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# Viksit Gujarat Industrial Policy 2026

## Client Advisory & Incentive Comparison Handbook

Operative Period: 01.06.2026 to 31.05.2031

Updated to the operative Government Resolutions, both dated 08.09.2026:

• G.R. No. IMD/WRT/e-file/9/2026/2320/I — Scheme for assistance to Large, Mega and Ultra Mega Industries

• G.R. No. IMD/HMR/e-file/9/2026/2211/I — Classification of talukas into Category-A and Category-B

Prepared for internal use and client advisory by I B Nathwani & Associates LLP. Micro, Small and Medium rates in this handbook are **not** covered by the above Resolutions and remain to be verified against the separate MSME Government Resolution.

## 1 Enterprise Classification & Investment Thresholds

Classification determines which rate table applies. The Resolution uses **two different investment bases**, and confusing them is the most common costly error in a fitment note.

| Category | Tested on | Threshold | Additional condition |
|---|---|---|---|
| Micro | Gross fixed capital investment in **Plant & Machinery**, aggregated across all units of the undertaking in India | up to ₹2.50 Cr | — |
| Small | as above | > ₹2.50 Cr to ₹25 Cr | — |
| Medium | as above | > ₹25 Cr to ₹125 Cr | — |
| **Large** (Para 1.3) | Gross fixed capital investment in **Plant & Machinery** | > ₹125 Cr | IEM filed or amended, or other licence as prescribed by Government of India |
| **Mega** (Para 1.4) | **Total** gross fixed capital investment of the project | ≥ ₹1,000 Cr | Thrust sector, and direct employment ≥ 250, plus 50 more for every additional ₹200 Cr of investment |
| **Ultra Mega** (Para 1.5) | **Total** gross fixed capital investment of the project | ≥ ₹10,000 Cr | Thrust sector, and direct employment ≥ 3,000, plus 500 more for every additional ₹5,000 Cr of investment |

**Three sector tracks, not two.** Beyond General and Thrust, the Resolution creates a **Selected Thrust Sector** track (Para 1.7) covering sports goods and equipment, toys, footwear, robot manufacturing and drone manufacturing, plus any further sector the Para 12(b) Committee recommends and Government approves. Selected Thrust carries the richest ceilings in the entire policy — 50% Category-A and 45% Category-B — and unlocks six additional heads of support under Para 5.

**The employment escalator is not optional.** A ₹1,400 Cr Mega project needs 250 + 100 = 350 direct employees, not 250. A ₹20,000 Cr Ultra Mega project needs 3,000 + 1,000 = 4,000. Direct employment includes employees on direct payroll **and** contractual employees engaged through agencies registered with the Labour and Employment Department. If the criterion is missed, Paras 4B(v), 4C(v) and 4F(v) push the project down to the corresponding Large table — it is not disqualified, but it loses tenure and the wider interest and power caps.

## 2 GFCI, EFCI and P&M — The Three Investment Bases EXPANDED

**Every rate percentage and every ceiling in the policy is a percentage of EFCI**, not of GFCI and not of P&M. Getting the EFCI build-up right is where the advisory value sits.

### Gross Fixed Capital Investment of applied project — GFCI (Para 1.14)

Investment in land, building, plant and machinery, utilities, tools and equipment and other fixed assets required to manufacture the end product. Only assets **acquired and paid for** during the eligible investment period count. GFCI sets Mega and Ultra Mega eligibility and the extended investment period — it is **not** the subsidy base.

### Eligible Fixed Capital Investment — EFCI (Para 1.15)

The subsidy base. Four heads only:

- **A. New building** — newly constructed, or acquired new and unused, including administrative building. Costed at actual cost or the R&B Department Schedule of Rates for the relevant year, **whichever is lower**. Buildings for installing plant and machinery, R&D, in-house testing and storage are taken at actual expenditure. Leased or rented buildings are excluded, **except GIDC sheds**. No old building, no repair or refurbishment cost.
- **B. Other construction** — compound wall and gates, security cabins, internal roads, bore well, water tank, internal pipeline network for water and gas. At actual cost.
- **C. Plant and machinery** — new P&M, utilities, dies and moulds, including transportation, foundation, erection, installation and electrification capitalised under the head. Electrification includes sub-station and transformer. Also includes captive power generation within the premises, vehicles used only within the premises, material handling equipment used only within the premises, sea water desalination or water purification, and pollution control plant. **Technology, design, drawings and patents are capped at 10% of the EFCI in plant and machinery.** DG sets qualify only up to 50% of connected electric load or 25 MW, whichever is less.
- **D. Project related infrastructure** — residential colony or dormitory, hospital, school, sports facilities, rest rooms, day care or creche; feeder road to the nearest approach road; dedicated pipelines for water, gas or raw material; non-refundable deposit to the electricity company for transmission from the nearest sub-station; digitisation of the communication network and telecom cabling; bank or post office building provided free of charge, at SOR; training and skill development centre; transport facilities such as buses for workers from nearby villages or towns. **Counted at 100% if located inside the project premises, but at only 20% of actual expenditure if located outside.**

**Ineligible under Para 1.16 — eleven exclusions.** Land and land development cost · working capital · goodwill · royalty · preliminary and pre-operative expenses · second hand, leased or rented plant and machinery, whether indigenous or imported · capitalised interest · power generation plant other than captive use within the premises · rented or leased building except GIDC · design drawing fees, consultancy fees, supervision fees and third party inspection where there is no technology acquisition · independent power plant including renewable energy. **Land is the single largest exclusion and the one clients most often assume is covered.**

## 3 Notified Taluka Classification NEW

Notified by G.R. No. IMD/HMR/e-file/9/2026/2211/I dated 08.09.2026, superseding the three-way Category I / II / III split used under the Industrial Policy 2020. **130 talukas are Category-A** and **138 are Category-B**, across 34 districts, following the creation of new talukas in the State.

