting held on December 20, 2021, Secretary, DFS requested MDs & CEOs of all LIs to organize internal meetings as well as meetings with SLBC to identify reasons for pendency in sanction & disbursement and take suitable measures for improvement in sanction and disbursement rate. Further, from time to time, officials of the Ministry are deputed to visit the high pendency bank branches and also guide them online."

2.12 In their Action Taken Reply, the DFS have stated as follows:-

" As on 28.02.2022, Out of the total 37,39,279 applications with all lending institutions under the scheme, 33,51,698 applications (90%) have been sanctioned. Out of the sanctioned applications, loans have been disbursed in 29,75,039 cases, which constitutes to 89% of total sanctions. Almost 89% of the applications have been submitted to Public Sector Banks (PSBs) and Regional Rural Banks (RRBs) together, as majority of the Street Vendors have their saving account with these banks. As on 28.02.2022, Out of the total 32,65,814 applications with PSBs and RRBs together under the scheme, 30,27,136 applications (93%) have been sanctioned. Out of the sanctioned applications, loans have been disbursed in 28,05,841 cases, which constitutes to 93% of total sanctions. Out of 12 PSBs, 08 PSBs viz. State Bank of India (97.10%), Bank of Maharashtra (97.07%), Bank of India (95.89%), Punjab National Bank (95.59%), Canara Bank (94.54%), Union Bank of India (94.21%), Punjab & Sind Bank (93.45%) and Indian Bank (90.88%) have more than 90% sanction rate. Others have more than 80% sanction rate. PSBs have significantly posted good performance under disbursement. Out of the sanctioned applications, all PSBs have disbursed loans in approx.92% or more applications under the scheme.

As compared to PSBs, the performance of Private Banks/Co-operative Banks has been low. DFS has been repeatedly reviewing these banks and encouraging them to improve their performance under the scheme. DFS vide its **letter no. 16/01/2022-MO-DFS dated 24.02.2022** has specifically requested these banks to review their progress and derive suitable strategy to accelerate sanction and disbursement of loans under the scheme.

Among the other reasons, the main reason of gap in sanctioned and disbursed cases is due to non-turning up of vendors to the bank branches .However, Banks are taking various steps to narrow these gaps as under:-

- (a) Banks' nodal officers at ZO/CO are in constant touch with the respective ULBs to bring the vendors to the branches for making disbursement in sanctioned cases.
- (b) Banks are conducting periodic campaigns/camps to promote the scheme.
- (c) Some banks have designated particular day of week as "PM SVANidhi Street Vendors Day" or "Special LOGIN Day Campaign" or launched special camps like "Feet on Street ". During these days, the branch officials dedicate themselves exclusively to the creation of awareness regarding the scheme by contacting the Street Vendors in their area of operation and for disposal of applications received under the scheme.
- (d) To improve the performance under the scheme, banks are conducting regular review meetings to ensure penetration of information, to assess the regional level performance and to address the issue, if any. Field functionaries have been advised suitable for expeditious disposal of applications under Tranche-I and Tranche-II, by duly contacting the applicants over telephone and SMS.
- (e) Participation of the field functionaries of the banks in the different camps organized by the State Governments & their local authorities.

**Action taken by DFS for effective implementation of Scheme as under:-**

- (a) Periodic Video Conferences (VCs) at different levels viz. Secretary (FS) level, AS (FI) level and JS (FI) level are being held with lending institutions to review the progress of PM SVANidhi scheme & issues related to implementation of the scheme with special focus on performance of private banks. During VCs, Lending Institutions (LIs) were requested to expedite the processing of applications received on priority.
- (b) The Progress of Scheme under the particular State/UT is also being discussed during the VCs with the respective State Level Bankers' Committee (SLBC).
- (c) Instructions were issued to SLBCs, LIs & other stakeholders through various letters, for effective implementation of the scheme. Issues/ difficulties flagged by banks were communicated to MoHUA from time to time through letters, for suitable action.
- (d) Special periodic camps were held in all towns and cities covered by the Scheme by PSBs in coordination with the concerned Urban Local Bodies (ULBs) and District Administration.
- (e) State-level special drive were also launched from time to time jointly by ULBs and Banks for speedy disposal of pending applications. Nodal Officer from DFS also visited some states to review the performance of LIs under the scheme."

#### **Recommendation (Sl. No.7)**

#### **TIME TAKEN TO SANCTION AND DISBURSE THE LOAN**

2.13 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 within 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.

