



सत्यमेव जयते

Government of Gujarat

VIKSIT GUJARAT DATA CENTER

POLICY

2026 - 2029

POWERING DIGITAL INDIA



WORLD-CLASS DIGITAL
INFRASTRUCTURE



GLOBAL HUB FOR
HYPERSCALE GREEN
AI DATA CENTERS



GLOBAL DATA
CONNECTIVITY



SECURE & RESILIENT



ENABLING GROWTH,
EMPOWERING GUJARAT



DIGITAL
GUJARAT



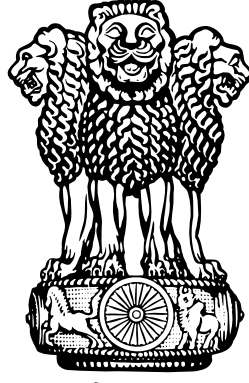
GREEN &
SUSTAINABLE



TECHNOLOGY
LEADERSHIP



INVESTMENT
FRIENDLY
ECOSYSTEM



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1. Preamble

Data centers are rapidly evolving from cost-focused infrastructure assets into strategic, innovation-led digital hubs, mirroring the broader enterprise shift toward AI-driven, cloud-native, and data-intensive operating models. No longer limited to passive storage and compute, modern data centers increasingly underpin advanced use cases across artificial intelligence, digital engineering, high-performance computing, and research & development, making them foundational to enterprise competitiveness, national digital growth, data security, and technological sovereignty. This accelerating adoption of cloud computing, artificial intelligence, big data analytics, Internet of Things (IoT), 5G/6G networks, digital payments, e-Governance, and platform-based services have led to an unprecedented surge in demand for hyperscale, large-scale, and AI optimized data centers globally.

Over the last five years, India has witnessed a sharp increase in internet users, driven by affordable smartphones, low-cost mobile data, widespread digital payments, and government-led digital initiatives. This rapid growth has significantly increased data consumption across video streaming, social media, e-commerce, cloud services, and online public platforms. Critically, this growth is no longer confined to Tier-1 metros. As millions of new users from non-metro and rural regions come online, data creation, processing, and storage requirements are expanding at an unprecedented pace, accelerating the need for geographically distributed data center networks.

This structural surge in internet adoption, fueled by the proliferation of affordable smartphones, ultra-low-cost mobile data, mass adoption of digital payments, and large-scale government-led digital initiatives such as Aadhaar, UPI, Digi Locker, and public digital platforms has positioned India as one of the world's fastest-growing digital markets. The expansion has fundamentally altered both the scale and complexity of data generation across the country.

To support this surge, India needs a strong network of domestic data centers that can handle growing data loads, ensure low latency, maintain security, and comply with data-localization requirements. Currently, India's data-center capacity has grown significantly from approximately 350 MW in 2019 to about 1,030 MW in 2024 and is projected to surpass 2 GW by 2027, highlighting the sector's exponential trajectory. India, with its skilled talent pool, cost advantages, and progressive policy framework, has positioned itself as a global leader in the Data Center ecosystem.

Over the past two years alone, global and domestic investors have committed nearly USD 32 billion to data-center projects in India, demonstrating strong investor confidence in the country's long-term digital-infrastructure potential.

Aligned with the national vision of Viksit Bharat @2047 and reinforced by the State's momentum under Viksit Gujarat@2047, the State is well positioned to cultivate a vibrant, innovation-led ecosystem that supports sustainable, high-value growth for Data Centers. With its infrastructure readiness, policy support and connect to market advantages, these strengths position the state to become a leading data-center hub, serving India's digital economy while attracting global hyperscale investments.

Gujarat is strategically positioned to become a major data-center hub. With its strong industrial base, reliable power ecosystem, leadership in renewable energy, world-class Special Investment Regions, and emerging digital economies in Ahmedabad, Gandhinagar, Vadodara, Surat, and Dholera SIR and GIFT City, Gujarat offers a strong and resilient foundation for hyperscale digital-infrastructure development. Gujarat's development approach focuses on separate sector specific policies for individual sectors rather than a one-size-fits-all model.