> **Reading the split for Saurashtra clients.** In Rajkot district only **Vinchhiya** and **Jamkandorna** are Category-A; Rajkot, Lodhika, Paddhari, Gondal, Jetpur, Dhoraji, Upleta, Jasdan and Kotda Sangani are all Category-B. In Morbi district only **Maliya** is Category-A — Morbi, Wankaner, Tankara and Halvad, which is where the ceramics cluster actually sits, are Category-B. Botad, Chhota Udepur, Dahod and The Dangs are Category-A in their entirety. Gandhinagar district has no Category-A taluka at all.

| District | Category-A — higher incentive | Category-B — lower incentive |
|---|---|---|
| **Ahmedabad** | Detroj-Rampura, Dhandhuka, Dholera | Ahmedabad City, Bavla, Daskroi, Dholka, Mandal, Sanand, Viramgam |
| **Amreli** | Babra, Dhari, Khambha, Kunkavav Vadia, Lathi, Lilia, Savar Kundla | Amreli, Bagasara, Jafrabad, Rajula |
| **Anand** | Anklav, Sojitra, Tarapur | Anand, Borsad, Khambhat, Petlad, Umreth |
| **Arvalli** | Dhansura, Malpur | Bayad, Bhiloda, Meghraj, Modasa, Sathamba (Bayad), Shamalaji (Bhiloda) |
| **Banas Kantha** | Amirgadh, Danta, Dantiwada, Dhanera, Hadad (Danta), Kankrej, Ogad (Kankarej), Vadgam | Deesa, Palanpur |
| **Bharuch** | Netrang | Amod, Anklesvar, Bharuch, Hansot, Jambusar, Jhagadia, Vagra, Valia |
| **Bhavnagar** | Gariadhar, Ghogha, Jesar, Palitana, Talaja, Umrala, Vallabhipur | Bhavnagar, Mahuva, Sihor |
| **Botad** | Barwala, Botad, Gadhada, Ranpur | *none* |
| **Chhota Udepur** | Bodeli, Chhota Udepur, Jetpur Pavi, Kadval (Jetpur Pavi), Kavant, Nasvadi, Sankheda | *none* |
| **Dahod** | Dahod, Devgadbaria, Dhanpur, Fatepura, Garbada, Guru Govind Limbdi (Jhalod), Jhalod, Limkheda, Sanjeli, Singvad, Sukhasar (Fatehpura) | *none* |
| **Devbhumi Dwarka** | Bhanvad, Kalyanpur | Khambhalia, Okhamandal |
| **Gandhinagar** | *none* | Dehgam, Gandhinagar, Kalol, Mansa |
| **Gir Somnath** | Gir Gadhada, Talala | Kodinar, Sutrapada, Una, Veraval |
| **Jamnagar** | Jodiya | Dhrol, Jamjodhpur, Jamnagar, Kalavad, Lalpur |
| **Junagadh** | Bhesan, Mendarda | Junagadh, Junagadh City, Keshod, Malia Hatina, Manavadar, Mangrol, Vanthali, Visavadar |
| **Kachchh** | Lakhpat, Mandvi, Nakhatrana, Rapar | Abdasa, Anjar, Bhachau, Bhuj, Gandhidham, Mundra |
| **Kheda** | Galteshwar, Mahudha, Matar, Vaso | Fagvel (Kathalal and Kapadvanj), Kapadvanj, Kathlal, Kheda, Mehmedabad, Nadiad, Thasra |
| **Mahisagar** | Kadana, Khanpur, Virpur | Balasinor, Godhar (Santrampur, Shehra), Kothamba (Lunavada), Lunawada, Santrampur |
| **Mehsana** | Becharaji, Jotana, Kheralu, Satlasana, Vadnagar | Kadi, Mehsana, Unjha, Vijapur, Visnagar |
| **Morbi** | Maliya | Halvad, Morbi, Tankara, Wankaner |

| | | |
|---|---|---|
| **Narmada** | Chikda (Dediapada), Dediapada, Garudeshwar, Sagbara, Tilakwada | Nandod |
| **Navsari** | Khergam | Bansda, Chikhli, Gandevi, Jalalpore, Navsari |
| **Panch Mahals** | Ghoghamba, Jambughoda, Morwa (Hadaf), Shehera | Godhra, Halol, Kalol |
| **Patan** | Harij, Radhanpur, Sami, Santalpur, Sarasvati, Shankheshwar | Chanasma, Patan, Sidhpur |
| **Porbandar** | Kutiyana | Porbandar, Ranavav |
| **Rajkot** | Jamkandorna, Vinchhiya | Dhoraji, Gondal, Jasdan, Jetpur, Kotda Sangani, Lodhika, Paddhari, Rajkot, Upleta |
| **Sabar Kantha** | Khedbramha, Poshina, Vijaynagar | Himatnagar, Idar, Prantij, Talod, Vadali |
| **Surat** | Ambika (Mahuva), Mahuva, Umarpada | Areth (Mandvi), Bardoli, Chorasi, Kamrej, Mandvi, Mangrol, Olpad, Palsana, Surat City |
| **Surendranagar** | Chotila, Chuda, Dasada, Lakhtar, Limbdi, Muli, Sayla | Dhrangadhra, Thangadh, Wadhwan |
| **Tapi** | Dolvan, Kukarmunda, Nizar, Songadh, Uchchhal, Ukai (Songadha) | Valod, Vyara |
| **The Dangs** | Aahva, Subir, Waghai | *none* |
| **Vadodara** | Desar, Sinor | Dabhoi, Karjan, Padra, Savli, Vadodara, Vaghodia |
| **Valsad** | Dharampur, Kaprada, Nanapodha (Kaprada, Vapi, Pardi) | Pardi, Umbergaon, Valsad, Vapi |
| **Vav-Tharad** | Deodar, Dharnidhar (Vav), Lakhani, Rah (Tharad), Suigam, Tharad, Vav | Bhabhar |
| **Total** | **130 talukas** | **138 talukas** |

Where a taluka name appears in brackets after another, the bracketed name is the parent taluka from which the new taluka was carved. Verify the taluka on the client’s GIDC allotment letter, 7/12 extract or GPCB consent rather than relying on the postal address — several new talukas share names with talukas in other districts, and Kalol, Mangrol, Mahuva, Mandvi and Kalol appear in more than one district with different categories.