2.14 In their Action Taken Reply, the MoHUA have stated as follows:-

" Sanctioning a loan is primarily the responsibility of LIs, while disbursement of a loan requires the joint efforts of both LIs and ULBs as SVs need to be mobilized to the bank branches/ special camps for completion of disbursement formalities. In order to review the performance of the PM SVANidhi Scheme, a joint review meeting of MoHUA and DFS with States/UTs and LIs was held on December 20, 2021. During the meeting, it was informed by many LIs that they have dedicated a day in a week for the

disbursement of PM SVANidhi loans. States/ UTs were requested to issue necessary instructions to the ULBs to coordinate with the LIs and mobilize SVs to the bank branches on the pre-decided day of the week to ensure expeditious disbursements."

2.15 In their Action Taken Reply, the DFS have stated 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 were also affected due to pandemic and lockdown in various parts of the country.

As per submission from major PSBs, the average number of days taken to sanction and disburse the loan under scheme varies from 7 days to 30 days. However, in few cases, where beneficiaries could not reach the bank even after follow up from branches and other reasons, disbursement gets delayed. Some of the steps being taken by banks to address the issues are as under:-

- (a) Banks are closely coordinating with ULBs to ensure fast disposal of applications.
- (b) The loan applicants are contacted regularly through SMS/phone calls by the field functionaries for quick disposals of the applications under the scheme.
- (c) Some banks have designated particular day of week as "PM SVANidhi Street Vendors Day" or "Special LOGIN Day Campaign" or launched special camps like "Feet on Street",in coordination with ULBs to focus on mobilizing the street vendors for documentation and disbursement.
- (d) Dedicated camps in coordination with ULBs are being conducted for quick disposal of applications.

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.

**70 Video Conferences (VCs) at different levels viz. Secretary (FS) level, AS level and JS level** have been held so far. Special camps have been organized on different occasions to aid the same. Further, The Progress of Scheme under the particular State/UT is also being discussed during the VCs with the respective State Level Bankers' Committee (SLBC). Instructions are being issued to SLBCs, LIs & Other Stakeholders through various letters from time to time, for effective implementation of the scheme. Issues/ difficulties flagged by banks were communicated to MoHUA from time to time through letters, for suitable action."

### **Recommendation (Sl. No. 8)**

#### **REJECTION OF LOAN APPLICATIONS DUE TO LOW CIBIL SCORE**

2.16 The Committee observe from the data furnished by DFS at Annexure II 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 PM SVANidhi. 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 PM SVANidhi. In fact, J&K Bank has mentioned that credit score is taken from PM SVANidhi 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 PM SVANidhi. 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, 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 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.

2.17 In their Action Taken Reply, the MoHUA have stated as follows:-

"(i) As on April 12, .2022, 2,10,509 loan applications rejected on account of low CIBIL Score.

(ii) In order to improve the performance of the PM SVANidhi Scheme, a joint review meeting of MoHUA and DFS with States/UTs and LIs was held on December 20, 2021. During the meeting, Secretary, MoHUA & Secretary, DFS asked the MDs & CEOs of all the LIs, not to reject applications due to no/low CIBIL Score unless the SV is a defaulter. A DO Letter in this regard has already been written from Secretary, MoHUA on September 23, 2021 and from DFS on September 27, 2021, to LIs.

(iii) Applications that were earlier rejected due to low CIBIL Score has been moved to Lending Institutions for re-examination of applications."

2.18 In their Action Taken Reply, the DFS have stated as follows:-

" As per submission of the Public Sector Banks, while they are not insisting on high credit score/credit rating requirement for the purpose of sanctioning PM SVANidhi

loans i.e. no applications are being rejected due to low CIBIL Score, 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 category cannot be considered for further sanctions.

The issue was specially highlighted in the department's follow up letter No. **16/01/2021-MO-DFS dated 24.12.2021** addressed to all concerned Member Lending Institutions (MLIs) after some of the state officials raised concern on rejection of applications on ground of low CIBIL Score during the VC jointly conducted on 20.12.2021 by DFS and MoHUA."

### **Recommendation (Sl. No. 9)**

#### **INCOMPLETE AND RETURNED LOAN APPLICATIONS UNDER PM SVANIDHI**

2.19 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 PM SVANidhi 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.

