



सत्यमेव जयते

Ports & Transport Department
Government of Gujarat

SHIPBUILDING & REPAIR POLICY GUJARAT 2026



GUJARAT MARITIME BOARD
The Maritime Brand of India



GREEN
MARITIME
ECOSYSTEM

SMART
SHIPYARD
INFRASTRUCTURE

INTEGRATED
INDUSTRIAL
ECOSYSTEM

GLOBAL
MARITIME
COMPETITIVENESS



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Definitions

Definitions in this Policy, unless the context otherwise requires, -

- I. "Chairman" means the Chairman of the Board and includes the person appointed to act in his place under section 9 of GMB Act 1981.
- ii. "Domestic Shipbuilding" means the Shipbuilding activities that is carried out by domestic (Indian) Shipbuilding companies within India.
- iii. "Dredging" means the removal of sediments and debris from the bottom of lakes, rivers, harbours, and other water bodies. It is a routine necessity in waterways around the world because sedimentation—the natural process of sand and silt washing downstream—gradually fills channels and harbours.
- iv. "Eligible Fixed Capital Investment (eFCI)" means investment in Contracted assets as defined under the Model Concession Agreement of GMB, will also include movable assets including plant and machinery (as defined in Gujarat Integrated Logistics and Logistics Parks Policy, 2021)
- v. "Gujarat Maritime Board" or "GMB" means the Gujarat Maritime Board and includes any officer or servant authorized by it. GMB is the statutory body of the State Government of Gujarat.
- vi. "GMB owned Ports" means the ports which are under jurisdiction of GMB and for which GMB is responsible for management, control and administration in Gujarat state.
- vii. "Jetty" means artificial structure into the sea enabling passage of passengers and cargoes to and from the vessel.
- viii. "Land" includes the bed of sea or river below high-water mark and also things attached to the earth or permanently fastened to anything attached to the earth.
- ix. "Non-major Port" means a port other than a major port declared as such by the Central Government of India under any law and are declared by Government of Gujarat under clause (a) of sub-section (1) of section 4 of the Indian Ports Act, 2025.
- x. "Port" means any non-major port to which GMB Act applies within such limits as may from time to time be defined by the State Government under the Indian Port Act, 2025, and includes any part of a river or channel which is defined as such under GMB Act, 1981.
- xi. "Shipbuilding" means building large sea-going vessels, usually of steel and other materials such as wood and composites.
- xii. "Shipbuilders" means a company or a person that builds ships.
- xiii. "Shipyards" means a facility situated on seashore (i.e. next to a body of water) utilized for building/repairing/recycling/cleaning/inspection of vessels.
- xiv. "State Government or GoG" means the Government of Gujarat.

- xv. "Vessels" means Barges, boats, tugs, launches or any other mechanized or non-mechanized floating craft and include anything made for the conveyance mainly by water for human being or of goods.
- xvi. "Waterfront" means entire length of shore / coastline along the seacoast, creek, estuary, bank of river etc., on which entire Shipyard premises is proposed or located, irrespective of length occupied by marine structures viz. docks, slipways and outfitting jetties etc., provided on shore for Shipyard.

1

Introduction

The Shipbuilding industry plays a strategic role in trade, transport, energy, security, national defence, and the development of heavy engineering industry. With vast potential to boost the Industry and Services sectors' contribution to the national GDP, it is both directly and indirectly linked to many major industries and heavily relies on infrastructure and service sectors. This strong characteristic of the Shipbuilding industry provides significant potential to advance the mission of an 'Aatmanirbhar Bharat'. Government of India is aspiring to become one of the leaders in global shipbuilding sector by 2047. In December 2025, the Government of India has launched Shipbuilding Financial Assistance Scheme (SBFAS) to rejuvenate the country's shipbuilding ecosystem and position India among the world's top five shipbuilding nations by 2047. Government of Gujarat will undertake efforts to strengthen the shipbuilding sector in alignment with the vision and policies of Government of India.

As of now, South Asia is the most significant revenue contributor to the Shipbuilding industry with countries like China, Japan and South Korea holding around 90% of the global Shipbuilding market share. As per the India Shipbuilding Market report, India's Shipbuilding market is expected to grow from USD 7.11 Bn in 2023 to USD 8.76 Bn by 2028, at a CAGR of 4.57%¹.

Global ship repair market is dominated by countries like China, Singapore, Bahrain, Dubai and Middle East which account for a major share of total market. These locations have achieved a dominant position despite higher cost of ship repair services compared to other Asian countries, largely due to the availability of a skilled workforce and the latest technology which allows these shipyards to attract demand from other low-cost locations like India, Malaysia and Indonesia.

India has demonstrated strong Shipbuilding capability in past with several shipyards delivering good quality vessels globally. However, Indian shipyards are struggling currently against global downturn and competition with protectionist measures. As per the Shipbuilding & repair report by Ministry of Ports, Shipping & Waterways, as of 2022-23, out of India's 30 Shipbuilding yards, 6 are public sector undertakings (PSUs), 1 owned by state government, and remaining 23 are in the private sector. Presently, there are 38 dry-docks for repairing ships in India both in public and private sector.

Statistics reveal that, out of the 1520 vessels registered in India, as on 31st December 2022, 1034, vessels (68%) with 1.58 million GT were engaged in coastal trade and 486 vessels (32%) with 12.11 million GT were deployed for overseas trade. Further, India's strategic location offers significant advantage for becoming ship repair hub in the world as around 7-9 % of global trade passing within the 300 NM of the Indian coastline. This generates a resident demand for ship repair activities locally in Indian waters.