## 4 New Unit, Expansion and Diversification NEW

### New Industrial Unit (Para 1.10)

A new project set up by an industrial undertaking that commences commercial production during the operative period, having obtained a Letter of Intent, Letter of Approval or filed or amended an IEM. **Any new or existing unit that carries out expansion or diversification at premises other than the existing premises is treated as a New unit.** The project must have separately identifiable fixed capital investment and maintain separate books of account, but does not lose eligibility merely because it shares an existing project's water, electricity, steam, gas or pollution control facilities.

### Expansion (Para 1.11) — four cumulative tests

| # | Test | Threshold |
|---|---|---|
| 1 | Increase in gross fixed capital investment, **excluding land**, as on the date of initiation of the applied project | ≥ 50% of the existing project |
| 2 | Of that increase, the share in plant and machinery | ≥ 60% |
| 3 | Increase in installed capacity of the existing product(s) for which expansion is carried out | ≥ 50% |
| 4 | Utilisation of existing installed capacity in any one of the three financial years preceding the DoCP of the applied project | ≥ 75% |

Installed capacity is taken from the appraisal report of a bank or financial institution; where no appraisal exists, from the capacity worked out by the Industries Commissioner or an authorised officer (Para 1.13).

### Diversification (Para 1.12) — two tests only

An existing or new unit diversifies its production line at the **same premises**, with an increase in gross fixed capital of **≥ 50%** of the existing project, of which **≥ 60%** is in plant and machinery. Diversification does **not** carry the 50% capacity-increase test or the 75% utilisation test that apply to expansion — a materially easier gate where the client is adding a genuinely new product line.

**Renovation is not expansion.** Para 18(4) expressly excludes investment made by an existing undertaking for renovation, modernisation, rehabilitation or rationalisation. A capacity-neutral machine replacement will not qualify however large the spend.

## 5 Eligible Investment Period NEW

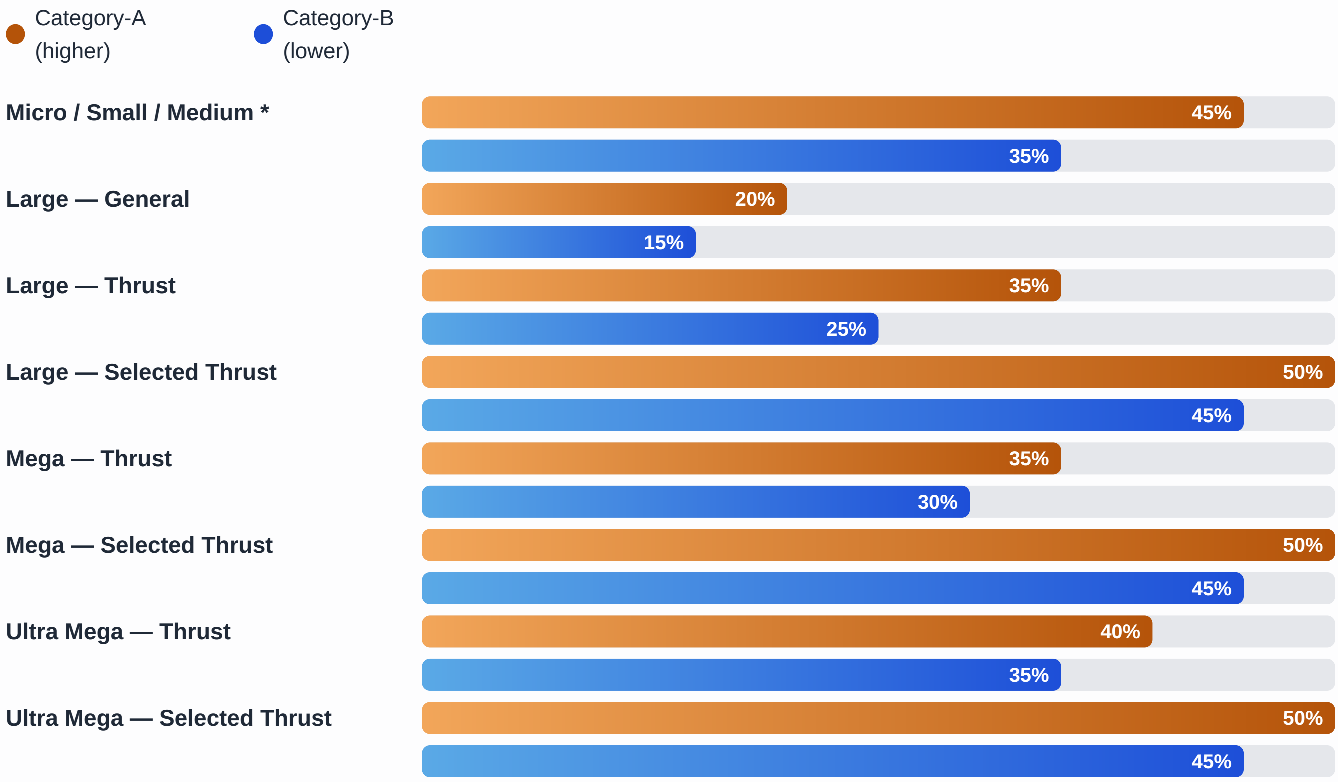
Assets must be **acquired and paid for on or after 01.01.2026** (Para 3.2). Commercial production must commence within the operative period 01.06.2026 to 31.05.2031. Investment may continue beyond the operative period for the extended window below, provided commercial production itself started inside the operative period.

| Total gross fixed capital investment | Extended investment period from DoCP |
|---|---:|
| up to ₹1,000 Cr | 18 months |
| up to ₹10,000 Cr | 24 months |
| up to ₹1,00,000 Cr | 36 months |
| more than ₹1,00,000 Cr | 48 months |

**Option for the previous scheme (Para 4A).** Units that commenced commercial production **before 01.06.2026** can only claim under the previous Aatmanirbhar Gujarat schemes. Units that had not commenced by that date may elect either scheme, but the election must be exercised within **six months from 08.09.2026** and is final and irrevocable. After that window, all applications fall under this scheme. In any event, no unit can claim under the previous scheme unless it commences commercial production on or before **04.10.2027**.