2.20 In their Action Taken Reply, the MoHUA have stated as follows:-

"(i), (ii) and (iv), Secretary, MoHUA vide D.O. letter dated 24.12.2021, requested the LIs to not to return applications in case of minor discrepancies. Also, it has been reported by the LIs that initially vendors were interested in loan but later on they did not turn up at the bank branches even after the continuous follow ups by the Lending Institutions/ ULBs. For the applications that have already been returned by the LIs, all

the ULBs have been requested to scrutinize the 'Returned by banks' applications and send them back to LIs only after due verification/ rectification.

iii. MoHUA is continuously monitoring the LoRs' pending cases by reviewing the progress of the States.

v. All possible options including the one suggested by the Committee are being explored to find a solution to the issue at hand.

Further, ULBs continuously follow up such cases and mobilize the left out SVs to the bank branches on the designated days."

2.21 In their Action Taken Reply, the DFS have stated as follows:-

" The matter of incomplete /returned applications is being repeatedly discussed in all follow up meetings held by DFS and also along with MoHUA with the MLIs. Necessary instructions are also issued from time to time in this regard. As per submission from the Banks, most of the banks have advised their branches to revisit the returned application including the applications where vendors are not interested & those returned on flimsy grounds and sanction and disburse these applications, if otherwise eligible, with the help of ULBs.

All PSBs were requested to submit the reasons of rejection due to 'Vendor not interested in availing the loan' as the vendor himself/herself was the one who applied for the loan in the first place. As submitted by the banks, some of the reasons are as under:-

- (a) Customers did not turn up even after repeated follow up from Branches for availing the loan.
- (b) In many cases vendors not interested in availing loan.
- (c) Many Applicants have migrated from place of vending/existing place to their native/other places after applying for loan.
- (d) Applicant is no more engaged in vending activity.

- (e) Some of the customers informed that they don't require loan at that point of time due to recurrence of covid pandemic.

The matter is being repeatedly discussed in all follow up meetings with all stakeholders. DFS vide its **letter No.16/01/2021-MO-DFS dated 29.06.2021** has directed all banks to sanction / disburse loans under PM SVANidhi Scheme only with minimum prescribed documentation and also not insist any additional documents other than what has been prescribed in the checklist. The matter has been reiterated vide this department letter no. **16/01/2022-MO-DFS dated 24.02.2022**. It has also come to the notice of this department that number of loan applications are being returned by LIs on the grounds that there are small variations in the names in the ID proof of street vendors availing loans under the scheme. To address the issue, DFS vide its **letter no. 16/01/2021-MO-DFS dated 16.07.2021** has requested lending institutions not to reject the applications and to follow the existing guidelines as applicable for opening of savings and current accounts in case of name mismatch.

As on **23.02.2022**, a total number of **5,69,415 applications** have been picked up from the returned/rejected applications by MLIs and out of the total picked up applications, **4,61,242 applications** have been sanctioned. "

### **Recommendation (Sl. No. 10)**

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

2.22 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 PM SVANidhi and find solutions for the same.

2.23 In their Action Taken Reply, the MoHUA have stated as follows:-

" During the joint review meeting of MoHUA and DFS with States/UTs and LIs held on December 20, 2021, Secretary, MoHUA & Secretary, DFS asked the ULBs to scrutinize the 'Returned by Banks' applications diligently and clear the pendency in the next 7 days. On the other hand, MDs & CEOs of all the LIs have been requested not to return applications in case of minor discrepancies and reject applications due to no/low CIBIL Score unless the SV is a defaulter. A D.O Letter in this regard has also been written from Secretary, MoHUA on December 24, 2021.

It is informed that during the till March 31, 2022, more than 5 lakh applications have been scrutinised by the ULBs.

It is further informed that Department of Expenditure, Ministry of Finance has allowed extension of the Scheme till September 30, 2022 pending the approval of the Competent Authority."

2.24 In their Action Taken Reply, the DFS have stated as follows:-

" MoHUA and DFS are jointly conducting the regular review VCs where representatives from ULBs, State Governments and Banks are participating. The need for greater coordination among the stakeholders, are also being discussed during these VCs. Further, the progress of scheme under the particular State/UT is also being discussed during the VCs with the respective State/Union Territories Level Bankers'

Committee (SLBCs/ UTLBCs)and they are being advised to work as a bridge between ULBs and Banks and coordinate between them to solve the encountered problems, if any.

DFS vide its **letter No.16/01/2021-MO-DFS dated 13.07.2021**has requested SLBCs/UTLBCs to liaise/coordinate with participating banks and Urban local bodies (ULBs) to revisit the applications under Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) scheme, which were rejected/returned due to some minor deficiencies or non-submission of additional documents/information. The same has been reiterated vide this department letter no. **16/01/2022-MO-DFS dated 24.02.2022.**"

### **Recommendation (Sl. No. 12)**

#### **PARTICIPATION OF PRIVATE SECTOR BANKS UNDER PM SVANIDHI**

2.25 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.

