

## Entrepreneurship Promoting Schemes and Organizations

**W5 L2** – Standup India

**Instructor** – Prof. B. Jirli, CMDR

Hello friends. So, in today's class, we'll be taking up discussion on another, important scheme of Government of India, that is Stand Up India. The scheme was launched on 5th April 2016. The focus of this scheme is for the, people belonging to Schedule Caste and Scheduled tribes or women entrepreneurs.

The basic idea behind launching this scheme is to facilitate the bank loans between 10 lakhs to 1 crore to at least one schedule caste and one schedule tribe borrower and at least one women borrower as per, the per bank branch for setting up a green field enterprise. So, if you look into the achievements of this particular, uh, scheme, as on date, more than 1.4 lakh such enterprises have already been established from the people belonging to these specific categories, that is, schedule caste, schedule tribes, and women, enterprises. And the prerequisite for this is they have to start with the greenfield enterprise. What do you mean by this greenfield enterprise? So that we will be looking into the next part.

This enterprise may be in manufacturing, services or trading sector, any, area that you can select. Then in case of non individual enterprises, if you want to launch these enterprises in a team, in a group. of women or men or people belonging to any of the, groups, 51 percent of the shareholding and controlling of the entire, enterprisal stake should be owned by SCST or the women entrepreneurs. So, this is what is the prerequisite. Then the factors of eligibility include the age of the individual belonging to that particular category must be 18 years or more than that. Loan is available for only greenfield project. We use this term Previously also, what do you mean by this greenfield?

This signifies that the first time venture of the beneficiary in manufacturing or service or trading sector. It means if you have any family history of established enterprises, you are not eligible under this particular scheme. So that is what the government of India has specified. It is greenfield venture.

The borrower should not be, in default to any of the bank or financial institution, your financial history will also be studied before, you are being identified as, under this particular scheme. Then the interest rates are as per. the banks from where you are getting the loans, but the rate of interest would be lowest applicable as on that particular date.

Then, the, as far as security is considered, beside the primary security, the loan may be secured by collateral security or guarantee of credit, Guarantee Fund Scheme for, Stand Up India Loans.

So this is again, an initiative of Government of India as decided by the banks. Then repayment period is, the loan is repayable in maximum of 7 years with a moratorium period of 18 months.

So what do you mean by this moratorium period? After getting the loan, after taking the loan, for the first 18 months, The interest will not be calculated. The first 18 months are free from the interest. So that's what is the idea behind though that 18 months period that you will be getting so that you can enter into the transaction activities, the business activities, the marketing activities and all these things and you need not worry about, payment of the interest during that period. Then working capital is, made available up to 10 lakhs rupees that you can, withdraw from the, way of overdraft. Overdraft means even though that amount is not in your bank balance, but you can make, the payment up to rupees 10, 00, 000, up to 10 lakhs for payment of, any of the dues of your venture.

So that is what is the facility provided under this particular scheme. So, you can make use of rupay debit card, which is issued for the convenience of the borrower so that you can make, your payments in a very simple manner. Then the borrower shall be required to bring a minimum of 10 percent of the project cost as his own contribution.

So, if your project is of if you have 1 crore worth of 1 crore rupees, at least 10 lakh rupees you have to invest on your own. The remaining, amount will be provided under this particular scheme. So, that is what is, the idea behind this, contribution by the individual. So, now here the question arises, why government is insisting, why the scheme is insisting on, investment by the individual or the group to the extent of 10%. So the idea behind is to make you more responsible, to make you more responsible, 90 percent money that is being contributed by the government but when you pay 10 percent financially, you become more responsible, you become more committed and you will be more interested in repayment and all those things.

The unique nature of this particular scheme is This scheme is operated by all branches of scheduled commercial banks in India. In whatever the area the bank branches are there, each and every branch of a bank is given this responsibility of identifying one SC, one ST and one women entrepreneurs, it is binding on each and every, branch of the bank.

So, that is how they are also promoting this concept of entrepreneurship among the disadvantaged sections of the society. For more details of this and, for having, getting any clarification, you can contact these, mail IDs ([support@standupmitra.in](mailto:support@standupmitra.in)) and ([help@standupmitra.in](mailto:help@standupmitra.in)).

With this, we will be closing today's discussion.

Thank you.