



भारतीय श्रमिक शिक्षा संस्थान

दत्तोपंत ठेंगडी राष्ट्रीय श्रमिक शिक्षा एवं विकास बोर्ड द्वारा संस्थापित

श्रम एवं रोजगार मंत्रालय, भारत सरकार

श्रमिक शिक्षण भवन, ला.ब. शास्त्री मार्ग, कुर्ला कोर्ट के पास, कुर्ला (पश्चिम) मुंबई- 400070

Indian Institute of Workers Education

Founded by Dattopant Thengadi National Board for Workers Education & Development

Ministry of Labour & Employment, Govt. of India

Shramik Shikshan Bhavan, L.B.S. Marg, Near Kurla Court, Kurla (West) Mumbai 400070

Tel/Fax : 022-26503532 Tel. 26503965

email : iiwemumbai@rediffmail.com

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Facts For You

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Stand Up India

The objective of the Stand Up India scheme is to facilitate bank loans between 10 lakh to 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. The aim is to promote entrepreneurship among them. Under the scheme, 1.25 lakh bank branches would each be expected to lend money every year to at least one Dalit or Tribal entrepreneur and one Woman entrepreneur in their service area.

Key Features of the Stand Up India Scheme:

The Prime Minister of India, Mr Narendra Modi launched the Stand Up India Scheme in April 2016, encouraging people from the scheduled caste and scheduled tribes and women across the country to become entrepreneurs by loaning them a sum of money to start a business.

Given below are the key features of the Stand Up India scheme:

- The scheme is part of an initiative by the Department of Financial Services (DFS), Ministry of Finance, to promote entrepreneurial projects.
- An amount ranging from Rs 10 lakh to Rs.1 crore to be provided as a loan, inclusive of working capital for setting up a new enterprise.
- The scheme states that each bank branch needs to facilitate two entrepreneurial projects on an average. One for SC/ST and one for a woman entrepreneur.

- 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.
- A RuPay debit card would be provided for the withdrawal of credit.
- Credit history of the borrower would be maintained by the bank so that the money is not used for any personal use.
- Refinance window through **Small Industries Development Bank of India (SIDBI)** with an initial amount of Rs.10,000 crore.
- Under this scheme, through NCGTC, creation of a corpus of Rs.5000 crore for credit guarantee.
- Supporting the borrowers by providing comprehensive support for pre-loan training like facilitating the loan, factoring, marketing, etc.
- A web portal has been created to assist people for online registration and support services.
- The main purpose of this scheme is to benefit the institutional credit structure by reaching out to the minority sections of the population by initiating bank loans in the non-farm sector.
- The scheme will also be an advantage for the ongoing schemes of other Departments.
- The Stand Up India scheme will be led by Small Industries Development Bank of India (SIDBI) along with the involvement of the Dalit Indian Chamber of Commerce and Industry (DICCI). Along with DICCI, there will also be involvement of other sector-specific institutions.
- The designation of Stand Up Connect Centres (SUCC) will be provided to SIDBI and National Bank of Agriculture and Rural Development (NABARD)
- An initial amount of Rs.10,000 crore will be allotted to the Small Industries Development Bank of India (SIDBI) to provide financial aid.
- There will be a pre-loan and an operational phase for this scheme and the system and officials tend to help people throughout these phases.
- To help the credit system reach out to the entrepreneurs, the margin money for the composite loan will be up to 25 per cent.
- The people who apply for this scheme will be familiarised with the online platforms and other resources of e-marketing, web-entrepreneurship, factoring services and registration.

Convergence and Inter-Sectoral Linkages in the Scheme:

- At the launch of this scheme, 5100 E-Rickshaws were distributed by Bhartiya Micro Credit (BMC) under the Pradhan Mantri Mudra Yojna scheme.

- In addition to getting a loan under the Stand Up India Scheme, the recipients will also be covered under Pradhan Matri Jan Dhan Yojna, Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Yojana, Atal Pension Yojana schemes, and other eight significant Prime Minister schemes.
- BMC – Bhartiya Micro Credit, aims to spread awareness of the financial inclusion and social security schemes and proposes to take the benefits to poor and homeless people in the country.
- The idea is to facilitate the up-gradation of pedal rickshaw pullers into E Rickshaw owners and help create a threefold increment in their income.
- The Mudra scheme is responsible for providing credit for all the facilities under this program.
- The shift from pedal rickshaw to E rickshaw will also help to contribute towards achieving the goals of Swachh Bharat Abhiyan.
- Under the scheme, charging and service station will also be set up, which will help the growth of the emergence of small and micro enterprises along with creating many opportunities for entrepreneurs.
- This organically integrates Bhartiya Micro Credit (BMC) E-Rickshaws program into the 'Stand Up India' initiative.

