

Government of Tamil Nadu

Tamil Nadu government releases data center policy

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Context

The State had already signed MoUs for an investment of over ₹18,000 Crore in Data Centres during FY 2020-21. Tamil Nadu has the second highest number of submarine cable landing stations in India housing over 30 per cent of India's subsea cables which connect to 264 landing stations globally.

Aim

The Data Centre policy aims to promote Tamil Nadu as an ideal investment destination and the government would adhere to providing power, land and connectivity infrastructure for data centres, fiscal and non-fiscal incentives to Data Centre developers to boost investment.

Salient Features:

- The policy applies to data centers incorporated from April 1, 2021, to March 31, 2026 implemented
- The government will provide power, land, and connectivity incentives to support new data centers
- To receive the incentives, projects must involve an investment of over ₹500 crore (\$66.5 million) and meet at least 30 percent of their energy requirements with renewable energy sources
- Facilities will be able to buy power from the state-owned Tamil Nadu Generation and Distribution Corporation (TANGEDCO), and get 100 percent subsidy on the tax on that energy for five years
- Data centers in districts classified as A or B, companies will get 50 percent off stamp duty
- In category C regions, they will get 100 percent stamp duty exemptions, and can get a 50 percent subsidy on land cost
- Incentives shall have to be refunded if the Data Centre operations ceases or changes its use of land to a non-Data Centre land use within 10 years from the date of incorporation
- The Government will encourage the maintenance of sophisticated hardware and auxiliary services required by Data Centre to involve the participation of local MSMEs

- A training subsidy of up to ₹10,000 per person trained per month (for up to 6 months) per Data Centre unit shall be provided, capped at ₹1 Crore per Data Centre for the duration of the policy period
- Data Centre Developers shall be encouraged to set up Data Centres within the IT SEZs developed by ELCOT
- ELCOT shall be the State level nodal agency for the administration of the Data Centre Policy