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**GOVERNMENT OF TRIPURA
DEPARTMENT OF INDUSTRIES & COMMERCE
(INFORMATION TECHNOLOGY)
AGARTALA, TRIPURA.**

No.F. 17(31)/DIT/IT/2021/8142-8240

Dated, Agartala, the 30th October, 2021.

NOTIFICATION

Sub: - Introduction of “Tripura Data Centre Policy, 2021”.

The Governor of Tripura is pleased to accord approval to the policy called “**Tripura Data Centre Policy, 2021**” as per the details appended with this notification.

The Policy shall be applicable to all micro, small, medium and large IT enterprises/Companies in the private sector, joint sector and also companies owned or managed by the State and Central Government, which set up their Data Centre in the State on or after the date of notification of this policy, but before or on thirty-first day of March 2027.

The policy shall come into effect from the date of notification in the whole of Tripura and shall remain in force for a period ending on the thirty-first day of March, 2027.

By order of the Governor,


(Tanusree Deb Barma, IAS)

Secretary to the
Government of Tripura

1. Introduction

Data Centre is one of the key elements of the IT infrastructure created for providing data centre service to different Departments / Organizations in the State Government or Private Organizations, for hosting, running and storing their applications, information, data, etc for delivering services to the citizens with greater reliability, availability and serviceability.

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 Centre 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 Centre capacity is growing rapidly and expected to add more than 750 MW capacity by the end of 2025. These capacity additions would require green field 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 Centre businesses.

Tripura is one of the most literate states in India with a literacy rate of 87.75%. According to 2015 Child Census, the literacy rate had increased to about 95.65% which is second highest in the country. 4 Universities, 3 Engineering Colleges, 6 Polytechnic Colleges and 26 General Degree colleges are available in the State which generate large numbers of Graduates/Diplomas in Technical/General courses. This makes Tripura a huge pool of educated human resources which is a must needed requirement for Data Centre Industries.

Tripura is strategically located between Bangladesh and South East Asian Countries with peaceful law and order situation. Salubrious climate of State with a maximum temperature of 33°C is comparable with the major IT cities like Pune, Chennai, Bengaluru, Hyderabad, Delhi etc. Pollution free environment, power surplus of the State with good Air, Rail and Road connectivity with major cities of India also with Bangladesh provide huge opportunities for development of IT/ITeS industries. Further, the proximity of the State with Myanmar and SAARC Countries will attract Foreign investments and help in economic growth of the State. Tripura is having third International Internet Gateway after Chennai and Mumbai which ensures stable Internet connectivity in the State as well as North East. This enables Tripura as a favourable destination for establishment of IT/ITeS Industries.

In order to encourage the IT/ITeS Industries in the State, Government of Tripura has also notified IT/ITeS Policy & Roadmap 2017 and Tripura IT Incentive Scheme 2017 which acts as a catalyst in the economic growth of Tripura by creating models targeting at the IT/ITeS/ESDM sector. Further, Tripura IT/ITeS Startup Scheme 2019 and New Generation Innovation Network Scheme have also been notified to encourage IT Startups and student entrepreneurs in IT/ITeS sector.

Due to the above initiatives taken by the State Government, many IT/ITeS companies, Startups, entrepreneurs are coming up with innovative ideas which require data centre services to host their applications, websites, portals etc. Also, many Banks, Insurance companies, Government Departments require Data Centre services for providing online services to their customers/citizens. Presently, Tripura State Data Centre (TSDC) is operational 24x7 basis, since 24th December 2010. TSDC currently have around 80 servers and SAN storage systems having more than 100 TB RAW capacities for catering services to different Govt. departments/ organizations and is unable to meet the requirements of all the Government Departments/Organizations. So, there is huge opportunity for setting up of new Data Centres in the State.

By this Policy, Government of Tripura is aiming to make the State a favorable destination for setting up of Data Centre Hub for creation of digital growth of the State as well as the Nation. It will create an ecosystem for overall digital journey of the State. It will attract more investment in the IT sector specially in data Centre industry. It will also create employment opportunities for large number of graduates of the State.