Eligibility Criteria: Stand Up India Scheme

There are certain eligibility criteria that need to be fulfilled by the people applying for the loan:

1. The individual must be 18 years or above.
 2. The company must be a private limited/LLP or a partnership firm.
 3. The turnover of the firm must not be more than 25 crores.
 4. The entrepreneur should either be a woman or a person belonging to scheduled caste or scheduled tribe category.
 5. The loan will only be provided to fund Greenfield projects i.e., the project must be a very first one being undertaken under the manufacturing or service sector.
 6. The applicant must not a bank or any other Organisation's defaulter.
 7. The company should be dealing with any commercial or innovative consumer goods.
- An approval of DIPP is also required for the same.

Procedure to Apply Online

The scheme which covers all branches of Scheduled Commercial Banks will be accessed in three potential ways:

1. Directly at a Bank Branch
2. Through SIDBI Stand-Up India Portal (www.standupmitra.in)

3. Through the Lead District Manager

How to Avail Stand Up India Scheme

1. Stand Up India Portal provides information to a potential borrower on various kinds of handholding support from different agencies and also provides a window to get in touch with banks to avail loans
2. The applicant first click to "Register" and answer to few short questions on the Registration page of the portal
3. Based on the response, the Applicant would be classified as the "Trainee Borrower" or "Ready Borrower". Applicant would also be given feedback on his/her eligibility for Stand-Up India loan.
4. A trainee borrower/ready borrower may then chose to register and login through the portal
5. Upon logging through the portal, the borrower is taken to a dashboard.

Benefits of Stand Up India Scheme

Given below are the benefits of launching the Stand-Up India scheme:

- The basic aim of the initiative is to provide, encourage and motivate new entrepreneurs so as to minimize unemployment.
- If you are an investor then Stand Up India gives you the right platform where you get professional advice, time, and knowledge about laws. Another benefit is that they would assist you in the start-up for the initial two years of your work.
- They also provide post set up aid to the consultants.
- Moreover, another benefit for entrepreneurs is that they do not have to worry much about how to pay back the amount that they have taken for the loan as they need to pay back the loan in a span of seven years, which reduces the stress of repayment for the borrowers. However, a certain amount needs to be paid back each year as per the borrower's choice.
- This scheme will help to eradicate legal, operational and other institutional obstacles for entrepreneurs as well.
- It can be a very positive boost in terms of job creation, leading to socio-economic empowerment of dalits, tribals and women.
- It may also act as the driving force for other Government schemes like 'Skill India' and 'Make in India'.
- It will help protect the demographic dividend in India
- With access to bank accounts and technological education, it will lead to financial and social inclusion of these strata of society.

STAND UP INDIA



ECOSYSTEM



**LEAD BANK
MANAGER**

Bank
Branch 1



Bank
Branch 2



Bank
Branch 3



Bank
Branch 4



Bank
Branch 5



Connect
Centres **SIDBI**



Connect
Centres **NABARD**

Rural Self Employment Trg. Institutes (RSETIs)

Vocational Training Centres

MSME Development Institutes

State SC/ST Devp. & Financial Corporations
Industry Associations

District Industries Centre

Dalit Indian Chamber of Commerce & Industry

Skilling Centres

Women Entrepreneurial Associations

Tax Benefits/Incentives in Stand Up India

- The applicants will get 80% rebate after filing the patent application form. This can only be filled by start-ups and the benefits are also more for them as compared to other companies.
- There is also an inclusion of Credit Guarantee Fund and the entrepreneurs enjoy relaxation in Income tax at least for the first three years.
- There will be complete relaxation for the entrepreneurs for the Capital Gain Tax.
- Moreover, for the entities who qualify the program will further enjoy benefits like the redemption of tax on the profits earned.
- This is to ease the entities during the initial startup phase and that there is no burden of paying heavy costs for taxes.

Awareness generation:

As a part of media awareness and reporting the following initiatives will be taken up by the Government to promote the scheme:

- A Startup India Twitter Handle has been created.
- An official website has been made and application for the initiative to create better awareness about Start-Up India has also been initiated.
- Also to encourage others, motivating stories will also be blogged every day on the online web portal of the scheme.
- To spread awareness about the scheme on social media platforms, a devoted Facebook page is also set- up.

Most of the women entrepreneurs involved in the co-operative movement and self-help group movement are dominantly contributing to the service sector. Experts are of the opinion that, the government through this scheme can provide an institutional framework and support services to the women to make a beginning in the manufacturing sector too.

The SC/ST population needs to be educated and socio-politically empowered further to reap the benefits of this scheme meaningfully. If implemented with the adequate ecosystem support, this scheme can indeed transform the socio-economic architecture of rural and urban India.

(Reference: Internet Resources)

Compiled by,
Dr Asmita S Deshmukh.
Assisted by,
Shri Nilesh R Patade