

INDIA DATA CENTRE STATE POLICY COMPARISON REPORT

Which States Are Actually Delivering Benefits to the Data Centre Industry?

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This report provides a rigorous, incentive-by-incentive comparison of data centre investment policies across ten Indian states — Maharashtra, Karnataka, Tamil Nadu, Telangana, Uttar Pradesh, Andhra Pradesh, Rajasthan, Haryana, West Bengal, and Odisha. It distinguishes enacted policy from draft proposals, on-paper incentives from delivered outcomes, and identifies which states offer the strongest risk-adjusted environment for data centre operators and investors.

10 States Covered	7 Incentive Dimensions	■30,000 Cr+ UP Committed Capital	900 MW UP Target Capacity	4.5 GW India 2030 Target
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EXECUTIVE SUMMARY

India's data centre industry is projected to grow from 1.26 GW (2025) to 4.5 GW by 2030 — a near-four-fold expansion requiring \$20-25 billion in capital. Policy is the single largest differentiator in state-level investment decisions, ahead of land cost or talent availability. Yet most state policies have significant gaps between their headline announcements and actual delivered incentives. This report stress-tests each state's framework across seven dimensions to identify who is genuinely competitive.

- Maharashtra leads on delivered outcomes: permanent electricity duty exemption, 100% stamp duty waiver, submarine cable access, and 85+ operational DCs place it in a class of its own.
 - Tamil Nadu and Telangana are legitimate Tier 1 states — specific incentives, demonstrated execution, and strategic infrastructure (cables/grid) that others lack.
 - Uttar Pradesh (Noida) has strong policy and committed capital, but execution lags: 3-4 year build timelines, a silent water policy, and grid infrastructure still being built.
 - Andhra Pradesh's 2024 policy is the most important emerging play — the Google \$15B anchor investment at Vizag changes the calculus for international hyperscalers.
 - Rajasthan's 2025 policy is genuinely innovative (asset creation subsidy structure is unique in India) but has zero operational track record.
 - The national MeitY draft policy (20-year tax holiday, GST ITC) remains unenacted — any investment thesis priced on these benefits carries policy completion risk.
 - Water is the unacknowledged systemic risk: only Karnataka has begun addressing it; UP, Maharashtra, and Tamil Nadu policies are largely silent despite operating in water-stressed regions.
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MASTER INCENTIVE COMPARISON TABLE — ALL 10 STATES

The table below maps key incentive dimensions across all ten states. Note that incentive quality varies significantly — a 'Yes' on stamp duty can range from a 10-year partial waiver to a permanent 100% exemption. The state-level deep dives on subsequent pages provide the granular distinctions that matter for investment decisions.

State	Stamp Duty	Electricity Duty	Capital Subsidy	Power Tariff	Single Window
Maharashtra	100% (all DC transactions, permanent)	PERMANENT exemption (new & existing DCs)	Capital subsidy for park developers	■1/unit subsidy for 5 years (non-Zone I)	Partial/Planned
Tamil Nadu	Exemptions / concessional rates on land transactions	Exemption (5-10 years depending on tier)	Customised packages for large investments	Dedicated power feeders; concessional tariffs; priority...	Yes
Telangana	100% reimbursement of stamp duty & registration fees on...	Exemption; pollution control board exemption	Budget-backed allocations; customised above threshold	Operational subsidies; DG fuel subsidy	Partial/Planned
Uttar Pradesh	100% (1st transaction); 50% (2nd transaction)	100% for 10 years post commercial operation	7% on fixed capex (excl. land/building), cap ■20 Cr per...	Dual-grid supply (state pays one grid cost for first 8 ...)	Partial/Planned
Karnataka	Exemptions (outside Bengaluru Urban district); land con...	Waiver on cross-subsidy surcharge for renewable sourcin...	Customised packages above threshold; land subsidy outsi...	Uninterrupted supply guarantee; renewable priority	Yes
Andhra Pradesh	Exemptions and fiscal support for hyperscale	Exemption for DC operators	Land allotment + fiscal support for 200 MW target	Concessional tariffs; submarine cable access (Vizag)	Partial/Planned
Rajasthan	Exemptions on land transactions	100% waiver on banking, transmission and wheeling charg...	Asset creation incentive ■10-20 Cr/yr for 10 years; 25%...	5% interest subsidy for 5 years on borrowed capital	Partial/Planned
Haryana	Exemptions on land transactions	Exemptions for DC operators	Building norm relaxations (FAR, height, parking)	Concessional supply	Yes
West Bengal	Reimbursement on land transactions	Exemptions for DC operators	Subsidies on land and utilities	Reduced tariffs; subsidies on utilities	Partial/Planned
Odisha	Exemptions + building plan approval rebates	Exemption	Local manufacturing incentives	DG fuel subsidy (unique offering)	Partial/Planned

