

# Govt plans scheme to accelerate auto component R&D

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The government is contemplating an incentive scheme to encourage research and development (R&D) in the auto components sector, particularly for electric vehicles (EVs), said Hanif Qureshi, joint secretary in the Ministry of Heavy Industries. Qureshi made the comments during the annual session of the Automotive Component Manufacturers Association of India (ACMA).

“Our focus is not only towards electric and other green vehicles but also on localisation. The latter can only be achieved when companies invest significantly in R&D,” Qureshi said. He added that the government has already allocated substantial funds for this purpose, with around ₹10,000 crore spent on the FAME-II scheme and ₹26,000 crore earmarked for the production-linked incentive (PLI) auto scheme, which includes research and development (R&D) investments. A similar approach has been taken for the PLI

Advanced Chemistry Cell (ACC) scheme, where ₹18,000 crore will be allocated. Qureshi noted that although the auto industry is investing in R&D, more needs to be done, especially as the pace of electrification accelerates. “The government is considering increasing its push. Discussions are ongoing, and this will continue in various forms including PLI schemes for the auto and ACC sectors, as well as potential

incentives for downstream industries,” he said.

Qureshi also highlighted the need to place more emphasis on component manufacturers, as current schemes primarily benefit original equipment manufacturers (OEMs). “Component makers should focus their

investments on advanced components as that is what the market demands,” he said.

Hemant Sikka, President of the Farm Equipment Sector at Mahindra & Mahindra, emphasised the need for India to increase its R&D investments to compete with countries like China, which significantly outspends India in this area.

**The govt's push is not only towards electric and other green vehicles but also localisation, and the latter can be achieved only when the companies invest in R&D, said Hanif Kureshi, joint secretary, Ministry of Heavy Industries**