

उत्तर प्रदेश शासन  
आईटी एवं इलेक्ट्रानिक्स अनुभाग-2  
संख्या - 4/2021/1792/78-2-2020/254एलसी/2019  
लखनऊ, दिनांक 28 जनवरी, 2021

अधिसूचना

भारत के संविधान के अनुच्छेद- 162 के अन्तर्गत कार्यपालिका शक्तियों का प्रयोग करते हुए श्री राज्यपाल महोदया "उत्तर प्रदेश डाटा सेन्टर नीति-2021" प्राख्यापित करने की सहर्ष स्वीकृति प्रदान करती है।

2- "उत्तर प्रदेश डाटा सेन्टर नीति-2021" अधिसूचना के निर्गत होने की तिथि से 05 वर्ष अथवा उ0प्र0 सरकार द्वारा कोई नई नीति / संशोधन किये जाने तक, जो भी पहले हो वैध होगी।

3- "उत्तर प्रदेश डाटा सेन्टर नीति-2021" में समय की आवश्यकताओं के अनुरूप किसी प्रकार का परिवर्तन मा0 मुख्यमंत्री जी के अनुमोदनोपरान्त किया जा सकेगा।


आलोक कुमार  
अपर मुख्य सचिव

पुष्ठांकित संख्या-4/2021/1792(1)/78-2-2021तददिनांक

प्रतिलिपि निम्नलिखित को सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित:-

1. मुख्य सचिव, उ0प्र0 शासन।
2. अवस्थापना एवं औद्योगिक विकास आयुक्त, उ0प्र0।
3. अपर मुख्य सचिव, मा0 मुख्यमंत्री उ0प्र0 शासन।
4. समस्त अपर मुख्य सचिव/ प्रमुख सचिव / सचिव, उ0प्र0 शासन।
5. महालेखाकार, उ0प्र0 प्रयागराज।
6. निजी सचिव, मा0 विभागीय मंत्री / उपमुख्यमंत्री उ0प्र0।
7. निजी सचिव, मा0 विभागीय राज्यमंत्री उ0प्र0।
8. प्रबन्ध निदेशक, यूपीएलसी लखनऊ।
9. गार्ड फाइल।

संलग्नक- (नीति की प्रति)

आज्ञा से,  
  
(बराती लाल)  
संयुक्त सचिव

1- यह शासनादेश इलेक्ट्रानिकली जारी किया गया है, अतः इस पर हस्ताक्षर की आवश्यकता नहीं है।

2- इस शासनादेश की प्रमाणिकता वेब साइट <http://shasanadesh.up.gov.in> से सत्यापित की जा सकती है।



# **Uttar Pradesh**

## **Data Center Policy 2021**

**Department of IT & Electronics,  
Government of Uttar Pradesh**



<b>1</b>	<b>Contents</b>	
1.	Preamble.....	3
2.	Vision, Mission and Target.....	3
3.	General Terms & Conditions .....	4
4.	Policy Promotion.....	4
5.	Governance.....	4
5.1.	Nodal Agency .....	4
5.2.	Policy Implementation Unit (PIU).....	4
5.3.	Empowered Committee .....	5
5.4.	Special Task Force .....	5
6.	Definitions .....	5
6.1.	Data Center Park.....	5
6.2.	Data Center Unit.....	5
6.3.	Data Center Park Developer.....	5
7.	Financial Incentives.....	5
7.1.	Data Center Parks.....	5
7.2.	Data Center Units.....	6
7.3.	MSMEs/Startups.....	8
8.	Non-Financial Incentives.....	8
8.1.	Mission Critical Infrastructure.....	8
8.2.	Water Supply.....	8
8.3.	Special provisions in building norms .....	8
8.4.	Electricity Supply.....	9
8.5.	Other Support .....	9
9.	Abbreviation.....	10

*Disclaimer: Draft version, subject to change*

## **1. Preamble**

Data Consumption in India is at an all-time high. The rapid increase in data traffic and consumption is driving the data storage demand and leading to expansion of the Data Center market in the country. India's share in the world data is estimated to be around 20% whereas only 2% in data storage capacity.