QUANTITATIVE SCORECARD — 7 DIMENSIONS, SCORE OUT OF 10

Each dimension is scored 1-5 by the analyst based on specificity, enactment status, quantum of benefit, and execution track record. Total score is not a simple sum — it weights execution track record and infrastructure readiness more heavily.

State	Stamp Duty	Elec. Duty	Capital Subsidy	Power Infra	Land Access	Execution Track Record	Green Incentives	TOTAL /10
Maharashtra	5/5 ■■■■■	5/5 ■■■■■	4/5 ■■■■■	5/5 ■■■■■	4/5 ■■■■■	5/5 ■■■■■	4/5 ■■■■■	9
Tamil Nadu	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	5/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	8
Telangana	5/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	8
UP (Noida)	5/5 ■■■■■	5/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	5/5 ■■■■■	3/5 ■■■■■	3/5 ■■■■■	7
Karnataka	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	7
Andhra Pradesh	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	3/5 ■■■■■	4/5 ■■■■■	7
Rajasthan	3/5 ■■■■■	5/5 ■■■■■	4/5 ■■■■■	3/5 ■■■■■	5/5 ■■■■■	2/5 ■■■■■	5/5 ■■■■■	6
Haryana	4/5 ■■■■■	4/5 ■■■■■	3/5 ■■■■■	4/5 ■■■■■	4/5 ■■■■■	3/5 ■■■■■	3/5 ■■■■■	6
West Bengal	3/5 ■■■■■	3/5 ■■■■■	3/5 ■■■■■	3/5 ■■■■■	4/5 ■■■■■	3/5 ■■■■■	2/5 ■■■■■	5
Odisha	3/5 ■■■■■	3/5 ■■■■■	3/5 ■■■■■	3/5 ■■■■■	3/5 ■■■■■	2/5 ■■■■■	3/5 ■■■■■	4

Note: Scores reflect policy as of May 2026. Andhra Pradesh scores may increase materially as Google's Vizag campus drives infrastructure build-out in 2026-28.

STATE-BY-STATE DEEP DIVE

Each state card below provides the specific incentive quantum, operational metrics, and the analyst's honest assessment of key advantage and risk.

MAHARASHTRA		Policy: IT-ITES Policy 2023	
ANALYST VERDICT: BEST Score: 9/10			
Stamp Duty	100% (all DC transactions, permanent)	Land Policy	MIDC earmarks DC park land; any zone allowed
Electricity Duty	PERMANENT exemption (new & existing DCs)	Single Window	Unified integrated platform (planned)
Capital Subsidy	Capital subsidy for park developers	Essential Service	Yes (ESMA)
Power Tariff	■1/unit subsidy for 5 years (non-Zone I)	Green Incentive	Green DC parks: free of sub-letting charges
Operational DCs: ~85 operational DCs (highest in India)		Investment Target: ■95,000 Cr (all IT-ITES)	
KEY ADVANTAGE Submarine cables, financial hub, MIDC pre-cleared land		KEY RISK High land cost (■18-25 Cr/acre), power grid congestion	