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Shipbuilding in Gujarat

Gujarat possesses 2340.62 kms of coastline with the favourable marine and other parameters, for setting up of Shipbuilding yards. Along with the strategic location, conducive environment, provides advantage for establishing Shipbuilding & repair facilities in the State. Gujarat also has the presence of ancillary industries to supply steel plates, machineries and equipment required for Shipbuilding industry.

Gujarat has been the pioneering state to propel the Maritime/Ports Industry into newer heights. In the last few decades, it has embarked on pioneering the industry altogether by taking bold steps in the fairly nascent Industry in the country. In addition, good governance & pro-industry policies of the Government of Gujarat like industrial policy (2020) and logistics policy (2021) provides impetus to industrial development in the state.

The Shipbuilding Policy, 2010 was an enterprising step by the Ports and Transport Department, Government of Gujarat to address the demand generated by the rapid containerization and scrapping of old bulk carriers due to the higher structural standards introduced in 2010. The policy was the first in India to address the need to spur the domestic Shipbuilding activities to fulfil the demand. The policy was envisaged to pave way for the private sector to invest in this industry further and bolster the Shipbuilding sector in the state.

In recent past, the Shipbuilding industry in India, including Gujarat, has undergone significant changes, shaping its development and addressing long-standing challenges. Over the years, however, several measures have been introduced to enhance the industry's competitiveness and efficiency.

Gujarat, with its rich maritime legacy and strategic coastal advantages, has emerged as a key player in India's Shipbuilding sector. National initiatives like Shipbuilding Financial Assistance Policy (2015), the Right of First Refusal for Indian shipyards, and the granting of Infrastructure Status and ambitious Sagarmala Programme have enhanced port infrastructure, boosted connectivity, and promoted indigenous Shipbuilding, benefiting Gujarat and India alike.

Shipbuilding and repair policy for Gujarat requires timely amendments to align with the national policies and regulations introduced by the Central Government. With these updates, this policy will help achieve future targets, enabling Gujarat to strengthen its competitive edge and position India as a leader in the Shipbuilding and repair industry.

This policy is aligned with and supplements the Ship Building Financial Assistance Scheme of the Government of India which came into force in 2025, aimed at strengthening the national shipbuilding ecosystem.

3 Vision

To establish Gujarat as the leading hub for Shipbuilding and ship repair yard in India, featuring world-class shipyards, advanced technological capabilities, and sustainable, green practices.

This vision aims to strengthen Gujarat's maritime economy by developing robust and future-proof Shipbuilding and ship repair infrastructure, nurturing a skilled workforce, and fostering an ecosystem where innovation, quality, and environmental awareness are key drivers of growth..

4 Mission

To build an integrated and resilient Shipbuilding industry and ship repair industry in Gujarat by involving both existing and emerging shipyards, promoting sustainable and green practices, and incorporating smart technologies to optimize operations.

Gujarat will offer comprehensive financial incentives, technical training, and foster strategic partnerships in innovation and sustainability to nurture a self-sustaining maritime economy, aligned with the vision of Viksit Gujarat @2047.

5 Objectives

- A. Position Gujarat as the preferred destination for Shipbuilding in India
- B. Attracting domestic and international investments in the Shipbuilding sector
- C. Enhance industrial growth by encouraging establishment of ancillary industries
- D. Providing comprehensive financial incentives to shipbuilders and investors to boost the industry's growth and competitiveness on a global scale
- E. Foster world-class infrastructure and smart technologies, automation in Shipbuilding
- F. Developing skilled workforce, meeting the growing demand for Shipbuilding
- G. Encourage the adoption of environmentally friendly technologies and sustainable practices in Shipbuilding
- H. Promote the design, construction, and repair of ships within Gujarat to reduce dependency on foreign shipyards

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Main Goals by 2047

The aim is to establish Gujarat as a leading destination for shipbuilding, embedded in the provisions outlined under the Amrit Kaal Vision 2047, which seeks to:

- A. Increase the capacity of shipbuilding in the state of Gujarat to more than 50 Lakh DWT.
- B. Establish 2 Integrated Mega Shipbuilding Parks (IMSP) in the State.
- C. Skill impartment to 500,000+ individuals in advanced Shipbuilding skills, including green technologies and automation. The target would be achieved in phases: short term: 50,000 individuals; medium term: 150,000 individuals and long term: 300,000 individuals.

7

Focus Thematic Areas

To streamline and integrate the development of the Shipbuilding sector and ensure the optimal utilization of both existing and planned infrastructure, a comprehensive strategy for the industry's growth in Gujarat is essential. This strategy will define the roles of the Government of Gujarat vis-à-vis the Shipbuilding companies, outlining the support and assistance to be provided by the government, specify the charges to be levied by GMB, and establish guidelines for the allocation of waterfront and back-up land for the establishment of Shipbuilding & repair yards, as well as for the fabrication and repair of offshore rigs.

The development of a holistic ecosystem for the Shipbuilding and repair industry in Gujarat requires a multi-dimensional approach that incorporates to drive growth and sustainability. Major areas of interventions include infrastructure development, logistics networks, technological innovation, green practices, development of skilled workforce, offering comprehensive funding, subsidies, assistance to shipbuilders and investors, strategic partnerships, fostering collaboration between government agencies, industry players, and research institutions, and regulatory and policy support, ensuring alignment with national and international standards.