Complementing its industrial leadership, Gujarat is rapidly transforming into a future-ready technology and digital services destination. The state offers world-class infrastructure including GIFT City India's first International Financial Services Centre (IFSC) as well as 21 operational SEZs and multiple Special Investment Regions such as Dholera and Mandal-Becharaji, which are emerging hubs for modern smart manufacturing and IT-enabled industries. Gujarat's strong digital backbone, reliable power ecosystem with 69 GW of installed capacity, and state-wide high-speed connectivity position as an emerging hotspot for data centers, IT/ITeS companies, and digital innovation clusters.

With over 5,000 ICT companies, a thriving startup ecosystem of 12,900+ DPIIT-recognized startups, and globally competitive infrastructure, Gujarat continues to evolve as a preferred destination for high-tech investments, digital transformation, and next-generation enterprises.

As India advances toward a digitally empowered economy, Gujarat's combination of industrial base, policy-driven governance, technology adoption, and infrastructure readiness positions it as a key player in the national data center landscape making the state a highly competitive and strategic destination for global hyperscalers, colocation providers, cloud companies, and digital infrastructure investors.

The Gujarat Data Center Policy is designed to harness this momentum by enabling a hyperscale-ready ecosystem that supports large-footprint cloud and hyperscale data center investments, ensures long-term and reliable energy security, strengthens high-capacity digital infrastructure, and positions Gujarat as a preferred global destination for hyperscale data hosting, cloud platforms, and next-generation digital-economy growth.

2. Vision

To position Gujarat as India's leading hyperscale AI data center destination by developing a scalable, secure, and sustainable digital infrastructure ecosystem that supports global cloud providers and anchors the nation's digital economy.

3. Objectives

- Position Gujarat as a globally competitive hub for data centers
- Promote sustainable, energy-efficient data centers by leveraging Gujarat's renewable energy leadership and round-the-clock power solutions
- Attract hyperscalers & cloud service providers through competitive incentives, fast-tracked approvals, and well-designed hyperscale-ready governance.
- Strengthen data security, digital resilience, and technological self-reliance
- Enable innovation across cloud, AI, high-performance computing, and digital services by nurturing collaboration between industry, academia, startups, and technology service providers.
- Create high-value jobs and clear skill-development pathways by building an advanced digital workforce for data centers, cloud engineering, cybersecurity, and emerging technologies.

4. Targets

- Strengthen Gujarat's position as a leading destination for hyperscale and colocation data centers by attracting global and domestic operators and building a competitive digital-infrastructure ecosystem.
- Achieve the establishment of 7.5 GW data center capacity in Gujarat, positioning the state as a key pillar of India's national data center growth strategy, by developing a hyperscale-ready ecosystem through proactive policy support, investor-friendly governance, and fast-tracked approvals that catalyze large-scale, long-term digital infrastructure development.

5. Definitions

- a. **‘DIT’** means Directorate of ICT and e-Governance, Government of Gujarat.
- b. **‘DST’** means Department of Science and Technology, Government of Gujarat.
- c. **‘Government’** means the Government of Gujarat.
- d. **‘Eligible Fixed Capital Investment (EFCI)’** refers to the expenditure incurred by a Data Center Entity on core technical infrastructure, including buildings and civil construction activities, electrical systems, mechanical and cooling systems, power-backup infrastructure, Battery Energy Storage System executed on captive basis, data-center-specific equipment, networking and cabling systems, security and fire-safety installations, and other essential fixed systems required to make the facility operational. EFCI excludes the cost of land, land development, and cost of semiconductor chips. The Eligible Fixed Capital Investment (EFCI) considered under this Policy shall not exceed 80% of the total Fixed Capital Investment (FCI) of the approved Data Centre Entity or INR 60,000 Crore, whichever is lower. For the purpose of this Policy, the aforesaid EFCI ceiling shall be applicable for a 1-Gigawatt (GW) Data Centre project, and the admissible EFCI ceiling for projects of higher or lower approved capacity shall be determined on a proportionate pro-rata basis.
- e. **‘Eligible Investment Period’** means the period of 8 years commencing from the date of grant of in-principle approval under this Policy, during which the eligible investments made towards Fixed Capital Investment (FCI) and Eligible Fixed Capital Investment (EFCI) shall be considered for determination of eligibility and calculation of incentives under this Policy. The Eligible Investment Period may, on a case-to-case basis, be extended by the High Powered Committee (HPC) for a maximum period of two (2) years, where the Data Centre Entity has made substantial investment, undertaken significant project implementation activities, and demonstrated satisfactory progress towards completion of the approved project.
- f. **‘Data Centre Entity’** means an entity, including a company, Special Purpose Vehicle (SPV), partnership, trust, body corporate, or any legally recognized organization, that owns, leases, develops, establishes, holds, or controls the land, building, or core infrastructure of a Data Centre or Integrated Data Centre Park, either directly or through subsidiaries, affiliates, or group entities, and is responsible for investment, development, operation, sub-leasing, management, or overall administration of the Data Centre or Data Centre Park.
- g. **‘Floor Space Index (FSI) / Floor Area Ratio (FAR)’** FSI or FAR means the ratio between the area of a covered floor (Built up Area) to the area of that plot (land) on which a building stands.

