

Karnataka Badavara Bandhu One Day Loan Scheme for Street Vendors / Small Traders

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Karnataka govt. has decided to introduce a new Badavara Bandhu One Day Loan Scheme for Street Vendors / Small Time Traders / Footpath Hawkers. Under this Badavara Bandhu Scheme, all the people of urban poor segment (रेहड़ी पटरी वाले) will now get loans most likely upto 1000 for a single day without interest or nominal interest. Now, all these poor people will not have to take money from money lenders who provides loans at 2% to 10% per day.

The state govt. is soon going to make formal announcement for Karnataka Badavara Bandhu One Day Loan Scheme. All the poor footpath vendors and small-time traders needs working capital on a day to day basis and thus are being exploited. These loans are taken in the morning and needs to be returned in the evening with upto 10% interest along with principal amount.

So, CM Kumarasamy has decided to reach out these poor people and to provide them with money to stop their exploitation. Cooperation department will be releasing mobile banks to give loans in prominent markets.

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CM H.D. Kumaraswamy had promised to free urban poor people including Street

Vendors, Small Traders and Footpath Hawkers from the “fleecing clutches of money lenders”. They provide loans at interest rate ranging from 2% to 10% interest per day. The state govt. has finalized a Badavara Bandhu – One Day Loan Scheme to provide loans upto Rs. 1,000 without interest or nominal interest. Badavara Bandhu Scheme is going to be formally announced soon.

Private money lenders takes advantage of poor footpath vendors, small-time traders and exploits them. These people requires working capital on a day to day basis. Street Vendors / Small-Time Traders / Footpath Hawkers have to pay higher interest rate of 10% per day. Vendors takes these loans in the morning and has to return them in the evening. 10% interest is deducted along with the lending amount itself. This proposed Badavara Bandhu One Day Loan Scheme will provide a huge relief for these small-time vendors.

Necessary infrastructure to implement the new loan scheme is being created. This scheme will lure huge low-rung business community and footpath vendors. Now all the Street Vendors who requires single day loan can go to these mobile banks and deposit their Identity Card, Aadhar Card, PAN Card, Driving Licence early in the morning. These vendors can repay the loan by evening after the day sales and retrieve their identity card.

In case the vendor fails to repay the loan in the evening, then their ID Card will be retained till the time loan is repaid. This will also blacklist the person for further day loans anywhere in the state. Recently the state govt. has waived off all crop loans of farmers taken from co-operative banks, regional rural banks and nationalised banks. CM has unveiled a mechanism to deliver on promise of Farmer Loan Waiver Scheme and is now reaching out to pushcart vendors, footpath hawkers.