Stand-Up India Scheme extended till 31 March 2031

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News

On 11 November 2026 the Union Cabinet approved continuing the Stand-Up India Scheme, which funds new enterprises of women, Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs, for five years until 31 March 2031. A credit guarantee corpus of ₹4,111 crore will be set up, with the aim of helping at least 2.5 lakh additional entrepreneurs over the next five years. Loans above ₹10 lakh and up to ₹1 crore will be given for new units in manufacturing, services, trading and agri-allied activities, covering up to 85% of project cost. 85% of the loan amount is guaranteed, and the guarantee fee has been standardised at 0.5% with no extra risk premium. Each bank branch is to give on average two loans – one to a woman and one to an SC/ST entrepreneur. Union Minister Ashwini Vaishnaw said more than 2.75 lakh women, SC and ST entrepreneurs have received loans since the scheme began in April 2016. Its previous term had ended in March 2025.

Key facts for the exam

Point	Details
Decision	Union Cabinet – 11 Nov 2026
Period	Till 31 March 2031 (5 years)
Guarantee corpus	₹4,111 crore
Target	At least 2.5 lakh more entrepreneurs

Point	Details
Loan size	Above ₹10 lakh – up to ₹1 crore; up to 85% of project cost
Guarantee	85% of loan; fee 0.5%
Beneficiaries	Women, SC, ST – new (greenfield) units
Launch	5 April 2016, Noida (Babu Jagjivan Ram's birth anniversary)
Achievement	Over 2.75 lakh loans

Background

- In his Independence Day speech of 15 August 2015 the PM announced 'Start-up India, Stand-up India'. The Cabinet approved the scheme on 6 January 2016, and it was launched at Noida (Uttar Pradesh) on 5 April 2016, Babu Jagjivan Ram's birth anniversary. The Department of Financial Services (DFS) anchors it.
- Initially a ₹10,000 crore refinance window via SIDBI and a credit guarantee mechanism through the National Credit Guarantee Trustee Company (NCGTC) were created. Loans are repayable within seven years, and first-generation entrepreneurs get hand-holding before and after the loan.
- Article 46 of the Constitution (a Directive Principle) asks the State to promote with special care the educational and economic interests of SCs, STs and weaker sections and to protect them from social injustice and exploitation. Articles 15(4) and 16(4) enable special provisions.
- PM MUDRA Yojana covers micro loans (up to ₹20 lakh); Stand-Up India covers the next tier of ₹10 lakh–₹1 crore, specifically for new units of women and SC/ST entrepreneurs. Both are tools of financial inclusion.

Tamil Nadu link: TAHDCO – the Tamil Nadu Adi Dravidar Housing and Development Corporation, registered under the Companies Act in 1974 – is the State body for the economic uplift of Adi Dravidars and tribals. It runs the 'Vetri Thozhil Munaivor Thittam' for first-generation SC/ST entrepreneurs and an economic development scheme for SC women's self-help groups, which can complement national schemes such as Stand-Up India.

Frequently asked questions

What is this news about?

On 11 November 2026 the Union Cabinet approved continuing the Stand-Up India Scheme, which funds new enterprises of women, Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs, for five years until 31 March 2031.

What are the key facts to remember for the exam?

Decision: Union Cabinet – 11 Nov 2026; Period: Till 31 March 2031 (5 years); Guarantee corpus: ₹4,111 crore; Target: At least 2.5 lakh more entrepreneurs.

What is the background to this news?

In his Independence Day speech of 15 August 2015 the PM announced 'Start-up India, Stand-up India'. The Cabinet approved the scheme on 6 January 2016, and it was launched at Noida (Uttar Pradesh) on 5 April 2016, Babu Jagjivan Ram's birth anniversary.

Practice questions (with answers)

1. What is the range of bank loans for new enterprises under the Stand-Up India Scheme?

A) ₹50,000 – ₹10 lakh

B) ₹1 – ₹5 lakh

C) ₹20 lakh – ₹2 crore

D) ₹10 lakh – ₹1 crore

Answer: D – Explanation: Above ₹10 lakh and up to ₹1 crore, covering up to 85% of project cost. 85% of the loan is guaranteed at a 0.5% fee.

2. Which Article of the Constitution directs the State to promote the educational and economic interests of SCs, STs and weaker sections?

A) Article 46

B) Article 38

C) Article 43

D) Article 41

Answer: A – Explanation: Article 46 is a Directive Principle. Art. 38 – social order; 41 – right to work and education; 43 – living wage, cottage industries.

3. In which address did the Prime Minister first announce 'Start-up India, Stand-up India'?

A) Budget speech 2016

B) Independence Day 2015

C) Republic Day 2015

D) Make in India launch

Answer: B – Explanation: 15 August 2015, from the Red Fort. The Cabinet approved Stand-Up India on 6 Jan 2016; the Department of Financial Services runs it.

4. Stand-Up India was launched on 5 April 2016, the birth anniversary of which leader?

A) B.R. Ambedkar

B) Kanshi Ram

C) K.R. Narayanan

D) Babu Jagjivan Ram

Answer: D – Explanation: Babu Jagjivan Ram (born 5 April 1908, Bihar), a former Deputy PM. The scheme was launched at Noida. Ambedkar's birthday is 14 April.

5. Which Tamil Nadu government corporation, set up in 1974, works for the economic uplift of Adi Dravidars and tribals?

A) TAHDCO

B) TIIC

C) SIPCOT

D) TANSIDCO

Answer: A – Explanation: TAHDCO gives subsidies to first-generation SC/ST entrepreneurs. TIIC – industrial loans; SIPCOT – industrial parks; TANSIDCO – small industries.

Sources: ANI (11 Nov 2026) – aninews.in; UNI (11 Nov 2026) – uniindia.com; Business Standard (6 Jan 2016 Cabinet approval; 5 Apr 2016 IANS launch report) – business-standard.com; News On AIR (16 Mar 2026) – newsonair.gov.in; TAHDCO – theni.nic.in/tahdco; Constitution of India. © Shanmugam IAS Academy.