Recent estimates say India's 375-Megawatt (MW) Data Center capacity is growing rapidly and expected to add more than 750 MW capacity by the end of 2025. These capacity additions would require greenfield investments to the tune of USD 4.9 billion to fuel the future development of the sector. The data localization mandate from Government of India is likely to further boost the investment in Data Center businesses.

State of Uttar Pradesh has always been a major player in the IT/ITeS sector having Noida as one of the key IT clusters in the country. Noida has emerged as a planned, integrated, modern industrial city which has attracted investments in IT and Electronics sectors from leading players across the globe.

The focus of State Government is also increasingly reliant on IT enabled public delivery system leading to improved transparency in governance and speedy delivery of services to citizens. Various e-Governance services and online service delivery platforms are turning the State Government into a major consumer of cloud storage for these Data Centers.

The Policy aims to build a conducive policy environment for the Data Center industry to flourish in the state. The locational advantage, strong IT ecosystem, readily employable quality talent are some of the key ingredients to keep Uttar Pradesh a promising destination for investment in Data Center industry.

## **2. Vision, Mission and Target**

### **2.1 Vision**

To establish Uttar Pradesh as the preferred investment destination for Data Center Industry

### **2.2 Mission**

To build a world class Data Center ecosystem in the state by attracting investments from global as well as Indian players and nurture MSMEs/ start-ups to support the localization of the Data Center industry

### **2.3 Target**

- To develop 250 MW Data Center industry in the state
- To attract investment worth INR 20,000 Crores in the state
- Establish at least 3 state of the art Private Data Center Parks



### 3. General Terms & Conditions

- i. This policy will be valid for 5 years from the date of notification or till the time any new policy/amendment is introduced by the Government of Uttar Pradesh, whichever is earlier.
- ii. Policy is applicable for the proposals submitted after the notification of this policy. Investments must be made as well as commercial production commenced within the policy period. The Empowered Committee constituted under the policy shall decide upon the extension of the policy period.
- iii. Proposals where investment has already commenced on the date of notification of the policy, shall be eligible to avail non-financial incentives of the policy.
- iv. All incentives and benefits proposed under the policy shall be applicable post release of Letter of Comfort.
- v. Doubts relating to interpretation of any term or any provision under this policy will be referred to the Department of IT & Electronics, Government of Uttar Pradesh, for clarification/resolution. The decision of the State government shall be final and binding for all.
- vi. Investors shall not be eligible to claim financial incentives under the same head from Central and State Governments both.

### 4. Policy Promotion

Marketing and branding strategy shall be formulated by Project Management Unit (PMU) to promote the policy at national/international forums for attracting investment in the state. The following tasks will be handled by the PMU under the supervision of Nodal Agency:

- i. Promoting the state as preferred destination for attracting investment in Data Center industry
- ii. Organizing and participating in national and international conferences, summits, road shows and events to promote the policy
- iii. Use of print, electronic and social media to create awareness about state's attractiveness for DC industry

### 5. Governance

#### 5.1. Nodal Agency

A Nodal Agency under the Department of IT & Electronics, Govt. of Uttar Pradesh shall be nominated for effective implementation of the Data Center Policy 2020. The Nodal Agency shall be responsible for creating a conducive policy environment for sustained growth of Data Center ecosystem in the state. Nodal Agency will utilize "Nivesh Mitra" portal to act as Single Window system for investors to avail timely clearances. Nodal Agency will also set up a dedicated Project Management Unit (PMU) adequately staffed with outsourced professionals/ consultants to manage the investment promotion activities and ensure effective implementation of the policy.

#### 5.2. Policy Implementation Unit (PIU)

A PIU under the chairmanship of Principal Secretary, Department of IT & Electronics shall be set up to oversee the work of the Nodal Agency. PIU shall be responsible for effective implementation of the Policy including the approval of investment proposals, disbursement of incentives, making recommendations to Empowered Committee etc. Other responsibilities of PIU include coordination



with government functionaries, engagement with industry associations, stakeholders, corporates, promotion of the policy etc.

### **5.3. Empowered Committee**

A state level Empowered Committee under the chairmanship of Chief Secretary shall be set up to monitor the effective implementation of the Policy. The charter of the committee shall be pertaining to the effective implementation of the policy and inter-departmental coordination with respect to timely resolution of investor issues at all levels. Projects worth more than INR 200 Cr will be subject to approval from the state cabinet on the recommendations of Empowered Committee.