- h. ‘Operative Period’** The Policy shall come into force from the date of its notification and shall remain in operation for a period of 3 years, unless superseded earlier by a new or revised policy. The High-Power Committee (HPC)/State Government may, if deemed necessary and in the interest of the State, extend the operative period of the Policy from time to time on such terms and conditions as may be decided. Only eligible entities who have applied for assistance on or before three years from the date of notification of this policy and who have been received in-principal approval on or before XXXXXX shall be eligible for incentives. Additionally, the policy will undergo an annual review to ensure its relevance, alignment with evolving industry needs, and effectiveness in achieving its objectives.
- i. ‘High Powered Committee (HPC)’** means the committee constituted by the State Government for approval of projects under this Policy. The HPC shall also be empowered to periodic review, revision, interpretation & in-principal approval of the Policy, in the interest of effective implementation and development of the Data Centre ecosystem in the State.
- j. ‘State Level Empowered Committee (SLEC)’** means the committee constituted by the Department of Science and Technology and headed by the Additional Chief Secretary/Principal Secretary/Secretary, DST, for examination, evaluation, approval, and disbursement of assistance to eligible entities and projects approved by the High Powered Committee (HPC) under this Policy. The SLEC shall also review the progress and implementation of the Policy in the State and may recommend suitable modifications, implementation guidelines to the HPC/State Government for effective execution of the Policy.
- k. ‘Term Loan’** means loan sanctioned by the financial institution/ bank (except Non-Banking Financial Company (NBFC)) for the acquisition of EFCI of the entity. However, only the amount actually disbursed against the sanctioned amount will be considered for the incentive under the scheme.

6. Incentives

The incentives mentioned in this section apply to eligible entities, in addition to any incentives that they might be entitled to avail from the Government of India. However, any applicant claiming incentive from other policies of the Government of Gujarat are not permitted to claim incentives under this Policy.

6.1 Incentives

Sr. No.	Investment category	Incentives
1.	Capital Subsidy (Applicable only for Dholera Region)	Capital subsidy of 2.5% on Eligible Fixed Capital Investment (EFICI) made within the eligible investment period under this Policy. The eligible entity may submit claim(s) for such incentive up to a period of 10 years from the date of grant of in-principle approval under this Policy.
2.	Interest Subsidy	Up to 4% interest subsidy for 10 years, capped at INR 25 Crores per year; applicable only on term loan portion used for FCI.
3.	Power Tariff Subsidy on consumption by Data Center Entity	Power tariff subsidy at the rate of INR 1 per unit for a period of 20 years from the date of commencement of commercial operations.
4.	Stamp Duty and Registration Fees	100% exemption on Stamp Duty and Registration Fees paid to the Government for lease/purchase of land.
5.	Electricity Duty	100% reimbursement of Electricity Duty actually paid for a period of 20 years from the date of commencement of commercial operations, subject to applicable laws, rules, and regulations.
6.	State Goods and Services Tax (SGST)	100% SGST paid on purchase of plant & machinery for Data Center shall be eligible for reimbursement for a period of 8 years from the date of grant of in-principle approval under this Policy to the extent of permanent reversal of ITC of such SGST. 100% SGST paid on building & allied infrastructure consumption for Data Center shall be eligible for reimbursement for a period of 8 years from the date of grant of in-principle approval under this Policy to the extent of permanent reversal of ITC of such SGST. 100% net SGST on eligible services (operational revenue) consumed within the State, shall be eligible for reimbursement for a period of 20 years from the date of commencement of commercial operations under this Policy.

