

Tax Update

Government of Gujarat announces the Gujarat Electronics Component Manufacturing Policy-2025

The Government of Gujarat has introduced the Gujarat Electronics Component Manufacturing Policy to catalyse investments, drive localisation, and promote the growth of the state's electronics component and sub-assembly manufacturing sector. The policy aims to position Gujarat as a leading destination in India's electronics value chain, supporting the national goal of enhancing domestic value addition and reducing import dependency.

This policy will provide support in line with the Electronics Component Manufacturing Scheme, 2025 (ECMS), notified recently by the government of India.

Key features:

- **Policy period:** 6 years starting from fiscal year 2025–26.
- **Objective:** Attract investment in the electronics component manufacturing ecosystem, increase domestic value addition, and foster export-oriented growth while reducing import dependency. Promote localisation and indigenisation of strategic and critical electronic components.
- **Eligibility:**
 - Applicants must have project proposals approved under the MeitY, Government of India's ECMS.
 - Applicants must be in the process of establishing, or have proposed to establish, a manufacturing unit in Gujarat.
 - Upon the fulfillment of the above, applications are subject to approval by the State Level Empowered Committee (SLEC) and/or High-Powered Committee (HPC), constituted as per the Gujarat Electronics Policy, 2022–28.
 - The units availing incentives under this policy are not eligible for incentives under the Gujarat Electronics Policy 2022–28 for the same project, and vice-versa.
 - Any project availing support under this policy is not eligible for benefits under other Gujarat government industrial development policies for the same activity.

- **Incentives and support:** Matching incentives will be provided to eligible units, equivalent to those under the government of India's ECMS, subject to the satisfaction of threshold criteria as described in Annexure A(III).
- **Workforce development credits:** Matching financial support for the establishment of labs, finishing schools, or centers of excellence in academic institutions in Gujarat. The project cost for consideration is capped at INR 25 crore, with a maximum support of INR 12.5 crore per project from the government of Gujarat.
- **Disbursal:** Annual disbursal of incentives by the [Gujarat State Electronics Mission \(GSEM\)](#), proportionate to the amount approved and disbursed by the government of India. Disbursal within 30 working days of successful submission of claim to GSEM, following central government disbursement.