2. Vision

“Making Tripura a favorable destination in setting up of Data Centre Hub for creation of digital growth of the State as well as Centre”

3. Mission

To foster excellence in setting up of Data Centre in the State by provisioning a favorable environment through:

- Ease of getting clearances for setting up of Data Centre.
- Improving uninterrupted power for Data Centres in the State.
- Providing stable Internet connectivity in the Data Centre Hub.
- Positioning the State as a favorable location for Investment for setting up of Data Centre.

4. Positioning Tripura as an attractive location for investment in Data Centre

To develop an enabling ecosystem for Data Centre Industry in the state, the government is focusing on creation of necessary IT infrastructure, development of human resources, and effective implementation of various IT policies to enhance the quality of life of citizens of Tripura state.

- 4.1 To position Tripura state as an attractive investment hub for Data Centre industry development by providing Industry friendly environment, proactive industry development approach, supporting ICT infrastructure and facilities, providing pool of skilled manpower at affordable cost, by setting up the single window clearance under Ease of Doing Business initiative and grievance redressal system for timely resolution of the issues.
- 4.2 Incentivize the investment made for setting up of Data Centre in the state. This will create Data Centre investment friendly environment within the state and also will encourage the employment of the local talents within the state.
- 4.3 Investment in Data Centre will boost overall growth in IT Industry in the State. Startups, IT/ITeS Industries will also get benefit of from Data Centre investments.
- 4.4 A Software Technology Park (STP) cum IT Complex was constructed at Indranagar, Agartala with minimum floor area of approximately 8295 square meters. This STP Park entails most of the cutting-edge technological IT Infrastructure like Optic fiber connectivity, Broadband connectivity, Wi-Fi access, Video Conferencing and various other incubation facilities.
- 4.5 Also, the IT Bhavan Complex shall house the Tier III State Data Centre (TSDC) based on Government of India guidelines and TIA-942 standards, Agartala City Area Network (ACAN), Offices of IT Directorate and Tripura State Computerization Agency (TSCA) etc.

5. About Tripura Data Centre Policy 2021

The Government of Tripura recognizes the potential of the Data Centre industry to transform the economy of the State. The Government also realizes the need to accelerate the growth of this industry by offering an incentive package that is simple to participate in, and that which rewards excellence in operations, marketing, human resources development, and process

quality. For promotion of Data Centre Investment, Govt of Tripura has decided to introduce following incentives to be given under the Tripura Data Centre Policy 2021, which is detailed in succeeding paras.

5.1 Commencement and Duration

Unless specifically mentioned against the respective items of incentives sanctioned under Tripura Data Centre Policy 2021, it shall come into effect from the date of notification in the whole of Tripura and shall remain in force for a period ending on the thirty-first day of March, 2027.

Provided that wherever an incentive is being allowed to an enterprise for a specified period reckoned from the date of commencement of commercial production of the enterprise or any other prescribed date, such benefit will continue to be available till the expiry of the specified period for that particular enterprise, even beyond the thirty-first day of March, 2027.

5.2 Definitions

In Tripura Data Centre Policy 2021, unless the context otherwise requires:

- i) **“IT”** means Information Technology.
- ii) **“ITeS”** means Information Technology Enabled Services.
- iii) **“ESDM”** means Electronic System Design and Manufacturing.
- iv) **“STP”** means Software Technology Park.
- v) **“TSECL”** means Tripura State Electricity Corporation Ltd.
- vi) **“TERC”** means Tripura Electricity Regulatory Commission
- vii) **“Central Government”** means Government of India.
- viii) **“Designated Authority”** means an authority designated for a particular purpose.
- ix) **“Enterprise”** means any industrial project in
 - a) Micro, Small or Medium Sector, having an Acknowledgement of Udyog Aadhar file on cportal of Ministry of Micro, Small and Medium Enterprises, Government of India on or after the date of notification of this policy; or
 - b) Large-scale enterprise sector, having approval in the form of Letter of Intent, Industrial License, Industrial Entrepreneurs Memorandum (IEM) or Registration Certificate, as the case may be, under the Industries (Development and Regulation) Act, 1951 (65 of 1951); or an acknowledgement in the form of Secretariat for Industrial Approval Reference Number from Central Government.