Above interventions are further classified as the 5 pillars for Shipbuilding to create robust foundation for the Shipbuilding and repair industry, positioning Gujarat as a global leader in the sector.

- A. Development of shipyards and ancillary industries
- B. Skill development and capacity building
- C. Promotion of sustainable & green shipyards
- D. Transforming shipyards into smart shipyards
- E. Promotion of Startups and R&D in Shipbuilding industry

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Development of shipyards and ancillary industries

The Shipyards are to be developed as commercially viable projects capable of doing business. The following models shall be adopted for development of shipbuilding & repair yards:

- i. Within the Sites identified by GMB
- ii. Within the private ports
- iii. Within Integrated Mega Shipbuilding Parks (IMSPs)
- iv. Stand-alone proposals submitted by PPP players
- v. Stand-alone proposals submitted by PSUs

i.

Sites identified by GMB for the development of Shipbuilding and repair yards

- GMB after assessing the waterfront and land available for the proposed site, including within the boundaries of the existing ports, will identify specific sites for the development of shipbuilding and repair yards, and will allot these sites through competitive bidding process, for the establishment of Shipbuilding or repair facilities.
- Moreover, GMB would ensure that the bidders have adequate credentials to fully utilize the allocated waterfront that aligns with the state policies including this Policy as well as overall GMB's vision.
- The Shipbuilder will undertake preparation of Detailed Project Report for the project.
- GMB would undertake efforts for obtaining Environment Clearance for the project by engaging empanelled agencies. Concerned allottees would be bound with written consent for ensuring all compliances of such Environment Clearance.
- Shipyards, if, developed within the port limits of the existing GMB ports shall be allowed to utilise the infrastructure created or to be enhanced for port operation, subject to applicable charges as per SoPC.
- GMB reserves the right to cancel the permission granted for waterfront and land in case, selected bidder is not able to complete the construction and operationalise the Shipyard within the stipulated time frame.

ii.

Within the private ports

- A private port developer, after receiving the necessary approval from GMB, can establish Shipyards within the authorized waterfront/area.
- Shipbuilding and repair yards proposed within private port limits will be considered as part of the concession agreement or sub-concession agreements with the port operators.
- The license period for the Shipyards to be set up within the Private port shall be concurrent with the "BOOT" period. The above duration may be renewed on fresh terms and conditions, if so desired by GMB either concurrent with extension of BOOT period of the Private Ports or period decided by GMB. To give extension shall be at sole discretion of State Government. Shipyard Company shall not entitle to claim any right whatsoever for such extension
- The shipbuilding project shall not be granted any concession / set-off of any kind under BOOT policy.
- Any sub-concession or sub-lease of the shipyards must be explicitly approved by the Government/GMB.
- Shipyard company shall be responsible for paying all relevant charges, as outlined in this policy and as may be announced by the State Government/GMB at any time.
- The duty to supply infrastructure facilities and access links will fall upon the private port developer and/or the shipyard company

iii.

Within Integrated

Mega Shipbuilding Park (IMSP)

- Government of Gujarat and Gujarat Maritime Board have envisioned development of Integrated Mega Shipbuilding Parks (IMSPs) consisting a dedicated ecosystem for Shipbuilding and repair yards along with the manufacturing of marine components used in the industry.
- Integrated Mega Shipbuilding Parks shall act as 'Global Shipbuilding Hub' by capitalizing on advanced technology infused Shipyards, comprehensive ecosystems consist of industrial base, rail/road connectivity, availability of skilled and trained workforce and more importantly with investment-friendly policies of state and centre.
- Concept of developing Shipyards as an Integrated Mega Shipbuilding Park (IMSP) is to make one-time major investment in the common infrastructure and other supportive facilities by Government, to make it viable for domestic and foreign private players.

- Integrated Mega Shipbuilding Parks shall be developed along with the Marine Equipment Cluster, considering heavy reliance of Shipbuilding industry on supplied inputs of other industries.
- GMB, after assessing the waterfront and land available shall allot the sites in the Integrated Mega Shipbuilding Park through competitive bidding process, for a designated timeframe for development of industry in Plug & Play model.
- GMB will facilitate the establishment of a Marine Equipment Cluster along with GIDC and other relevant agencies, to further offer to the private sector for suitable investments.
- GMB will not allot more than 50% of land area to one developer in the IMSP.

iv.

Standalone proposals submitted by PPP players

- Private entities may submit stand-alone proposals for developing shipyards at locations of their choice. Such proposals will be evaluated under the Swiss challenge method under GID Act. In this process, competing bids will be invited, but the original proponent will be given the Right of First Refusal (ROFR) to match the best offer, ensuring innovation and fair competition.
- Key experience of the applicant should be preferably in the areas of Shipbuilding, ship repair, maritime, logistics, including tie-ups with innovation & high-end technological & service providers.
- Site shall be analysed by GMB based on the advantages of the location, such as suitable marine conditions for large vessels.
- Shipyard Company will undertake preparation of Detailed Project Report and the site-specific Environment Impact Assessment studies.
- GMB shall facilitate acquisition and allotment of Government land, if available in the proximity of waterfront for the development of standalone shipyards
- Government of Gujarat or GMB reserves the right to reject any proposals, with/without justification and providing explanation to the applicant.
- If the applicant fails to operationalise Shipyard within the stipulated timeframe approved by GMB, all assets including waterfront, land and the assets created by the applicant shall be transferred to GMB with no cost basis.
- Joint ventures shall be allowed, and lead developer should have at least 51% stake.