## 6 Overall Incentive Ceiling Ladder — Every Track, Cat-A vs Cat-B

One-view comparison of the overall ceiling as a percentage of EFCI across all eight tracks. Bars are drawn to a common scale where 50% is full width. Category-A always carries the higher rate.




* Micro, Small and Medium ceilings are carried over from the policy summary and are **not** in the Large/Mega/Ultra Mega Resolution. Treat them as provisional until the MSME G.R. is obtained.

**Read the ladder this way:** Selected Thrust is the top of the policy at 50% and 45%, and it reaches that ceiling at Large scale — a Selected Thrust unit does not need Mega size to get the best rate. Mega adds tenure and a wider interest and power cap rather than a higher ceiling. Only Ultra Mega Thrust improves the headline ceiling over Large Thrust, from 35% to 40% in Category-A.

## 7 Track-wise Benefit Comparison — Cat-A vs Cat-B

Each panel shows the full incentive structure for one track — Category-A on the left in amber, Category-B on the right in blue. Bars share a common scale where 50% of EFCI is full width. Rupee figures are illustrative and stated in **lakh**. Interest and power figures are caps, not entitlements: the actual claim depends on term loan disbursed and units consumed.

## Large Unit — Selected Thrust Sector

P&M > ₹125 Cr · sports goods, toys, footwear, robots, drones · tenure 8 years · illustration at EFCI ₹20,000.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**50%** Overall Ceiling (of EFCI)

**≈ ₹10,000.00 Lakh maximum total benefit**

**Capital Subsidy 35%** — ₹7,000.00 Lakh over 8 years

**Interest Subsidy cap 20%** — up to ₹4,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹4,000.00 Lakh

**Annual ceiling 6.5% p.a.** — ₹1,300.00 Lakh per year; absolute cap ₹30,000.00 Lakh per year

**Power rate ₹2 / unit**

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**45%** Overall Ceiling (of EFCI)

**≈ ₹9,000.00 Lakh maximum total benefit**

**Capital Subsidy 30%** — ₹6,000.00 Lakh over 8 years

**Interest Subsidy cap 20%** — up to ₹4,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹4,000.00 Lakh

**Annual ceiling 6.0% p.a.** — ₹1,200.00 Lakh per year; absolute cap ₹30,000.00 Lakh per year

**Power rate ₹1 / unit**

## Large Unit — Thrust Sector

P&M > ₹125 Cr · Annexure-A sectors: chemicals, ceramics, textiles, agro, healthcare etc. · tenure 8 years · illustration at EFCI ₹20,000.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**35%** Overall Ceiling (of EFCI)

**≈ ₹7,000.00 Lakh maximum total benefit**

**Capital Subsidy 25%** — ₹5,000.00 Lakh over 8 years

**Interest Subsidy cap 20%** — up to ₹4,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹4,000.00 Lakh

**Annual ceiling 4.5% p.a.** — ₹900.00 Lakh per year; absolute cap ₹30,000.00 Lakh per year

**Power rate ₹2 / unit**

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**25%** Overall Ceiling (of EFCI)

**≈ ₹5,000.00 Lakh maximum total benefit**

**Capital Subsidy 15%** — ₹3,000.00 Lakh over 8 years

**Interest Subsidy cap 15%** — up to ₹3,000.00 Lakh (7% on term loan)

**Power Tariff cap 15%** — up to ₹3,000.00 Lakh

**Annual ceiling 3.5% p.a.** — ₹700.00 Lakh per year; absolute cap ₹30,000.00 Lakh per year

**Power rate ₹1 / unit**

## Large Unit — General Sector

P&M > ₹125 Cr · sectors not on the Annexure-A Thrust list · tenure 10 years · illustration at EFCI ₹20,000.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**20%** Overall Ceiling (of EFCI)

**≈ ₹4,000.00 Lakh maximum total benefit**

**Capital Subsidy 15%** — ₹3,000.00 Lakh over 10 years

**Interest Subsidy cap 15%** — up to ₹3,000.00 Lakh (7% on term loan)

**Power Tariff cap 15%** — up to ₹3,000.00 Lakh

**Annual ceiling 2.0% p.a.** — ₹400.00 Lakh per year; absolute cap ₹15,000.00 Lakh per year

Power rate ₹2 / unit

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**15%** Overall Ceiling (of EFCI)

**≈ ₹3,000.00 Lakh maximum total benefit**

**Capital Subsidy 10%** — ₹2,000.00 Lakh over 10 years

**Interest Subsidy cap 10%** — up to ₹2,000.00 Lakh (7% on term loan)

**Power Tariff cap 10%** — up to ₹2,000.00 Lakh

**Annual ceiling 1.5% p.a.** — ₹300.00 Lakh per year; absolute cap ₹15,000.00 Lakh per year

Power rate ₹1 / unit

## Mega Unit — Selected Thrust Sector

Total GFCI ≥ ₹1,000 Cr · employment ≥ 250 · tenure 10 years · illustration at EFCI ₹1,20,000.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**50%** Overall Ceiling (of EFCI)

**≈ ₹60,000.00 Lakh maximum total benefit**

**Capital Subsidy 35%** — ₹42,000.00 Lakh over 10 years

**Interest Subsidy cap 20%** — up to ₹24,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹24,000.00 Lakh

**Annual ceiling 5.0% p.a.** — ₹6,000.00 Lakh per year; absolute cap ₹75,000.00 Lakh per year

Power rate ₹2 / unit

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**45%** Overall Ceiling (of EFCI)

