

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

**RAJYA SABHA QUESTION
UNSTARRED QUESTION NO. 1832**

TO BE ANSWERED ON TUESDAY, AUGUST 4, 2026/ 13 SHRAVANA, 1948 (SAKA)

LOCALISATION OF GOVERNMENT INCENTIVES SCHEMES

1832. Shri Jaggesh:

Will the Minister of **FINANCE** be pleased to state:

- (a) Whether Government has observed that in several incentive and subsidy schemes, substantial public financial support has been extended without clearly defined requirements relating to domestic value addition, local sourcing and indigenous manufacturing;
- (b) Whether the Ministry has recently advised all Ministries and Departments to incorporate such requirements at the scheme-design stage itself rather than during implementation; and
- (c) If so, the details of salient features of the proposed framework, and the manner in which compliance with these requirements would be monitored and evaluated?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a): Department of Expenditure (DoE) undertakes the examination and appraisal of Public Funded Plan Schemes and Projects, received from the administrative Ministry/Department concerned in the form of draft Expenditure Finance Committee (EFC)/Standing Finance Committee (SFC) Memorandum on various parameters in terms of guidelines and instructions issued by DoE from time to time.

While examining and appraising the draft EFC/SFC Memorandum, among various other aspects as per the guidelines, wherever applicable, requirements related to domestic value addition, local sourcing and indigenous manufacturing are also looked into. The recommendations of EFC are placed before the Competent Authority for consideration/approval.

(b)&(c): The Government has issued suitable policy guidance from time to time to Ministries and Departments to promote domestic manufacturing and localization in accordance with the provisions of the Public Procurement (Preference to Make in India) Order and other applicable policy frameworks. The design of individual schemes, including manner of implementation and eligibility conditions relating to local content, is undertaken by the concerned Ministry/Department keeping in view sector-specific requirements.