V.

Proposals from PSUs

- Proposals from Public Sector Undertakings (PSUs) with the government as the majority shareholder will be considered on a nomination basis. This model ensures that strategic and national interests are upheld, especially in projects requiring significant government oversight or investments.
- Sectoral experience of the PSUs in the areas of Shipbuilding, ship repair, including tie-ups with innovation & high-end technological & service providers shall be considered before allotment of waterfront.
- GMB, after assessing the waterfront and available land for the proposed site, will allot these areas, through nomination, for the establishment of Shipbuilding or repair facilities.
- PSUs shall provide details of the proposal, including but not limited to proposed investment, development plan, commitment towards environmental sustainability, job creation, including others with GMB for scrutiny.
- Upon approval, Shipyards shall enter into long-term agreements with GMB, under the umbrella of periodic review and performance assessments, thereby making the developer conform to agreed milestones and environmental norms.
- Ancillary development around the proposed site shall be developed by respective PSU, provided GMB shall extend facilitation for the development of trunk infrastructure and land acquisition.

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Skill development and capacity building in Shipbuilding industry

- Bridging the gap in skills becomes necessity of the industry and imperative for the preparation of a more competent workforce in handling modern Shipbuilding technologies and processes.
- Specialised training centres and Centres of Excellence shall be established to promote ship designing in Gujarat.
- The quality of training shall further be developed by establishing strategic partnerships between universities/educational institutions in Gujarat with reputed national and international universities/educational institutions which have expertise in shipbuilding & repair and related areas, which shall provide the professionals a real-time experience to intricate design challenges and solutions.
- GMB shall facilitate the introduction of industry-aligned certification programs in the state-run institutions, which would result in a pool of highly qualified professionals who can meet and address the increasing needs of the Shipbuilding industry.
- Such certifications, based on global standards, would also improve the employability of the workforce, harnessing demographic dividend and become a major exporter of skilled manpower to the world.

10

Promotion of Sustainable Shipbuilding & Green Shipyards

- GMB shall encourage green Shipbuilding initiatives by encouraging local shipyards to consider onboarding eco-friendly technologies and materials that bring down the environmental footprint of ships constructed along the coasts of Gujarat.
- Sustainable Shipbuilding refers to the design and construction of ships with an emphasis on environmental sustainability. Sustainable practices include the use of eco-friendly materials, energy-efficient design, alternative fuels, including innovative systems of waste management.
- Key features of such Shipyards shall ensure facilities are energy-efficient, control measures of pollutants, recycling of waste, renewable energy, frequently integrating solar and wind power in their operations.
- Other components that can be adopted in green shipyards include systems for management of water, avoiding contamination, and ensuring workers' safety through the use of non-toxic materials and green zones.

11

Promotion of 'Smart Shipyards'

- A smart shipyard is considered the future generation of a Shipbuilding facility, using state-of-the-art automation and advanced analytics combined with digitalization in enhanced productions, streamlined operations, and standards regarding safety.
- Such applications of digital technologies, like IoT, AI, big data analytics, and robotics, are integrated into traditional shipyard processes in pursuit of better productivity, precision, and cost-efficiency.
- The 'Smart Shipyard Model' would change the face of Gujarat's Shipbuilding industry, transform it into a cutting-edge and globally competitive market and at the same time, forming a symbol of innovation and automation.

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Research & Development in Shipbuilding industry

- GMB shall encourage R&D in Shipbuilding industry by offering shared infrastructure, high-tech simulation equipment, and collaborating with engineering institutions in order to ensure it is relevant and technically robust.
- R&D and training institutions relating to the shipbuilding industry may be set up within the State of Gujarat. Such institutions will be eligible for financial assistance and or grants mentioned within this policy, subject to approval from GMB
- Promotion of setting up incubation centres and giving thrust to the startup ecosystem related to Shipbuilding & Repair industry in Gujarat through collaboration with any technical or innovative institutes in India and abroad.
- Testing facilities which form an integral part of the Shipbuilding processes for the validation of hull designs that result in the most optimal vessel stability and energy efficiency and other components/technologies applied in the shipbuilding & repair industry to be promoted in Gujarat.

Fiscal & Non-Fiscal Incentives

A. Capital Assistance to Shipyards

- a. Capital assistance to shipyards at 10% of eligible Fixed Capital Investment (eFCI) for the development of shipyards or maximum assistance of INR 100crores, whichever is less during the term of policy implementation.
- b. In case of development of shipyards in Integrated MegaShipbuilding Parks (IMSP), capital assistance shall be at 20% of eFCI, or maximum assistance of INR 150 crores, whichever is less during the term of policy implementation.
- c. One-time reimbursement of @100% of Stamp Duty and Registration Fee for establishment of new shipbuilding and repair yards.
- d. Interest Subvention: The reduction in interest provided will be a maximum of 7%. The participating shipyard will be responsible for paying a minimum of 5% interest per annum on loans for Greenfield / Brownfield expansion of shipyards or reviving defunct shipbuilding assets, subject to 1.2% of eligible Fixed Capital Investment per annum for 10 years
- e. Shipyard setting up Marine equipment manufacturing cluster in proximity of IMSP shall be supported with capital assistance of 20% of eFCI, or maximum assistance of INR25 crores, whichever is less during the term of policy implementation.
- f. Existing shipyards shall be eligible for the above mentioned capital assistance for new investments for expansion, modernization and upgradation of shipyards. The existing shipyards shall submit No Due Certificate from GMB for obtaining the capital assistance, for new investments with regards to expansion, modernization and upgradation of shipyards under this policy.
- g. Special incentives for Early Bird Investors:

Investors may avail special incentives if they receive work order for development of shipyards/marine equipment cluster within 12 months of the launch of the policy, submit Detailed Project Report, commence construction of Shipyard / Marine Equipment Cluster within 24 months of the launch of the policy and complete construction of the shipyard / Marine Equipment Cluster within 36 months from the date of commencement of construction.