**≈ ₹54,000.00 Lakh maximum total benefit**

**Capital Subsidy 30%** — ₹36,000.00 Lakh over 10 years

**Interest Subsidy cap 20%** — up to ₹24,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹24,000.00 Lakh

**Annual ceiling 4.5% p.a.** — ₹5,400.00 Lakh per year; absolute cap ₹75,000.00 Lakh per year

Power rate ₹1 / unit

## Mega Unit — Thrust Sector

Total GFCI ≥ ₹1,000 Cr · employment ≥ 250 · Thrust only · tenure 10 years · illustration at EFCI ₹1,20,000.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**35%** Overall Ceiling (of EFCI)

**≈ ₹42,000.00 Lakh maximum total benefit**

**Capital Subsidy 25%** — ₹30,000.00 Lakh over 10 years

**Interest Subsidy cap 25%** — up to ₹30,000.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹30,000.00 Lakh

**Annual ceiling 3.5% p.a.** — ₹4,200.00 Lakh per year; absolute cap ₹75,000.00 Lakh per year

**Power rate ₹2 / unit**

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**30%** Overall Ceiling (of EFCI)

**≈ ₹36,000.00 Lakh maximum total benefit**

**Capital Subsidy 20%** — ₹24,000.00 Lakh over 10 years

**Interest Subsidy cap 20%** — up to ₹24,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹24,000.00 Lakh

**Annual ceiling 3.0% p.a.** — ₹3,600.00 Lakh per year; absolute cap ₹75,000.00 Lakh per year

**Power rate ₹1 / unit**

## Ultra Mega Unit — Selected Thrust Sector

Total GFCI ≥ ₹10,000 Cr · employment ≥ 3,000 · tenure 12 years · illustration at EFCI ₹12,00,000.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**50%** Overall Ceiling (of EFCI)

**≈ ₹6,00,000.00 Lakh maximum total benefit**

**Capital Subsidy 35%** — ₹4,20,000.00 Lakh over 12 years

**Interest Subsidy cap 20%** — up to ₹2,40,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹2,40,000.00 Lakh

**Annual ceiling 4.5% p.a.** — ₹54,000.00 Lakh per year; absolute cap ₹1,25,000.00 Lakh per year

**Power rate ₹2 / unit**

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**45%** Overall Ceiling (of EFCI)

**≈ ₹5,40,000.00 Lakh maximum total benefit**

**Capital Subsidy 30%** — ₹3,60,000.00 Lakh over 12 years

**Interest Subsidy cap 20%** — up to ₹2,40,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹2,40,000.00 Lakh

**Annual ceiling 4.0% p.a.** — ₹48,000.00 Lakh per year; absolute cap ₹1,25,000.00 Lakh per year

**Power rate ₹1 / unit**

## Ultra Mega Unit — Thrust Sector

Total GFCI ≥ ₹10,000 Cr · employment ≥ 3,000 · Thrust only · tenure 12 years · illustration at EFCI ₹12,00,000.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**40%** Overall Ceiling (of EFCI)

**≈ ₹4,80,000.00 Lakh maximum total benefit**

**Capital Subsidy 30%** — ₹3,60,000.00 Lakh over 12 years

**Interest Subsidy cap 25%** — up to ₹3,00,000.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹3,00,000.00 Lakh

**Annual ceiling 3.5% p.a.** — ₹42,000.00 Lakh per year; absolute cap ₹1,25,000.00 Lakh per year

**Power rate ₹2 / unit**

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**35%** Overall Ceiling (of EFCI)

**≈ ₹4,20,000.00 Lakh maximum total benefit**

**Capital Subsidy 25%** — ₹3,00,000.00 Lakh over 12 years

**Interest Subsidy cap 20%** — up to ₹2,40,000.00 Lakh (7% on term loan)

**Power Tariff cap 20%** — up to ₹2,40,000.00 Lakh

**Annual ceiling 3.0% p.a.** — ₹36,000.00 Lakh per year; absolute cap ₹1,25,000.00 Lakh per year

**Power rate ₹1 / unit**

> **The three MSME panels below are unverified.** The Resolution dated 08.09.2026 governs Large, Mega and Ultra Mega undertakings only. The rates shown for Micro, Small and Medium are carried forward from the policy summary and have no operative G.R. behind them in this handbook. Do not issue them to a client without first obtaining the MSME Resolution.

## Micro Enterprise

P&M up to ₹2.50 Cr · capital subsidy paid as LUMPSUM in Year 1 · tenure 5 years · illustration at EFCI ₹250.00 Lakh

### CATEGORY-A · LESS-DEVELOPED TALUKA

**45%** Overall Ceiling (of EFCI)

**≈ ₹112.50 Lakh maximum total benefit**

**Capital Subsidy 35%** — ₹87.50 Lakh over 5 years

**Interest Subsidy cap 10%** — up to ₹25.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹62.50 Lakh

**Power rate ₹2 / unit**

### CATEGORY-B · RELATIVELY DEVELOPED TALUKA

**35%** Overall Ceiling (of EFCI)

**≈ ₹87.50 Lakh maximum total benefit**

**Capital Subsidy 25%** — ₹62.50 Lakh over 5 years

**Interest Subsidy cap 10%** — up to ₹25.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹62.50 Lakh

**Power rate ₹1 / unit**

## Small Enterprise

P&M > ₹2.50 Cr up to ₹25 Cr · tenure 5 years · illustration at EFCI ₹2,500.00 Lakh

**CATEGORY-A · LESS-DEVELOPED TALUKA**

**45%** Overall Ceiling (of EFCI)

**≈ ₹1,125.00 Lakh maximum total benefit**

**Capital Subsidy 35%** — ₹875.00 Lakh over 5 years

**Interest Subsidy cap 10%** — up to ₹250.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹625.00 Lakh

**Power rate ₹2 / unit**

**CATEGORY-B · RELATIVELY DEVELOPED TALUKA**

**35%** Overall Ceiling (of EFCI)

**≈ ₹875.00 Lakh maximum total benefit**

**Capital Subsidy 25%** — ₹625.00 Lakh over 5 years

**Interest Subsidy cap 10%** — up to ₹250.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹625.00 Lakh

**Power rate ₹1 / unit**

## Medium Enterprise

P&M > ₹25 Cr up to ₹125 Cr · tenure 5 years · illustration at EFCI ₹10,000.00 Lakh

