

**Information about U.P. Financial Corporation**

**Under**

**The right to information Act 2005 (RTI Act)**

## MANUAL - I

### **The particulars of organization, functions and duties;**

- I.** The U.P. Financial Corporation was established in the year 1954 under the SFCs Act 1951 mainly to develop small & medium scale industries in the state. As per section 25 of the SFCs Act, UPFC can transact mainly following kinds of business:-
- (a) Granting loans or advances to or subscribing to debentures of an industrial concern, repayable within a period not exceeding twenty years from the date which they are granted or subscribed.
  - (b) Subscribing to or purchasing of, stock, shares, bonds, or debentures by industrial concern or any other concerns.
  - (c) Underwriting of the issue of stock, shares, bonds, or debentures by industrial concerns.
  - (d) Acting as agent of the Central Govt./State Govt. or the Development Bank or the Small Industrial Bank or the IFCI Ltd or any other financial institutions in this behalf.
  - (e) Guarantee on such terms & conditions as may be agreed upon - (i) loans raised by industrial concerns which are repayable within a period not exceeding twenty years, and or floated in the public market; (ii) loans raised by industrial concerns from scheduled banks or State Co-operative banks or other financial institutions.

### **DETAILS OF FINANCING & LIMITS OF ACCOMODATION:**

UPFC provides financial assistance to new/existing units going in for diversification/modernization/expansion for acquisition of fixed assets such as land, building, plant and machinery. Corporation also provide working capital to existing units with sound track record and also to new units under single window scheme. The maximum assistance which UPFC can grant at present is Rs.2000.00 lacs in case of companies & Rs. 800.00 lacs in cases of proprietary & partnership firms as per section 26 of SFC, (Amendment 2000) Act. The present ceiling of cost of project for service sector is Rs.20.00 Crores and there is no ceiling of cost of project for manufacturing units. The ceiling of paid up Capital and free reserves of assisted concern at present is Rs.20.00 Crores. At present due to financial constraints, and directions from State Govt., lending activities have been suspended except for State Government Schemes.

### **MANAGEMENT**

Management of Business & affairs of UPFC is vested with the Board of Directors consisting of two directors nominated by the State Govt., two directors nominated by SIDBI, two directors nominated by Public Sectors Banks and Insurance Companies controlled by the Central Govt. or the State Govt., four directors nominated by shareholders, a Managing Director nominated by State Govt. and Chairman nominated by SIDBI in consultation with State Govt.