TAMIL NADU		Policy: Data Centre Policy 2021	
ANALYST VERDICT: STRONG Score: 8/10			
Stamp Duty	Exemptions / concessional rates on land transactions	Land Policy	Land at industrial rates; relaxed building norms
Electricity Duty	Exemption (5-10 years depending on tier)	Single Window	Yes (single window clearance mechanism)
Capital Subsidy	Customised packages for large investments	Essential Service	Implied under digital infrastructure status
Power Tariff	Dedicated power feeders; concessional tariffs; priority renewable allotment	Green Incentive	Priority allotment of renewable power
Operational DCs: ~35 DCs; Chennai emerging as east-coast gateway		Investment Target: Targeting top-2 national DC market	
KEY ADVANTAGE Submarine cables (second only to Mumbai), Equinix presence, competitive land		KEY RISK Policy less specific on capital subsidies than peers; water stress in Chennai	

TELANGANA

Policy: TS-iPASS / Data Centre Policy

ANALYST VERDICT: STRONG | Score: 8/10

Stamp Duty	100% reimbursement of stamp duty & registration fees on land	Land Policy	Land at concessional rates; building fee rebates
Electricity Duty	Exemption; pollution control board exemption	Single Window	TS-iPASS fast-track system
Capital Subsidy	Budget-backed allocations; customised above threshold	Essential Service	Yes (ESMA)
Power Tariff	Operational subsidies; DG fuel subsidy	Green Incentive	Extra benefits for DCs sourcing >50% from green energy
Operational DCs: Hyderabad ~20+ DCs; CtrlS, Microsoft Azure presence		Investment Target: Significant budget allocations; targeting hyperscale	
KEY ADVANTAGE Reliable power grid, hyperscale parks, tech ecosystem		KEY RISK No submarine cable; limited to domestic/regional latency play	

UTTAR PRADESH

Policy: Data Centre Policy 2021 (Amended 2022, 2025)

ANALYST VERDICT: STRONG (North India only) | Score: 7/10

Stamp Duty	100% (1st transaction); 50% (2nd transaction)	Land Policy	YEIDA parcels (Sector 28, Yamuna Expressway); any zone
Electricity Duty	100% for 10 years post commercial operation	Single Window	PMU + Empowered Committee (clears >₹200 Cr)
Capital Subsidy	7% on fixed capex (excl. land/building), cap ₹20 Cr per unit	Essential Service	Yes (ESMA + labour law self-certification)
Power Tariff	Dual-grid supply (state pays one grid cost for first 8 parks); wheeling/transmission charge exemption	Green Incentive	Solar open access push; Green Energy Corridor Phase II
Operational DCs: ~25 DCs in Noida/NCR; Yotta, Adani, Microsoft committed		Investment Target: ₹30,000 Cr / 900 MW (revised from ₹20,000 Cr / 250 MW)	
KEY ADVANTAGE North India monopoly, cheapest land vs. peers, Jewar Airport catalyst		KEY RISK No submarine cable; water policy silent; grid still being built; 3-4 yr build timelines	

KARNATAKA

Policy: Data Centre Policy 2022-2027

ANALYST VERDICT: GOOD | Score: 7/10

Stamp Duty	Exemptions (outside Bengaluru Urban district); land conversion rebate	Land Policy	Land at industrial rates outside Bengaluru Urban; relaxed building norms
Electricity Duty	Waiver on cross-subsidy surcharge for renewable sourcing	Single Window	Yes (single window clearance)
Capital Subsidy	Customised packages above threshold; land subsidy outside Bengaluru	Essential Service	Implied
Power Tariff	Uninterrupted supply guarantee; renewable priority	Green Incentive	Subsidy for renewable energy integration; Karnataka has renewable surplus

Operational DCs: ~30 DCs; STT GDC, CtrlS, Nextra significant presence

Investment Target: Maintain #3 national market position

KEY ADVANTAGE
Deep tech talent pool, startup ecosystem, renewable surplus

KEY RISK
Land in Bengaluru Urban excluded from subsidies; water stress; high competition

