

Business Standard

Uttar Pradesh targets Rs 30,000 cr investment for secure data storage

A data centre centralises shared information technology (IT) activities and equipment for storing, processing, and disseminating information

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Photo: Bloomberg

The Uttar Pradesh government is looking to attract private players to set up eight data centres in the state at a total cost of about Rs 30,000 crore as more companies set up a base in the country, and concerns mount over offshore data storage. The state will facilitate land clearances, and the projects totalling 900 megawatt (Mw) capacity will likely be located near Noida. As part of this, companies such as Hiranandani group, the Adani group, NTT Japan, and Web Werks have launched or announced data centre projects worth Rs 20,000 crore with 600 Mw capacity.

A data centre centralises shared information technology (IT) activities and equipment for storing, processing, and disseminating information.

According to real estate consultant Cushman & Wakefield's report, India's colocation data centre capacity stood at 977 Mw across the top seven cities in the second half of 2023. The country would need an additional colocation data centre capacity of 1.7–3.6 gigawatt (Gw) by 2028, owing to rapid digital adoption and generation of large amounts of data, according to the report titled 'Is India Building Enough to Power its Digital Transformation?'

Due to the lack of robust data centres in India, the domestic data is primarily preserved in servers located at offshore locations. This exposes sensitive data pertaining to banking, social media, retail, tourism, health segments etc., to possible cyberattacks. With domestic data centres, there would be greater security of data.

“The data centre parks will help India and UP become self-reliant in data storage. It will improve the domestic data centre ecosystem and boost the gross domestic product (GDP) as well,” a state government spokesperson said.

The UP government has allowed data centre parks to avail of energy supply from two grids to ensure uninterrupted power for operations. One of these, whichever costs lower, will be funded by the UP IT and electronics department and the other grid by the private data centre investor.

UP Finance and Parliamentary Affairs Minister Suresh Khanna said the UP Data Centre Policy, which was notified in January 2021, provided for double grid power supply to the first three data centre park projects only.

However, to attract more private investment, the policy was amended to enlarge the ambit of the double grid power supply to eight data centre parks.

India's current under-construction colocation capacity addition stands at 1.03 Gw for 2024–2028. A colocation data centre provides physical infra to secure servers, which are connected to high-speed networks to businesses on rent.

First Published: Sep 10 2024 | 11:51 PM IST

Page URL :https://www.business-standard.com/india-news/uttar-pradesh-targets-rs-30-000-cr-investment-for-secure-data-storage-124091001515_1.html