

J&K Bank Scheme for Creation of Nano Enterprises & Collectives

(J&K Bank Nano Udaan)

Objectives	<ol style="list-style-type: none"> 1. To establish Jammu & Kashmir as a thriving hub of enterprises & employment by fostering equity, dignity, and income, unlocking its inherent 'potential' to transition towards 'prosperity'. 2. To generate self-employment through establishment of nano-enterprises. 3. To promote mass self-employment through nano-scale businesses across sectors to create gainful livelihood opportunities within the Union Territory of Jammu and Kashmir. 4. To provide collateral-free credit to the poorest of the poor with margin money support & subsidized interest rates for meeting working expenses. 5. To empower women, persons with disabilities, and people belonging to other marginalised groups. 6. To facilitate applicants, who lack credit history in securing bank loans (huge new-to-credit audience) and make formal credit institutions accessible to the needs of nano- entrepreneurs. 										
Indicative List of Activities	<table> <tr> <th>Sector</th><th>Indicative Business Activities</th></tr> <tr> <td>Manufacturing</td><td>Tailoring (mens' and ladies' wear), Flour Milling, Handicraft Production, Food Product Manufacturing, Metal Fabrication, Furniture and Carpenter Work, Accessory and Cosmetics Manufacturing (bangles, jewellery), Plastics Products Manufacturing, Automobile Spare Parts Manufacturing, Agricultural Products Manufacturing, Construction Products Manufacturing, Ice Products (Ice cream, Ice cubes) Manufacturing, Detergent & Cleaning Supplies Manufacturing, Cricket balls Manufacturing and so on.</td></tr> <tr> <td>Trade</td><td>General Store, Textile Shop, Fruit and Vegetable Store, Electronic Items Shop, Grocery Retail, Food and Beverage Retail (restaurants, street food), Garment and Footwear Retail, Medical Needs, Cosmetics Shop, Footwear Shop, Fancy Item Shop, Stationary Shop, Spices Shop and so on</td></tr> <tr> <td>Service</td><td>Beauty Parlour, Laundry Service, Photocopy Services, Hotels/Restaurant/Tea Shop, Hair Salon & Beauty Parlour, Electronics Repair Shop, Computer/E-Service/Internet Centre, Transport Service, General Service Store, Mobile Service Store, Tent House, Logistic Service, Printing Shop, Sound System/DJ Services, Decorating Services, Bike Rental Services, X-ray Units and Small Clinics, Web Designing Services and so on.</td></tr> <tr> <td>Farm-Based Enterprise</td><td>Horticulture, Vegetable Cultivation, Animal Husbandry, Dairy Units, Beekeeping, Aquaculture, Insect Cultivation including Sericulture and so on.</td></tr> </table>	Sector	Indicative Business Activities	Manufacturing	Tailoring (mens' and ladies' wear), Flour Milling, Handicraft Production, Food Product Manufacturing, Metal Fabrication, Furniture and Carpenter Work, Accessory and Cosmetics Manufacturing (bangles, jewellery), Plastics Products Manufacturing, Automobile Spare Parts Manufacturing, Agricultural Products Manufacturing, Construction Products Manufacturing, Ice Products (Ice cream, Ice cubes) Manufacturing, Detergent & Cleaning Supplies Manufacturing, Cricket balls Manufacturing and so on.	Trade	General Store, Textile Shop, Fruit and Vegetable Store, Electronic Items Shop, Grocery Retail, Food and Beverage Retail (restaurants, street food), Garment and Footwear Retail, Medical Needs, Cosmetics Shop, Footwear Shop, Fancy Item Shop, Stationary Shop, Spices Shop and so on	Service	Beauty Parlour, Laundry Service, Photocopy Services, Hotels/Restaurant/Tea Shop, Hair Salon & Beauty Parlour, Electronics Repair Shop, Computer/E-Service/Internet Centre, Transport Service, General Service Store, Mobile Service Store, Tent House, Logistic Service, Printing Shop, Sound System/DJ Services, Decorating Services, Bike Rental Services, X-ray Units and Small Clinics, Web Designing Services and so on.	Farm-Based Enterprise	Horticulture, Vegetable Cultivation, Animal Husbandry, Dairy Units, Beekeeping, Aquaculture, Insect Cultivation including Sericulture and so on.
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Farm-Based Enterprise	Horticulture, Vegetable Cultivation, Animal Husbandry, Dairy Units, Beekeeping, Aquaculture, Insect Cultivation including Sericulture and so on.										
Nature of facility	Financial assistance under the Scheme can be availed in the form of Term Loan and/or Working Capital Loan OR Composite Loan.										
Eligibility criterion	<ol style="list-style-type: none"> 1. The beneficiary must be in the age group 18-59 years as on the date of application. 2. Eligible businesses must have business operations within Jammu & Kashmir. If the location of the activity is significantly distant from the beneficiary's domicile, the applicant will be applying on the portal. His case will be first examined by DD/AD of the applicant's residential jurisdiction. After authenticating the identity and residence related proof, the case will be transferred electronically to DD/AD of the place of activity for all further processing. 3. The scheme is open to nano-enterprises. Existing enterprises who have availed other govt. schemes related to self-employment before can also apply, but only if they have fully repaid those loans at least 6 months before applying for this scheme. Further, they must use the benefits under his scheme only for the creation of new enterprises and not for expansion of any existing enterprises. Furthermore, it must be ensured that no member 										

