Summary of Incentive Policies by the Telangana Government for Investments in Data Centers

Fiscal Incentives

1. **Power Subsidies**
    - Electricity provided at the cost of generation to eligible data centers.
    - Permission for renewable energy procurement under open access for up to one-third of total power requirements.
    - Subsidized costs for power backup infrastructure.
    - Fuel for backup generators provided at below-market rates.
2. **Building and Land Incentives**
    - Up to 50% rebate on building permission fees.
    - Subsidized land costs as decided by the Telangana State Industrial Infrastructure Corporation (TSIIC) and other relevant authorities.
3. **Support for Startups/SMEs**
    - 25% subsidy on lease rentals, capped at INR 5 lakhs per annum for three years.
    - 25% reimbursement on internet costs, capped at INR 2.5 lakhs per year for three years.
    - Reimbursement of patent filing costs: INR 2 lakhs per Indian patent and INR 10 lakhs per foreign patent.
    - R&D grants up to 10% of R&D expenses or 2% of annual turnover (whichever is lesser), capped at INR 5 lakhs.
4. **Tailor-Made Packages**
    - Custom packages of incentives for projects deemed strategically important, evaluated on a case-by-case basis.

Non-Fiscal Incentives

1. **Regulatory Relaxations**
    - Declared as "Essential Services" under the Telangana Essential Services Maintenance Act, ensuring operational continuity.
    - Exemptions from inspections under various labor laws, allowing self-certification.
    - Exemption from statutory power cuts.
2. **Ease of Doing Business**
    - Single-window clearance for approvals via TS-iPASS.
    - Exemption from Telangana Pollution Control Act provisions, except for projects with a built-up area exceeding 20,000 sq.m.
3. **Operational Flexibility**
    - Permission for three-shift operations, including night shifts for women, with mandatory safety provisions.

Infrastructure Development

1. **Data Center Campus**

    - Dedicated land parcels for data center campuses offering built-up spaces, continuous water supply, high-speed fiber connectivity, and government-funded security.
    - Large companies can establish independent facilities, while SMEs are provided shared infrastructure.
2. **Power Infrastructure**
    - Dual power grid networks to ensure uninterrupted supply.
    - Support for captive power generation (e.g., solar or wind farms) with streamlined approvals.

Support for Emerging Technologies

1. **Cloud Computing**
    - Focus on integrating cloud-based infrastructure to cater to increasing data center demands.
2. **Collaboration with Industry Leaders**
    - Partnerships with industry leaders to facilitate technology adoption and infrastructure development.

Vision and Objectives

- Establish Telangana as a preferred destination for data centers by leveraging its strategic location, robust infrastructure, and pro-investor policies.
- Foster an ecosystem supporting data analytics, cybersecurity, and IoT through comprehensive incentives.