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REGULATORY ALERT

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Viksit Gujarat Industrial
Policy 2026

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The Government of Gujarat has released the Viksit Gujarat Industrial Policy 2026 (the 'Policy'), effective from 1st June 2026, for a period of five years.

The Policy draws inspiration from the vision of Viksit Bharat @2047 (Developed India by 2047), as articulated by the Hon'ble Prime Minister, and aligns with national programmes such as Make in India, Atmanirbhar Bharat, and the principles of Swadeshi.

The Policy reflects a conscious shift from incremental industrial expansion to a transformational growth model, prioritizing innovation, value addition, employment generation, sustainability, and global competitiveness.

Key features

- Expanded and revamped thrust sectors
- MSME limits aligned to updated provisions of MSME Act
- Additional benefits to women entrepreneur
- Sharper categorisation with enhanced incentives
- Incentives for relocation of unit to designated industrial estate and industrial park
- Reduced investment threshold for Mega projects
- Constitution of the SCALE Committee
- Flexibility to choose the incentive mix

Thrust Sectors

The Policy identifies the following 16 Thrust Sectors for preferential incentive treatment.

S. No.	Thrust Sector	Sub-categories / Details
1	Green Energy Ecosystem	Green Hydrogen & Green Ammonia, Electrolyzer, Renewable Energy Equipment, Battery Storage, Fuel Cells

S. No.	Thrust Sector	Sub-categories / Details
2	Mobility	Auto and Auto Components, Aviation related manufacturing, Space related manufacturing
3	Capital Equipment	Electrical Machinery and/or equipment, Industrial Machinery and/or equipment, Telecom related machinery and/or equipment
4	Textiles and Apparels	Textile, Technical Textile, Apparel, Garment
5	Critical mineral processing/Refining/extraction, Metals and Minerals, Ceramics	
6	Sustainability	Municipal Solid/Liquid waste recycling equipment manufacturing
7	Chemicals	Chemicals
8	Agro Processing	Agro and Food Processing

S. No.	Thrust Sector	Sub-categories / Details
9	Healthcare	Bulk Drug, Active Pharmaceutical Ingredients (APIs) and Key Starting Materials (KSMs), Medical Devices, Pharmaceuticals
10	Ancillary Units of Semiconductor Industries (Ultra-High-Purity Chemicals, Ultra-High-Purity Gases, etc.)	
11	Nuclear Power Equipment (Including Small Modular Reactors)	
12	Vehicle Scrapping Facilities	
13	Electronics Waste Recycling Units	
14	Textile Waste Recycling Units	
15	Manufacturing of Shipping Container	
16	Heavy Earth Moving Equipment (Crane manufacturing, Tunnel Boring Machines, Excavators, etc.)	

Selected Thrust Sector

S. No.	Selected Thrust Sector
1	Sports Goods and Equipment
2	Toys
3	Footwear
4	Robots
5	Drones

Investment Thresholds

Category	Investment Threshold (Plant & Machinery / Equipment)	Employment
Micro	Up to INR 2.5 Cr.	Not Applicable
Small	More than INR 2.5 Cr. up to INR 25 Cr.	
Medium	More than INR 25 Cr. up to INR 125 Cr.	
Large	Minimum INR 125 Cr.	

Category	Investment Threshold (Plant & Machinery / Equipment)	Employment
Mega (thrust sectors)	Minimum INR 1000 Cr.	250 and additional 50 for every additional investment of INR 200 Cr.
Ultra mega (thrust sectors)	Minimum INR 10,000 Cr.	3,000 and additional 500 for every additional investment of INR 5,000 Cr.

Incentives

The Policy provides eligible industrial units with the flexibility to choose from a combination of incentives, namely capital subsidy, interest subsidy and power tariff subsidy. Eligible Large, Mega and Ultra-Mega units will be provided enhanced flexibility to avail a suitable combination capital subsidy, interest subsidy, and power tariff assistance.