**CATEGORY-A · LESS-DEVELOPED TALUKA**

**45%** Overall Ceiling (of EFCI)

**≈ ₹4,500.00 Lakh maximum total benefit**

**Capital Subsidy 35%** — ₹3,500.00 Lakh over 5 years

**Interest Subsidy cap 10%** — up to ₹1,000.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹2,500.00 Lakh

**Power rate ₹2 / unit**

**CATEGORY-B · RELATIVELY DEVELOPED TALUKA**

**35%** Overall Ceiling (of EFCI)

**≈ ₹3,500.00 Lakh maximum total benefit**

**Capital Subsidy 25%** — ₹2,500.00 Lakh over 5 years

**Interest Subsidy cap 10%** — up to ₹1,000.00 Lakh (7% on term loan)

**Power Tariff cap 25%** — up to ₹2,500.00 Lakh

**Power rate ₹1 / unit**

## 8 Annual Ceilings — The Constraint That Actually Binds NEW

Every track carries **two annual limits in addition to the overall ceiling**: a percentage of EFCI per annum, and an absolute rupee cap per annum. **Carry forward of incentive lost to the per-annum ceiling is expressly not allowed.** Any amount that cannot be drawn in a year is gone permanently.

| Incentive Track | Cat | Overall ceiling | Annual ceiling | Absolute annual cap | Tenure | EFCI above which the absolute cap bites |
|---|---|---|---|---|---|---|
| Large — General Sector | A | 20% | 2.0% p.a. | ₹150 Cr p.a. | 10 yrs | ₹7,500 Cr |
| Large — General Sector | B | 15% | 1.5% p.a. | ₹150 Cr p.a. | 10 yrs | ₹10,000 Cr |
| Large — Thrust Sector | A | 35% | 4.5% p.a. | ₹300 Cr p.a. | 8 yrs | ₹6,667 Cr |
| Large — Thrust Sector | B | 25% | 3.5% p.a. | ₹300 Cr p.a. | 8 yrs | ₹8,571 Cr |
| Large — Selected Thrust Sector | A | 50% | 6.5% p.a. | ₹300 Cr p.a. | 8 yrs | ₹4,615 Cr |
| Large — Selected Thrust Sector | B | 45% | 6.0% p.a. | ₹300 Cr p.a. | 8 yrs | ₹5,000 Cr |
| Mega — Thrust Sector | A | 35% | 3.5% p.a. | ₹750 Cr p.a. | 10 yrs | ₹21,429 Cr |
| Mega — Thrust Sector | B | 30% | 3.0% p.a. | ₹750 Cr p.a. | 10 yrs | ₹25,000 Cr |
| Mega — Selected Thrust Sector | A | 50% | 5.0% p.a. | ₹750 Cr p.a. | 10 yrs | ₹15,000 Cr |
| Mega — Selected Thrust Sector | B | 45% | 4.5% p.a. | ₹750 Cr p.a. | 10 yrs | ₹16,667 Cr |
| Ultra Mega — Thrust Sector | A | 40% | 3.5% p.a. | ₹1,250 Cr p.a. | 12 yrs | ₹35,714 Cr |
| Ultra Mega — Thrust Sector | B | 35% | 3.0% p.a. | ₹1,250 Cr p.a. | 12 yrs | ₹41,667 Cr |
| Ultra Mega — Selected Thrust Sector | A | 50% | 4.5% p.a. | ₹1,250 Cr p.a. | 12 yrs | ₹27,778 Cr |
| Ultra Mega — Selected Thrust Sector | B | 45% | 4.0% p.a. | ₹1,250 Cr p.a. | 12 yrs | ₹31,250 Cr |

**This is where large-project advice goes wrong.** The percentage ceilings are calibrated so that annual percentage × tenure always equals or exceeds the overall ceiling — so for ordinary projects the overall ceiling is the binding constraint and the annual percentage is harmless. The **absolute** cap is different. Worked example: a Large General project in a Category-A taluka with EFCI of ₹10,000 Cr has a headline ceiling of 20%, or ₹2,00,000.00 Lakh. But 2% per annum is ₹200 Cr against an absolute cap of ₹150 Cr, so the realisable maximum over 10 years is ₹1,50,000.00 Lakh. **₹50,000.00 Lakh of headline entitlement is permanently unusable.** Quote the realisable figure, never the headline percentage.

The right-hand column gives the EFCI above which the absolute cap starts to bite for each track. Below that figure the absolute cap is irrelevant; above it, model the year-by-year draw before committing any number to a client.

## 9 Additional Support — Selected Thrust Sectors Only NEW

Para 5 provides six further heads to Large, Mega and Ultra Mega undertakings in the Selected Thrust Sectors only. These sit **over and above** the Capital, Interest and Power ceiling.

| Head | Rate | Maximum | Application deadline |
|---|---|---|---|
| Stamp duty and registration charges on land purchased or leased from Government of Gujarat or GIDC | 100% | actual | within 3 months of commencement of commercial production |
| Intellectual Property Rights — patent, design, copyright, trademark, GI registration | up to 75% | ₹100.00 Lakh | within 3 months of publication or notification; may be claimed multiple times until the cap is used |
| Technology acquisition from a recognised institution, including royalty for the first two years | up to 75% | ₹500.00 Lakh | within 3 months of signing the MOU, agreement or contract |
| International certification and compliances | 100% of fees | ₹500.00 Lakh | within 3 months of issue of the certificate |
| Training of manpower, in India or abroad, first 12 months, Gujarat-domiciled trainees only | actual | ₹15.00 Lakh per employee per month | within 3 months of completion of the programme; claimable once in the operative period |
| Creative Design Studio, in house or standalone — building, machinery, equipment, hardware and software | 50% | ₹5,000.00 Lakh | within 3 months of commencement of the studio |

Every head above carries a **hard three-month application deadline** from its own triggering event, and a late application is not merely reduced — it is **not eligible at all**. Expenditure must be incurred on or after 01.01.2026. Travel, hotel and surveillance charges are excluded from the IPR and certification claims; renewal of a certificate is not reimbursable; and technology acquisition assistance cannot be used to buy plant, machinery or equipment. Within the Creative Design Studio claim, building cost cannot exceed 20% of EFCI. **Diarise these six deadlines separately from the main claim calendar.**

Ultra Mega Thrust units get 100% stamp duty and registration reimbursement under Para 4E(v) even outside the Selected Thrust track, on the same four conditions — the reimbursed amount is not added back to EFCI, it is paid only after commercial production, it applies only to land acquired in the eligible investment period, and the application must be filed within three months of commercial production.