- x) “**State Government**” means the Government of Tripura.
- xi) “**Year**” means unless otherwise specifically Stated and not repugnant to the context, the financial year; commencing from the first day of April and ending on the thirty-first day of March following.

5.3 Applicability of the Tripura Data Centre Policy 2021

5.3.1 The Tripura Data Centre Policy 2021 shall be applicable to all micro, small, medium and large IT enterprises/Companies which is setting up of their Data Centre in the State, on or after the date of notification of this policy, but before or on thirty-first day of March 2027, in the private sector, joint sector and also companies owned or managed by the State and Central Government.

5.3.2 Wherever an incentive under Tripura Data Centre Policy 2021 is being allowed to an enterprise over a period of 5 years reckoned from an appropriate date, such benefit will continue to be available till the expiry of such period for that particular incentive for that particular enterprise, even beyond the thirty-first day of March, 2027.

Provided that if a newly set up enterprise is sold or otherwise transferred to a new owner during the period of five years, the benefit of the incentive, shall be available to such transferee or the new owner, only for the un-expired portion of the said period of five years.

5.4 Non-applicability of the Tripura Data Centre Policy 2021

Unless specifically mentioned otherwise, the Tripura Data Centre Policy 2021 shall not be applicable to the enterprises that have commenced commercial production in Tripura, prior to the date of notification of this policy. Such enterprises shall continue to be governed by the IT/ITeS Incentive Scheme 2017. If similar incentives taken in any of the Scheme of the State Government, same benefit under this scheme shall not be given.

5.5 Eligibility for Incentives under the Tripura Data Centre Policy 2021

5.5.1 Any industrial enterprise to which the Tripura Data Centre Policy 2021 applies shall be considered for grant of incentives as per the Tripura Data Centre Policy 2021 only on securing an “Incentives Eligibility Certificate” in such format and from the designated officer not below the rank of Director in IT Department. The Incentives Eligibility Certificate shall not be issued unless:

- a) The project is covered by necessary industrial approval already received in the form of industrial license or letter of intent or IEM or registration certificate, as the case may be, under the Industries (Development and Regulation) Act, 1951; or a Secretariat for Industrial Approval (SIA) reference number or an Acknowledgement of Entrepreneur's Memorandum (Part-II) issued by the Directorate of Industries & Commerce of the State Government;
- b) In respect of enterprises/ industries identified as compulsorily licensable or on any other restricted list as may be notified by the Central Government or the State Government from time to time, the required clearance/ licence from the notified authorities has been obtained by the enterprise.
- c) The Data Centre has gone into commercial production in Tripura.

5.5.2 The enterprises issued Incentives Eligibility Certificate shall be liable to submit such documents as may be required by the designated authority to enable consideration of the claims for incentives under Tripura Data Centre Policy 2021.

5.5.3 All incentives payable under Tripura Data Centre Policy 2021 shall be paid through the Financial Institution financing the project or in case of self-financed projects, into a bank account; the requisite account and other formal arrangements for which have to be tied up by the enterprises in agreement with the concerned financial institution or bank and intimated to the Directorate of Information Technology, Government of Tripura.

5.5.4 The eligibility of enterprises for incentive under any Clause of Tripura Data Centre Policy 2021 shall, unless otherwise be specified, be limited to the amount calculated as per the respective Clause of the Tripura Data Centre Policy 2021 reduced by the amount of incentive subsidy or grant received by the enterprise under any operative Scheme outside the Tripura Data Centre Policy 2021 operated by a Ministry or Department of Government of India or its agencies/ boards/ authority, or under any Scheme operated by the North-Eastern Council, for promotion of industrial projects/ investments.

5.5.5 The issue of an Incentives Eligibility Certificate in favour of any enterprise shall not entitle the enterprise to claim the release of incentives under the Tripura Data Centre Policy 2021 as a matter of right, which shall, inter alia, be subject to the enterprise having submitted their claims as per the format, the procedure and within 2 years of the period to which the claim relates and further subject to the Data Centre being in operation.

6. Incentives available under the Tripura Data Centre Policy 2021:

Following incentives will be given under the Tripura Data Centre Policy 2021 in addition to the incentives available under the Tripura IT/ITeS Incentive Scheme 2017 or its amendments.