Special incentives would be provided to Early Bird investors as given below:

- i. Capital assistance to shipyards at 15% of eligible Fixed Capital Investment (eFCI) for the development of shipyards or maximum assistance of INR 150 crores, whichever is less during the term of policy implementation.

- ii. In case of development of shipyards in Integrated Mega Shipbuilding Parks (IMSP), capital assistance shall be at 30% of eFCI, for development of shipyards, or maximum assistance of INR 225 crores, whichever is less.
- iii. Shipyard setting up Marine equipment cluster in proximity of IMSP shall be supported with capital assistance of 30% of eFCI of Marine equipment cluster, or a maximum assistance of INR 37.5 crores, whichever is less during the term of policy implementation.

B. Establishment of Integrated Mega Shipbuilding Parks (IMSP)

- a. Integrated Mega Shipbuilding Parks (IMSP) to be state-of-art infrastructure, accommodating multiple shipyards, shared infrastructure, ancillary industries, Marine equipment manufacturing, testing facilities, skill development centres, R&D facilities, logistics hubs, connectivity and provisions of utilities.
- b. The Shipbuilder shall develop components like drydocks, slipways, floating drydocks, ancillary industries and related infrastructure.
- c. GMB shall check the feasibility of taking up development of Research & Development Centre, Skill development Centres, Testing Facilities, Startup Incubation Centre, logistics hubs, connectivity infrastructure, and provision of utilities & social infrastructure.
- d. GMB shall design the IMSP, providing broad framework for development of shipyards and other infrastructure required during operations.
- e. GMB shall obtain required clearances for establishing the IMSP, infrastructure and amenities, develop connectivity infrastructure and ensure water and power supply.
- f. GMB will undertake survey / studies for the development of IMSP clusters. Shipyard Company will carry-out additional site-specific survey/studies as may be required for the project.
- g. Support to Marine Equipment Manufacturing Units at IMSP and in close proximity to IMSP
 - I. GMB to identify land for development of Marine equipment cluster site in the vicinity of IMSP for supporting Marine equipment manufacturing units, industrial units, testing facilities, R&D facilities, skill development centre, etc. to support Shipbuilding industry.
 - II. GMB in coordination with GIDC, to support development of land, roads, utilities, common effluent treatment, etc. within the identified land parcel.
 - III. Permission of manufacturing & industrial units may be cancelled, if it fails to commence operations within 3 years from the date of land allotment and environmental clearances. In case of special circumstances, Government of Gujarat may extend the period by up to, an additional 2 years. (Will be applicable for Marine equipment manufacturing cluster)

C. Support to Shipyards for Skill Development, Training and Research & Development

- a. Assistance at 60% of eFCI of training centre, or a maximum of INR 3 crores, whichever is less for the establishment dedicated skill development centres focused on Shipbuilding&repair industry.
- b. Assistance of INR 20,000 per employee per annum or actual, whichever is less, for workforce to be trained in advanced engineering, designing, in the reputed and specialised institutions, with maximum of INR 5 crores per company for the period of up to 5 years.
- c. Assistance for setting up infrastructure for R&D institutions / laboratories related to shipbuilding and repair by the private players shall be eligible for one-time assistance at 60% of eFCI of R&D institutions / laboratories, or maximum of INR 5 crores, whichever is less
- d. Assistance for carrying out research work related to maritime projects, specifically in the Shipbuilding and repair industry, shall be provided at 50% of the project cost, or a maximum of INR 1 crore, whichever is less. Preference will be given to government-recognized institutes, startups, and other eligible entities based in Gujarat. However, entities outside Gujarat may also apply if their research directly benefits the state's Shipbuilding sector.

D. Dredging support to shipyards

- a. Shipyards shall be responsible for the maintenance dredging activities in their premises, alongside the berths as well as throughout the navigation channel on periodic basis. Dredging assistance to shipyards shall be provided for 10 years, maximum assistance of 50% of dredging cost or INR 10 Crores, whichever is less, during the ten-year period.

Dredging for navigation channel in IMSP, shall be carried out by GMB. However, dredging alongside the berths shall be the responsibility of respective shipyards.

E. Other Assistance to Shipyards

- a. Subsidy of 5% on goods and services procured from MSMEs registered in Gujarat for development of shipyards, shipbuilding and ship repairs.
- b. Electricity tariff subsidy of INR 1 per unit (kWh) will be provided for a period of 5 years.
- c. Provision of access to water @50% subsidized rate for a period of 5 year.

