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| **Scheme Guidelines** |

1. The objective of the 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 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.
2. The scheme, which covers all branches of Scheduled Commercial Banks, will be accessed in three potential ways:
   * Directly at the branch or
   * Through SIDBI’s Stand-Up India portal ([www.standupmitra.in)](http://www.standupmitra.in/) or
   * Through the Lead District Manager ((LDM)

**Stand-Up India portal**

1. A potential borrower will have the option of registering on the portal right away or simply visiting it and registering later. This portal may be accessed at home, at Common Service Centers (CSCs), through a bank branch (through the nodal officer for MUDRA at the branch) or through the LDM.
2. The approach of the Stand-Up India portal, for handholding is based on obtaining answers to a set of relevant questions at the initial stage. These would be typically be:
   * Location of the borrower
   * Category – SC/ ST/ Woman
   * Nature of business planned
   * Availability of place to operate the business.
   * Assistance needed for preparing a project plan
   * Requirement of skills/training (technical and financial).
   * Details of present bank account.
   * Amount of own investment into the project
   * Whether help is needed to raise margin money
   * Any previous experience in business

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

**Ready Borrower**

1. In case the borrower requires no handholding support, then registration on the portal as a Ready Borrower starts the process of application for the loan at the selected bank. The loan application will now be generated and tracked through the portal.

**Trainee Borrower**

In cases where the borrower indicates a need for handholding, then registration as a Trainee Borrower on the portal will link the borrower to the LDM of the concerned district and the relevant office of SIDBI/ NABARD.

SIDBI (79 offices) and NABARD (503 offices) as Stand-Up India Connect Centers will then arrange for support for such trainee borrowers as requested in one or more of the following ways:

* + 1. For financial training – at the Financial Literacy Centers (FLCs)
    2. For skilling – at skilling centers ( Vocational Training Centers - VTPs/ Other Centers -OCs)
    3. For EDPs – at MSME DIs/ District Industries Centers (DICs)/ Rural Self Employment Training Institutes (RSETIs)
    4. For work shed – DICs
    5. For margin money – offices related to margin money support schemes e.g. State SC Finance Corporation, Women’s Development Corporation, State Khadi& Village Industries Board (KVIB), MSME-DIs etc.
    6. For mentoring support from established entrepreneurs – DICCI, Women Entrepreneur Associations, Trade bodies. Credible, well established NGOs can also be used for extending hand holding support.
    7. For utility connections – Offices of utility providers
    8. For DPRs – Project profiles available with SIDBI/ NABARD/ DICs

At any time, even after the loan has been sanctioned, any borrower may access the services of the Stand-Up Connect Centers.

* + The LDM will monitor the process and work with local offices of SIDBI and NABARD for problem solving and easing bottlenecks. Based on the progress being achieved in each case and prima facie viability, the LDM will sensitize the concerned bank branch on potential cases likely to come up. Once this is done, SIDBI/ NABARD will meet concerned bank officials for further follow up. These organizations will also work with other organizations who are stakeholders such as the Dalit Indian Chambers of Commerce and Industry (DICCI), Women’s Entrepreneur Associations etc.
  + Once hand holding requirements are adequately met to the satisfaction of the LDM and the trainee borrower, then a loan application will be generated through the portal.

**Nature of Loan**

1. The loan shall be a Composite Loan i.e. to meet requirements of assets such as plant and machinery and working capital. It is expected to cover 75 % of project cost and the rate of interest would be lowest applicable rate of the bank for that category (rating) not to exceed (base rate (MCLR) + 3%+ tenor premium). It shall be repayable in up to 7 years with a moratorium of up to 18 months. A Rupay card will be issued to enable operation of the working capital component. (The stipulation of the loan being expected to cover 75% of the project cost would not apply if the borrowers contribution along with convergence support from any other scheme exceeds 25% of the project cost).

**Credit Guarantee/ Collateral**

1. The scheme for Credit Guarantee for loans under Stand-Up India has been notified [(www.ncgtc.in).](http://www.ncgtc.in/) The norms in this respect are aligned with existing CGTMSE norms.