The overall benefit, however, remains capped as a percentage of eligible Fixed Capital Investment (eFCI),

Micro, Small and Medium Enterprises

Incentive Type	Taluka Category		Disbursement period
	A	B	
Capital Subsidy (% of eFCI)	35%	25%	Micro: Payable in 1 year Small and Medium: Payable in 5 years
Interest Subsidy on term loan	7% upto 10% of eFCI		Payable for 5 years
Power Tariff per unit (upto 25% of eFCI)	INR 2	INR 1	

Incentive Type	Taluka Category		Disbursement period
	A	B	
Maximum Incentive (% of eFCI) for all components	45%	35%	

Large Unit - Thrust sector

Incentive Type	Taluka Category		Disbursement period
	A	B	
Capital Subsidy (% of eFCI)	25%	15%	Payable for 8 years
Interest Subsidy on term loan	7% up to 20% of eFCI	7% up to 15% of eFCI	
Power Tariff per unit	INR 2 up to 20% of eFCI	INR 1 up to 15% of eFCI	
Maximum Incentive (% of eFCI) for all components	35%	25%	

Large Unit - General Sector

Incentive Type	Taluka Category		Disbursement period
	A	B	
Capital Subsidy (% of eFCI)	15%	10%	Payable for 10 years
Interest Subsidy on term loan	7% up to 15% of eFCI	7% up to 10% of eFCI	
Power Tariff per unit	INR 2 up to 15% of eFCI	INR 1 up to 10% of eFCI	
Maximum Incentive (% of eFCI) for all components	20%	15%	

Mega Unit

Incentive Type	Taluka Category		Disbursement Period
	A	B	
Capital Subsidy (% of eFCI)	25%	20%	Payable for 10 years
Interest Subsidy on term loan	7% up to 25% of eFCI	7% up to 20% of eFCI	
Power Tariff per unit	INR 2 up to 25% of eFCI	INR 1 up to 20% of eFCI	
Maximum Incentive (% of eFCI) for all components	35%	30%	

Ultra- Mega Unit

Incentive Type	Taluka Category		Disbursement Period
	A	B	
Capital Subsidy (% of eFCI)	30%	25%	Payable over 12 years
Interest Subsidy on term loan	7% up to 25% of eFCI	7% up to 20% of eFCI	
Power Tariff	INR 2 per unit up to 25% of eFCI	INR 1 per unit up to 20% of eFCI	
Maximum Incentive (% of eFCI) for all components	40%	35%	

Special Incentives - Selected Thrust Sectors

Incentive Type	Taluka Category		Disbursement Period
	A	B	
Capital Subsidy (% of eFCI)	35%	30%	Payable over 5 years (MSME), 8 years (Large), 10 years (Mega), 12 years (Ultra-Mega)
Interest Subsidy on term loan	7% up to 20% of eFCI	7% up to 20% of eFCI	
Power Tariff	INR 2 per unit up to 20% of eFCI	INR 1 per unit up to 20% of eFCI	
Maximum Incentive (% of eFCI) for all components	50%	45%	

Additional incentives

Following additional incentives are available to MSMEs, Large, Mega and Ultra-Mega units:

- EPF reimbursement: 100% reimbursement on employer's contribution up to INR 1800/month for male, INR 2500/month for female and INR 3000/month for specially abled employee (5 years for MSME, 8 years for large (thrust sector), 10 years for large (general sector), Mega and ultra mega)
- 100% electricity duty exemption as Gujarat Electricity Duty Act 1958
- 100% stamp duty and registration fee reimbursement

Housing for Workforce

The Policy mandates special provisions for accelerated development of secure, modern working women hostels/ dormitories/ labour hostels located within or adjacent to manufacturing hubs and industrial estates. The policy specifies following incentives for setting up working women hostel / dormitories / labour hostel established

within 5 km radius of manufacturing hubs and industrial estates

- 80% of project cost up to INR 40 Cr for setting up common dormitory/ labour hostel/working women's hostel:
- 40% assistance up to INR 40 Cr for a dormitory/ labour hostel/ working women's hostel setup by industries and dormitory/labour hostel/working women's hostel setup in private industrial park.

Promotion of Research and Development

Innovation, Research and Development (R&D) constitute a central pillar of the Viksit Gujarat Industrial Policy 2026. The incentives are tabulated below:

Incentive	First 5 R&D centres (minimum investment of INR 300 Cr)	Other R&D centres (minimum investment of INR 100 Cr)
Capex support (Building, machinery, equipment)	50% capital subsidy in 5 years upto INR 50 Cr p.a. Building cost capped at 20% of total investment	25% capital subsidy in 5 years up to INR 20 Cr p.a. Building cost capped at 20% of total investment
Capex Support (Land)	GIDC/ Dholera/ Govt. land: reimbursement of 25% of allotment price Private land: reimbursement of 25% of Jantri rate	Not Applicable
Opex support	Power tariff: INR 1 per unit for 5 years Payroll subsidy: INR 10,000 per person per month for 3 years	
IPR support	100% of reimbursement up to INR 10,000 per IPR for 10 years	

Incentive	First 5 R&D centres (minimum investment of INR 300 Cr)	Other R&D centres (minimum investment of INR 100 Cr)
Patent support	75% of cost up to INR 15 Lakhs per patent for 25 patents for 10 years	
Reimbursement of international certification	25% cost up to INR 10 Lakhs per certificate for maximum 5 certifications	

In-house R&D centres recognized by DSIR are eligible for 50% capital support on machinery, equipment, hardware, and software, up to INR 50 Cr. They will also receive IPR and patent-related assistance to promote indigenous innovation and technology ownership.