- F. Ministry of Ports, Shipping & Waterways under Government of India has published the Schedule IV “Rates of Financial Assistance” under the “Guidelines for Implementation of Shipbuilding Financial Assistance Scheme (SBFAS) (Modified as on 07.01.2026)” vide letter no SY-13017/2/2024-SBR (e367820) dated 07.01.2026 as mentioned below:**

A. Base Rates of Financial Assistance:

Vessel Category	Contract Price Range	Assistance Rate on Contract / Fair Price (INR)
“Small Normal Vessel”	Up to INR 100 crore	15% of the value
“Large Normal Vessel”	Value above INR 100 crore	20% on the value above INR 100 crore (15% on first INR 100 crore + 20% on remainder)
“Specialized Vessel”	Any value	25% on the value above INR 100 crore (15% on the first INR 100 crore + 25% on remainder)

Notes:

- “Specialized” Vessels are those defined in Schedule II

In addition to the above, an additional top-up incentive shall be provided by Government of Gujarat as mentioned below:

- 8% or INR 50 Cr whichever is less for small and large vessels
- 10% or INR 50 Cr whichever is less for Specialized Vessels

Type of Vessels are defined as per the SBFAS of the Govt of India and its amendment thereof.

- G.** Total capital assistance under all heads shall not exceed 60% of the eligible Fixed Capital Investment

H. Centre of Excellence for Shipbuilding

- Gujarat Maritime Board shall establish a Centre of Excellence (CoE) with a special focus on vessel design, production design, hull assembly, project management, and other key areas to develop a skilled workforce for the Shipbuilding and repair sector.
- GMB will assist in forming collaborative partnerships between shipyards and educational institutions, such as engineering colleges, ITIs, and polytechnics, to design tailored courses that meet the specific requirements of the Shipbuilding industry.

- c. GMB will undertake initiatives in establishing collaborations between universities/ educational institutions in Gujarat with reputed national and international universities/educational institutions which have expertise in shipbuilding & repair and related areas.

Single Window Clearance System will be implemented to streamline the approval process, transactions, and other requirements for Shipbuilding projects in Gujarat, aimed at enhancing ease of doing business.

I. Collaborations and Partnerships

- a. Government of Gujarat and GMB shall support shipyards for forming strategic alliances or joint ventures with global shipbuilders and technology providers.
- b. Joint ventures shall play a key role in encouraging technology transfer to Gujarat and introducing best practices in design engineering, smart manufacturing, and other areas, thereby elevating local standards to a global level.

J. GMB shall establish a dedicated helpdesk, 'Grievance Redressal Mechanism' to address issues faced by shipbuilders on a timely basis.

K. Any ambiguity regarding the interpretation or application of this Policy shall be referred to the Ports & Transport Department. The interpretation of Ports & Transport Department shall be final, binding, and conclusive upon all parties.

14

General Terms

The following "General Terms" will be applicable and binding to the Shipyard Company for setting up of a Shipbuilding and repair yard in all categories stipulated in this Policy.

Guidelines for the operationalisation of this Policy will be issued separately.

A. Agreement

The Shipyard Company shall have to execute a "Land Possession Agreement" and "License Agreement" with the GMB for allotted land and waterfront usages separately as per the model agreements as the GMB may prescribe.

B. GMB role in appropriate area

Shipyards being developed on the coastline of Gujarat are of strategic importance to the State and Nation. Therefore, GMB would require ensuring that key aspects like national security, defence, environment and economic development are safeguarded and addressed, appropriately in planning, execution and operational period of the Shipyards.

C. Financial Liabilities of the GMB

All financial and legal responsibilities of the Shipyard will rest with the concerned Shipyard Company.

D. Mortgage/Assign

- a. The ownership of the leased/reclaimed land and waterfront will always vest with the GoG/GMB.
- b. In case of the shipbuilding project on GMB land, the GMB may permit the Shipyard Company to create a mortgage/hypothecation of lease hold right only for creating fixed assets and not for movable assets to avail loan for construction / development in the leased premises only. In this regard, for mortgage of marine structures viz. dry/wet docks, slipway, out-fit jetty etc. the Shipyard Company shall have to obtain prior permission of GMB.

E. Not to Transfer/Assign

- a. The Shipyard Company will not be allowed to sub lease, sublet, sub-concession, transfer, assign, underlet or part with the possession of the leased premises or part thereof or any interest there in without prior approval of the GMB.
- b. For the purpose of the above covenant, any change in the constitution of the Shipyard Company, shall deemed to be transfer of interest in the leased premises in favour of any person. Further, such change shall be with prior approval of the GMB. Provided that, where the Shipyard Company is a corporate body, a change in the Board of Directors-Managing Committee by whatever name called shall not be deemed to be change in the constitution of the company. In such cases, the Shipyard Company shall keep the GMB informed from time-to-time details of change in Board of Directors etc.

Provided, the lead promoter shall maintain minimum interest of 26% holding in the shipyard company till completion of seven (7) years from the date of commencement of the shipbuilding activities.

The lead promoter along with key promoters of the Shipyard Company shall maintain minimum 51% of the equity in the Shipyard Company for a period of seven (7) years from the date of commencement of the shipbuilding activities.

- c. Any change in the ownership of the Company by way of equity sale/transfer/amalgamation/merger/demerger etc., within 49% of equity shall require prior approval of GoG.
- d. During the lease/license period, an acquisition of more than 10 (ten) % direct or indirect interest in the Shipyard Company by any person (either alone or together with its associates) shall require and shall be subject to prior approval of GOG/GMB, which approval shall be withheld if, interalia, such acquisition, is in the opinion of the GOG/GMB, prejudicial to national interest. This approval will be subject to sub-section (b) of this section.