	of the applicant's family is a defaulter of any previously availed benefit under any government-sponsored self-employment scheme.											
	4. There will be no requisite educational qualification for nano-enterprises.											
Project Cost	Maximum Rs 10.00 lakhs											
Margin Money	Minimum 10% of the project cost/working capital loans including the interest capitalized during the moratorium period.											
Amount of Loan	Maximum 90% of the project cost.											
Financial Assistance by Government	<p>This scheme provides composite financial support to nano-entrepreneurs from the Government as per following breakup:-</p> <p>1. <u>Initial Investment Support Subsidy on Enterprise Credit:-</u></p> <ul style="list-style-type: none">• 25% of the project cost for General Entrepreneurs, up to a maximum of ₹ 1,00,000 in subsidy.• 30% of the project cost for women entrepreneurs and persons with disabilities (Minimum Disability of 40%) up to a maximum of ₹ 1,00,000 in subsidy. <table><tr><th>Categories of Beneficiaries</th><th>Beneficiary Contribution (of project cost)</th><th>Rate of Subsidy (of Project cost)</th></tr><tr><td>General Entrepreneurs</td><td>10%</td><td>25%</td></tr><tr><td>Women Entrepreneurs/PWD</td><td>10%</td><td>30%</td></tr></table> <p>2. <u>Interest Subvention on Enterprise Credit:-</u></p> <ul style="list-style-type: none">• An Interest Subvention @ 5% per annum with a maximum upper limit of ₹50,000 will be provided for a period of up to 5 years towards interest repayment.• In case of early repayment of the loan, the actual interest subvention amount or ₹50,000, whichever is lower, will be provided to the beneficiary. <p><u>Tranches for Disbursal of Incentives Support.</u></p> <ul style="list-style-type: none">• Govt. shall provide Initial Investment Support Subsidy support in two tranches:-<ul style="list-style-type: none">i) Initial Incentive (50% of the incentive) will be given as upfront subsidy immediately after first disbursement of the case.ii) Completion Incentive (50% of the incentive) will be given after successful establishment of the unit within a maximum time period of 1 year.			Categories of Beneficiaries	Beneficiary Contribution (of project cost)	Rate of Subsidy (of Project cost)	General Entrepreneurs	10%	25%	Women Entrepreneurs/PWD	10%	30%
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Security	<p><u>Primary Security:</u></p>	Hypothecation of Assets, paid up stocks/Book Debts/Furniture & Fixture/equipment/ machinery etc that are created out of bank Finance										
	<p><u>Collateral Security:</u></p>	<p>A) <u>For loans under MSE category:-</u> NIL. However, Loans shall be covered under guarantee cover from CGTMSE.</p> <p>B) <u>For loans under Agriculture sector:-</u></p> <p>i) <u>For loans up to Rs 2.00 lac:</u> No collateral security is required to be obtained from the enterprises for loans up to Rs 2.00 lakh.</p> <p>ii) <u>For loans above Rs 2.00 lac up to Rs 10.00 lac:</u> Third party guarantee of 02 persons with ENW of at least 150% of loan amount.</p>										

			<p>Note:- Loans under food processing units etc. that fall under Agriculture sector can be covered under CGTMSE subject to the condition that borrower fulfils all the terms & conditions of CGTMSE guarantee coverage & Udhyam Registration is in hand of the applicant.</p> <p><i>[CGTMSE fee shall be charged from the borrowers loan account and same shall be later reimbursed by the Government to the borrower].</i></p>	
Interest Rate	RLLR+ 1.00% Floating (p.a). Interest shall be charged with monthly rests.			
Processing Fee	Nil			
Moratorium	Moratorium, in case of term loans on repayment will be provided to the borrower for a maximum period of 06 months from the date of first disbursement. It can also be extended on request to the borrower who shall take up the matter with DLIC.			
Repayment	<ul style="list-style-type: none"> • Repayment of Term loan will be maximum in 66 EMIs including moratorium period. • The working capital component, if any, shall be initially valid for a period of one year & subject to annual review/renewal thereafter. • No foreclosure charges on pre-payment of loan. 			