



## **Stand-Up India Scheme Features**

### **Title of the Scheme**

Stand-Up India Scheme for financing SC/ST and/or Women Entrepreneurs.

### **Objective**

The objective of the Stand-Up India scheme is to facilitate bank loans between ₹ 10 lakh and ₹ 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

### **Eligibility**

1. SC/ST and/or woman entrepreneurs, above 18 years of age.
2. Loans under the scheme is available for only green field project. Green field signifies, in this context, the first time venture of the beneficiary in the manufacturing or services or trading sector.
3. In case of non-individual enterprises, 51% of the shareholding and controlling stake should be held by either SC/ST and/or Women Entrepreneur.
4. Borrower should not be in default to any bank/financial institution.

### **Nature of Loan**

Composite loan (inclusive of term loan and working capital) between ₹ 10 lakh and upto ₹ 100 lakh.

#### **Purpose of Loan**

For setting up a new enterprise in manufacturing, trading or services sector by SC/ST/Women entrepreneur.

### **Size of Loan**

Composite loan of 75% of the project cost inclusive of term loan and working capital. The stipulation of the loan being expected to cover 75% of the project cost would not apply if the borrower's contribution along with convergence support from any other schemes exceeds 25% of the project cost.

### **Interest Rate**

The rate of interest would be lowest applicable rate of the bank for that category (rating category) not to exceed (base rate (MCLR) + 3%+ tenor premium).

### **Security**

Besides primary security, the loan may be secured by collateral security or guarantee of Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL) as decided by the banks.

## **Repayment**

The loan is repayable in 7 years with a maximum moratorium period of 18 months.

## **Working Capital**

For drawal of Working capital upto ₹ 10 lakh the same may be sanctioned by way of overdraft. Rupay debit card to be issued for convenience of the borrower. Working capital limit above ₹ 10 lakh to be sanctioned by way of Cash Credit limit.

## **Margin Money**

The Scheme envisages 25% margin money which can be provided in convergence with eligible Central / State schemes. While such schemes can be drawn upon for availing admissible subsidies or for meeting margin money requirements, in all cases, the borrower shall be required to bring in minimum of 10% of the project cost as own contribution.

## **STAND-UP INDIA SCHEME WOULD BE OPERATED BY ALL THE BRANCHES OF SCHEDULED COMMERCIAL BANKS IN INDIA.**

### **FAQ:**

#### **Know the FAQ on eligibility FAQ about Stand-up India Loan schemes to Women, SC/ST entrepreneurs.**

#### **1. What is the objective of “Stand-Up India” Scheme?**

The objective of the Stand-Up India scheme is to facilitate bank loans between 10 lakh and 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise.

This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

#### **2. What is the purpose of the loan under “Stand-Up India” Scheme?**

The scheme is for setting up a new enterprise in manufacturing, trading or services sector by SC/ST/Women entrepreneur.

#### **3. What are the schemes for loan requirement upto 10 lakh?**

For loans below 10 lakh, banks are already lending under their existing schemes. Further, MUDRA Ltd. also operates 3 schemes namely Shishu/Kishore/Tarun through banks for loans upto 10 lakh.

Visit [www.mudra.org.in](http://www.mudra.org.in) for further details.

#### **4. Who are the target clients under Stand-Up India Scheme / what kind of borrowers are eligible for loans?**

SC/ST and/or Women entrepreneurs setting up new enterprises are eligible for availing loans under Stand-Up India Scheme. Typically projects in the manufacturing, trading and service sector would be eligible for coverage under the scheme.

#### **5. What will be the nature of loan under the Stand-Up India Scheme?**

Composite loan (inclusive of term loan and working capital) between 10 lakh and upto 100 lakh representing upto 75% of the project cost would be eligible.

#### **6. What is the size of the loan under the Stand-Up India Scheme?**

Composite loan (inclusive of term loan and working capital) between 10 lakh and upto 100 lakh would be eligible

#### **7. What is the rate of interest charged under the Stand-Up India Scheme?**

The rate of interest would be lowest applicable rate of the bank for that category (rating category) not to exceed (base rate (MCLR) + 3%+ tenor premium).

## **8. What will be the security requirement under the Stand-Up India Scheme?**

In addition to mortgage/hypothecation of Primary Asset acquired out of loan, the loan may also be secured by collateral security or guarantee of Credit Guarantee Scheme for Stand-Up India Loans (CGSSI) as decided by the banks.