ANDHRA PRADESH

Policy: Data Centre Policy 4.0 (2024-2029)

ANALYST VERDICT: EMERGING — HIGH UPSIDE | Score: 7/10

Stamp Duty	Exemptions and fiscal support for hyperscale	Land Policy	Land allotment in Vizag IT Park and APSEZ
Electricity Duty	Exemption for DC operators	Single Window	Data Centre Economic Zones (DCEZ) proposed
Capital Subsidy	Land allotment + fiscal support for 200 MW target	Essential Service	Infrastructure status
Power Tariff	Concessional tariffs; submarine cable access (Vizag)	Green Incentive	Coastal wind + solar advantage; Google \$15B campus green energy plan

Operational DCs: Emerging; Vizag gaining momentum post Google announcement

Investment Target: 200 MW additional capacity target (Policy 4.0)

KEY ADVANTAGE
Submarine cable access at Vizag; Google anchor investment; newest policy

KEY RISK
Early stage; infrastructure still being developed; execution track record limited

RAJASTHAN

Policy: Data Centre Policy 2025

ANALYST VERDICT: WATCH — GREEN/EDGE PLAY | Score: 6/10

Stamp Duty	Exemptions on land transactions	Land Policy	Abundant land; building by-law exemptions; greenfield focus
Electricity Duty	100% waiver on banking, transmission and wheeling charges	Single Window	Fast-track clearances under new policy
Capital Subsidy	Asset creation incentive ■10-20 Cr/yr for 10 years; 25% sunrise incentive for >■100 Cr investments	Essential Service	Yes (recognized as essential service in 2025 policy)
Power Tariff	5% interest subsidy for 5 years on borrowed capital	Green Incentive	50% reimbursement on green solution costs up to ■12.5 Cr; solar-first state

Operational DCs: Very few; policy just launched (2025)

Investment Target: ■20,000 Cr in 5 years

KEY ADVANTAGE
Best green energy access (solar), lowest land cost, innovative asset creation subsidy

KEY RISK
No operational track record; no submarine cable; distance from metro demand centres

HARYANA

Policy: Data Centre Policy 2022

ANALYST VERDICT: MODERATE | Score: 6/10

Stamp Duty	Exemptions on land transactions	Land Policy	Municipal building norm exemptions; any zone
Electricity Duty	Exemptions for DC operators		Single Window
Capital Subsidy	Building norm relaxations (FAR, height, parking)	Essential Service	Yes (ESMA)
Power Tariff	Concessional supply	Green Incentive	Standard renewable incentives
Operational DCs: ~10-15 DCs; Anant Raj Cloud 28 MW operational at Manesar		Investment Target: NCR proximity play	
KEY ADVANTAGE NCR proximity, skilled workforce, Anant Raj's ₹2.1B platform		KEY RISK Competes directly with UP (Noida); smaller policy incentive stack	

WEST BENGAL

Policy: Data Centre Policy 2021

ANALYST VERDICT: NICHE — EASTERN INDIA | Score: 5/10

Stamp Duty	Reimbursement on land transactions	Land Policy	Land subsidies; relaxed building norms
Electricity Duty	Exemptions for DC operators	Single Window	Partial — in development
Capital Subsidy	Subsidies on land and utilities	Essential Service	Building norms relaxed
Power Tariff	Reduced tariffs; subsidies on utilities	Green Incentive	Basic incentives
Operational DCs: 5-8 DCs; Kolkata gaining as eastern India anchor		Investment Target: Eastern India hub (Kolkata)	
KEY ADVANTAGE Eastern India monopoly; Kolkata financial/BFSI demand; cheaper than all peers		KEY RISK Policy weakest in specifics; power reliability concerns; limited tech ecosystem	

