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Indian Government Encouraging R&D



The Indian government will now fund only 50% of expenditure incurred by major automobile companies for research & development (R&D). But small auto firms will continue to get 100% financial assistance for R&D efforts. At present, automakers can avail a 100% government funding for their technology upgradation endeavours.

“It is extremely important for the domestic automobile industry to develop new technologies to remain competitive in the international market. R&D is also required to meet emission norms,” an official in the department of heavy industry (DHI) said.

So it is important to ensure that companies are effectively utilising the grant,” the official said. The fund was created by the department in the mid 1980s. One of the significant achievement of this fund is the National Automotive Testing and R&D Infrastructure Project (NATRiP).

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