Stand-Up India Scheme

Launched by the Government of India on April 5, 2016, the Stand-Up India scheme is a significant initiative by the Ministry of Finance to foster entrepreneurship among women and individuals from Scheduled Castes (SC) and Scheduled Tribes (ST). The scheme aims to provide financial support and a robust support ecosystem to help these entrepreneurs establish new enterprises from the
ground up.

Core Objectives

The primary goals of the Stand-Up India Scheme are to:

- **Promote Financial Inclusion:** Facilitate bank loans between ₹10 lakh and ₹1 crore to at least one SC/ST borrower and one woman borrower per bank branch.
- **Empower Entrepreneurs:** Encourage self-employment and business ownership among women and SC/ST communities.
- **Support Greenfield Enterprises:** Assist in the establishment of new (greenfield) projects in the manufacturing, services, or trading sectors.
- **Drive Economic Growth:** Create jobs and stimulate economic development at the grassroots level by breaking down barriers to accessing finance.

Scheme at a Glance

- **Implementing Agency:** Department of Financial Services, Ministry of Finance.
- **Support Agencies:** Small Industries Development Bank of India (SIDBI) and National Bank for Agriculture and Rural Development (NABARD).
- **Target Audience:** SC/ST and Women entrepreneurs.
- **Sectoral Coverage:** Manufacturing, Services, and Trading sectors.
- **Official Portal:** www.standupmitra.in

Benefits of the Scheme

Financial Benefits

- **Loan Amount:** Composite loan (term loan + working capital) ranging from **₹10 lakh to ₹1**

crore.

- **Competitive Interest Rate:** The interest rate is the lowest applicable rate for that category, not to exceed Base Rate (MCLR) + 3% + Tenor Premium.
- **Flexible Repayment:** A repayment period of up to **7 years** with a maximum moratorium period of **18 months**.
- **Reduced Margin Money:** The borrower is required to bring in a minimum of 10% of the project cost. The scheme allows for margin money of up to 15%, which can be supplemented through eligible Central/State schemes.
- **Credit Guarantee:** Loans are covered under the Credit Guarantee Fund Scheme for Stand-Up India (CGFSIL), reducing the need for collateral.

Handholding and Support Benefits

- **Comprehensive Support:** Guidance through Stand-Up Connect Centres (SUCC) managed by SIDBI and NABARD.
- **Training Programs:** Access to financial literacy training, skill development, and Entrepreneurship Development Programs (EDPs).
- **Digital Platform:** A dedicated online portal for applying, tracking applications, and accessing information.
- **Mentorship:** Connections with established entrepreneurs and industry associations for guidance.
- **Project Support:** Assistance in preparing project reports and obtaining necessary utility connections.

Operational Benefits

- **Working Capital Facility:** Working capital up to ₹10 lakh is provided as an overdraft facility. For amounts above ₹10 lakh, a Cash Credit limit is sanctioned. A RuPay debit card is issued for convenience.
- **Collateral Flexibility:** The loan may be secured by primary security and/or a guarantee from CGFSIL, significantly lowering the collateral requirement from the borrower.

Eligibility Criteria

Primary Eligibility

- **Applicant Category:**

  - Applicants must be individuals belonging to the SC/ST category or be women entrepreneurs.
  - In the case of a non-individual enterprise (e.g., a company or partnership), a minimum of **51% of the shareholding** and controlling stake must be held by an SC/ST individual or a woman entrepreneur.
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- **Age:** The applicant must be 18 years of age or older.
- **Project Type:** The loan is available only for setting up **Greenfield Projects** (i.e., the first-time venture of the beneficiary).
- **Financial Standing:** The applicant must not be in default to any bank or financial institution and should have a clean credit history.

Exclusions

- Existing businesses seeking funds for expansion or diversification.
- Applicants with a history of default on previous loans.
- Individuals below 18 years of age.
- Enterprises where the 51% controlling stake is not held by an SC/ST or woman entrepreneur.

Step-by-Step Application Process

Step 1: Initial Assessment and Registration

Visit the official portal www.standupmitra.in to conduct a self-assessment of your eligibility and register an account.

Step 2: Applicant Categorization

Based on your responses, the portal will categorize you as either:

- **A Ready Borrower:** Someone with a clear business plan who can proceed directly to the loan application stage.
- **A Trainee Borrower:** Someone who requires handholding support, training, or mentorship before applying for the loan.

Step 3: Application Submission

You can apply through one of three routes:

1. **Directly at a Bank Branch:** Visit the nearest branch of a scheduled commercial bank. 2. **Through the Stand-Up India Portal:** Fill out the online application and select your preferred bank.
3. **Through the Lead District Manager (LDM):** Contact the LDM of your district for guidance and assistance.

Step 4: Handholding Support (For Trainee Borrowers)

If categorized as a trainee borrower, you will be connected with SUCCs (SIDBI/NABARD) for support in financial training, skill development, and project report preparation.

Step 5: Loan Processing

The selected bank will process the application, which includes document verification, credit assessment, and project viability evaluation. If approved, a loan sanction letter will be issued.

Step 6: Monitoring and Assistance

Applicants can track their application status live on the portal. Ongoing support and grievance redressal mechanisms are also available.

Tips for a Successful Application

1. **Prepare a Solid Business Plan:** A well-researched and viable project report is the foundation of your application.
2. **Choose the Right Bank:** Research and select a bank with a good track record of implementing the scheme.
3. **Leverage Handholding Support:** Do not hesitate to use the free support services offered by SUCCs.
4. **Ensure Complete Documentation:** Follow the checklist meticulously to ensure all required documents are in order.

Contact Information and Related Schemes

- **Official Portal:** www.standupmitra.in
- **Helpline:** Contact your nearest bank branch or the office of the Lead District Manager (LDM).
- **Related Schemes:**

- **Startup India:** For innovative, technology-driven enterprises.
- **MUDRA:** For micro-entrepreneurs requiring loans up to ₹10 lakh.
- **PMEGP:** For traditional businesses, with a subsidy component.

Disclaimer: This guide is for informational purposes. For the most current and personalized information, please visit the official Stand-Up India portal or contact a participating bank branch.