ODISHA

Policy: Data Centre Policy 2022

ANALYST VERDICT: EARLY STAGE | Score: 4/10

Stamp Duty	Exemptions + building plan approval rebates	Land Policy	Land at industrial rates
Electricity Duty	Exemption	Single Window	Basic clearance support
Capital Subsidy	Local manufacturing incentives	Essential Service	Yes (ESMA)
Power Tariff	DG fuel subsidy (unique offering)	Green Incentive	Renewable energy incentives
Operational DCs: Minimal — policy aspirational		Investment Target: Tier 2 focus	
KEY ADVANTAGE DG fuel subsidy (unique), ESMA protection, low land cost		KEY RISK No track record, no tech ecosystem, very early stage	

ANALYST VERDICT: STATE TIERING FOR DATA CENTRE INVESTMENT

The tiering below reflects which states are actually delivering benefits today versus which are making policy announcements. The distinction matters because data centre builds have 3-5 year development cycles — policy credibility at entry determines the risk profile of the investment.

TIER 1 — ESTABLISHED & DELIVERING		
Maharashtra	BEST	Submarine cables, PERMANENT elec. duty exemption, ■95K Cr target, 85+ DCs operational
Tamil Nadu	STRONG	Submarine cables, dedicated power feeders, Equinix presence, Chennai east-coast gateway
Telangana	STRONG	100% stamp duty reimbursement, DG fuel subsidy, TS-iPASS speed, reliable power
TIER 2 — STRONG POLICY, EXECUTION MATURING		
UP / Noida	STRONG	North India monopoly, dual-grid state subsidy, 7 parks operational, cheapest land
Karnataka	GOOD	Renewable surplus, deep tech talent, cross-subsidy waiver; land subsidy excludes Bengaluru
Andhra Pradesh	EMERGING	Newest policy (2024), Google \$15B anchor, submarine cable at Vizag — watch closely
TIER 3 — ASPIRING / NICHE		
Rajasthan	WATCH	Best green energy play; asset creation subsidy unique; no operational track record yet
Haryana	MODERATE	NCR proximity, Anant Raj Cloud growing; smaller incentive stack vs. UP
West Bengal	NICHE	Eastern India only play; CtrlS operational; policy weakest on specifics
Odisha	EARLY	DG fuel subsidy unique; ESMA; but very early stage, no meaningful track record

THE HONEST STRESS-TEST: WHAT STATES AREN'T TELLING YOU

Water risk is unpriced everywhere.

Data centres consume 3-5 million litres of water per day per 100 MW of capacity. Noida (Sector 62), Bengaluru, and Chennai are all operating in water-stressed zones. Only Karnataka has begun acknowledging this. UP's policy is completely silent. This is the next regulatory/ESG flashpoint.

'Single window' rarely means single window.

Despite all states claiming single-window clearance, a data centre still requires 30+ approvals in practice across central and state agencies. The gap between policy text and on-ground experience is widest in UP and West Bengal.

Power policy and power delivery are different things.

Maharashtra offers permanent electricity duty exemption but faces grid congestion in Mumbai. UP offers dual-grid subsidies but grid infrastructure is 2-3 years behind the policy. Tamil Nadu has the most credible combination of policy and delivered power reliability.

National policy (MeitY) incentives are not yet real.

The 20-year tax holiday and GST input tax credit proposed in the Draft National Data Centre Policy 2025 remain in stakeholder consultation as of May 2026. Deals should not be structured assuming these benefits are enacted.

Execution speed is the final arbiter.

India builds data centres in 3.5-4 years vs. 12-18 months globally. This timeline compression risk compounds for investors. States with pre-cleared MIDC land (Maharashtra) or pre-approved YEIDA parcels (UP) partially mitigate this — but bureaucratic coordination remains the binding constraint across all states.

DISCLAIMER: This report is produced for informational and research purposes only. It does not constitute investment advice. Policy details change frequently — always verify current incentive availability directly with state investment authorities before making investment or operational decisions. Data sourced from Cushman & Wakefield, CBRE, MarkNtel Advisors, Houlihan Lokey, Blackridge Research, MeitY, state government portals, and public domain sources as of May 2026.