



## **STAND UP INDIA SCHEME: EMPOWERING WOMEN AND SC/ST ENTREPRENEURS**

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### **Abstract:**

The **Stand Up India Scheme**, launched by the Government of India in 2016, aims to promote entrepreneurship among women and individuals from **Scheduled Castes (SC)** and **Scheduled Tribes (ST)**. The scheme provides financial assistance in the form of loans ranging from **Rs. 10 lakh to Rs. 1 crore** to facilitate the establishment of new, green field (start-up) businesses in the manufacturing, services, and trading sectors. Its key objectives include fostering inclusive economic growth, generating employment opportunities, and empowering marginalized communities by providing easier access to credit. The scheme offers collateral-free loans, with flexible repayment terms, and is supported by capacity-building and skill-development programs. By reducing financial barriers and promoting entrepreneurship, the Stand Up India Scheme seeks to create a more diverse and inclusive entrepreneurial ecosystem, contributing to the country's overall socio-economic development.

### **Introduction:**

The Stand Up India Scheme was launched by the Government of India in 2016 to promote entrepreneurship among women and Scheduled Castes (SC)/ Scheduled Tribes (ST) individuals. The initiative aims to provide financial support to these underrepresented groups to start their own businesses, thereby fostering inclusive growth, job creation, and social empowerment. By facilitating access to financial resources, this scheme seeks to bridge the gap in entrepreneurship



and provide equal opportunities for economic participation.

### **Objectives of the Stand Up India Scheme-**

The primary objective of the Stand Up India Scheme is to encourage entrepreneurship in the country by:

1. **Promoting Entrepreneurship:** It aims to empower women and SC/ST communities by facilitating their entry into the business world.
2. **Financial Assistance:** The scheme provides financial assistance to individuals from these communities to set up green field (new) projects in the manufacturing, services, and trading sectors.
3. **Employment Generation:** By promoting small businesses, the scheme encourages job creation, which is crucial for the overall economic development of the country.
4. **Social Inclusion:** The initiative strives to reduce disparities by helping marginalized communities gain financial independence and social recognition through entrepreneurship.

### **Features of the Stand Up India Scheme-**

#### **1. Loan Assistance-**

- \* The Stand Up India Scheme offers loans between Rs. 10 lakh to Rs. 1 crore for setting up a new business.
- \* The loan can cover a wide range of business activities, including manufacturing, services, and trading.

#### **2. Eligibility Criteria:**

- \* The scheme is specifically aimed at women and SC/ST entrepreneurs.



- \* The applicant should be at least 18 years of age.
- \* The business must be a greenfield project, meaning it should be a new business venture.
- \* The borrower must not have any existing business in the same domain.

### **3. Loan Coverage:**

- \* The loan amount can cover 80% of the project cost, with the remaining 20% to be provided by the entrepreneur as their own contribution (known as the margin money).
- \* The loan can be utilized for setting up new businesses, including for working capital, purchase of equipment, infrastructure, or other business-related expenses.

### **4. Repayment Period and Interest Rate:**

- \* The repayment period for loans under the Stand Up India Scheme is generally up to 7 years, with a moratorium period of up to 18 months for repayment.
- \* The interest rate is decided by the lending institutions and is generally competitive. Banks are encouraged to offer loans at a reasonable rate to ensure that it remains accessible to the target beneficiaries.

### **5. Collateral Requirements:**

- \* The scheme encourages collateral-free loans for amounts up to Rs. 10 lakh, which makes it easier for smaller entrepreneurs to access financial support.
- \* For loans above Rs. 10 lakh, banks may request some form of collateral, depending on the type of project.

### **6. Support for Skill Development:**



- \* The scheme provides various avenues for skill development and capacity building. This is essential to ensure that entrepreneurs have the right set of skills to successfully run their businesses.
- \* Various government-run training programs and support mechanisms are also available to beneficiaries to strengthen their entrepreneurial capabilities.

### **Application process-**

#### **1. Online Application:**

- Entrepreneurs can apply for financial support under the Stand Up India Scheme through the official portal of the scheme.
- The portal allows applicants to find details about the nearest participating banks and apply for loans online.

#### **2. Loan Processing:**

- Once the application is submitted, the bank evaluates the business plan, financial projections, and viability of the proposed business.
- The loan is sanctioned after verifying the authenticity and feasibility of the project.

#### **3. Disbursement of Funds:**

- After loan approval, the funds are disbursed directly to the borrower's account to start the business venture.
- Disbursement may occur in stages, depending on the requirements of the business.

#### **4. Monitoring and Reporting:**

- Beneficiaries are expected to provide regular updates on the progress of their businesses to the lending institutions.
- Banks also provide mentorship and advisory services to help entrepreneurs navigate the challenges they may face in the early stages of their businesses.

### **Impact and Benefits of the Stand Up India Scheme-**

- **Fostering Inclusivity in Entrepreneurship:** The Stand Up India Scheme has proven instrumental in enabling women and individuals from SC/ST communities to participate in entrepreneurship, which has historically been challenging due to social, economic, and cultural factors.
- **Economic Empowerment of Women and Marginalized Groups:** By empowering women and SC/ST entrepreneurs, the scheme promotes financial independence, reduces gender and caste-based economic disparities, and strengthens the entrepreneurial ecosystem.
- **Job Creation:** As the beneficiaries of the scheme set up new businesses, they contribute to creating jobs within their communities. This is particularly significant in rural areas where employment opportunities may be limited.
- **Growth of New Businesses:** Many of the beneficiaries of this scheme have gone on to successfully establish businesses in various sectors, including manufacturing, agriculture, retail, and services. This not only boosts the national economy but also leads to the growth of new industries.
- **Reduction in Financial Barriers:** One of the major challenges faced by entrepreneurs from marginalized communities is the difficulty in accessing finance. The Stand Up India Scheme addresses this by providing low-interest loans and financial support, enabling entrepreneurs to overcome these barriers.

### **Challenges and Limitations-**

While the Stand Up India Scheme has been successful in many ways, it does face certain challenges:

1. Awareness Gap: Many potential beneficiaries, especially in rural areas, are not fully aware of the scheme and its benefits. There is a need for greater outreach and awareness programs to educate eligible entrepreneurs.
2. Complex Documentation: The application process and required documentation can sometimes be complex and burdensome, which may discourage some potential applicants.
3. Limited Access to Support Services: While financial assistance is available, entrepreneurs may face difficulties in accessing other support services such as training, marketing, or business advisory services, which are crucial for the growth of their businesses.

### **Conclusion-**

The Stand Up India Scheme represents a significant step towards empowering women and marginalized communities in India by enabling them to participate in entrepreneurial activities. By providing financial support, reducing barriers to entry, and promoting inclusive growth, the scheme plays a pivotal role in fostering a more diverse and equitable entrepreneurial landscape. While challenges remain, the scheme's overall impact on entrepreneurship, job creation, and social empowerment is undeniable. With continued efforts to raise awareness and provide additional support, the Stand Up India Scheme can help many more individuals transform their business ideas into successful ventures.

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