



A PRESENTATION ON

STAND UP INDIA SCHEME

AND

PRADHAN MANTRI MUDRA YOJANA

SUI & PMMY

GOALS

- *Understanding main features of SUI & PMMY Schemes*
- *Understanding impediments in implementation of the*
- *Understanding the way outs*

The Stand Up India Scheme was launched by the Hon'able Prime Minister on 5th April, 2016.

OBJECTIVE :

To encourage Greenfield Enterprises by SC/ST and Women Entrepreneurs in Manufacturing, Services or the Trading Sector.

TARGET :

One loan to SC/ST and one loan to women entrepreneurs by each branch. All branches of Scheduled Commercial Banks are to participate in the Scheme.

ELIGIBILITY :

SC/ST and /or Woman Entrepreneurs, above 18 years of age.

In case of non-individual enterprises, 51% of the shareholding and controlling stake should be held by either SC/ST and / or Women Entrepreneur.

Borrower should not be in default to any bank/FI.

PURPOSE :

For setting up a New Green Field Project in Manufacturing, Trading or Services Sector.

The scheme is *not applicable* for existing units or for expansion purpose.

LOAN AMOUNT :

Maximum 75% of the total project cost, subject to more than Rs.10 lakh and up to Rs.1.00 crore. Credit Facility in the form of *both Term Loan and Cash Credit* will be sanctioned.

MARGIN :

Minimum 25% of the project cost including subsidy, if any.

Where subsidy available is more than 15%, borrower's margin should be minimum 10% of the project cost. In Central Bank of India, 10% Margin is stipulated for women beneficiaries.

RATE OF INTEREST:

Not to exceed MCLR+3%+Tenor Premium.

In Central Bank of India, interest is charged @ MCLR where the loan is covered by 100% collateral security and @ MCLR + 0.95% where it is covered by CGSSIL Guarantee Cover. (MCLR is 8.45%)

SECURITY :

Primary - Bank's Charge on the assets created out of Bank Finance. The land/building where the project is established to be offered as security if it is appearing in the balance sheet of the borrower.

Collateral - The loan may be secured by collateral security or guarantee of Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL).

Guarantee Cover - 80% of amt. in default for credit facilities up to Rs.50 lakh and 50% for rest amount. Max. Rs.65 lakh.

Guarantee Fee is @ 0.85% + Risk premiums on NPA in guaranteed portfolio of the bank and ratio of Claims settled.

DISBURSEMENT :

Term Loan is disbursed directly to the Supplier, along with margin contribution from the beneficiary. Working capital up to limit of Rs.10 lakh is to be in the form of OD and above Rs.10 lakh, as CC which is subject to annual review/renewal.

SUBSIDY :

There is no subsidy under the Scheme. However, convergence with State Subsidy linked Schemes like **MMYUY** is permissible.

REPAYMENT :

Based on the Cash Flows from the project, *within 7 years* with a maximum moratorium period of 18 months.

SUI PORTAL :

“www.standupmitra.in” provides information to Applicants on various kinds of handholding support from different agencies and making online application to Banks for loan.

APPLICATION :

- Can be given directly at the branch
- Through SIDBI's Stand-Up India portal
- Through the Lead District Manager (LDM)

Ready Borrower - does not require handholding

Trainee Borrower - Are provided handholding support

STAKEHOLDERS :

- **SIDBI** : Maintain Web Portal, Arrange Handholding support
- **NABARD** : Training for trainers, LDMs, Bank Officials, Arrange Handholding support, Organize Events
- **LDMs** : Monitor Progress of cases, Sensitize Bankers
- **DLCC** : Review Progress, Grievance redressal
- **BANK BRANCHES** : Process & dispose of loan Applications
- **BORROWER** : Provide requisite documents & information, set up and run unit with due diligence, make payment in due time.

STATUS OF SCHEME PERFORMANCE SO FAR :

The performance is below the expected level.

Impediments:

- Bankable proposals from eligible category of borrowers are not forthcoming.
- Small ticket advances of up to Rs.10 lakh are not eligible under the Scheme. They are eligible under Mudra scheme.
- Scheme is for Green Field Projects only and not for existing units.

Way-out:

- Area-wise viable Green Field Projects to be identified.
- Training to be imparted to the eligible candidates for running such projects successfully.
- Handholding support to be provided.
- Marketing support to be provide to the manufacturing units.



MUDRA

Micro Units Development & Refinance Agency Ltd.

***Pradhan Mantri MUDRA Yojana
PMMY Scheme***

Pradhan Mantri MUDRA Yojana (PMMY) Scheme was launched by the Hon'ble Prime Minister on 8th April, 2015.

OBJECTIVE :

To provide loans up to Rs.10 lakh to the *non-corporate, non-farm* Small/Micro Enterprises.

LENDING INSTITUTIONS :

Commercial Banks, RRBs, Small Financial Banks, Co-operative Banks, MFIs and NBFCs.

ELIGIBLE BORROWERS : Non-Corporate Small Business Segment engaged in Non-farm activities.

ELIGIBLE ACTIVITIES :

Non-Farm Enterprises in manufacturing, trading and services whose credit needs are up-to Rs.10Lakh.

SUBSIDY :

There is no subsidy under the Scheme. However, convergence with State Subsidy linked Schemes like MMSY is permissible.

PURPOSE OF LOAN :

- Purchase of **Transport Vehicles** for goods & personal transport.
- To set up **Community, Social & Personal Service Activities** such as Saloons, beauty parlors, Gymnasium, boutiques etc.
- **Food Product Sector Activities** such as Papad, Achar, Jam, Jelly making, Sweets shops, Catering, Canteen services etc.
- Textile products Sector/Activity such as Handloom, Embroidery, dyeing & printing, Bags Seat cover making etc.
- Business Loans for traders & shopkeepers
- Equipment Financing for Micro Units
- Activities allied to agriculture such as bee keeping, poultry, grading sorting, dairy, fisheries, agri-clinics, food & agro processing etc.

PRODUCTS :

- **SHISHU** : Loans up to Rs.50,000/-
- **KISHORE** : Loans of Rs.50,001/- to Rs.5,00,000/-
- **TARUN** : Loans of Rs.5,00,001/- to Rs.10,00,000/-

SECURITY :

Primary - Bank's Charge on the assets created out of Bank Finance.

Collateral - No Collateral Security required. The loan to be secured by guarantee of Credit Guarantee Fund for Micro Units (CGFMU), managed by NCGTC.

Guarantee Fee is @ 1% of sanctioned amount + Risk premiums on NPA in guaranteed portfolio of the bank and ratio of Claims settled.

DOCUMENTS / T&C - As per the norms of the lender and RBI guidelines.



Thank You