2.26 In their Action Taken Reply, the MoHUA have stated as follows:-

" During the PM SVANidhi Review meetings with States/UTs & LIs, the Private Sector Banks have been regularly asked to improve their performance under the Scheme. Recently, some of the Private Sector Banks (including HDFC) have shown their willingness to engage with Business Correspondents and CSC Operators to pick up applications from the marketplace, and further sanction and disburse them. The performance of Private Sector Banks as on April 11, 2022 as compared to September 30, 2020 has improved."

2.27 In their Action Taken Reply, the DFS have stated as follows:-

" Almost 89% of the applications have been submitted to PSB and RRBs together, as majority of the Street Vendors have their saving account with these banks. Lower submission of applications to private banks tend to lower contribution by these banks.

Private Sector Banks are continuously encouraged/requested by both MoHUA and DFS through periodic video conferences at different levels viz. Secretary (FS) level, AS level and JS level to increase their participation in the Scheme and to improve their delivery performance. Instructions have also been issued from time to time to improve the performance. To give further impetus to the issue, a specific Video Conference with the MDs of Private Sector Banks was also organised by DFS on 25.06.2021. Apart from increasing the participation, private banks were also requested for expediting disposal of eligible applications under the scheme. DFS vide its **letter no. 16/01/2022-MO-DFS dated 24.02.2022** has requested all private banks to review their performance, derive suitable strategy to accelerate sanction and disbursement of loans under the scheme.

As on **28.02.2022**, Out of the total **3,09,976 net applications** received by Private Banks under the scheme, **2,04,983 applications have been sanctioned**. Out of the sanctioned applications, loans have been **disbursed in 58,548 cases**. "

### **Recommendation (Sl. No. 13)**

#### **DOCUMENTARY REQUIREMENTS UNDER PM SVANIDHI SCHEME**

2.28 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 PM SVANidhi should do away with the insistence of seeking voter ID card in their application form.

2.29 In their Action Taken Reply, the MoHUA have stated as follows:-

" The documentary requirements under the Scheme have been kept at bare minimum keeping in mind that the SVs belong to the unorganized sector. In addition to CoV/ ID card/ LoR, only Aadhaar card is the mandatory document while applying for a loan under the Scheme. However due to the low penetration of Aadhaar in Assam and Meghalaya, an alternate mechanism was created where instead of Aadhaar Card, the mandatory document is the Voter ID Card. The 'Loan Application Form' (LAF) on the portal erroneously shows both the fields as mandatory. The error on the portal is regretted."

#### **Recommendation (Sl. No. 14)**

2.30 The Committee note that Department of Financial Services (DFS) has advised all banks to sanction / disburse loans under PM SVANidhi 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.

2.31 In their Action Taken Reply, the MoHUA have stated as follows:-

" During the PM SVANidhi Review meetings with States/UTs & LIs, the LIs have been regularly informed that all the mandatory documents (which include CoV/ ID Card/ LoR & Aadhaar/ Voter ID Card) have been captured at the stage of application form. LIs have been asked not to demand any additional document as SVs are from the unorganised sector and constitute one of the most neglected groups of the urban economy.

Ministry of Housing and Urban Affairs vide DO letter dated 18.01.2022 once again requested all Lending Institutions (LI's) 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. "

2.32 In their Action Taken Reply, the DFS have stated as follows:-

" As per Scheme guidelines, the mandatory documents required under PM SVANidhi Scheme are Certificate of Vending (CoV)/ Identity Card/ Letter of Recommendation (LoR) and Aadhar Card. Optional documents include Driving License, MNREGA Card and PAN Card. All banks are supposed to take only those documents for sanction which are prescribed under the scheme.

DFS vide its letter No.**16/01/2021-MO-DFS dated 29.06.2021** has directed all banks to sanction / disburse loans under PM SVANidhi Scheme only with minimum prescribed documentation and also not insist any additional documents other than what has been

prescribed in the checklist and the same was reiterated vide its letter No.16/01/2022-  
**MO-DFS dated 24.02.2022**

As per submission of PSBs, it has been confirmed that only minimum documents as per scheme guidelines are being taken by the banks. No additional documents are being sought by them. "

### **Recommendation (Sl. No. 15)**

#### **PHYSICAL PRESENCE OF BORROWERS**

2.33 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 PM SVANidhi. 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 meagre 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 disbursal 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.

