

STAR START UP SCHEME

Sr.No.	Particulars	Brief details
1	Definition	<p>Start Up means an entity, incorporated or registered in India not prior to five years, with annual turnover not exceeding INR 25 crore in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.</p> <p>Provided that such entity is not formed by splitting up or reconstruction of a business already in existence.</p> <p>Provided also that an entity shall cease to be a start up if its turnover for the previous financial years has exceeded INR 25 crore or it has completed 5 years from the date of incorporation/registration.</p> <p>Provided further that a Start Up shall be eligible for tax benefits only after it has obtained certification from the inter-ministerial board set up for such purpose.</p>
2	Objective	Funding support to eligible Start Ups recognized as per government policy
3	Eligibility	<p>a. Start Ups defined, as per policy of the Bank</p> <p>b. The unit must be eligible and certified as start up by the concerned government authority as per Start Up India scheme.</p> <p>c. The constitution of the unit should be private limited company (under the companies act 2013), Registered Partnership firm (under the Indian Partnership act 1932) and limited liability Partnership (under the limited liability partnership act 2008).</p>
4	Purpose	To finance for innovation, development, deployment or commercialization of new product, process or services driven by technology or intellectual property as per start up scheme.
5	Nature of facilities	Term Loan/Working Capital/Non fund based limit Composite loan may be considered at the time of initial sanction
6	Quantum of finance	To be assessed as per project. Minimum: Rs 0.10 crore Maximum: Rs 5.00 crore
7	Margin	Term Loan: 25% Working Capital: 10%
8	Rate of Interest	ROI to be fixed on the basis of Credit risk rating. 1% concession in applicable ROI, subject to minimum appropriate 1 Yr MCLR + BSS.
9	Processing Charges	Waived



10	Other Service Charges	As applicable
11	Credit Risk Rating	As per extant guidelines. Financing below entry level is not permitted
12	Security	Primary: All tangible assets created out of Bank's finance shall be charged in favour of the Bank by way of Hypothecation/Mortgage Collateral: The facility may be covered under CGTMSE/Credit Guarantee fund for startups for the limits for which coverage is available. Beyond the amount covered under CGTMSE/Credit Guarantee fund for Start Ups as mentioned above, collateral security may be insisted upon by sanctioning authority.
13	Guarantee	a) Personal Guarantee of promoter directors, partners of the firm/company/major shareholders having sufficient worth and of all mortgagors of collateral security, if any b) The facility should be covered under Credit Guarantee cover for Start Ups to be floated by NCGTC, upon implementation and if collateral security not obtained. c) The facility may also be covered under CGTMSE as per extant guidelines of CGTMSE. d) The Fees for the guarantee cover, if any will be borne by the borrower.
14.	Repayment	Working Capital: 12 months subject to annual renewal as per extant guidelines. Term Loan: Maximum Door to Door repayment shall be 120 months including moratorium period of maximum 24 months.
15	Insurance	Comprehensive Insurance of all the securities charged to the Bank and with Bank's hypothecation clause must be obtained.
16.	Validity of Scheme	Any Start Up will cease to be Start Up if it has completed 05 years from the date of incorporation/registration or if its annual turnover is more than 25 crores. If any entity ceases to be start up as defined above the facilities sanctioned under the scheme, upon review will be converted into normal finance under MSME and all the concessions allowed as per scheme will stand withdrawn.
17.	Treatment of Seed Capital	Any Seed Capital/Venture Capital invested by Venture Capitalist/Angel Funds should be treated as margin/equity for calculation of DER.