F. Development Modalities

- a. Government land will be allotted to GMB as per existing policy of Land allotment to Board/Corporation, in turn GMB will allot to the shipyard company on lease basis for shipbuilding/repair purpose for the license period. Developer will undertake the efforts in the process of acquisition of Government land in the name of GMB.

If there is any need to acquire private land for public purposes, LARR Act of 2013 will be applicable and proposals can be done online on PM Gati Shakti Portal. If there is any need for exemptions of stamp duty, then section 9 of Gujarat Stamp Act will be applicable.

- b. Reclamation for providing essential shore marine structures like dry docks, slipway, outfitting jetties, etc. that would be inevitable as per marine conditions as well as for development of the Shipyard will be permitted subject to obtaining prior Environment/CRZ approval/clearance for such reclamation as applicable from the competent authority by the Shipyard company.

Shipyard Company shall have to obtain prior permission of GMB and CRZ/ Environment clearances as applicable for the structures planned in the inter-tidal zone and/or in the reclaimed area.

The shipyard company shall pay to GMB lease rental on reclaimed land as may be notified under the applicable guidelines or Regulations of GMB.

- c. The Shipyard Company shall have to obtain all relevant approvals/clearances including GMB approvals, GPCB "NOC", environment/CRZ clearance from the Central Government/State Government ministries/department agencies etc. prior to commencement of any activity/execution. GMB will play a supportive role in obtaining such clearances/approvals from the competent authorities.
- d. GMB would endeavour to take overall clearance under the Environment Impact Assessment Notification-2006 issued by Government of India in case of IMSP as a Nodal Agency.

G. Infrastructure

- a. GMB will develop basic infrastructure in the form of road, water supply, power, drainage, capital dredging, navigational aids etc. only in the cases of IMSP Cluster development. For standalone individual yards, the developer shall develop the required infrastructure after approval from the competent authority.
- b. GMB will permit the Shipyard Company to construct outfitting jetty of their own for outfit purpose specifically for the ships under construction.
- c. Wherever feasible, GMB shall facilitate Shipyards for gas and power supply.

H. Ownership Right

Government of Gujarat/Gujarat Maritime Board is vested with sovereign rights as owner, conservator of the waterfront and Licensor to the contract under the Gujarat Maritime Board Act, 1981 and all other applicable acts and rules framed and amended by the competent authority from time to time.

I. Operational Flexibility

The Shipyard Company will have complete operational autonomy (within the framework of relevant legislations) in respect of the operation of the Shipyard.

J. Benefits to Shipbuilding Industries

The entities which are availing the incentives under this policy may also avail the incentives under Central and State Government policies/schemes/programmes, however subject to Para 13 G of this policy.

K. Charges

For the shipbuilding at the existing or newly developed Shipyards, following charges shall be leviable.

- a. Launching fees and port dues shall be payable as per prevailing Schedule of Port Charges (SoPC) notified by GMB from time to time.
- b. Lease rent for waterfront shall be INR 5,000 (Rupees five thousand only) per meter per annum, which shall be subject to annual escalation according to GDP growth rate of India (in constant prices) in the preceding financial year as notified by GMB from time to time.
- c. Land lease rental as per prevailing land policy of GMB.
- d. Development charges per sqm of land used for Shipbuilding and related purposes shall be decided taking into account cost of development incurred by GMB/GIDC or any agency from time to time as the case may be alongwith overheads and interest thereon.

L. License / Concession period

- a. For smaller Shipyards, with capacity to build vessels less than 30,000 DWT, permission for waterfront usage, concession and lease period shall be initially 15 years with provision of one-time extension, based on merits and performance, taking total period upto 30 (Thirty) years maximum.
- b. For Shipyards with capacity to build vessels more than 30,000 DWT, permission for waterfront usage, concession and lease period shall be 30 (Thirty) years, further extendable up to 20 years based on merit and performance, taking total period upto 50 years.

- c. The license period for the Shipyards to be set up within the Private port shall be concurrent with the "BOOT" period, Subject to maximum license period as per clause 14 (L) (a) and (b).
- d. Bidding criteria will be decided by GMB.

M. Performance Review

- a. GMB shall carryout periodical inspection of Shipyard and evaluation of performance of the Shipbuilding and repair yard for the appropriate use of waterfront and land as contemplated in Letter of Intent (LoI)/Agreement.
- b. In case of non-performance, GMB shall have all the authority to take appropriate action at any given time to advise the Shipyard Company for corrective and preventive measures.
- c. In case of non-compliance by the Shipyard Company, GMB may terminate the agreement without giving any further notice. The decision of GMB in this regard shall be final and binding to the Shipyard Company.

N. Force Majeure Issues: State and Central Directives

The Government would have the right to issue directives to the Shipyard Company in events of natural calamity, national security and national emergency. In such case/situations, the contract agreement shall stand suspended and GMB, if required, will take over possession of the Shipyard with all operational activities for that period.

O. Applicable Acts

Prevailing Acts/Rules as would be applicable to shipbuilding yards shall have to be followed by the Shipyard Company. This policy will not be applicable in cases where provisions of the 'Policy for Granting Permission for Ship Recycling in dry docks' are applicable.

P. Time Schedule

The implementation to be as per approved time schedule. If no activity is undertaken within 3 (three) years from the date of signing agreement with GMB, GMB shall cancel the permission and take the possession of the waterfront and land, provided by GMB.

Q. Safety and welfare of the workers

Shipyard Company shall comply with the requirements and conditions for safety and welfare of the workers, protection of environment laws and any corresponding Act/Regulations for the time being in force.

