

Key Financial Incentives under UP Information Technology Policy-2012

New IT Policy paves the way for transformational growth...

The new Information Technology Policy 2012 aims to reinforce the position of Uttar Pradesh as an attractive destination for the IT industry by providing robust infrastructure, simplified business environment and policy instruments for industry to flourish in the State. It also envisions promotion of Tier-II cities like Lucknow and Agra as next generation IT hubs which can transform physical communities into connected communities that can help to realize sustainable economic growth and enhance the quality of life of people in Uttar Pradesh.

Key Fiscal Incentives

- Interest on term loans and working capital loans would be subsidized @ 5 percentage points for 5 years from the date of commencement of commercial operations.
- 100% exemption of stamp duty on purchase/lease of land/office space/ buildings for IT/ITeS in Tier II/Tier III cities provided operations commence within 3 years of purchase/lease.
- Interest free loan (repayable after 7 years) equivalent to the amount of VAT and Central Sales Tax deposited or 10% of annual sales whichever is lower for a period of 10 years from the date of commencement of business for IT/ITeS units having capital investment of INR 5 crore or above.
- All IT/ITeS projects being setup in Tier II and Tier III cities will be provided land at a rebate of 25% on the prevailing sector rates, on purchase of land from State Agencies.
- Registered IT units established in IT cities, Technology Parks, Software Technology Parks will be allowed 100% additional Floor Space Index on the allowable Floor Space Index up to a maximum of the FSI allowed for Residential/Office purposes (whichever is more) in Tier II/Tier III cities.
- Permission to IT/BPO units which employ a minimum of 20 and a maximum of 50 persons to establish unit anywhere irrespective of the master plan or land use classification, barring specific land usage.
- A Policy Implementation Unit under the chairmanship of Principal Secretary IT, Government of Uttar Pradesh, shall be set up to efficiently and smoothly assist the entrepreneurs and other IT units to facilitate statutory clearances.
- Industrial Promotion Subsidy equivalent to 50% of the incentives admissible for new units (except rebate on land purchased from State Agencies) would be admissible to the existing units, if additional capital investment for capacity enhancement to the extent of 50% or more on the existing capacities of IT units is made in a period of 3 years in Tier II and Tier III Cities.
- Permission to IT and ITeS companies to have 24x7 operations and employment of women in all three shifts.