### **5.4. Special Task Force**

A special task force shall be established with representation from multiple departments such as Fire Safety, Public Works Department, Town Planning, and Pollution Control to study the emerging trends in the industry and technical standards for suggesting improvements in the regulatory norms adopted in the DC policy, so that the State Regulations are kept in line with the best industry standards. Recommendations of the Task Force shall be implemented under the Policy through Government Notifications.

## **6. Definitions**

### **6.1. Data Center Park**

A Minimum 40 MW Data Center capacity for locating Data Centre Unit(s) shall be considered under the definition of Data Center Park.

### **6.2. Data Center Unit**

A Data Center Unit is a dedicated secure space within a building / centralized location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amounts of data. Captive Data Centers shall not be considered under this policy.

### **6.3. Data Center Park Developer**

Data Centre Park Developer is an entity who would be responsible to build the facility of DC park covering land, park area (Water, Sewage, Road, Parking, Green Area, etc.), provision of DC essentials setup / equipment (i.e. Electricity, Network / Fibre connectivity, Mechanical Electrical and Plumbing equipment (MEP), etc.).

## **7. Financial Incentives**

### **7.1. Data Center Parks**

The following financial incentives shall be available to the Data Centre Park developers:

#### **a) Interest Subsidy**

Reimbursement of interest subsidy up to 60% of annual interest for 7 years subject to INR 10 Crore per year with an overall ceiling of INR 50 Crore per park shall be provided.

#### **b) Land Subsidy**

- i. 25% Land subsidy on prevailing sector rates shall be provided on purchase/lease of land from State Agencies in Madhyanchal and Paschimanchal regions.



- ii. 50% Land subsidy on prevailing sector rates shall be provided on purchase/lease of land from State Agencies in Bundelkhand and Purvanchal regions.
- iii. Land subsidy provided in (i) and (ii) above shall be limited to 7.5% of the total project cost or INR 75 Crore, whichever is less.
- iv. Leasing of agricultural land for Solar park shall be allowed in accordance with Revenue Code.
- v. Land subsidy shall be disbursed by the State Government to the concerned Authority post commercialization of the project in proportion to the area of the land utilized in phases within the policy period. The Authority shall adjust the subsidy in payment plans of the enterprise.
- vi. This subsidy shall be given to only first 3 DC parks after notification of the policy.
- vii. The land subsidy will not be applicable to DC units operating inside DC parks, If the subsidy has already been availed by the DC Park developer.
- viii. Proposed land subsidy will be applicable only to set up the data center parks. In case solar power plant is established along with data center parks, no land subsidy shall be applicable on the proportionate land utilised for the solar power plant.

#### c) Stamp Duty

- i. 100% exemption of stamp duty on first transaction (Authority/land owner to DC Parks) and 50% exemption on second transaction (DC Park to DC Units) shall be available for purchase/lease of land.
- ii. Stamp duty exemption shall be given against Bank Guarantee, which will be released upon commencement of commercial operation.

#### d) Electricity Supply

- i. **Dual-grid lines power supply:** Dual power grid network shall be provided to first 3 DC Parks established in the state from the notification of this policy in which the cost of first grid shall be borne by DC park developer and the cost of second grid by Energy Department.
- ii. **Transmission and wheeling charges:**
  - Exemption of 50% on wheeling charges/transmission charges on Intrastate sale of power shall be provided for the period of 25 years from the date of commissioning of the project.
  - Wheeling charges/Transmission charges will be exempted 100% for Intrastate Transmission system on Interstate sale for the period of 25 years from the date of commissioning of the project.
  - 100% exemption of transmission charges on intrastate system for import of energy from outside the state for 5 years shall be provided. It shall be applicable to only those projects which have been commissioned within the policy period (5 years).

#### 7.2. Data Center Units

The following financial incentives shall be available to the Data Centre Units:

*Meer*



**a) Capital Subsidy**

DC units shall be eligible to get 7% capital subsidy up to INR 20 Crores on fixed capital investment (FCI) excluding land and building. The same shall be disbursed within 10 years with an annual ceiling of INR 2 Crore.