2.34 In their Action Taken Reply, the MoHUA have stated as follows:-

" During the joint review meeting of MoHUA, DFS & MeitY with States/UTs, LIs & DPAs held on December 20, 2021, LIs were advised to engage with Business Correspondents (BCs) and utilize their services for digital on-boarding and training and promote good repayment practices among the SVs. In addition, ULBs have been asked to coordinate with the LIs and mobilize the SVs to the bank branches on the pre-decided day of the week so that disbursement formalities can be carried out with minimum possible disruption to the SV business.

Secretary, MoHUA during review meeting reiterated as Sanctioning of a loan is an in principle process doesn't require SV presence at the bank branches so presence of the SVs at bank branch is required during the time of disbursement of the loan only."

2.35 In their Action Taken Reply, the DFS have stated as follows:-

" Physical presence of borrower is required at the time of execution of documents to avoid impersonation to establish bonafide credentials of the street vendors. Beneficiaries' presence is also used for providing QR code and UPI ID and for training them for digital on boarding. However, banks also need to ensure that the process does not result into any undue delay requiring the vendors to make frequent visits due to reasons like delay in completion of formalities or any technical difficulties.

A Video Conference (VC) with GM (MSMEs) of all Public Sector Banks (PSBs) and SIDBI, was organized by this department on 28.12.2021, wherein Secretary, Department of Financial Services (DFS) requested all PSBs to deploy Business Correspondents (BCs), wherever available, and to take the required support from local machineries viz. Urban Local Bodies (ULBs), Lead District Managers (LDMs), District Collectors etc., in mobilizing the beneficiaries to banks for disbursement and also for digital on boarding. To further follow up, DFS vide its **letter No.16/01/2022-MO-DFS dated 24.02.2022** has advised banks to consider engaging Business Correspondents (BCs), wherever available, to facilitate documentation process and to complete above formalities. Further, in case of the Lending Institutions (LIs) which are not employing the

services of BCs, they are requested to complete all the formalities including documentary requirements, issue of Durable QR Code etc., related to loan disbursement in a single day.

It has also been confirmed by all the public sector banks that all the formalities including documentary requirements, issue of durable QR Code etc. related to loan disbursement are being completed in a single day and the services of BCs, wherever deployed, are being used to assist the documentation process."

### **Recommendation (Sl. No. 16)**

#### **EXTENSION OF THE TIME PERIOD OF THE SCHEME**

2.36 The Committee notes that one of the most appreciative components of this Scheme is that the vendors, availing loan under the scheme, are eligible to get an interest subsidy @ 7%. The Committee, however, observes 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 disbursement of the loans, (iii) the sanctions to disbursement 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 suggests MoHUA to explore the possibility of extending the scheme at least by an year.

2.37 In their Action Taken Reply, the MoHUA have stated as follows:-

" It is also informed that Department of Expenditure, Ministry of Finance has allowed extension of the Scheme till September 30, 2022 pending the approval of the Competent Authority for extension of the Scheme till March 31<sup>st</sup>, 2024. "

### **Recommendation (Sl. No. 18)**

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

2.38 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 PM SVANidhi 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.

2.39 In their Action Taken Reply, the MoHUA have stated as follows:-

" All 12 PSBs have completed API integration. 2 Private Banks and 5 Micro Finance Institutions (MFIs) have also integrated with PM SVANidhi portal. As per submission of private banks, they are under process of completing API integration. However, DFS is continuously following up with banks especially private banks to complete the integration at the earliest. DFS vide their letter No. 16/01/2022-MO-DFS dated 24.02.2022 has requested private banks to take suitable steps to ensure that API integration with the portal may be completed without any further delay.

**(Reply furnished by DFS)"**

2.40 In their Action Taken Reply, the DFS have stated as follows:-

" As stated earlier, All 12 PSBs have completed API integration. 2 Private Banks and 5 Micro Finance Institutions (MFIs) have also integrated with PM SVANidhi portal. As per submission of private banks, they are under process of completing API Integration. However, DFS has been continuously following up with banks especially private banks to complete the integration at the earliest. DFS vide its **letter No. 16/01/2022-MO-DFS dated 24.02.2022** has requested private banks to take suitable steps to ensure that API integration with the portal may be completed without any further delay."

