

# UP eases norm for fgn investments

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**Lucknow:** In a move aimed at giving a further boost to foreign investment in the state, UP Cabinet on Monday cleared an amendment in the UP Foreign Direct Investment policy 2023.

The change, made in the incentive section of the said policy, will allow foreign investors who secure funding through equity, loans, or other sources, to invest in the state.

Sharing details, finance and parliamentary affairs minister Suresh Khanna said, "The Foreign Direct Investment (FDI) policy introduced a year ago has been amended slightly, but significantly. The minimum investment threshold for eligibility under the policy remains at Rs 100 crore.



Changes have been made in incentive section of policy

According to the RBI's definition, the FDI so far only included equity investments. However, with this policy amendment, we have broadened it to include Foreign Capital Investment."

Khanna further explained that until now the FDI included investment made by a company in its equity alone. However, many companies raise funds from external loans or other sources to expand. "We have now allowed that as

well. If a company has just 10% equity and secures 90% of its investment from other sources, it will still be eligible for benefits under this policy," he said.

The finance minister also said that in the wake of the changes made, the 'UP FDI policy 2023' will now be known as the 'Foreign Direct Investment, Foreign Capital Investment, and Fortune Global 500 and Fortune India 500 Investment Promotion Policy 2023.'

"The policy will include preference shares, debentures, external commercial borrowing, standby letters of credit, letters of guarantee, and other debt securities for foreign companies investing in equity as foreign capital investment. Other methods outlined by the RBI will also qualify," he said.