6.1 Reimbursement of Floor Rental Charges/Government Land Lease Charges:

- 1) Data Centre established in State Government/Private premises shall be allowed 50% discount on Floor Rental Charges or 50% of Public Works Department (PWD), Government of Tripura fixed rates, whichever is low subject to a ceiling of Rs.12.00 lakh per year per enterprise.

OR

- 2) State Government shall lease land on long term basis (30 years) at concessional rate as per the prevailing policies for setting up of data centre in the State.

6.2 Exemption on Power Charges:

Power is one of the most important components of the Data Centres industry Enterprises. Data centre shaving several large scale applications almost often consume as much electricity as a small town. Hence, it becomes very much important for the Government to ensure uninterrupted availability of quality power at affordable rates for creating an attractive opportunity for data centres in the State. Following benefits for provisioning of Power for Data Centres shall be applicable to only those projects which have been commissioned within this policy period:

- 1) The concessional power tariff shall be fixed following the principle of base rate of the basket power purchase price and additional 10% on account of Operation & Maintenance, Transmission, Point of Connection (POC) and other administrative charges. Accordingly, special power tariff of Rs. 4.75 per kwh may be offered to the Data Centre enterprises during the first 2 years of the policy. The same shall be refixed subsequently following the same principle.
- 2) Dual grid power supply shall be provided at applicable charges.

6.3 Exemption on Open Access of Power:

- 1) Data Centres shall be permitted to avail renewable energy under open access system from within the state after paying cost component to TSECL as fixed by the TERC.
- 2) Additional power generation capabilities through captive power sources such as solar and wind farms shall be explored to supplement power sourcing. Data Centre Enterprises willing to establish captive farms shall be extended complete support from the Government for obtaining approvals and permits. Further, the Government shall also provide facilitation for the same.

6.4 Bandwidth cost subsidy:

Reimbursement of 30% charges on Internet Bandwidth connectivity to IT Services paid to ISP shall be available for a period of 5 years from the date of going into commercial production/operation subject to a maximum of Rs. 10.00 Lakhs per annum.

6.5 Critical Infrastructure:

As the Data Centre Enterprises are serving customers on 24x7x365 basis, these enterprises shall be classified under “Essential Services” under Tripura Essential Services Maintenance Act 2019 for getting all the benefits available for the “Essential Services”.

6.6 The Capital Investment Subsidy:

Capital Investment subsidy will be provided in Data Centre at the rate of 30% on total fixed capital investment in Data Centre Non-IT Infrastructure like PAC, UPS, Transformer, Power Supply Equipment etc. which will be reimbursed annually subject to the ceiling criteria mentioned below:

Subsidy Ceiling per Year	Annual Sales Turnover from this Unit
Rs.100 lakh	>Rs.1 Crore
Rs.80 lakh	>Rs.75 Lakh
Rs.60 lakh	>Rs.50 Lakh
Rs.40 lakh	Upto Rs.50 Lakh

Explanation: Suppose, a company 'X' has invested a total of Rs.20 Crore in Data Centre Non-IT infrastructure, the company is eligible to get reimbursement of Rs.6 Crore. But, as per the ceiling mentioned in this clause, the company will get reimbursement of maximum Rs.1 Crore per year for 5 years of policy period, subject to meeting the annual sales turnover criteria mentioned in this clause.

7. Clarification and Interpretation:

In case of any doubt or dispute regarding the provisions of this policy, only the State Government shall be competent to clarify or interpret these and such clarification or interpretation shall be final and binding on all concerned.

8. Power to amend and repeal any or all provisions:

Notwithstanding anything contained in any of the provisions of the policy, the State Government may at any time:

- a) Make any amendment to this policy or repeal it, but the commitments already made for an eligible enterprise shall not be affected by any such amendment or repeal;
- b) Issue instructions and guidelines to facilitate implementation, to remove anomalies and to clarify the interpretations of the provisions of this policy.

9. Mechanism for disbursement of Incentives:

Detailed guideline will be issued for disbursement of incentives applicable for the Tripura Data Centre Policy 2021 by the Industries & Commerce (Information Technology) Department, Government of Tripura.