Environmental Stewardship

Gujarat is committed to sustainable and environmentally responsible industrial development. Key provisions under the Policy:

Common Environment and Energy Efficiency Infrastructure Facilities

- Wastewater Management and Recycling: 50% up to INR 75 Cr for projects where minimum 70% wastewater recycling through existing or new common effluent treatment plant / integrated facilities. For other projects, assistance of 40% eFCI up to INR 50 Cr.
- Assistance of 40% eFCI up to INR 30 Cr for setting up Common Boiler Project.

Environment Protection Measures

- Cleaner Production Technology Adoption: 50% up to INR 1 Cr. for MSMEs and 25% up to INR 2 Cr. for Large/Mega/Ultra-Mega Units.
- Zero Liquid Discharge (ZLD) Implementation: 50% up to INR 5 Cr/MLD for MSMEs and 40% up to INR 7.5 Cr/ MLD for Large, Mega and Ultra-Mega units.

Strategic significance:

The Viksit Gujarat Industrial Policy 2026 represents a forward-looking policy framework that seeks to position Gujarat as a diversified, innovation-led and globally competitive industrial hub. It signals a shift from incremental manufacturing growth to a more integrated model focused on value addition, sustainability, technology adoption and employment generation.

Key considerations for industry:

Businesses should assess the Policy in the context of their proposed investments, expansions and sectoral eligibility. In particular, they should evaluate the applicable incentive structure, taluka categorisation, thrust sector classification, investment thresholds, disbursement timelines and compliance requirements to optimise the benefits available under the Policy

ADDRESSES

Mumbai

1101, One World Center,
11th Floor, Tower 2B,
841, Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai – 400 013
Tel: +91 22 6108 1000 / 1900

Ahmedabad

402, 4th Floor, Venus Atlantis,
100 Feet Road, Prahlad Nagar,
Ahmedabad – 380 015
Tel: +91 79 6134 3434

Bengaluru

67/1B, Lavelle Road,
4th Cross, Bengaluru,
Karnataka – 560001
Tel: +91 90510 48715

Delhi / NCR

305-307, Emaar Capital Tower-1,
MG Road, Sector 26, Gurugram
Haryana – 122 002
Tel: +91 124 668 7000

GIFT City

Dhruva Advisor IFSC LLP
510, 5th Floor, Pragya II,
Zone-1, GIFT SEZ, GIFT City,
Gandhinagar – 382050, Gujarat.
Tel: +91 7878 577 277

New Delhi

1007-1008, 10th Floor, Kailash
Building, KG Marg, Connaught
Place, New Delhi – 110001
Tel: +91 11 4471 9513

Pune

406, 4th Floor, Godrej Millennium,
Koregaon Park,
Pune - 411001,
Tel: +91 20 6730 1000

Kolkata

4th Floor, Unit No 403 & 404B,
Camac Square, 24 Camac Street,
Kolkata – 700016, West Bengal
Tel: +91 33 6637 1000

Singapore

Dhruva Advisors Pte. Ltd.
#16-04, 20 Collyer Quay,
Singapore – 049319
Tel: +65 9144 6415

Abu Dhabi

Dhruva Consultants
1905 Addax Tower,
City of Lights, Al Reem Island,
Abu Dhabi, UAE
Tel: +971 2678 0054

Dubai

Dhruva Consultants
Emaar Square Building 4, 2nd
Floor, Office 207, Downtown,
Dubai, UAE
Tel: +971 4 240 8477

Saudi Arabia

Dhruva Consultants
308, 7775 King Fahd Rd,
Al Olaya, 2970, Riyadh 12212,
Saudi Arabia

KEY CONTACTS

Dinesh Kanabar

Chairman & CEO
dinesh.kanabar@dhruvaadvisors.com

Ranjeet Mahtani

Partner
ranjeet.mahtani@dhruvaadvisors.com

Jignesh Ghelani

Partner
jignesh.ghelani@dhruvaadvisors.com

Kulraj Ashpiani

Partner
kulraj.ashpiani@dhruvaadvisors.com

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