## 10 Conditions Attaching to Each Component NEW

### Capital Subsidy (Para 6A)

Claimable only after the Provisional or Final Eligibility Certificate. Disbursed only after commencement of commercial production, in

**equal annual instalments**

over the prescribed tenure from DoCP.

### Interest Subsidy (Para 6B)

7% on term loan, but only on the amount

**actually disbursed**

during the eligible investment period against the sanctioned term loan, and only on loan referable to EFCI. Runs from DoCP. Penal interest and other charges are excluded.

**The unit must bear a minimum 2% interest itself in all cases**

, and where the unit also draws a Government of India interest subsidy, the State subsidy is restricted so that the 2% floor is still borne after offset. A defaulting period as determined under RBI guidelines is deducted from the eligible period.

**NBFC loans do not qualify at all.**

### Power Tariff (Para 6C)

₹2 per unit in Category-A, ₹1 per unit in Category-B. Available on power drawn from a DISCOM or from renewable power through open access.

**Consumption from the unit's own captive plant is not eligible.**

For expansion and diversification, only

**additional**

consumption qualifies and a sub-meter must be installed. Claim requires the electricity bill or invoice in the name of the industrial unit.

### EPF Reimbursement (Para 6D)

100% of the employer's statutory contribution actually paid, capped at

**12% of basic plus DA**

and at ₹18.00 Lakh per month for male, ₹25.00 Lakh for female and ₹30.00 Lakh for specially abled employees, whichever is lower. A

**New Employee**

means one who had no UAN before joining. For expansion and diversification, only the

**incremental**

headcount over the pre-project count qualifies. Reimbursed quarterly against payment receipts. Not available for any period for which EPF reimbursement is drawn under any other central or state scheme.

### Electricity Duty (Para 7)

Exemption as applicable under the Gujarat Electricity Duty Act, 1958. Runs in parallel and is not counted against the ceiling.

### Choice of mix

The unit may choose any one component or any combination, subject to the overall ceiling and the annual ceilings. The components are

**not additive beyond the ceiling**

. Where a client's term loan is small, the interest cap will be unreachable and the mix should be weighted to capital and power.

## 11 Registration, PEC and FEC — The Compliance Calendar NEW

| Stage | Deadline | Consequence of delay |
|---|---|---|
| **Registration** (Para 8) — mandatory for all undertakings | before DoCP, or within **3 months from 08.09.2026**, whichever is later; and in every case before 31.05.2031 | Application not eligible |
| **Provisional Eligibility Certificate** (Para 9.1) | within **3 months** of commercial production, of issue of the registration certificate, or of the G.R., whichever is later | See below |
| **Final Eligibility Certificate** where investment is complete at DoCP (Para 9.2 / 9.3) | may be filed directly instead of a PEC, within the same 3-month limit, or within 3 months of completion of the project | See below |
| **Final Eligibility Certificate** where investment is not complete within the eligible investment period (Para 9.4) | within **3 months** from the last date of the eligible investment period | See below |
| FEC filed late (Para 9.5) | beyond 3 months but within **1 year** | Incentive period and eligible quantum **reduced proportionately** to the delay |
| FEC filed very late (Para 9.5 / 10.4) | beyond **1 year** from the last date of the eligible investment period | **Not entertained at all** |
| Periodic claim applications (Para 11) | every **3 months** in the prescribed proforma to the Industries Commissioner | — |

**The PEC is capped at 40% of EFCI** (Para 9.7). It is issued on the strength of a Chartered Accountant's and Chartered Engineer's certificate covering eligible fixed capital investment and work completed up to the date of commercial production. The FEC follows an asset verification by a team constituted by the Industries Commissioner, and final entitlement is computed on that verification report. Documents required at registration are the registration document of the undertaking and IEM, documents of legal possession of land or the GIDC possession letter, GPCB Consent to Establish if applicable, the Detailed Project Report, and the term loan sanction letter if applicable.

Para 10.6 makes the Industries Commissionerate's decision on a late or incomplete application **final and binding, with no claim, representation or challenge maintainable**. There is no appellate cushion for a missed deadline — the compliance calendar is the single highest-value thing the firm controls on these engagements.

## 12 Sanctioning Authority & Standing Conditions NEW

**Sanctioning authority for the FEC (Para 12):**

- Investment up to ₹1,000 Cr — Committee chaired by the Industries Commissioner
- ₹1,000 Cr to ₹10,000 Cr — Committee chaired by ACS/PS, Industries & Mines Department
- Above ₹10,000 Cr, and all questions of interpretation — Committee chaired by the Hon'ble Minister (Industries)
- A High Powered Committee chaired by the Hon'ble Chief Minister may sanction a **customised package** for Mega and Ultra Mega projects in Thrust and Selected Thrust sectors, and decides any matter not expressly provided for

**Standing conditions (Para 18):**

- At least **85%** of total employees, and at least **60%** of managerial and supervisory staff, must be domiciled in Gujarat
- Applicable GPCB certificate must be submitted to the Industries Commissioner
- Central scheme incentives may be availed, but **State plus Central incentives together must not exceed EFCI**
- The unit must remain in continuous production until expiry of the eligible incentive period; discontinuance beyond management control may be condoned
- Breach triggers recovery as an **arrear of land revenue with interest at 18% per annum** from the date of first availment, and forfeiture of undisbursed amounts
- A unit may claim a maximum of **two times** in the operative period, whether the projects are New, Expansion or Diversification (Para 2.4)
- Products may be added or changed on existing plant and machinery during the incentive period, subject to approval of the sanctioning authority (Para 14)

**Final entitlement rule (Para 2.3).** The lower of gross fixed capital investment actually made, the cost certified in the Project Completion Certificate issued by the bank or financial institution, or the Asset Verification Report of the Industries Commissionerate. For self-financed projects the certificate may come from the Statutory Auditor, a Chartered Accountant, a Chartered Engineer or a Company Secretary — but the asset verification report still governs if it is lower. A unit that has availed any incentive on the same GFCI under another State scheme is not eligible here (Para 2.2 and Para 15).

