

MANUAL XII

The manner of execution of subsidy programmes, including the amounts allocated and the details of beneficiaries of such programmes;

Corporation is operating State Govt. scheme of Audyogik Nivesh Protsahan Yojna under which Interest free loan is granted to eligible Mega units which have invested Rs. 10.00 Crores or more in fixed assets in Food Processing or in live stock or in an sector in Bundelkhand/Purvanchal or rs. 25.00 Crores in any sector in any other districts. The rules of the scheme were notified vide G.O. No. 3090 Dt. 06.11.2003. According to the rules any eligible Mega unit, which has made capital investment as mention above shall be granted interest free loan of minimum 5% & maximum 10% of Turn over derived from the assets created out of above capital investment. The Interest free loan is limited by the aggregate of CST & UP Trade Tax/UP Vat. The Interest free loan is granted for 10 years & is to be repaid after seven years from the date of disbursement. The Interest free loan under the Scheme is to be secured by way of Ist charge of IInd charge on the assets of of the unit, which are sufficient to cover the loan amount. In addition, UPFC may also take personal guarantee or additional security to secure the Interest free loan, if required.

The Board of the UPFC has specified that any unit seeking the loan under this scheme shall furnish security so as provide security debt ratio of 1.25:1 where Ist charge is given by the unit and security debt ratio 1.5:1 where IInd charge is given. Where land and building is not available for security, then unit shall have to provide additional 25% Collateral Security to the extent of the loan amount when Ist charge on Plant & Machinery is available and additional 50% Collateral Security to the extent of the loan amount when IInd charge on Plant & Machinery is available

Subsequently rules of the scheme were modified vide G.O. No. 674 Date 18.03.2005 where in it was specified that those units whose date of first sale is between 11.03.2003 to 05.11.2003 the interest free loan shall be granted to them @ minimum 5% of Annual Sales & shall not be limited by the aggregate of CST & UP Trade Tax. Thereafter, Yet again the G.O. of the rules of the scheme was amended vide NO. 776 dated 21.07.2005 stating that for the such units the interest free loan shall be minimum 5% and maximum 10% of the Annual Sales and amount of loan shall not limited by aggregating of CST & UP Trade Tax/UP VAT.

The scheme was adopted by Board of the Corporation on 25.05.2005.

The rules of the scheme were again amended by State Govt vide G.O. No. 2259 date 14.12.2006 where in the capital investment limit for Food Processing Sector & live stock Sector was reduced from Rs. 10.00 Crores to Rs. 5.00 crores and it was also specified that Pioneer Units (Ist unit of the District qualifying the eligibility of interest free loan of the scheme) shall be granted Interest free loan for 15 years instead of 10 years & repayment to be made in 10 years instead of 7 years. Vide above G.O. The limits of processing of loans under the Scheme was also fixed between UPFC & PICUP. Administrative charges @2% of the loan amount is also to be paid by units eligible under the Audyogik Nivesh Protsahan Yojna. The rules of the Scheme were again amended vide G.O. No. 59/77-6-11-41-tax/01 dated.11.01.2011 vide which eligible Mega units were allowed to furnish Collateral security to meet the short fall in required Security Debt Ratio alongwith Ist charge/IInd charge on the fixed assets of the unit OR furnish Bank guarantee to the extent of the loan amount for the entire repayment period of said loan.

The total disbursement so far made to eligible units under the scheme since inception is Rs. 31309.6765 lacs as on 31-03-2011.