R. Permission to use waterfront

The permission to use the waterfront and back up land shall be given to the specific Shipyard Company for the specific purpose of ship building/repairing. The Shipyard Company shall not permit any other person/company to use the waterfront and land for any other purpose whatsoever and failure of which may lead to cancellation.

S. Safety of Shipyard

The activity of shipbuilding/repairing, storing, loading, unloading, transporting the materials etc. shall be entirely at the risk and cost of the Shipyard Company and the Gujarat Maritime Board shall not be liable in any manner whatsoever, for any accident, mishap or fire which may take place on or around the Shipyard or in the course of transit.

T. Accommodation for workers

The Shipbuilder shall be responsible to provide adequate residential accommodation to their workers at an appropriate location. In case GMB provides for a centralized facility, the Shipbuilder will have a choice to join it. The charges for such facility would be decided by GMB.

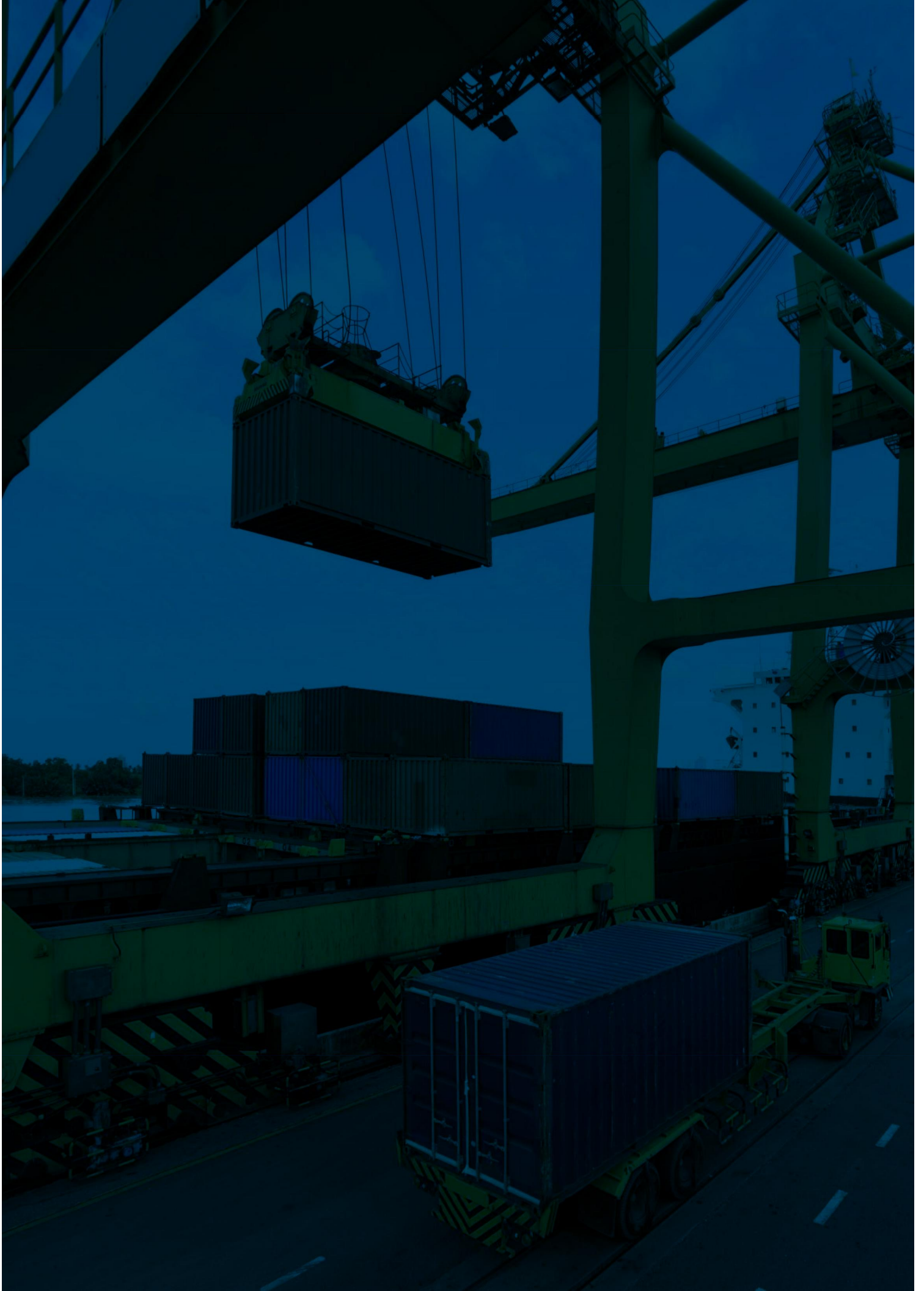
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Operative Period of the Policy

This Policy shall take effect from the date of its notification and will remain in force for a period of 5 years, which can be extended by 5 more years by the Government of Gujarat.

This policy shall supersede the Shipbuilding Policy 2010. Any applicant who had submitted proposal under the Shipbuilding Policy of 2010 but not yet approved by the Government of Gujarat (GoG) or by the Gujarat Maritime Board (GMB) shall have to submit fresh applications under this current policy, as the Shipbuilding Policy of 2010 will cease to exist.

The State Government reserves the right to amend the provisions of this policy as necessary to address emerging challenges and opportunities.





GUJARAT MARITIME BOARD
The Maritime Brand of India

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