6.2 Special provisions for building norms

Sr. No.	Category	Description of support
1	Floor Space Index Relaxation	Data Center Entity shall be allowed additional FSI permitted under applicable local Development Control Regulations (DCR).
2	Parking relaxation	The parking area requirement of Data Centre Entity will be 1 Equivalent Car space per 1000 Sqm built up area of the designated office area.
3	Multi level DG stacking	The Utilities, DG Sets and Distribution Transformers would be allowed to stack at each floor or at rooftop as per the prevailing provisions of respective GDCR entity as applicable, provided NOC from the Fire Safety Department is obtained.
4	Ground coverage	Up to 70% ground coverage shall be allowed to the Data Center Entity.
5	Floor to ceiling height (One floor)	There would be no restriction on floor to ceiling height within the permissible limit as per National Building Code & relevant rules/provisions, and compliance with overall height regulations and suitable structural and fire safety regulations.
6	Installation of chillers on the rooftop	Chillers on the roof can be installed without inclusion in FAR but subject to structural safety and clearance from Airports Authority of India.
7	Boundary Wall	Data Center Entity shall be permitted to build up to 3.6 m height boundary wall as per relevant Gujarat Development Control Regulations (GDCR).
8	Internal Roads as per Fire and Safety Norms	Internal road width shall be allowed as per applicable Fire and Safety norms for Data Centre Entity.
9	Underground water tank	Construction of underground fire water tanks shall be permitted within the area reserved for Recreational Ground (RG), subject to a maximum utilization of 50% of the RG area, in compliance with applicable Fire and Safety norms.

6.3 Facilitation for establishment of Captive Desalination Plant

Sr. No.	Category	Description of support
1	Facilitation for establishment of Captive Desalination Plant	Data Centre Entity establishing a Captive Desalination Plant will be provided additional support of 20% of capital expenditure (on eligible capex components excluding land cost) or INR 2 crore/MLD whichever is lower for plants with a capital support up to 20 MLD for 1 gigawatt Data Center Capacity, with proportionate scaling (e.g., up to 10 MLD for 500 MW, up to 5 MLD for 250 MW). The assistance provided under this provision shall form part of, and be counted towards, the overall ceiling on total financial incentives admissible under this Policy.

6.4 Non-Fiscal Benefits for Data Centre Sector in Power Supply

Sr. No.	Category	Description of support
1	Distribution License	The State Government may facilitate and support applications of Data Centre Entity, either directly or through an infrastructure co-developer, to the Gujarat Electricity Regulatory Commission (GERC) for grant of distribution license for Data Center Activity.
2	Transmission lines and substation related infrastructure	The State Government will facilitate provision of dual power supply to the Data Centre Entity substation through two independent and electrically diverse incoming feeders, sourced from the State Transmission Utility (STU) or Central Transmission Utility (CTU) network, as applicable.
3	Open Access	Recognizing that electricity constitutes a major component of the operational expenditure of Data Centres, such projects shall be permitted to procure power through Open Access as per the prevailing regulations.

6.5 Other support

Sr. No.	Category	Description of support
1	Sub-leasing /Sub-letting of Land / built-up area	Sub-leasing or sub-letting of land and/or built-up area within a Data Centre Entity shall be permitted. The first instance of sub-letting shall be allowed without levy of any additional charges, fees, premium, or transfer charges, stamp duty subject to compliance with applicable laws, rules, and regulations.
2	24x7 Water availability	Round-the-clock (24×7) uninterrupted water supply shall be provided up to the doorstep of Data Centre Entity.
3	Facilitation for Statutory Approvals & Clearances	The State Government shall facilitate and support eligible Data Centre Entities in obtaining necessary approvals, clearances, registrations, permissions, and statutory compliances required for establishment and operation of Data Centre projects in the State. Applications under this Policy shall be processed through the Investor Facilitation Portal and/or DST Incentive Management Portal, as may be notified by the Government from time to time.

