GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 888
ANSWERED ON 06.02.2026

PROMOTION OF AUTOMOTIVE AND HEAVY ENGINEERING SECTOR

888. SHRI MADAN RATHORE:

Will the Minister of **Heavy Industries** be pleased to state:

(a) the current status of the automobile and heavy engineering sectors in the country;

(b) the incentives provided by the Central Government for the development of heavy industries in Rajasthan;

(c) the schemes implemented at the national level to promote manufacturing of electric vehicles (EVs);

(d) the progress made in establishing EV or auto component clusters in Rajasthan; and

(e) the strategy proposed to develop Rajasthan as a hub for heavy industry investments in the coming years?

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) *(Source:SIAM)*

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

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): Industry is a State subject and the Central Government does not deal with development of heavy industries in any part of the country including the State of Rajasthan. Further, there is no state-wise allocation under any scheme of the Ministry of Heavy Industries.

(c): The Ministry of Heavy Industries (MHI) has implemented several schemes at the national level to promote manufacturing of electric vehicles (EVs). The details are given below:

1. **Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India (PLI-Auto):** The Government approved this scheme on 15.09.2021 for Automobile and Auto Component Industry for enhancing India's manufacturing capabilities for advanced automotive technology (AAT) products with a budgetary outlay of ₹25,938 crore. The scheme proposes financial incentives to boost domestic manufacturing of AAT products with minimum 50% Domestic Value Addition (DVA) and attract investments in the automotive manufacturing value chain.

2. PM Electric Drive Revolution in Innovative Vehicle Enhancement: This scheme with an outlay of Rs.10,900 crore provides demand incentive for e-2W, e-3W, e-trucks, e-ambulances and grant for e-buses and promotes domestic manufacturing through phased manufacturing programme (PMP).

3. **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. This requires applicants to invest a minimum of ₹4150 crore and achieve a minimum DVA of 25% at the end of third year and DVA of 50% at the end of fifth year.

4. **PLI Scheme for 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 ₹18,100 crore. The scheme aims to establish a competitive domestic manufacturing ecosystem for 50 GWh of ACC batteries.

(d): The PLI Auto and Auto Component scheme has been implemented on pan India basis and there are 8 manufacturing locations reported by the approved applicants in the state of Rajasthan.

The PLI ACC scheme, being a national programme, does not define or mandate particular locations for setting up cell manufacturing units. Beneficiary firms can choose their own preferred locations based on strategic business needs, infrastructure and resource availability, ensuring flexibility in establishing facilities across India. Currently, there are no manufacturing units located in Rajasthan under the PLI ACC scheme.

(e): No such proposal is under consideration in view of reply to part (b).

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