GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
STARRED QUESTION NO. 124
ANSWERED ON 28.07.2026

ASSESSMENT OF COMPETITIVENESS OF HEAVY INDUSTRIES SECTOR

***124. DR. PRABHA MALLIKARJUN:**

Will the Minister of HEAVY INDUSTRIES be pleased to state:

(a) whether the Government has undertaken any assessment of the competitiveness of India's manufacturing and heavy industries sector vis-à-vis major manufacturing economies;

(b) the details of initiatives undertaken to promote technology upgradation, automation, research and development, digital manufacturing and Industry-4.0 adoption during the last five years;

(c) whether the Government has assessed the impact of technological transformation on employment generation, workforce requirements and skill development in the manufacturing sector;

(d) the measures being taken under Make in India, Atmanirbhar Bharat and other programmes to strengthen domestic manufacturing capabilities and global competitiveness; and

(e) whether any proposals have been received from Karnataka, including Davanagere district, for establishment of advanced manufacturing clusters, industrial parks or technology-driven industrial ecosystems and if so, the status thereof?

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

(a) to (e): A statement is laid on the Table of the house.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 124 FOR 28.07.2026 ASKED BY DR. PRABHA MALLIKARJUN REGARDING "ASSESSMENT OF COMPETITIVENESS OF HEAVY INDUSTRIES SECTOR"

(a) to (c): The following schemes are administered 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 provides financial incentives on manufacturing of AAT products including EVs with minimum 50% Domestic Value Addition (DVA) and attract investments in the automotive manufacturing value chain. The Scheme has attracted an investment of Rs. 44,326 Crore and generated employment of 67,820 till 31.03.2026. Further, under the Scheme, expenditures incurred by beneficiary firms on Research and Development (R&D) are permitted to meet investment criteria, allowing them to integrate the latest technology in the implementation of their projects.

(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, out of which 40 GWh ACC capacity has been awarded to four beneficiary firms. Under the Scheme, a Giga-Scale ACC manufacturing plant with an installed capacity of 1.4 GWh has been established. The scheme has attracted an investment of ₹5,180 crore and direct employment of 1,277 till 31.05.2026. Further, under the Scheme, expenditures incurred by beneficiary firms on Research and Development (R&D) are permitted to meet investment criteria, allowing them to integrate the latest technology in the implementation of their projects.

(iii) **PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme:** This scheme has been approved with an outlay of Rs. 10,900 crore w.e.f. 01.04.2024 till 31.03.2028. The scheme supports domestic manufacturing of electric vehicles including e-2W, e-3W, e-Trucks, e-buses and e-Ambulances. The scheme also supports EV public charging stations and upgradation of testing agencies.

(iv) **Scheme on Enhancement of Competitiveness in the Indian Capital Goods Sector- Phase-II:** This Scheme has the objective to encourage technology development and strengthen domestic manufacturing capabilities. Under one of the component of the Scheme, i.e., "Common Engineering Facility Centres", MHI has set up 4 Smart Advanced Manufacturing and Rapid Transformation Hub (SAMARTH) Centres to promote Industry 4.0.

MHI has also sanctioned setting up of 10 cluster Industry 4.0 Experience Centres nationwide through Centre for Industry 4.0 (C4i4), Pune at a project cost of Rs. 35 crore.

In order to support digital manufacturing, MHI has approved project named 'Augmentation of Centre of Excellence by Indian Institute of Science (IISc), Bangalore' with total project cost of Rs. 44.6 crore and project named 'Development of Laser-based directed energy deposition additive manufacturing machine' by Central Manufacturing Technology Institute (CMTI) with project cost of Rs. 4.943 crore.

In addition to the above Schemes, MHI has notified 'Scheme to Promote Manufacturing of Sintered Rare Earth Permanent Magnet' having financial outlay of Rs. 7280 crore, with the aim to establish 6,000 Metric Tons per annum (MTPA) of sintered Rare Earth Permanent Magnet (REPM) manufacturing in India, thereby enhancing self-reliance and positioning India as a key player in the global REPM market.

(d): As informed by the Department for Promotion of Industry and Internal Trade (DPIIT), to facilitate Investment, foster Innovation, build best in class Infrastructure, and make India a hub for manufacturing, design, and innovation, ‘Make in India’ initiative was launched on 25th September 2014. Presently, Make in India 2.0 focuses on 27 sectors including 15 manufacturing sectors, implemented across various Ministries and Departments and State Governments.

Further, Government has taken a series of policy initiatives that include the Atmanirbhar Bharat packages, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), etc. to promote manufacturing.

(e): No such proposal has been received by this Ministry.

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