

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

“Stand up India Scheme” has been launched on 5th April, 2016 for facilitating credit to SC/ST and Women entrepreneurs by Government of India.

The scheme endeavors to create an eco system which facilitates and continues to provide a supportive environment for doing business. The scheme covers all branches of Scheduled Commercial Banks and will be accessed in three ways:-

- i) Directly at the branch.
- ii) Through SIDBI’s Stand Up India portal.(Named as www.standupmitra.in portal)
- iii) Through the Lead District Manager (LDM).

The www.standupmitra.in portal facilitates the potential borrower to register himself for availing loan under Stand UP India scheme. Based on the input parameters of the loan application, the borrowers are classified in the following categories:-

- i) Ready Borrower** – Require no handholding support and application can be processed by the branch.
- ii) Trainee Borrower** – Handholding support will be provided through SIDBI & NABARD offices before financial support by the Banks. The LDMs will monitor the process and work with local offices of SIDBI/ NABARD for problem solving and easing bottlenecks.

Based on Government of India guidelines and Bank’s existing MSME lending norms, the operational features of the Stand Up India scheme are as under:-

i) Objective: To provide bank loans between Rs.10.00 lac and Rs. 1.00 crore to SC/ ST borrower and woman borrower for setting up a greenfield enterprise.

ii) Eligibility: The following categories of borrower are eligible for getting finance under Stand Up India scheme:-

- a) SC/ST and/or woman entrepreneurs, above 18 years of age.
- b) In case of non-individual enterprises, 51% of the shareholding and controlling stake should be held by either SC/ST and/or Women Entrepreneur.
- c) Borrower should not be in default to any bank/financial institution.

iii) Purpose of Advance: The scheme provides financial assistance (funded /non-funded) for working capital, acquisition of fixed assets in manufacturing, services or retail sector.

iv) Nature of Loan: Composite loan (Term loan - to meet requirement of assets such as Plant and Machinery, Working capital including LC, BG)

v) Margin: 25% margin, which can be provided in convergence with eligible Central/ State schemes. In all cases, the borrower shall be required to bring in minimum of 10% of the project cost as own contribution.

vi) Rate of Interest: The rate of interest would be applicable as per MSME Policy and not to exceed MCLR + 3%.

vii) Tenor of Loan: The composite loan is repayable in 7 years with a maximum moratorium period of 18 months.

viii) Security: a) Hypothecation of assets (stocks, receivables, work in progress, plant & machinery etc) as applicable.
b) Equitable/ registered mortgage of Land and Building free from any encumbrances in the name of borrower/ partner/ director.

ix) Guarantee: In case the properties offered as security are in the name of person(s) other than the borrower, the personal guarantee of all such owners /co-owners shall be obtained. As per extant guidelines, in case of sole proprietorship concerns guarantee of wife/major son(s) and in case of companies, guarantee of directors of the company to be taken.

x) Guarantee Cover: Besides primary security, the loan may be secured by collateral security or guarantee of Credit Guarantee Fund Scheme for Stand-Up India Loans (CGSSI), nodal agency National Credit Guarantee Trustee Company, as decided by the bank