

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2577
ANSWERED ON 05.08.2025

PROMOTING EV ECOSYSTEM

2577. SHRI BIPLAB KUMAR DEB:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

- (a) the manner in which the scheme of promoting EV eco system ensure accessibility and affordability of e-vehicles in rural and semi-urban areas;
- (b) the manner in which the scheme is likely to contribute to improving public transportation infrastructure in Tier-2 and Tier-3 cities;
- (c) whether there are any plans to expand the PM E-Drive scheme to include startups and MSMEs in the EV supply chains with special reference to the State of Tripura; and
- (d) if so, the details thereof?

ANSWER

**THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)**

(a): The Ministry of Heavy Industries (MHI) has implemented following schemes to promote the electric vehicle (EV) ecosystem to ensure accessibility and affordability of EVs on pan India basis, including in rural and semi-urban areas :-

i. The Scheme for Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India Phase-II (FAME-II) was implemented from 01.04.2019 till 31.03.2024 with a total budgetary support of Rs.11,500 to incentivize buyers of e-2Ws, e-3Ws and e-4Ws on pan India basis. The demand incentive was provided by Original Equipment Manufacturer (OEMs) to buyers in the form of an upfront reduction in purchase price of EVs which is later claimed by them from MHI.

ii. PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme with an outlay of Rs.10,900 cr. was notified on 29.09.2024 to support demand incentive for e-2Ws, e-3W, e-Trucks, and e-Ambulances. EMPS 2024 which provided demand incentive for e-2W and e-3W from 01.04.2024 to 30.09.2024 has been subsumed under PM E-DRIVE scheme. Similar to FAME-II, the demand incentive is being provided by OEMs to buyers in the form of an upfront reduction in purchase price of EVs which is later claimed by them from MHI.

(b): As per information received from Ministry of Housing and Urban Affairs (MoHUA), Government of India has launched a Centrally Sponsored Scheme titled "PM-eBus Sewa Scheme" on 16th August, 2023, that aims to augment city bus operations in urban areas with Central Assistance (CA) of Rs.20,000 crore for deploying 10,000 electric buses on PPP model. As per the extant guidelines of the scheme, cities with a population between 3-40 lakhs and other State/UT Capitals with less than 3 lakh population as per census 2011 are eligible to participate in the scheme.

As per scheme guidelines, Central Assistance is admissible on Per-km of bus operation for 10 years, depending on the size of bus: Rs.24 for standard buses (12 metre), Rs. 22 for midi buses (9 metre) and Rs.20 for mini buses (7 metre). Further 100% Central assistance is given for development of Behind-the-meter power infrastructure. Central assistance is also given for Civil infrastructure of Depot in the following manner:

- i. 60% for cities of states,
- ii. 90% central assistance to capital cities of Hilly states /North-East States /UTs with legislature; and
- iii. 100% central assistance to capital cities of UTs without legislature.

Under the Scheme, out of 10,000 e-buses, 7,293 e-buses have been sanctioned to 14 States and 4 UTs so far. Details of State /UT wise buses sanctioned are attached as **Annexure-I**.

As on date, Rs.1,062.74 crore has been sanctioned for 85 Civil Depot Projects and 88 Behind-The-Meter-Power Infra projects across 12 States and 3 UTs. Out of this sanctioned amount, a total of Rs. 475.44 crore has been released to 9 States/UTs for development of Associated Infrastructure i.e. Behind-The-Meter-Power and Civil Depot Infrastructure. Details of funds released are attached as **Annexure-II**.

(c) & (d): PM E-DRIVE Scheme mandates compliance to Phased Manufacturing Programme (PMP) requiring progressive localization of EV components which *inter-alia* promotes domestic manufacturing of EV and its components supply chain. Startups and MSMEs including in the State of Tripura may indirectly benefit from the scheme because of PMP mandate of sourcing components locally.

Annexure-I

e-Buses sanctioned under PM-eBus Sewa Scheme (as on 31.07.2025)

Sl.No.	State /UT	No. of buses sanctioned
1.	Chandigarh	100
2.	Gujarat	450
3.	Haryana	450
4.	J&K	200
5.	Maharashtra	1,559
6.	Odisha	400
7.	Punjab	347
8.	Meghalaya	50
9.	Bihar	400
10.	Puducherry	75
11.	Assam	100
12.	Ladakh	15
13.	Madhya Pradesh	582
14.	Rajasthan	675
15.	Chhattisgarh	240
16.	Uttarakhand	150
17.	Andhra Pradesh	750
18.	Karnataka	750
	Total	7,293

Annexure-II

Funds Released to States /UTs under PM-eBus Sewa Scheme

Sr. No.	State /UT	Amount Released (in Rs. crore)
1.	Maharashtra	200.18
2.	Chhattisgarh	30.19
3.	Rajasthan	44.46
4.	Chandigarh	11.87
5.	Assam	6.47
6.	Odisha	47.72
7.	Gujarat	28.94
8.	Bihar	87.55
9.	Punjab	18.06
	Total	475.44
