

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**UNSTARRED QUESTION NO. 3243.
TO BE ANSWERED ON FRIDAY, THE 28TH MARCH, 2025.**

DEPENDENCE ON CHINA FOR CRITICAL COMPONENTS

3243. SHRI K.R.N. RAJESHKUMAR:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the reasons as to why Government has failed to reduce dependence on China for critical heavy industry components, despite repeated claims of 'Atmanirbhar Bharat';
- (b) the specific measures taken to promote domestic production to reduce reliance on Chinese imports; and
- (c) whether there are any plans to establish a dedicated task force or agency to oversee the development of domestic industries and reduce reliance on Chinese imports?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

(a) to (c): The Government of India has taken various proactive measures aimed at enhancing domestic capacities, boosting exports, diversifying supply chains and fostering economic resilience. This is part of India's broader 'Atmanirbhar Bharat' vision, which aims to make India a strong manufacturing hub and reduce dependence on any single country.

The 'Make in India' Initiative was launched on 25th September, 2014 to facilitate investment, foster Innovation, build best in class Infrastructure, and make India a hub for manufacturing, design, and innovation. Under this programme, the Government launched Production Linked Incentives (PLI) Schemes in 14 critical sectors like electronics, pharmaceuticals, white goods, telecom and Networking products, etc., to reduce dependency on imports. Presently, Make in India 2.0 focuses on 27 sectors implemented across various Ministries and Departments and State Governments. The list of sectors under Make in India 2.0 is placed at **Annexure**.

The Ministry of Heavy Industries (MHI) administers a Production Linked Incentive (PLI) Scheme namely "National Programme on Advanced Chemistry Cell (ACC) Battery Storage". The total outlay of the scheme is 18,100 Crore for a capacity of 50 GWh for a period of 5 years after gestation period of 2 years. The objectives of the PLI ACC scheme include promoting indigenous manufacturing, enhancing cost competitiveness, encouraging investment and innovation, developing robust supply chains, generating employment and fostering local manufacturing, to reduce dependence on imported batteries and support broader goal of self-reliance in the energy sector.

This scheme is technology-agnostic, ensuring that superior technologies receive higher incentives. Further, expenditure incurred by the beneficiary firms on Research and Development is allowed in the implementation of their projects, to enable them to adopt the latest technology, including sodium-ion and solid-state batteries, which offer cost-effectiveness, recyclability and improved safety without relying on Chinese imports like lithium etc.

Under the “Atmanirbhar Bharat” initiative, to provide preference in procurement to domestic manufacturers, Public Procurement Order (Preference to Make in India) on Industrial Boilers (Steam Generators) was issued on 29th September 2020. To ensure product quality and curb the substandard imports in the country, Ministry of Heavy Industries (MHI) has issued the following Quality Control Orders (QCOs):

- i. Electrical Transformers Quality Control Order (QCO), 2015 for Outdoor Type Oil Immersed Distribution Transformers upto and including 2500 kVA, 33kV vide notification dated 7th May 2015.
- ii. Electrical Equipment (Quality Control) Order, 2020 for Low Voltage Switchgears and Controlgears vide notification dated 11th November 2020, and subsequently amended vide notifications dated 9th May 2023 and 3rd May 2024.

On January 25, 2022, the Ministry of Heavy Industries (MHI) has notified the Scheme for 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 for domestic as well as export purposes. The scheme has a financial outlay of Rs. 1207 crores with Budgetary support of Rs.975 crore and Industry Contribution of Rs.232 crore. Import dependence for critical heavy industry components on account of limited availability of machine manufacturers and supply chains has been addressed through these initiatives.

Ministry of Railways has taken a number of measures to develop indigenous capacity for manufacture of critical components like wheels & axles used for production and maintenance of Coaches, Locomotives and wagons such as:

- i. Make in India Long Term Agreement for supply of 80000 forged wheels annually from forged wheel plant in India to make the country ‘Atmanirbhar’ in Forged wheels.
- ii. Indian Railways has taken over forged wheel plant at Rae Bareilly from Rashtriya Ispat Nigam Ltd (RINL) in 2024. Production has been ramped up from 21000 wheels in 2023-24 to 35000 wheels in 2024-25 through this plant.
- iii. Indian Railways has started bulk sourcing of approximately 30,000 Axles from MSF(PSU), which was earlier catering only to other requirements of Ministry of Defence.
- iv. For augmentation of Axle manufacturing capacity at RWF/Bengaluru, a new machining assembly line has been commissioned.
- v. Indian Railways manufactures majority of its requirement of Wheels and Axles at its production units at RWF/Bengaluru, RWP/Bela and newly acquired unit (from RINL) at Rae Bareilly. Indian Railways sources forged wheels from SAIL and Axles from MSF (PSU of Ministry of Defence) indigenously.

Ministry of New and Renewable Energy (MNRE) , in order to boost domestic production of solar equipment and reduce reliance on imports, has initiated the following measures :

- i. Production Linked Incentive (PLI) Scheme for High Efficiency Solar PV Modules, for achieving domestic manufacturing capacity of Giga Watt (GW) scale in High Efficiency Solar PV modules, with an outlay of Rs. 24,000 crore.
- ii. Under some of the current schemes of the MNRE, namely CPSU Scheme Phase-II, PM-KUSUM Components B & C, and PM Surya Ghar: Muft Bijli Yojana, it has been mandated to source solar PV cells and modules from domestic sources.
- iii. Basic Customs Duty (BCD) has been imposed on import of Solar PV Cells, Solar PV Modules and Solar Glass.
- iv. Issuance of Customs Duty Concession Certificates for import of material/equipment for initial setting up of solar PV power projects has been discontinued with effect from 02.02.2021.

In addition to ongoing schemes of various Departments and Ministries, the Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in corporate tax, improving ease of doing business, FDI policy reforms, measures for reduction in compliance burden, measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP) and QCOs (Quality Control Orders), to name a few. Quality Control Orders (QCOs) for several products such as steel, toys, chemicals, leather and footwear have been implemented to reduce the import of sub-standard products into India.

The Government also monitors surge in imports in various sectors on a regular basis and takes appropriate action. Further, the Directorate General of Trade Remedies (DGTR) is empowered to recommend trade remedial actions against unfair trade practices.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 3243 FOR ANSWER ON 28.03.2025.

Manufacturing Sectors:

- i. Acrospace and Defence
- ii. Automotive and Auto Components
- iii. Pharmaceuticals and Medical Devices
- iv. Bio-Technology
- v. Capital Goods
- vi. Textile and Apparels
- vii. Chemicals and Petro chemicals
- viii. Electronics System Design and Manufacturing (ESDM)
- ix. Leather & Footwear
- x. Food Processing
- xi. Gems and Jewellery
- xii. Shipping
- xiii. Railways
- xiv. Construction
- xv. New and Renewable Energy

Service Sectors:

- xvi. Information Technology & Information Technology enabled Services (IT & ITeS)
- xvii. Tourism and Hospitality Services
- xviii. Medical Value Travel
- xix. Transport and Logistics Services
- xx. Accounting and Finance Services
- xxi. Audio Visual Services
- xxii. Legal Services
- xxiii. Communication Services
- xxiv. Construction and Related Engineering Services
- xxv. Environmental Services
- xxvi. Financial Services
- xxvii. Education Services