**b) Land Subsidy**

- i. 25% Land subsidy on prevailing sector rates shall be provided on purchase/lease of land from State Agencies in Madhyanchal and Paschimanchal regions.
- ii. 50% Land subsidy on prevailing sector rates shall be provided on purchase/lease of land from State Agencies in Bundelkhand and Purvanchal regions
- iii. Land subsidy provided in (i) and (ii) above shall be limited to 7.5% of the total project cost or INR 75 Crore, whichever is less.
- iv. Leasing of agricultural land for Solar park shall be allowed in accordance with Revenue Code.
- v. Land subsidy shall be disbursed by the State Government to the concerned Authority post commercialization of the project in proportion to the area of the land utilized in phases within the policy period. The Authority shall adjust the subsidy in payment plans of the enterprise.
- vi. The land subsidy will not be applicable to DC units operating inside DC parks, if the subsidy has already been availed by the DC Park developer.
- vii. Proposed land subsidy will be applicable only to set up the data center units. In case solar power plant is established along with data center units, no land subsidy shall be applicable on the proportionate land utilised for the solar power plant.

**c) Stamp Duty**

- i. 100% exemption of stamp duty on first transaction (Authority/ land owner to DC Unit) and 50% exemption on second transaction (DC Park to DC Units) shall be available for purchase/lease of land to DC units.
- ii. Stamp duty exemption shall be given against Bank Guarantee, which will be released upon commencement of commercial operation.

**d) Electricity Supply**

- i. **Electricity Duty:** 100% exemption on electricity duty for a period of 10 years post commencement of commercial operation shall be provided.
- ii. **Dual-grid lines power supply:** Dual grid power supply shall be made available on demand at applicable charges.
- iii. **Transmission and wheeling charges:**
  - Exemption of 50% on wheeling charges/transmission charges on Intrastate sale of power shall be provided for the period of 25 years from the date of commissioning of the project.



- Wheeling charges/Transmission charges will be exempted 100% for Intrastate Transmission system on Interstate sale for the period of 25 years from the date of commissioning of the project.
- 100% exemption of transmission charges on intrastate system for import of energy from outside the state for 5 years shall be provided. It shall be applicable to only those projects which have been commissioned within the policy period (5 years).

### **7.3. MSMEs/Startups**

UP based Data Center MSMEs/Startups providing innovative solutions in cloud business shall be eligible to avail incentives as per the UP MSME Policy or UP Startup Policy.

## **8. Non-Financial Incentives**

### **8.1. Mission Critical Infrastructure**

The DC Industry in the state shall be classified under Essential Services and Maintenance Act (ESMA) as an essential service provider.

### **8.2. Water Supply**

For Units in area of any Industrial Area Development Authority, it will ensure 24X7 uninterrupted water supply to the data center units both inside and outside the DC Park. In addition, water treatment plants shall be set up by DC parks as part of common infrastructure.

### **8.3. Special provisions in building norms**

- Sub-leasing:** DC parks shall be allowed to sub-lease the land/buildings to DC units without any sublease or transfer charges. No fees/ charges shall be levied by the respective Authority on transfer of land/building from DC Park developer to individual DC units.

Right to levy above fees/ charges is given to respective Industrial Authorities by the Uttar Pradesh Industrial Area Development Act 1976. No financial assistance in this regard shall be passed on by the Government.

- Floor Area Ratio:** DC Parks and Units shall be allowed for 3.0 + 1.0 (Purchasable) FAR. Basement parking, storage and space used for DG sets installation will not be considered as part of FAR.
- Floor to ceiling height (One floor):** There will be no restriction on floor to ceiling height subject to there being no mezzanine floor, and compliance with overall height regulations and suitable structural and fire safety regulations.
- Installation of chillers on the rooftop:** Chillers on the roof can be installed without inclusion in FAR but subject to structural safety and clearance from Airports Authority of India.
- Parking relaxation:** Parking area requirement for DC Parks/Units will be 5% of the total built up area subject to parking being provided in open area. These parking relaxations shall be revoked if land is utilised for any other purposes other than running a DC Park/Unit. The DC Parks/Units shall also provide an undertaking of the estimated traffic and inform the respective Authorities with commitment of providing additional parking, if needed due to increase in traffic.
- Boundary Wall:** DC Parks/Units shall be permitted to build upto 3.6m height boundary wall and 600mm height for 'Y' fencing.



