

Ministry of Heavy Industries

Ministry of Heavy Industries holds press briefing of Union Minister regarding Cabinet approval

The Union Cabinet approved “PM-eBus Sewa-Payment Security Mechanism (PSM) scheme” and "PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme"

PM-eBus Sewa-Payment Security Mechanism (PSM) scheme aims at procurement and operation of e-buses by Public Transport Authorities (PTAs)

PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme' aims at promotion of electric mobility in the country

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Union Minister for Heavy Industries & Steel, Shri H. D. Kumaraswamy, today, briefed the media organizations about the “**PM-eBus Sewa-Payment Security Mechanism (PSM) scheme**” and “**PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme**”, in a press briefing held at Udyog Bhawan, New Delhi.



Union minister of Heavy Industries and Steel

Shri @hd_kumaraswamy briefed the media on "PM E- Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme" today at Udyog Bhawan, New Delhi. Secretary and Additional Secretary, also attended the briefing. @PIB_India pic.twitter.com/gJ0M71JTGm

— PIBHeavyIndustry (@hipepib) September 12, 2024

“PM-eBus Sewa-Payment Security Mechanism (PSM) scheme”

The Minister shared with media that the Union Cabinet chaired by Prime Minister Shri Narendra Modi, has approved the “PM-eBus Sewa-Payment Security Mechanism (PSM) scheme” for procurement and operation of e-buses by Public Transport Authorities (PTAs) with an outlay of **Rs. 3,435.33 crore**. This scheme will support deployment of more than **38,000 electric buses** (e-Buses) from FY 2024-25 to FY 2028-29. The scheme will support the operation of e-buses for a period of up to 12 years from the date of deployment.

He said that, at present, the majority of buses operated by PTAs run on diesel/CNG, causing adverse environmental impact. On the other hand, e-buses are environment friendly and have lower operational cost. However, it was anticipated that PTAs would find it challenging to procure and operate e-buses because of their high upfront cost and lower realization of revenue from operations.

To address the high capital cost of e-buses, PTAs induct these buses through Public Private Partnership on **Gross Cost Contract** (GCC) model. The PTAs are not required to pay the upfront cost of the bus under the GCC model, instead OEMs/operators procure and operate e-buses for PTAs with monthly payments. However, OEMs/operators are hesitant to engage in this model due to concerns about potential payment defaults.

The scheme addresses this concern by **ensuring timely payments** to OEMs/operators through a **dedicated fund**. In case of default of payments by PTAs, CESL, the implementing agency, shall make necessary payments from the scheme funds which will be later recouped by the PTAs/State/UTs.

This initiative seeks to facilitate adoption of e-buses by encouraging private sector participation. The scheme will also lead to significant reductions in greenhouse gas emissions and also reduce the consumption of fossil fuel. The scheme will provide benefits to all PTAs present in State/UTs who opt for the scheme.



“PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme”

The Minister apprised the media that the Union Cabinet has also approved the proposal for implementation of scheme titled ‘**PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme**’ for promotion of electric mobility in the country. The scheme has an outlay of Rs 10,900 crore over a period of two years.

It was also informed by the Minister that subsidies/demand incentives worth ₹3,679 crore have been provided to incentivize e-2Ws, e-3Ws, e-ambulances, e-trucks and other emerging EVs. The scheme will support 24.79 lakh e-2Ws, 3.16 lakh e-3Ws, and 14,028 e-buses.

MHI is introducing **e-vouchers** for EV buyers to avail demand incentives under the scheme. At the time of purchase of the EV, the scheme portal will generate an Aadhaar authenticated e-Voucher for the buyer. A link to download the e- voucher shall be sent to the registered mobile number of the buyer.

This e-voucher will be signed by the buyer and submitted to the dealer to avail demand incentives under the scheme. Thereafter, the e-Voucher will also be signed by the dealer and uploaded on the PM E-DRIVE portal. The signed e- voucher shall be sent to the buyer and dealer through an SMS. The signed e-voucher will be essential for OEM to claim reimbursement of demand incentives under the scheme.

The scheme allocates ₹500 crore for the deployment of **e-ambulances**. This is a new initiative of Govt of India to promote the use of e-ambulance for a comfortable patient transport. The performance and safety standards of e-ambulances will be formulated in consultation with MoHFW, MoRTH and other relevant stakeholders.

A sum of ₹4,391 crore has been provided for procurement of 14,028 **e-buses** by STUs/public transport agencies. The demand aggregation will be done by CESL in the nine cities with more than 40 lakh population namely Delhi, Mumbai, Kolkata, Chennai, Ahmedabad, Surat, Bangalore, Pune

and Hyderabad. Intercity and Interstate e-buses will also be supported in consultation with states.

While allocating buses to cities/states, first preference shall be given to those number of buses of cities/states, which are being procured after scrapping old STU buses, through authorised scrapping centres (RVSFs) following the MoRTH Vehicle Scrapping Scheme guidelines.

The trucks are a major contributor to air pollution. The scheme will promote the deployment of **e-trucks** in the country. ₹500 crore has been allocated for incentivising e-trucks. Incentives will be given to those who have a **scrapping certificate** from MoRTH approved vehicles scrapping centres (RVSF).

The scheme addresses range anxiety of EV buyers by promoting in a big way the installation of **electric vehicle public charging stations (EVPCS)**. These EVPCS shall be installed in the selected cities with high EV penetration and also on selected highways. The scheme proposes the installation of 22,100 fast chargers for e- 4 Ws, 1800 fast chargers for e-buses and 48,400 fast chargers for e-2W/3Ws. The outlay for EV PCS will be ₹2,000 crore.

The Union Minister also replied to the queries raised by the media. The press briefing was also attended by Shri Kamran Rizvi, Secretary, MHI and Dr. Hanif Qureshi, Additional Secretary, MHI.

MG/PD

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