

DETAILS OF INCENTIVE SCHEME OF GOVT. OF U.P. IN RESPECT OF INTEREST FREE TRADE TAX DEFERMENT LOAN UNDER SECTION 4-A & 38 OF TRADE TAX ACT, 1948

Sl. No.	Particulars	Details
1	Brief Description of scheme	<p><u>Scheme u/s 4-A</u></p> <ul style="list-style-type: none"> ➤ The Govt. of U.P., vide its G.O. no. 3025 dated 28.12.1989 as extended / amended vide G.O. no. 937 dated 24.03.93 and further extended/amended vide G.O. no. 2946 dated 08.10.1995, has formulated a scheme for providing Interest Free Trade Tax Deferment Loan to medium & heavy scale industrial units u/s 4-A of Trade Tax Act, 1948. <p><u>Scheme u/s 38</u></p> <ul style="list-style-type: none"> ➤ The Govt. of U.P., vide its G.O. no. 684 dated 12.03.1996 has formulated a scheme for providing Interest Free Trade Tax Deferment Loan to sick industrial units u/s 38 of Trade Tax Act, 1948.
2.	Eligibility Criteria and Eligibility period	<p><u>Scheme u/s 4-A</u></p> <ul style="list-style-type: none"> ➤ The medium and heavy scale units, which have been set up as a new unit and have started production between 01.10.82 to 31.03.90, and have obtained Eligibility Certificate for tax exemption from D.I. U.P., may in lieu thereof opt for Interest Free Trade Tax Deferment loan for a period of 3 years to 7 years depending upon the location of the unit and fixed capital investment made in the unit. ➤ Subsequently, it was decided by the Govt. that the medium and heavy scale units, which have been set up as a new unit, or have made expansion, diversification or modernization and have started production between 01.04.90 to 31.03.95, and have obtained E.C. for tax exemption from D.I. U.P., may in lieu thereof opt for Interest Free Trade Tax Deferment loan upto a maximum limit of 100% to 175% of the fixed capital investment made in the unit for a period of 8 years to 10 years depending upon the location of the unit and fixed capital investment made in the unit. ➤ Subsequently it was further decided by the Govt. that the medium and heavy scale units, which have been set up as a new unit, or have made expansion, diversification or modernization and have started production between 01.04.95 to 31.03.2000, and have obtained E.C. for tax exemption from D.I. U.P., may in lieu thereof opt for Interest Free Trade Tax Deferment loan upto a maximum limit of 150% to 250% of the fixed capital investment made in the unit for a period of 8 years to 12 years depending upon the location of the unit and fixed capital investment made in the unit. It was also decided by the Govt. that in case of fixed capital investment of more than Rs. 50.00 Crores, the period of eligibility shall be 15 years. <p><u>Scheme u/s 38</u></p> <ul style="list-style-type: none"> ➤ The units, which have been declared sick by the authorities approved by Central and State Govt., shall be eligible for interest free Trade Tax Deferment loan in terms of rehabilitation package granted by the authority and as

		<p>approved by the State Govt.</p> <ul style="list-style-type: none"> ➤ The Eligibility period under this scheme is decided by the Govt. on case to case basis.
3.	Tenure of loan	<p><u>Scheme u/s 4-A</u></p> <ul style="list-style-type: none"> ➤ The units, commencing production between 01.10.82 to 31.03.90, shall repay the loan after as many years the unit was eligible for loan. ➤ The units, commencing production between 01.04.90 to 31.03.2000, shall repay the loan of every individual year after 5 years. <p><u>Scheme u/s 38</u></p> <ul style="list-style-type: none"> ➤ The tenure of loan under this scheme is decided by the Govt. on case to case basis.
4.	Who decides the Criteria of eligibility	<p><u>Scheme u/s 4-A</u></p> <ul style="list-style-type: none"> ➤ Eligibility certificate is granted by Director of Industries, U.P. and the order of availment of loan U/s 8-2A of U.P. Trade Tax Act, 1948 is issued by the Commissioner, Commercial Tax of U.P. <p><u>Scheme u/s 38</u></p> <ul style="list-style-type: none"> ➤ Eligibility certificate is issued at the level of Govt. of U.P.
5.	Security towards loan	<p><u>Scheme u/s 4-A & 38</u></p> <ul style="list-style-type: none"> ➤ As a measure of security, the units shall have to create 1st / 2nd Charge over its Fixed assets in favour of PICUP. ➤ In case of insufficient security, the unit shall have to provide additional security in the form of Collateral security or Bank Guarantee of sufficient amount to safeguard the sanctioned loan.
6.	Date of closure of Scheme	<p><u>Scheme u/s 4-A</u></p> <ul style="list-style-type: none"> ➤ w.e.f. 01.04.2000 since no G.O. with regard to extension of scheme has been issued by the Govt. <p><u>Scheme u/s 38</u></p> <ul style="list-style-type: none"> ➤ The scheme is still continue.
7.	Loan processing fee admissible to PICUP	<p><u>Scheme u/s 4-A & 38</u></p> <ul style="list-style-type: none"> ➤ No reimbursement of administrative expenses is being received as there is no provision in the G.O.
8.	Total amount of Loan sanctioned to units and transferred to Trade Tax Deptt. on behalf of units up to 31-03-2011.	<p><u>Scheme u/s 4-A & 38</u></p> <ul style="list-style-type: none"> ➤ Rs. 1274.55 Crores to 120 units (comprising of 109 units u/s 4(A) & 11 units u/s 38)
9.	Amount of Loan recovered and Refunded to Govt. Of U.P. up to 31-03-2011	<p><u>Scheme u/s 4-A & 38</u></p> <ul style="list-style-type: none"> ➤ A sum of Rs.1,012.17 Crores including interest recovered from the units up to 31-03-2011. ➤ Recovered Amount Rs.1,012.17 Crores including Interest has already been refunded to Govt. of U.P. up to 31-03-2011.
10.	Loan outstanding As on 31-03-2011	<p><u>Scheme u/s 4-A & 38</u></p> <ul style="list-style-type: none"> ➤ Rs. 266.00 Crores from 41 units (comprising of 35 units u/s 4(A) & 06 units u/s 38)