

SCHEME FOR FINANCING TO START-UP

S. No.	Parameter	Guidelines
1.	Objective Purpose	Develop long-term relationship with start-ups in order to potentially secure future business. Financing to Start-ups in MSME, Agriculture and allied services
2.	Eligibility	<p>a) Constitution: Private Limited Company, Registered Partnership, or a Limited Liability Partnership.</p> <p>b) Recognition: Should be registered with/ recognized by DPIIT, Govt. of India or State Government.</p> <p>c) Age of startup: 1 years to 10 years from the date of incorporation/registration.</p> <p>d) Turnover: Not to exceed ₹100 crore in any of the Financial Year after incorporation/registration.</p> <p>e) Financial: Minimum 51% equity shall be held by the promoter.</p> <p>f) Attributes: Working towards innovation, development or improvement of products/processes/services or if it is scalable business model with high potential of employment generation or wealth creation.</p> <p>g) Others: Should not have been formed by splitting or reconstructing an already existing business.</p> <p>Start-ups, not satisfying the eligibility criteria but recognized as start-ups by DPIIT may be financed as per the extant Bank guidelines on merits of the case.</p>
3.	Funding requirement of a Start-up (Indicative List)	<p>a) For Prototype creation, product development, website or app development</p> <p>b) Team hiring</p> <p>c) Legal and consulting services</p> <p>d) Other Pre-Operative Expenses</p> <p>e) Equipment</p> <p>f) Licenses and certifications</p> <p>g) Marketing and Sales</p> <p>h) Purchase/Leasing of Office spaces and administrative expenses</p> <p>i) Furnishing/Renovation of the office/work-place</p> <p>j) Advance against future receivables of reputed firms/companies</p> <p>k) Working capital requirement</p>
4.	Quantum of Finance	<p>Min: ₹ 1.00 crore</p> <p>Max: ₹ 50.00 crore</p>
5.	Facility	<p><u>Fund Based</u></p> <p>a) Cash Credit</p> <p>b) Term Loan including Preliminary & Pre- operative expenses</p>

S. No.	Parameter	Guidelines
		c) Overdraft <u>Non-Fund Based:</u> LC/BG
6.	Margin	a) Minimum 25% b) Funding only after Equity is tied up/ fully funded.
7.	Security	a) Hypothecation/Mortgage of Assets if any. b) Collateral/ Personal Guarantee, wherever available. c) Pledge of Promoters shares – Min. 10% up to Max. 28%. d) Loan up to ₹ 5.00 crore (Rupees Five crore only) may be covered under the CGTMSE Scheme. e) National Credit Guarantee Trustee Company Ltd. (NCGTC) has set up Credit Guarantee Scheme for Startups up to a limit of ₹ 10.00 crore per borrower.
8.	Service Charges	Upfront fees, Processing fees, Inspection fees, Commitment charges to be waived. However, out of pocket expenses shall be recovered from the borrower.