### **Recommendation (Sl. No. 19)**

#### **WAIVING OFF STAMP DUTY ON LOANS UNDER PMVANIDHI BY STATES/UTs**

2.41 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, Telangana, Tripura, & Uttar Pradesh that have totally exempted the loans under PM SVANidhi from stamp duty, (ii) Four States/UTs viz Chattisgarh, Ladakh, Madhya Pradesh & Tamil Nadu charge ₹ 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 PM SVANidhi & (iv) Three States viz. Arunachal Pradesh, Manipur & Meghalaya are undergoing the process of exemption of Stamp duty on loans under PM SVANidhi. 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.

2.42 In their Action Taken Reply, the MoHUA have stated as follows:-

" Ministry of Housing & Urban Affairs (MoHUA) raised this issue with the States/UTs. All the States/ UTs have been requested vide letters dated July 21, September 07, October 20, 2020, April 19, 2021 & June 25, 2021 to either waive off the stamp duty or reduce it to a nominal value. Recently vide D.O. letter dated August 26, 2021, Secretary, MoHUA and vide D.O. letter dated November 03, 2021 requested Chief Secretaries/Administrators of remaining States/UTs to personally look into the matter and take immediate action in this regard.

So far 26 States/ UTs viz. Andaman & Nicobar Islands, Assam, Chhattisgarh, Chandigarh, Dadra & Nagar Haveli & Daman & Diu, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Kerala, Ladakh, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Odisha, Puducherry, Rajasthan, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal have either waived off the stamp duty or reduced it to a nominal amount (up to ₹ 100).

Ministry of Housing and Urban Affairs vide DO letter dated 18.01.2022 and reminder dated 16.02.2022 to all the remaining eight States/UTs to either waive off the stamp duty or reduce it to a nominal amount."

### **Recommendation (Sl. No. 20)**

#### **DOING AWAY WITH THE REQUIREMENT OF STAMPED DOCUMENTS BY BANKS**

2.43 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 Cooperative 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.

2.44 In their Action Taken Reply, the MoHUA have stated as follows:-

" Stamp duty is applicable on all the loan agreements executed between borrowers and banks. As the stamp duty being a State Subject, there is a variation in the situation across different States. While most of the states have already waived the stamp duty on PM SVANidhi loans, others are yet to waive the same. Stamp duty is collected by the banks as decided by the respective states.

As per submission of the banks, many banks have modified the loan agreements and they are not insisting upon stamped documents. Instead, they are taking Demand Promissory Note or Pronote which attract revenue stamp of Rs1/-.

DFS vide their letter No.16/01/2021-MO-DFS dated 29.06.2021 has advised all banks to sanction/disburse loans under PM SVANidhi Scheme only with minimum prescribed documentation and also not insist any additional documents other than what has been prescribed in the checklist and the same was reiterated vide their letter No.16/01/2022-MO-DFS dated 24.02.2022.

**(Reply furnished by DFS)"**

2.45 In their Action Taken Reply, the DFS have stated as follows:-

" Stamp duty is applicable on all the loan agreements executed between borrowers and banks. As the stamp duty being a State subject, there is a variation in the



situation across different States. While some of the states have already waived the stamp duty on PM SVANidhi loans, others are yet to waive the same. Stamp duty is collected by the banks as decided by the respective states.

As per submission of the banks, many banks have modified the loan agreements and they are not insisting upon stamped documents. Instead, they are taking Demand Promissory Note or Pronote which attract revenue stamp of Re.1/-

DFS vide its letter No.**16/01/2021-MO-DFS dated 29.06.2021** has advised all banks to sanction / disburse loans under PM SVANidhi Scheme only with minimum prescribed documentation and also not insist any additional documents other than what has been prescribed in the checklist and the same was reiterated vide its letter No.**16/01/2022-MO-DFS dated 24.02.2022"**

### **Recommendation (Sl. No. 21)**

#### **CONSTITUTION OF STATE/UT LEVEL MONITORING COMMITTEE**

2.46 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.

2.47 In their Action Taken Reply, the MoHUA have stated as follows:-

" So far 26 States /UTs have constituted these Monitoring Committees viz. Andaman & Nicobar Islands, Andhra Pradesh, Assam, Bihar, Chandigarh, Chattisgarh, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Punjab, Telangana, Tripura, Uttar Pradesh and West Bengal.

Ministry of Housing & Urban Affairs (MoHUA) vide DO letter dated 18.01.2022 and reminder dated 16.02.2022 requested all the remaining States/UTs to expedite the process and constitute State Level Monitoring Committee."

### **Recommendation (Sl. No. 22)**

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

2.48 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.

