



Promoting Entrepreneurship Spirit among SC/ST and Women Entrepreneurs through Stand-up India Scheme

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Abstract

As India is growing rapidly, hopes, aspirations and expectations of a large group of potential entrepreneurs, particularly Women, Scheduled Castes (SCs) and Scheduled Tribes (STs), are rising. They want to set up an enterprise of their own to allow themselves to thrive and grow. Such entrepreneurs are spread across country and are bubbling with ideas on what they can do for themselves and their families. The Stand-up India scheme envisages to facilitate the dreams of aspiring SC, ST and women entrepreneurs into reality by supporting their energy and enthusiasm and removing hurdles from their path.

Stand-up India Scheme was launched on April 05, 2016 to promote entrepreneurship at grassroots level focusing on economic empowerment and job creation. The scheme is based on recognition of the challenges faced by SC, ST and women entrepreneurs in setting up enterprises, obtaining loans and other support needed from time to time for succeeding in business. The scheme therefore endeavours to create an ecosystem which facilitates and continues to provide a supportive environment for doing business. The scheme seeks to give access to loans from bank branches to borrowers to help them set up their own enterprise.

Keywords: Margin Money, SC/ST, Stand-up India, Trainee Borrower, Women Entrepreneurs.

Introduction

Women in India had always faced problems in many social, professional and entrepreneurial fronts. It is more so in the case of women of SC/ST category. In order to assist such women who, have entrepreneurship qualities in them, Government of India, introduced "Stand-up India". This scheme helps to promote entrepreneurship spirit among women, especially SC & ST category i.e., those sections of the population facing significant hurdles due to lack of advice/mentorship as well as inadequate and delayed credit. The intention of the scheme to leverage the institutional credit structure to reach out to these SC/ST women in starting greenfield enterprises to empower them economically. It caters to both experienced and new (trainee) borrowers. The Stand-Up India scheme is based on recognition of the challenges faced by SC, ST and women entrepreneurs in setting up enterprises, obtaining loans and other support needed from time to time for succeeding in business. The scheme therefore hopes to create a climate of enabling system which facilitates and continue to extend support measures for doing business activities by such SC/ST women.

Stand-up India scheme in addition to providing financial support also incorporates hand-holding support to the potential borrowers. Thus, It provides for convergence with Central/State Government schemes. The Stand-Up India scheme has been extended up to Financial year 2025.

Objective of Stand-up India Scheme

The objective of 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 belong to

manufacturing, services or the trading sector. In case of other than individuals, i.e.. enterprises, at least 51% of the shareholding and controlling stake of such enterprises should be held by either an SC/ST or Woman entrepreneur.

Eligibility for the Scheme

1. SC/ST and/or woman entrepreneurs, above 18 years of age.
2. The loan is available for only green field project, that is, to say a first-time venture of the beneficiary in the manufacturing or services or trading sector.
3. In case of non-individuals such as other legal entities, 51% of the shareholding and controlling stake should be held by either SC/ST and/or Women Entrepreneur.
4. To Borrower should not be a defaulter with any bank/financial institution.

Coverage and Access to Loans

The scheme is available to all branches of Scheduled Commercial Banks. The scheme, will be accessed in any

- Directly at the branch or
- Through SIDBI's Stand-Up India portal
- The Lead District Manager (LDM) - under the Lead Bank Scheme.

A potential borrower can register on the portal directly which can be accessed at home, at Common Service Centers (CSCs), through a bank branch (through the nodal officer for MIUDRA at the branch) or through the LDM. or through an internet access point facility.

Approach and Assistance to Women Borrowers

The borrowers are assessed based on the response to following parameters, for guidance handholding right from the initial stage.

1. Location of the borrower.
2. Category SC/ST/Woman.
3. Nature of business planned.
4. Availability of place to operate the business.
5. Assistance needed for preparing a project plan.
6. Requirement of skills/training (technical and financial).
7. Details of present bank account.
8. Amount of own investment into the project.
9. Whether help is needed to raise margin money.
10. Any previous experience in business.

Based on the response, the portal provides relevant feedback and helps in categorizing the visitor to the portal as a ready borrower or a trainee borrower.

Ready Borrower

In case the borrower who requires no guidance, then registration on the portal as itself starts the process of application for the loan at the selected bank. While registering an application number will be generated and information about the borrower shared with the bank concerned, the LDM (posted in each district) and the relevant linked office of NABARD/ SIDBI. The offices of SIDBI and NABARD shall be designated Stand-Up Connect Centers (SUCC). The loan application will now be generated and tracked through the portal.

Trainee Borrower (New borrower)

Where the borrower requires need for handholding, then the borrower will be registered as a Trainee Borrower on the portal which will link the borrower to the LDM of the concerned district and the relevant office of SIDBI/ NABARD. This process can be done through internet at borrower's home, or at a CSC or through a bank branch by the officer dealing with MUDRA cases.

