

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO.1737
ANSWERED ON 10.02.2026

STATUS OF HEAVY INDUSTRIES SECTOR

1737. DR. ALOK KUMAR SUMAN:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

- (a) the current status of the heavy industries sector in the country, including automobiles, capital goods, engineering and manufacturing industries;
- (b) the details of Central Government schemes and Production Linked Incentive (PLI) initiatives implemented to promote domestic manufacturing and technological upgradation;
- (c) the measures taken to attract investment, strengthen supply chains and enhance competitiveness of heavy industries;
- (d) the steps undertaken to promote adoption of advanced manufacturing, automation, green technologies and Industry 4.0 practices;
- (e) whether any initiatives are in place for skill development, employment generation and MSME integration within the heavy industries ecosystem; and
- (f) the details of additional policy, financial and institutional measures proposed by the Government to support sustainable growth, self-reliance and global competitiveness of the heavy industries sector while ensuring environmental compliance and inclusive industrial development nationwide?

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

(a): As per information received from Society of Indian Automobile Manufacturers (SIAM), the automobile sector contributes nearly 15% of the country's GST Revenue Collections. The sector is also a significant employment creator in the country with an estimated 30 million jobs (Direct: 4.2 Mn, Indirect: 26.5 Mn) across the entire automotive value chain. The production, sales and exports of automobiles in India during January to December, 2025 is as under : -

Production, Sales and Export of Automobiles in India (January–December 2025)
(Nos. in lakh)

| Category | Production | Sales | Exports |
|---------------------|------------|-------|---------|
| Passenger Vehicles | 53.8 | 44.9 | 8.6 |
| Commercial Vehicles | 11.1 | 10.3 | 0.9 |
| Three Wheelers | 12.2 | 7.9 | 4.3 |
| Two Wheelers | 255.0 | 205.0 | 49.4 |

(Source: SIAM)

Further, as per present estimates, the Capital Goods Industry contributes about 1.9% of GDP. This sector is crucial for the development of domestic manufacturing capabilities from a national self-reliance perspective. Production, Import and Export-data of the sector for the financial year 2024-25 are given as under: -

(figures in Rs. crore)

| Sl. No. | Sub-sectors of Capital Goods | Production | Import | Export |
|---------|----------------------------------|------------|--------|--------|
| 1 | Machine Tools | 14,286 | 18,686 | 1,472 |
| 2 | Dies, Moulds and Press Tools | 18,400 | 9,400 | 2,300 |
| 3 | Textile Machinery | 10,461 | 16,417 | 2,242 |
| 4 | Printing Machinery | 29,716 | 12,651 | 2,584 |
| 5 | Earthmoving and Mining Machinery | 80,750 | 4,250 | 6,800 |
| 6 | Plastic Processing Machinery | 4,827 | 4,405 | 2,428 |
| 7 | Food Processing Machinery | 15,249 | 10,850 | 4,562 |
| 8 | Process Plant Equipment | 31,505 | 7,645 | 10,968 |

(Source: Industry Associations namely, IMTMA, TAGMA, TMMA, IPAMA, ICEMA, PMMAI, AFTPAI, PPMAI)

(b) & (c): The following schemes are being implemented by the Ministry of Heavy Industries (MHI) to promote domestic manufacturing and technological upgradation:

(i) Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India (PLI-Auto): The Government approved this scheme on 23.09.2021 for Automobile and Auto Component Industry in India for enhancing India's manufacturing capabilities for Advanced Automotive Technology(AAT) products with a budgetary outlay of Rs. 25,938 crore. The scheme proposes financial incentives to boost domestic manufacturing of AAT products including EVs with minimum 50% Domestic Value Addition (DVA) and attract investments in the automotive manufacturing value chain.

(ii) Production Linked Incentive Scheme on National Programme on Advanced Chemistry Cell (ACC) Battery Storage: The Government on 12.05.2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of Rs.18,100 crore. The scheme aims to establish a competitive domestic manufacturing ecosystem for 50 GWh of ACC batteries.

(iii) PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM EDRIVE) Scheme: This scheme with an outlay of Rs. 10,900 crore is implemented w.e.f. 01.04.2024 till 31.03.2028. The scheme aims to support electric vehicles including e-2W, e-3W, e-Trucks, e-buses and e-Ambulances. The scheme also includes support for EV public charging stations and upgradation of testing agencies. Under this scheme, demand incentive is provided to buyers (consumers/end users) of e-2Ws, e-3Ws (e-rickshaws & e-carts), e-3Ws (L5), e-trucks and e-ambulances in the form of an upfront price reduction at the time of purchase of the electric vehicle.

(iv) Scheme for Promotion of Manufacturing of Electric Passenger Cars in India (SPMEPCI): This scheme was notified on 15.03.2024 to promote the manufacturing of electric cars in India.

(v) Scheme on Enhancement of Competitiveness in The Indian Capital Goods Sector- Phase-II: In order to encourage the technology development and to augment the manufacturing infrastructure in the Capital Goods Sector, this demand driven scheme is being implemented on pan India basis. Under Phase II of this Scheme, a total of 29 projects have been sanctioned which include 7 Centres of Excellence (CoEs), 4 Common Engineering Facility Centres (CEFCs), 6 Testing and Certification Centres, 9 Industry Accelerators for Technology Development and 3 projects for Creation of Qualification Packs for skill level 6 and above.

(d): Under phase I of the Scheme on Enhancement of Competitiveness in The Indian Capital Goods Sector, MHI has set up 4 Smart Advanced Manufacturing and Rapid Transformation Hub (SAMARTH) Centres namely Centre for Industry 4.0 (C4i4) Lab Pune, IITD-AIA Foundation for Smart Manufacturing, IIT Delhi, I-4.0 India @ IISc, Bengaluru, Smart Manufacturing Demo & Development Cell, CMTI, Bengaluru.

(e): Under phase II of the Scheme on Enhancement of Competitiveness in The Indian Capital Goods Sector, following projects have been sanctioned for Promotion of skilling in Capital Goods Sector– creation of skilling packages for skill levels 6 and above:

- (i) ASDC (Automotive Skills Development Council),
- (ii) CGSSC (Capital Goods & Strategic Skills Council)
- (iii) IASC (Instrumentation, Automation, Surveillance and Communication)

(f): No such proposal is under consideration by the MHI
