

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 4145
ANSWERED ON 19.08.2025

ALLOWING AUTOMOBILE FIRMS TO USE CHINESE-MADE MOTORS

**4145. SHRI CHAVAN RAVINDRA VASANTRAO:
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:
SHRI SUDHEER GUPTA:
SHRI MANISH JAISWAL:**

Will the Minister of HEAVY INDUSTRIES be pleased to state:

- (a) whether the Government has allowed the automobile firms to use fully built Chinese-made motors in their vehicles to skirt China's magnet export curbs in order to continue availing Government Subsidies of Production (SOPs);
- (b) if so, the details thereof and the likely impact on manufacturers and their localization;
- (c) the safeguards or conditions imposed to ensure that such usage does not compromise national interests or security;
- (d) whether the Government has set any criteria for vehicle manufacturers to be eligible to get Central assistance or claim benefits under its domestic manufacturing policy and if so, the details thereof;
- (e) whether the Government is considering to review or revise the subsidy policies to encourage greater domestic content in auto manufacturing; and
- (f) if so, the details thereof including the steps taken in this regard?

**ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)**

(a) to (c): No such notification has been issued by MHI under Production Linked Incentive Scheme for Automobile & Auto Component Industry (PLI Auto Scheme) and Scheme to Promote Manufacturing of Electric Passenger Cars in India (SPMEPCI) to allow automobile firms to use fully built Chinese-made motors in their vehicles to skirt China's magnet export curbs.

(d): Under PLI Auto scheme, approved applicants are required to achieve the investment thresholds, incremental sales thresholds and Domestic Value Addition (DVA) of minimum 50% for availing incentives under the scheme. To avail the benefits under SPMEPCI, approved applicants have to set up manufacturing facilities of e-4W in India with a minimum investment of Rs. 4,150 crore and make the facilities operational within a period of 3 years from the date of issuance of approval by MHI and achieve minimum DVA of 25% by 3rd year and 50% by 5th year.

(e) & (f): No such proposal is under consideration.