## **9. Who are the eligible lending institutions for extending loans under the Scheme?**

All branches of Scheduled Commercial Banks located across the country.

## **10. What is the repayment tenure under the Scheme?**

The repayment period of the composite loan is to be fixed depending upon nature of activity and useful life of assets purchased with bank loan but not to exceed 7 years with a maximum moratorium period of 18 months.

## **11. What are the Salient Features of the Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL)?**

- **Eligibility** – Stand-Up India Loans of over 10 lakh and upto 100 lakh extended by eligible Lending Institution(s) to an eligible borrower on or after entering into an agreement with National Credit Guarantee Trustee Company (NCGTC).

### **Guarantee**

### **Fee**

– Annual Guarantee Fee (AGF) of 0.85% p.a. on the credit facility sanctioned (comprising term loan and / or working capital facility).

- Guarantee Fee shall be paid upfront to the Trust by the eligible institution availing of the guarantee and to be shared equally between bank and the borrower.

## **12. What is the Difference between Stand-Up India Scheme and SMILE Scheme?**

SMILE Scheme is operated only through SIDBI for investment in projects coming up in 25 identified sectors under the Make in India programme for existing and new units. The support is in the nature of quasi equity and term loan on relatively soft terms, with the minimum term loan size for new units at 25 lakh.

Stand-Up India scheme is proposed to be operated through 1.25 lakh bank branches in the country.

The loans would be above 10 lakh and upto 100 lakh specifically for SC/ST/Women entrepreneurs setting up green field projects.

## **13. What is the Difference between Stand-Up India Scheme and Start Up India Scheme?**

Stand-Up India Scheme is intended to support SC/ST/Women entrepreneurs to set up a green field projects through bank branches in India while Start Up India Scheme aims to boost innovative and technology led enterprises for new/existing enterprises.

## **14. What will be the other benefits under the Stand-Up India Loan Scheme?**

Apart from linking prospective borrowers to banks for loans, the web portal designed by SIDBI for Stand-Up India Scheme also provides handholding support through a network of agencies engaged in training, skill development, mentoring, project report preparation, application filling, work shed/utility support services, subsidy schemes etc.

## **15. What is the mechanism for identification of the beneficiary under the Scheme?**

The beneficiaries could be walk-in customers for a bank, online applicants or trainees from various government and non-government agencies engaged in providing vocation training, Entrepreneurship Development Programs, Financial training etc.

## **16. Whether House wife women or SC/ST Unemployed eligible for Stand-Up India Loan Schemes ?**

Stand-Up India Scheme is a special scheme for women entrepreneurs. Therefore, House wife can avail the facilities under the scheme as per your requirements provided the composite loan amount ranges between 10 lakh to 100 lakh. They may approach a bank branch nearest to you for more details or access the Stand-Up India portal for more details.

Composite Loans between 10 lakh to 100 lakh for setting up a green field project is eligible for coverage under Stand-Up India Scheme subject to compliance with other requirements of the

bank under the scheme. Kindly approach your nearest bank branch or access the Stand-Up India portal for more details.

**Or Apply Through Portal :** [www.standupmitra.in](http://www.standupmitra.in)

**17. What is Hand-holding Support?**

Any new entrepreneur requires guidance in his endeavor to set up his or her business enterprise starting from training to filling up loan applications as per bank requirements.

This portal facilitates by providing step by step guidance for connecting to various agencies with specific expertise viz. Skilling Centres, Mentorship support, Entrepreneurship Development Program Centres, District Industries Centre, together with addresses and contact number.

**18. How do I get handholding support?**

You may navigate through the portal or seek assistance from connect centre nearest to you to help you identify the nature of handholding support required. Broadly handholding support has been segregated in 7 areas of expertise viz. Skilling (Vocational), Financial Literacy training, Entrepreneurship Development Program, Mentoring, Project Report Preparation, Loan Application filling, Work sheds from DICs and Margin Money for Subsidy Support.

**19. Do I have to pay for the training programs?**

If so, how much. Yes. You have to pay for the training program to the agency directly as per their applicable fee structure.

**20. In case loan proposal is not approved by the Bank ?**

Please get in touch with your preferred banker (chosen by you) to understand why the proposal was not approved and based on that take corrective action to make the proposal credit worthy.

**21. In case collateral offered by the borrower do he/she need to compulsorily opt for credit guarantee cover for the loan under Stand-Up India?**

No. There is no compulsion for securing the loan only by way of Credit Guarantee Cover. You may opt for securing the loan by way of collateral security also. Please discuss this aspect with your banker