Support will be arranged by SIDBI (79 offices) and NABARD (503 offices) through Stand-Up India Connect Centers. The trainee will be given support as per request in one or more of the following ways:

- a. Financial training at the Financial Literacy Centers (FLCs).
- b. Skilling at skilling centers (Vocational Training Centers - VTPs/ Other Centers -OCs).
- c. EDPs-at MSME Dis/ District Industries Centers (DICS)/ Rural Self Employment Training Institutes (RSETIS).
- d. Factory/work shed - DICs.
- e. Margin money e.g., State SC Finance Corporation, Women's Development Corporation, State Khadi & Village Industries Board (KVIB), MSME-Dis etc.
- f. For mentoring support-DICCI, Women Entrepreneur Associations, Trade bodies, well established NGOS.
- g. For utility connections Offices of utility providers.
- h. Detailed Project Reports - Project profiles available with SIDBI/ NABARD/DICS.

If an applicant requires any assistance even after the loan has been sanctioned, they may access the services of the Stand-Up Connect Centers.

Nature of Loan

Composite loans (which includes term loan and working capital) between Rs.10 lakh and up to Rs.100 lakh as per requirement.

Purpose of Loan

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

Size of Loan

Loan size will be 85% of the project cost including term loan and working capital. If the borrower's margins exceed 15% then loan size will accordingly be lessened.

Interest Rate

The minimum applicable rate of the bank for that rated category of borrower. Interest not to exceed (MCLR + 3%+ tenor premium according to individual bank's rate structure.

Security and Risk coverage

Besides primary security plus collateral security or guarantee of Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL) as decided by the banks from time to time.

Repayment

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

Working Capital

Working capital up to Rs.10 lakh will be by way of way of overdraft. Any working capital loan exceeding Rs. 10 lakhs will be through Cash Credit limit. Banks can also issue RuPay debit card for the convenience of the borrower.

Margin Money

As per scheme 15% margin money to be brought in by the borrower. This 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.

A list of Central/State wise subsidy/incentive schemes is provided on the SIDBI Portal. This can be used by borrowers to secure subsidies. New schemes will be added as they become available to this portal.

Changes made to the Scheme

Pursuant to an announcement by the Union Finance Minister in the Budget speech FY 2021- 22, the following changes have been made in the Stand-Up India Scheme:

- The extent of margin money to be brought by the borrower has been reduced from 'up to 25%' to 'up to 15%' of the project cost. However, the borrower will continue to contribute at least 10% of the project cost as own contribution;
- Loans for enterprises in 'Activities allied to agriculture' e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation agro industries, dairy, fishery, agrilclinic and agribusiness centers, food & agro-processing, etc. (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, shall be eligible for coverage under the Scheme.

Handholding Support

To extend collateral free coverage, Government of India has set up the Credit Guarantee Fund for Stand-Up India (CGFSI). Apart from providing credit facility, Stand-up

India Scheme also envisages extending handholding support to the potential borrowers. It also provides for convergence with Central/State Government schemes. Applications under the scheme can also be made online at (www.standupmitra.in) portal.

Apart from linking prospective borrowers to banks for loans, the online portal <https://www.standupmitra.in/> developed by Small Industries Development Bank of India (SIDBI) for Stand-up India Scheme is also providing guidance to prospective entrepreneurs in their endeavour to set up business enterprises, starting from training to filling up loan applications, as per bank requirements.

Through a network of more than 8,000 Hand Holding Agencies, this portal facilitates step by step guidance for connecting prospective borrowers to various agencies with specific expertise viz. Skilling Centres, Mentorship support, Entrepreneurship Development Program Centres, District Industries Centre, together with addresses and contact number.

The scheme reflected significant financial empowerment for the SC, ST communities and women entrepreneurs (from November 2018 to November 2024):

- SC accounts grew from 9,399 to 46,248 with loan amounts rising from Rs. 1,826.21 crore to Rs. 9,747.11 crore.
- ST accounts increased from 2,841 to 15,228 with sanctioned loans jumping from Rs. 574.65 crore to Rs. 3,244.07 crore.
- Women entrepreneurs accounts grew from 55,644 to 1,90,844, with sanctioned amounts rising from Rs. 12,452.37 crore to Rs. 43,984.10 crore

Summing-up

Since its launch on 5th April 2016, the Stand-Up India Scheme has been on a mission to empower SC, ST, and women entrepreneurs. It aimed to break barriers by providing bank loans to help them start new businesses. Over the past 9 years, the scheme has not just funded businesses—it has nurtured dreams, created livelihoods, and driven inclusive growth across India. The Stand-Up India Scheme has shown remarkable growth over the years, with the total amount sanctioned increasing from Rs. 14,431.14 crore as of 31st October 2018 to an impressive Rs. 61,020.41 crore by 17th March 2025, since its launch. This reflects a substantial increase, highlighting the scheme's expanding impact in empowering entrepreneurs across the country.

The Stand-Up India Scheme has been a transformative initiative, empowering SC, ST, and women entrepreneurs to turn their business ideas into reality. With significant achievements in loan sanctions and disbursements, it continues to foster inclusive growth. This scheme is not just about loans; it's about creating opportunities, inspiring change, and turning aspirations into achievements.

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