**Margin Money**

1. 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. To illustrate, if a State scheme supports a borrower with 20% of the project cost as subsidy, then the borrower will be required to contribute at least 10% of the project cost. Any subsidy received by a unit which was not foreseen during loan appraisal will be credited to the loan account. In cases where a subsidy was included during appraisal but received after commissioning, the same may be released to the borrower to repay any loan taken for arranging margin money

**District Level Credit Committee**

1. The District Level Credit Committee (DLCC) under the Collector with the LDM as Convener shall periodically review cases of both types of borrowers, meeting at least once each quarter. SIDBI and NABARD officers will join the review meetings.

**Assistance after loan disbursement**

1. Events will be organized at District level, as frequently as necessary and at least once in each quarter, involving stakeholders to share best practices, review, problem solving and guide potential entrepreneurs. These events will also provide means for facilitating registration for bill discounting services, e-market places, taxation etc. NABARD will organize these events with the support of SIDBI.

**Grievance Redressal**

1. Provision has been made in the portal for redressal of grievances of the borrower. The portal provides contact details of the officers/agencies in each bank designated to attend to grievances. A system for online submission of complaints and their subsequent tracking through the portal shall be developed. Feedback on disposal of the complaint is to be made available to the customer by the bank concerned.
2. Banks may determine requirements such as stock statements, insurance of assets created & reasonable processing fees.

**Responsibilities of Stakeholders**

Stand-Up Connect Centers(SIDBI/ NABARD):

**SIDBI:**

* To operate and maintain the Stand-Up India web portal
* Arrange for handholding support for Trainee Borrowers
* Liaise with banks for follow up in potential cases through LDM/SLBC
* Coordinate with LDM for easing bottlenecks
* Assist the SLBC and DLCC in reviews and monitoring
* Participate in Stand-Up events organized by NABARD.

**NABARD**

* Training of Trainers, LDMs, Bank officers for Stand-Up India
* Arrange for handholding support for trainee borrowers
* Liaise with banks for follow up in potential cases through the LDM
* Coordinate with LDM for easing bottlenecks
* Assist the SLBC and DLCC in reviews and monitoring
* Organize events, as frequently as necessary and at least once in each quarter, for experience sharing etc. amongst stakeholders.

**LDM:**

* Monitor progress of cases
* Serve as contact point for SIDBI/NABARD for easing bottlenecks.
* Sensitize bankers on potential borrowers.
* Follow up with concerned regional/zonal office of the respective bank to ensure timely processing/ sanction of loans as per time frame specified in Code of Bank’s Commitment to Micro and Small Enterprises.
* Ensure that borrower’s requirement of handholding support is satisfied to the extent possible.
* Convene DLCC meetings in the specified periodicity.
* Participate in quarterly events with stakeholders organized by NABARD.

**DLCC**

* DLCC under the Collector to review progress periodically
* Grievance redressal at district level
* Assist in resolving issues, if any, relating to public utility services and work space for potential borrowers

**Bank branches:**

* Help potential borrowers in accessing the portal
* Process loan applications received online or in person
* Process loans within the timeframe as stipulated in Code of Bank’s Commitment to SME borrower(Application for loan upto 5 lakh within 2 weeks, between 5 – 25 lakh in 3 weeks, above 25 lakh in 6 weeks, from the date of receipt of application provided the application is complete in all respects and is accompanied by documents required)
* In case of rejection, reason to be made known to borrower as stipulated in the Code of Bank’s Commitment to Customers.
* Grievance redressal at the bank level should be done in 15 days at the bank level as per Code of Bank’s Commitment to Customers.
* Banks to put in place an internal mechanism for monitoring of scheme performance.

**Borrowers:**

* Access the portal or visit a bank branch and answer a short set of questions
* If categorized as a Trainee Borrower, then go through the sequence of handholding support, as applicable
* Arrange/ provide requisite documentation as required by the bank branch
* Attend quarterly events on experience sharing, best practices, problem solving etc.
* Set up and run the unit with due diligence.
* Make repayments in due time. **(source : www.standupmitra.in)**