

The Karnataka Data Centre Policy 2022-27 outlines various incentives to attract investments in the state's data center sector. Below is a detailed summary of the key incentives:

1. Capital Subsidy

- A one-time subsidy of 7% on fixed assets (excluding land and building) up to ₹10 crore for data centers outside Bengaluru Urban district.
- Disbursed within five years with an annual ceiling of ₹2 crore.

2. Land Subsidy

- 10% subsidy on land purchase/lease cost for data centers outside Bengaluru Urban district.
- Applicable for up to 10 acres; the subsidy is capped at ₹3 crore or 10% of the total land cost, whichever is lower.

3. Stamp Duty Exemption

- 100% exemption for up to 10 acres for data centers outside Bengaluru Urban district.
- Also applicable to loan agreements, lease deeds, and sale deeds.

4. Concessional Registration Charges

- ₹1 per ₹1,000 for registration charges on all loan documents, lease deeds, and sale deeds for data centers outside Bengaluru Urban district.

5. Exemption of Land Conversion Fees

- 100% exemption from fees for converting agricultural land to industrial use for data centers outside Bengaluru Urban district.

6. Power Tariff Concessions

- Eligibility to avail industrial power tariff (instead of commercial rates) for data centers with at least 30% of their energy sourced from green power.

7. Green Power Tariff Reimbursement

- ₹0.50 per unit reimbursement for data centers using over 50% renewable energy, capped at ₹1.25 crore over five years with an annual limit of ₹25 lakh.

8. Electricity Duty Exemption

- 100% exemption from electricity duty for five years from the start of commercial operations.

9. Special Incentive Package

- Tailored incentives for projects with investments exceeding ₹4,000 crore, determined on a case-by-case basis.

10. Building Norms Relaxations

- Increased floor area ratio (FAR) up to 4.0 (3.0 + 1.0 purchasable).
- Exemptions for basement parking, chillers on rooftops, and boundary wall height regulations.
- Permission to set up data centers in commercial, industrial, and institutional zones without additional land conversion costs.

11. Connectivity and Power Infrastructure

- Dual grid power supply from separate substations for reliability.
- Single-window mechanism for timely power supply approvals.
- Open access and express feeder facilities for power.

12. Ease of Doing Business

- Self-certification for compliance with labor laws.
- Exemption from Karnataka Industrial Employment (Standing Orders) Rules, 1946, for five years.
- Simplified processes for approvals via the Karnataka Udyog Mitra portal.

13. Focus on Green and Renewable Energy

- Promotes sustainable practices by incentivizing renewable energy use and reducing carbon footprints.