## 13 What the Resolutions Settled — and What Remains Open

**Now settled by the G.R.s dated 08.09.2026:**

- Category-A / Category-B taluka list — all 268 talukas notified
- EFCI inclusion and exclusion list, in full
- Definitions of New unit, Expansion, Diversification, Installed Capacity, Industrial Complex
- DoCP definition and the eligible investment period table
- Component-wise splits for Mega and Ultra Mega
- The Selected Thrust Sector track and its six additional heads
- Annual percentage ceilings and absolute annual caps
- Registration, PEC and FEC timelines, and the consequences of delay
- Sanctioning authorities and the interpretation committee
- Recovery and clawback: land revenue arrear plus 18% per annum
- Overlap rule with Central schemes: combined incentives capped at EFCI

**Still open — do not commit a client position:**

- **The entire MSME rate structure.** Micro, Small and Medium are outside these Resolutions. A separate MSME G.R. governs them and must be obtained.
- Detailed implementation guidelines, which Para 18(7) leaves to the Industries Commissioner to issue separately
- The prescribed proforma for registration, PEC, FEC and the quarterly claim
- Whether a sector falls inside a listed indicative sub-sector — Para 12(a) Committee decides by reference to HSN code and expert opinion
- Any further sector added to the Selected Thrust list under Para 1.7 item 6
- Treatment of R&D centres and private industrial parks, referenced in the policy but not in this Resolution
- Project THRIVE relocation package terms
- SC/ST, Divyang and women entrepreneur top-ups, which appear in the policy summary but not in this Resolution

## Advisor's Flags — Read Before Finalising Client Advice

**MSME rates carry no G.R. in this handbook.** Roughly the whole of the firm's subsidy client base is MSME. Until the MSME Resolution is obtained, every Micro, Small and Medium figure quoted from this handbook or the estimator is provisional. This is the single largest exposure in the current advisory position.

**Do not classify Mega or Ultra Mega off the P&M figure.** Para 1.3 tests Large on plant and machinery, but Paras 1.4 and 1.5 test Mega and Ultra Mega on **total** GFCI including land, and Para 3.2 does the same for the investment period. A project with ₹800 Cr in plant and machinery and ₹1,200 Cr total GFCI is Mega, not Large. Always collect both figures.

**The headline ceiling is not the realisable figure at scale.** Above roughly ₹4,615 Cr EFCI for Large Selected Thrust, ₹6,667 Cr for Large Thrust and ₹7,500 Cr for Large General, the absolute annual cap starts destroying entitlement that cannot be carried forward. Model the annual draw before quoting.

**Interest cap is rarely reachable on a modest term loan.** A Category-A Large Thrust unit has a 20% of EFCI interest cap, but 7% on the loan for 8 years is the real limit. On EFCI of ₹200 Cr the cap is ₹4,000.00 Lakh, yet a ₹40 Cr term loan only supports about ₹2,240.00 Lakh. Weight the mix to capital and power in these cases rather than promising the cap.

**Location trade-off is now quantifiable, and mostly unfavourable for established clusters.** On EFCI of ₹200 Cr in Large Thrust, moving from a Category-B to a Category-A taluka is worth ₹2,000.00 Lakh of extra ceiling. For a Morbi ceramics client, the only Category-A taluka in the district is Maliya; for a Rajkot engineering client it is Vinchhiya or Jamkandorna. Weigh that gain against loss of cluster, labour, logistics and effluent infrastructure — the subsidy differential rarely covers it.

**Ceramics is Thrust but not Selected Thrust.** It sits under Metals and Minerals at Annexure-A Sr. 4. Do not promise Morbi clients the 50% / 45% Selected Thrust ceiling. Chemical and pharmaceutical units at Sr. 8 and 9 additionally require a captive effluent treatment plant or access to a CETP as a **condition precedent**.

**Six separate three-month clocks run in Selected Thrust cases** — stamp duty, IPR, technology acquisition, certification, training and design studio — each triggered by a different event, each fatal if missed. Build them into the client's compliance calendar at registration stage, not at claim stage.

**The two-claim limit is per undertaking, not per project.** A client planning a phased three-stage expansion can only draw on this scheme twice in the five-year operative period. Sequence the phases so that the two largest qualify.

**NBFC term loans are wholly ineligible** for interest subsidy, and only the amount actually disbursed inside the eligible investment period counts. Check the lender's constitution at the DPR stage, not after sanction.

**The election between this scheme and the previous Aatmanirbhar Gujarat scheme closes six months from 08.09.2026 and is irrevocable.** Any client who had not commenced commercial production by 01.06.2026 needs a modelled comparison well before that date.

Industrial Policy 2026). Taluka categorisation is taken from Government Resolution No. IMD/HMR/e-file/9/2026/2211/I dated 08.09.2026. **Micro, Small and Medium rates are not covered by either Resolution and are reproduced from the policy summary pending the separate MSME Government Resolution.** Illustrative figures are stated in lakh and assume the EFCI shown on each panel; interest and power figures are maximum caps and not entitlements. The operative Government Resolution and the implementation guidelines to be issued by the Industries Commissioner prevail in all cases. Client-specific scenarios can be run on the firm's VGIP 2026 Subsidy Calculator. Clients should obtain scheme-specific advisory before making binding investment or location decisions.

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