2.49 In their Action Taken Reply, the MoHUA have stated as follows:-

" Secretary, HUA vide D.O. Letter dated 24.12.2021 requested all the ULBs, LIs and Digital Payment Aggregators (DPAs) to organised camps for providing digital training to the SVs and spread awareness regarding the liberalised cashback scheme & the benefit of digital transactions which include cashback upto ₹100 per month, building good credit score and access to formal credit in the future. As on April 12, 2022, over 11.42 lakh digitally active street vendors have conducted 17.67 Cr digital transactions and ₹ 9.05 Cr cashback has been paid."

### **Recommendation (Sl. No. 23)**

#### **FORMATION OF COLLECTIVES OF THE VENDORS**

2.50 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 onboarding 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.

2.51 In their Action Taken Reply, the MoHUA have stated as follows:-

" MoHUA vide a D.O. letter dated 17.06.2020 all the States/UTs to form CIGs and JLG. 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.

Ministry vide DO letters dated 18.01.2022 and 16.02.2022 again directed States/UTs to issue necessary directions to ULBs, to initiate the process of formation of the CIGs."

2.52 For comments please see *para No. 1.20* of Chapter-I of the Report.

**CHAPTER III**  
**RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN**  
**VIEW OF THE REPLIES OF THE GOVERNMENT**

**Recommendation (Sl. No. 11)**

**LOAN APPLICATIONS IN THE MARKET PLACE**

3.1 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 apprise 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.

3.2 In their Action Taken Reply, the MoHUA have stated as follows:-

"(i) & (ii). The PMS portal has an inbuilt mechanism of transferring the application lying in the Market Place for more than 7 days to the Bank branch where the Applicant holds his bank account. This arrangement was also preferred as the applicants would be more comfortable with the bank branch where he already has an account. Further, it has been impressed upon the LIs from time to time during the review meetings, to pick up more applications lying in the market place."

### **Recommendation (Sl. No. 17)**

#### **UNIFORM RATE OF INTEREST**

3.3 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 PM SVANidhi 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.

3.4 In their Action Taken Reply, the MoHUA have stated as follows:-

" Interest Rate on loans by banks is based on comprehensive policy duly approved by the Board of Directors and governed by regulations and guidelines issued by RBI from time to time. Banks have 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. The variation in interest rate is due to fees payable to Business Correspondents (BCs)/payment service providers engaged to assist the bank in smooth implementation of PM SVANidhi 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.

(Reply furnished by DFS)"

3.5 In their Action Taken Reply, the DFS have stated as follows:-

" Interest Rate on loans by banks is based on comprehensive policy duly approved by the board of directors and governed by regulations and guidelines issued by RBI from time to time. Banks have 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. 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 PM SVANidhi 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."



## CHAPTER IV

### OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

#### Recommendation(SI. No. 4)

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

4.1 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.

4.2 In their Action Taken Reply, MoHUA have stated as follows:-

" Letter of Recommendation (LoR) is one of the innovative features of the PM SVANidhi Scheme. Once the LoR has been issued by the ULB, a Certificate of Vending (CoV) is to be issued within a month of the issuance of LoR. During the joint review meetings conducted by MoHUA & DFS, ULBs are regularly asked to ensure that CoV is issued to all the identified SVs, to dispose of the LoR applications received at the earliest and issue CoVs against LoRs approved within a month of approval of LoR, so that the provisions of the Street Vendors Act are implemented in its true spirit.

Ministry is regularly taking up the matter with States/ Union Territories on regular basis. To capture data of CoV issued against LoR, Ministry of Housing and Urban Affairs has made a provision in MIS and detailed guidelines have been issued to all States/UTs in this regard. As a result of consistent pursuing by MoHUA, so far 3,05,735 CoVs have been issued against 29,57,375 LoRs issued by States/UTs.

Further, MoHUA issues advisories on implementation of the Street Vendors Act, 2014 to the States/UTs from time to time. Recent such advisory was issued on February 22,

2022 wherein it was inter-alia advised to implement the activities under the SV Act, 2014 in a proper sequence."

4.3 For comments please see *para No. 1.14* of Chapter-I of the Report.

### **Recommendation(SI. No. 5)**

#### **INSISTENCE ON DOMICILE FOR REGISTERING AS VENDOR**

4.4 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.

