

Stand-Up India (SUPI)

February 15, 2021

What is it?

This scheme seeks to leverage the institutional credit structure to reach out to the underserved sector of people such as Scheduled Caste, Scheduled Tribe and Women Entrepreneurs so as to enable them to participate in the economic growth of the nation.

About the Stand Up India Scheme

Launch: It was launched on 5 April 2016 to promote entrepreneurship at grass root level for economic empowerment and job creation.

Ministry: The scheme is anchored by Department of Financial Services (DFS), Ministry of Finance

Aim: It aims at promoting entrepreneurship among women and scheduled castes and tribes

Financial support:

- It aims to facilitate bank loans between Rs.10 lakh and Rs.1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch of SCBs 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.

Loan details

- **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

Who is eligible under the scheme?

- SC/ST and/or woman entrepreneurs, above 18 years of age.
- Loans under the scheme are available for only green field projects. Green field signifies, in this context,

the first time venture of the beneficiary in the manufacturing or services or trading sector.

- In case of non-individual enterprises, 51% of the shareholding and controlling stake should be held by either SC/ST and/or Women Entrepreneur.
- Borrowers should not be in default to any bank/financial institution.

Do you know?

As on 17.02.2020, more than 81% account holders under Stand Up India Scheme are women.