- vii. **Opening in building:** DC Parks/ units shall be allowed to install minimum number of windows subject to compliance with building and fire safety regulations and having modern fire-fighting equipments installed within the premises.
- viii. **Multi-level DG stacking:** Installation of DG sets including multi-level DG stacking shall be allowed subject to NOC from Fire Safety Department and shall not be considered as part of FAR.
- ix. **Ground coverage:** Upto 60% ground coverage shall be allowed to the DC Parks/Units.
- x. **Infrastructure at the door of DC Park:** Required infrastructure (electricity, water, sewer, road) shall be provided to DC parks being set up in the state by respective Industrial Area Development Authorities wherever land is purchased from the Authority.

#### **8.4. Electricity Supply**

- i. **Open Access:** Open access shall be permitted for DC units operating outside the DC park to purchase power at most competitive rates in the open market.
- ii. **Cross Subsidy Surcharge (CSS) Visibility:** The cross-subsidy surcharge applicable in the first year of a DC Unit starting commercial operation shall be brought down progressively over 5 years at a linear rate to a maximum of 20% of its opening level. For example, if surcharge applicable to a unit is x per unit in the first year, surcharge applicable in the second year will be 0.8x, third year will be 0.6x, fourth year will be 0.4x and fifth year onwards will be 0.2x.
- iii. **Deemed Distribution License:** DC park developers/operators shall be eligible for seeking licensee for power distribution and consumption within the DC park.
- iv. **Deemed Franchisee Status:** DC Units will have the option to obtain Deemed Franchisee Status under the stipulations of the UPERC Regulations. This will facilitate sub-metering to ensure quality power supply to inhouse customers.
- v. **24X7 Power Supply** shall be provided to DC Parks and DC Units, subject to requirement of dedicated power supply feeder being arranged by Park/Unit.
- vi. **Banking Charges:** Banking of energy in every financial year shall be permitted, subject to verification by the officials of the concerned State Distribution Company as per banking provisions of UPERC Regulations. Regulations in force at the time of commissioning of a DC Unit will be applicable for 25 years to such a unit. DC Industry shall be freely permitted to import renewable energy from outside the state and avail banking facility in the respective states.

#### **8.5. Other Support**

- i. **Non-Disturbance Provision:** In order to provide assured business continuity, once the developer has completed investment and obtained completion certificate from the respective Authority and has fully paid complete lease rent, approval of the Board of Authority will be a prerequisite for cancellation of the lease deed in case of any violation by such DC Units of the Authority norms/ bylaws.
- ii. **Preference in Public Procurement:** DC Units registered under this policy shall be eligible to get preference in public procurement of cloud storage by Government Departments and its agencies at most competitive rates.

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- iii. **Three Shift Operations:** DC units shall be permitted to have 24x7 operations and employment of women in all three shifts, subject to the units taking necessary precautions with respect to safety and security of women employees.
- iv. **Self-Certifications:** Data Centre firms are exempt from inspections under the following Acts and the Rules framed thereunder, barring inspections arising out of specific complaints. These units are permitted to file self-certificates, in the prescribed formats:
- The Factories Act
  - The Maternity Benefit Act
  - The Shops & Establishments Act
  - The Contract Labour (Regulation & Abolition) Act
  - The Payment of Wages Act
  - The Minimum Wages Act
  - The Employment Exchanges (Compulsory Notification of Vacancies) Act

## 9. Abbreviation

1.	CSS	Cross Subsidy Surcharge
2.	DC	Data Center
3.	DG	Diesel Generator
4.	EC	Empowered Committee
5.	ESMA	Essential Services and Maintenance Act
6.	FAR	Floor Area Ratio
7.	FCI	Fixed Capital Investment
8.	Gol	Government of India
9.	GoUP	Government of Uttar Pradesh
10.	INR	Indian National Rupee
11.	MSME	Micro, Small, and Medium Enterprises
12.	MW	Megawatt
13.	PMU	Project Management Unit
14.	PIU	Policy Implementation Unit
15.	UPERC	Uttar Pradesh Electricity Regulatory Commission