7. General provisions

- 7.1 Data Centre Entity shall ensure that a minimum of 51% of the electricity consumption for core Data Centre operations is sourced from green and renewable energy.
- 7.2 Total financial incentives shall be limited to 75% of Eligible Fixed Capital Investment (EFCI) made within 08 years and shall be disbursed over a period of 20 years.
- 7.3 Annual disbursement shall be capped at 5% of the total eligible incentive amount.
- 7.4 Any unutilized incentive amount exceeding the annual cap in a given year shall be carried forward and disbursed in subsequent years, subject to the overall annual cap and total eligible incentive limit.

- 7.5 For the purpose of this Policy, the Fixed Capital Investment (FCI) and Eligible Fixed Capital Investment (EFCI) of a Data Centre Entity may be made either independently or through a Joint Venture (JV), Special Purpose Vehicle (SPV), subsidiary, affiliate, developer, operator, user entity, or any combination thereof, and such investments shall be jointly aggregated and considered for determination of eligibility, project capacity, incentive calculation, approval, and disbursement under this Policy, subject to fulfillment of the prescribed eligibility conditions and approval of the High Powered Committee (HPC). Incentives under the Policy may be availed by the approved entity/entities in such manner as may be decided by the Government/HPC from time to time.
- 7.6 Only Data Centre projects with approved installed IT load capacity of 150 MW or above shall be eligible under this Policy.
- 7.7 For electricity consumption & energy accounting purpose, meters shall be installed in conformity of the Regulation of Central Electricity Authority, Indian Electricity Grid Code & Gujarat Electricity Grid Code, as applicable.
- 7.8 The incentives and support measures provided under this Policy shall be applicable only to investments, assets, infrastructure, and operations directly attributable to core Data Centre operations & activities.
- 7.9 The incentives and support under this Policy shall be available only for establishment of Data Centre projects up to an aggregate installed capacity target of 7.5 Gigawatt (GW) in the State.
- 7.10 The capital subsidy admissible on the Battery Energy Storage System (BESS) component shall not exceed 10% of the total Capital Subsidy claimed by the Data Centre Entity under this Policy.

8. Essential Services

The operation, management, maintenance and support of Data Centres operating within State of Gujarat shall be treated as an “Essential Service” under Gujarat Essential Services Maintenance Act, 1972.

9. Policy Implementation Framework

- i. **Implementation and Administration** - All the related Departments shall implement the 'Gujarat Data Centre Policy 2026'. The Department of Science and Technology, Government of Gujarat shall act as the nodal department for the implementation, coordination, and monitoring of this policy.
- ii. The Department of Science and Technology will issue detailed implementation guidelines to achieve the goals and objectives of this Policy.
- iii. The State Government constitutes the following committees under this Policy:
 - A. The High-Powered Committee (HPC), as defined under this Policy, shall be constituted by the Government.
 - B. The State Level Empowered Committee (SLEC), as defined under this Policy, shall comprise the following members:

Sr. No.	State Level Empowered Committee (SLEC)	Designation
1.	Additional Chief Secretary/Principal Secretary/Secretary, Department of Science & Technology (DST)	Chairman
2.	Additional Chief Secretary/Principal Secretary/Secretary (Expenditure), Finance Department	Member
3.	Additional Secretary (IT)/Joint Secretary (IT)/Deputy Secretary (IT), Department of Science & Technology	Member
4.	Financial Advisor (DST), Finance Department	Member
5.	Industries Commissioner	Member
6.	Director, ICT & e-Governance	Member Secretary

- iv. Additionally, the Government shall digitize the entire incentive application process and aim to reduce human interface.
- v. The Office of the Director, Directorate of ICT & e-Governance, shall implement this, Policy.

10. Power to Amend the Policy

Notwithstanding anything contained in the foregoing paras, the Government/HPC holds the right to review and amend various aspects of the Policy from time to time.





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