



UP Aims for Investment in Secure Data Storage | Uttar Pradesh | 11 Sep 2024

Why in News?

Recently, the Uttar Pradesh government has targeted a Rs.30,000 crore investment to boost secure data storage by establishing [data centers](#).

Key Points

- **Investment Target:** Uttar Pradesh aims to attract private players to set up 8 data centers with a total investment of **Rs.30,000 crore**.
 - The data centers will have a combined capacity of **900 MW** and will be located near Noida.
 - Companies like Hiranandani Group, Adani Group, NTT Japan, and Web Werks have launched or announced projects worth **Rs. 20,000 crore, adding 600 MW** capacity.
 - The state has allowed data centers to draw power from **two grids** for uninterrupted supply.
 - UP's amended Data Centre Policy now extends the **double-grid supply to 8 data** center parks to attract more investment.
- **Significance:**
 - Data centers centralise **IT** activities for storing, processing, and sharing information.
 - India's colocation data center capacity was **977 MW** across top 7 cities in 2023, with an additional **1.7-3.6 GW needed by 2028** due to rapid digital adoption.
 - Offshore data storage raises security risks, exposing sensitive information (banking, social media, health, etc.) to cyberattacks.
 - Domestic data centers will ensure enhanced security for India's growing digital data.
- **National Data Centre Capacity:**
 - India's under-construction colocation capacity for **2024-2028 stands at 1.03 GW**, providing businesses with secure server infrastructure and high-speed network connectivity.

Uttar Pradesh Data Centre Policy 2021

- **Capital Subsidy:** 7% up to Rs.10 crore for units over 10 years (excluding land & building).
- **Interest Subsidy:** 60% of annual interest, up to Rs.50 crore for 7 years for data center parks.
- **Land Subsidy:** 25-50% on sector rates, capped at Rs.75 crore.
- **Stamp Duty Exemption:** 100% on first transaction; 50% on second.
- **Electricity Benefits:** 100% duty exemption for 10 years; dual-grid power for the first 3 parks.