



Govt Notifies Guidelines for Shipbuilding Assistance, Development Schemes; ₹44,700 Crs Outlay to Boost India's Shipbuilding Capacity

“By strengthening shipbuilding and maritime capabilities, PM Narendra Modi ji has ensured that India's growth is anchored in self-reliance:” Sarbananda Sonowal

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New Delhi, December 27, 2025: The **Ministry of Ports, Shipping & Waterways (MoPSW)** notified the operational guidelines for two major shipbuilding initiatives—the **Shipbuilding Financial Assistance Scheme (SBFAS)** and the **Shipbuilding Development Scheme (SbDS)**—aimed at strengthening India's domestic shipbuilding capacity and improving global competitiveness. The approved guidelines lay down a transparent and accountable framework for implementation.

Speaking on the occasion, the **Union Minister of Ports, Shipping & Waterways (MoPSW), Sarbananda Sonowal** said, “Prime Minister Narendra Modi ji's leadership has given India's shipbuilding sector a decisive policy reset. These guidelines create a stable and transparent framework that will revive domestic shipbuilding, boosting forward and backward linkage amping ‘Make in India’ initiative, enable large-scale investment and build world-class capacity, positioning India as a major maritime nation on the path to Viksit Bharat and Aatmanirbhar Bharat.”

Under SBFAS, which has a total corpus of **₹24,736 crore**, the government will provide financial assistance ranging from 15% to 25% per vessel, depending on the vessel category. The scheme introduces graded support for small normal, large normal and specialised vessels, with stage-wise disbursement linked to defined milestones and backed by security instruments. Incentives for series orders are also included.

The scheme provides for the establishment of a National Shipbuilding Mission to ensure coordinated planning and execution of shipbuilding initiatives. It also introduces a Shipbreaking Credit Note, under which ship owners scrapping vessels at Indian yards will receive a credit equivalent to 40% of the scrap value, linking ship recycling with new ship construction and supporting a circular economy approach. Independent valuation and milestone-based assessments have been made mandatory to strengthen governance and ensure efficient use of public funds.

Over the next decade, SBFAS is expected to support shipbuilding projects worth about **₹96,000 crore**, stimulate domestic manufacturing and generate employment across the maritime value chain.

The **Shipbuilding Development Scheme (SbDS)**, with a budgetary outlay of **₹19,989 crore**, focuses on long-term capacity and capability creation. The scheme provides for the development of greenfield shipbuilding clusters, expansion and modernisation of existing brownfield shipyards, and the

establishment of an India Ship Technology Centre under the Indian Maritime University to support research, design, innovation and skills development.

Under SbDS, greenfield shipbuilding clusters will receive 100% capital support for common maritime and internal infrastructure through a 50:50 Centre–State special purpose vehicle, while existing shipyards will be eligible for 25% capital assistance for brownfield expansion of critical infrastructure such as dry docks, shiplifts, fabrication facilities and automation systems. Disbursements will be milestone-based and monitored by independent evaluation agencies.

The scheme also includes a Credit Risk Coverage Framework, offering government-backed insurance for pre-shipment, post-shipment and vendor-default risks to improve project bankability and financial resilience.

With the creation of modern infrastructure and a skilled workforce, India’s commercial shipbuilding capacity is projected to rise to about 4.5 million gross tonnage per annum by 2047, according to the ministry.

Adding further, **Sarbananda Sonowal** said, “Viksit Bharat is about reclaiming India’s industrial confidence. By strengthening shipbuilding and maritime capabilities, PM Narendra Modi ji has ensured that India’s growth is anchored in self-reliance, skill and global competitiveness—true to the spirit of Atmanirbhar Bharat.”

Both SBFAS and SbDS will remain valid until March 31, 2036, with an in-principle extension envisaged up to 2047. Together, the schemes are expected to generate employment, promote indigenous technology development and strengthen India’s maritime security and economic resilience.

The guidelines have been formally approved and published on the Ministry’s official website, <https://ship.min.gov.in>, to enable structured and transparent implementation of the schemes.

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