4.5 In their Action Taken Reply, MoHUA have stated as follows:-

" Hon'ble High Court of Maharashtra in a judgement passed in November 2017 has set aside the Scheme framed by the State under the Street Vendors Act, 2014 and issued a number of directions to the State/ ULBs. These inter-alia include conduct of fresh survey wherever not yet conducted, establishment of TVCs as per the 2009 policy of the State, conduct of elections for electing Street Vendor representatives in the TVC, vending to be allowed as per the policy of 2009 on hawking zones till the notification of vending and non-vending zones by MCGM.

These orders of the Hon'ble Court are yet to be implemented by the State Government/ULBs.

Further, as per the Street Vendors Act, a domicile certificate is not a criterion for registration as SV in a particular state. In addition, PM SVANidhi Scheme does not impose domicile as a criterion and allows SVs from the surrounding development/peri-urban/ rural areas vending in the geographical limits of the ULBs to avail the benefit under the Scheme. This is one of the innovative features of the Scheme and was added keeping in mind that vendors are mostly migrant labourers. Secretary, MoHUA Vide letter dated 27.10.2020 has already requested the Chief Secretary, Government of Maharashtra to re-examine the issue of insistence on domicile certificates and arrange for removing the clause pertaining to domicile, in the scheme notified by the State so as to align it with the Act."

4.6 For comments please see *para No. 1.17* of Chapter-I of the Report.

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**CHAPTER V**

**RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE  
GOVERNMENT ARE STILL AWAITED**

**"Nil"**

**New Delhi  
02 August, 2022  
11 Sarvana, 1944 (Saka)**

**JAGDAMBIKA PAL  
Chairperson  
Standing Committee on  
Housing and Urban Affairs**

**Standing Committee on Housing & Urban Affairs (2021-2022)**  
**Minutes of the Sixteenth Sitting of the Committee on Housing & Urban Affairs held on Tuesday, 02 August, 2022**

The Committee sat from 1500 hours to 1600 hours in Committee Room C, Ground Floor, Parliament House Annexe, New Delhi.

**PRESENT**

Shri Jagdambika Pal - Chairperson

**Members**

**Lok Sabha**

2. Shri Benny Behanan
3. Shri Ramcharan Bohra
4. Shri Hibi Eden
5. Shri S Ramalingam
6. Shri Shankar Lalwani
7. Shri Syed Imtiaz Jaleel
8. Shri Rahul Ramesh Shewale
9. Shri Sunil Kumar Soni
10. Shri Sudhakar Tukaram Shrangre
11. Shri M V V Satyanarayana
12. Shri Ramesh Chander Kaushik
13. Shri P C Mohan

**Rajya Sabha**

14. Shri Subhasish Chakraborty
15. Shri Sanjay Singh
16. Shri Ram Chander Jangra

### **Secretariat**

1. Shri V.K. Tripathi Joint Secretary
2. Ms. Archana Pathania 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 Action Taken Reports on the (i) Tenth Report (Seventeenth Lok Sabha) on PM SVANidhi; and, (ii) Twelfth Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) and adopted both the Reports without any modifications.

4. However, while examining the replies of the Ministry on the recommendations/observations of the Committee in their Tenth Report on PM SVANidhi, the Committee felt that in respect of recommendations where they are not satisfied or partially satisfied with the replies received from the Ministry, there is a need to hear the views of the State Governments of Sikkim and Maharashtra to facilitate a solution for the problems plaguing the implementation of the Scheme in these States.

**The Committee then adjourned.**

[Vide para 4 of the Introduction]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE TENTH REPORT (SEVENTEENTH LOK SABHA) ON PM STREET VENDOR'S ATMA NIRBHAR NIDHI (PM SVANidhi)**

<b>I.</b>	<b>Total number of recommendations</b>	<b>23</b>
<b>II.</b>	<b>Recommendations/Observations which have been accepted by the Government:</b>	<b>19</b>
	<b>Recommendation Nos. 1, 2, 3, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22 and 23</b>	
	<b>Percentage to total recommendations</b>	<b>(82.60 %)</b>
<b>III.</b>	<b>Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:</b>	<b>02</b>
	<b>Recommendation Nos. 11 and 17</b>	
	<b>Percentage to total recommendations</b>	<b>(8.69%)</b>
<b>IV.</b>	<b>Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:</b>	<b>02</b>
	<b>Recommendation Nos. 4 &amp; 5</b>	
	<b>Percentage to total recommendations</b>	<b>(8.69%)</b>
<b>V.</b>	<b>Recommendations/Observations in respect of which final replies of the Government are still awaited:</b>	<b>Nil</b>
	<b>Percentage to total recommendations</b>	<b>(Nil)</b>