

DETAILS OF SCHEME OF GOVT. OF U.P. IN RESPECT OF INTEREST FREE LOAN TO INDUSTRIAL UNITS HAVING INVESTED MORE THAN RS. 100 CRORES IN U.P. UNDER INDUSTRIAL INVESTMENT PROMOTION POLICY-2006

Sl. No.	Particulars	Details
1	G.O. No(s) and date	<ul style="list-style-type: none"> ➤ The Govt. of U.P., vide its G.O. no. 1502 dated 01.06.2006, G.O. no. 1656 dated 15.09.2006, G.O. no.2941 dated 30.11.2006 and G.O. no. 1994 dated 03.08.2007, has formulated a scheme for providing Interest Free Loan to the industrial units.
2.	Eligibility Criteria and Eligibility period	<ul style="list-style-type: none"> ➤ Industrial units who have made fixed capital investment(FCI)/ additional FCI of more than Rs. 100.00 Crores in establishing a new unit or making expansion, diversification and backward integration in the existing unit shall be eligible for interest free loan equivalent to the amount of VAT/CST on the sale of the products manufactured by said fixed capital investment. ➤ The scheme is applicable in whole of the U.P. excluding NOIDA and Greater NOIDA. ➤ The units shall have to make fixed capital investment(FCI)/ additional FCI of more than Rs.100.00 crores between 01.06.2006 to 31.05.2009 and it shall also have to commence the production during the said period. ➤ The units, who have made fixed capital investment (FCI)/ additional FCI of more than Rs. 100.00 Crores, may have the option to choose the loan facility for a period of 15 years where the loan of individual year would be repayable after 7 years (15/7) or it may choose the loan facility for a period of 15 years where the loan of individual year would be repayable after 15 years (15/15). ➤ The units who have made fixed capital investment(FCI)/ additional FCI of more than Rs. 200.00 Crores, in addition to the above options, may have an additional option to choose the loan facility for a period of 17 years and the loan of individual year would be repayable after 10 years (17/10). ➤ In case of units seeking aforesaid option of 15/15, the interest benefit (@ 8% p.a.) shall not exceed 100% of Fixed Capital Investment (FCI)/ additional FCI. ➤ In case of units seeking aforesaid option of 17/10, the net present value (to be discounted @ 8% p.a.) of interest benefit (@ 8% p.a.) shall not exceed 100% of Fixed Capital Investment.

3.	Who decides the Criteria of eligibility	➤ The loan applications have to be examined by Evaluation Committee who shall forward its recommendation to High Power Committee for its approval of loan.
4.	Security towards loan	➤ As a measure of security, the units shall have to create 1 st charge of adequate amount over its Fixed Assets in favour of Govt. or alternatively it shall provide Bank Guarantee of a scheduled bank equivalent to sanctioned loan amount.
5.	Date of closure of Scheme	➤ The Govt. of U.P. vide G.O. No. 1994 dated 03.08.2007, has terminated the scheme w.e.f. 03.08.2007 but those units who have been previously issued “Letter of Comfort” and those unit who have completed the preliminary activities prior to 03.08.2007, shall continue to avail the facility under the scheme.
6.	Loan processing fee admissible to PICUP	➤ 1% of sanctioned loan amount or Rs.5.00 lakhs whichever is less, shall be admissible to PICUP as reimbursement of its administrative expenses incurred in connection with the implementation of the scheme.