GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1512
ANSWERED ON 28.07.2026

PM-EBUS SEWA-PSM SCHEME

1512. SHRI BASAVARAJ BOMMAI:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

(a) the details of implementation progress of the PM-eBus Sewa–PSM Scheme, including the State-wise allocation of e-buses under the Gross Cost Contract (GCC) model;

(b) the details of payment security framework established under the Scheme, including the role of Convergence Energy Services Limited (CESL) as the implementing agency;

(c) the details of timelines fixed for deployment and operationalisation of the sanctioned buses and the duration of operational support provided under the Scheme;

(d) whether the Ministry has reviewed the operationalisation of the Direct Debit Mandate mechanism with the Reserve Bank of India for recovery of dues in case of default by PTAs; and

(e) if so, the details thereof?

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

(a): (i) The PSM Scheme was notified on 28.10.2024 with scheme outlay of INR 3,435.33 crores with an aim to cover 38,000 or more e-buses.
(ii) The Scheme Guidelines and SOPs are released subsequently.
(iii) The initial corpus of INR 500 crore has been disbursed to set up the PSM Fund in FY 25-26.
(iv) The State wise details of the allocated e-buses are attached as Annexure.

(b): Under the PM-eBus Sewa – Payment Security Mechanism (PSM) Scheme, a dedicated Payment Security Fund has been established to provide assurance to electric bus operators under the Gross Cost Contract (GCC) model in case of payment default by Public Transport Authorities (PTAs).

The framework includes escrow arrangements and provision for release of funds from the PSM, with subsequent recovery from the concerned PTA, including through the Direct Debit Mandate mechanism, wherever applicable.

Convergence Energy Services Limited (CESL) has been designated as the implementing agency responsible for managing of funds and record keeping thereof, disbursing payments as per approved SOPs through an technology based platform, and coordinating recovery and monitoring mechanisms under the Scheme.

(c): **PM-eBus Sewa Scheme:** The Ministry of Housing and Urban Affairs (MoHUA), Government of India has notified PM-eBus Sewa Scheme on 16.08.2023. As per the Scheme, 100% central Assistance shall be provided for creation of behind-the-meter power infrastructure and 60% towards development/upgradation of bus depot infrastructure to cities up to March 2027. Also, as per the PM-eBus Sewa Scheme Guidelines, Central Assistance (CA) will be available to the participating Cities for a period of 10 years or up to March 2037 towards operations of buses.

After the signing of Concession Agreement between respective city and successful Operator, the delivery of the buses will start within 24 weeks subject to the readiness of depot infra by the city transport authority.

PM E-DRIVE Scheme: The Ministry of Heavy Industries (MHI) has notified PM E-DRIVE Scheme on 29.09.2024 and shall be implemented from 01.10.2024 to 31.03.2028. The Scheme envisages a total outlay of ₹4,391 crore to provide capital expenditure (CAPEX) subsidy for the deployment of 14,028 electric buses across eligible cities.

After the signing of Concession Agreement between respective city and successful Operator, the delivery of the buses will start within 24 weeks subject to the readiness of depot infra by the city transport authority.

The PSM Scheme provides payment security coverage for a period of up to 12 years for each bus deployed under the Scheme.

(d) & (e): Under the PSM Scheme, if the funds are disbursed from the PSM Fund due to the default in the payment by the PTA, then the same to be repaid by the PTA along with the late payment surcharge within 90 days from the disbursement date.

In the event of non-repayment by the PTA within the stipulated timeline, MHI will request RBI to invoke the DDM. However, in case of the participating Union Territories without legislature, the recoupment is done through the Ministry of Home Affairs (MHA).

As of 22.07.2026, out of 27 participating States/UTs, 22 State/UTs have submitted the Direct Debit Mandate (DDM) to the Reserve Bank of India (RBI) and alternate arrangement has been implemented for 4 Union territories without legislature through the Ministry of Home Affairs.

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Annexure

Buses allocated as on 22.07.2026.

Sl No	State/UT	No of buses			
		PM E-DRIVE (MHI)	PM-eBus Sewa (MoHUA)	Other	Total
1	Gujarat	1,800	750	25	2,575
2	Karnataka	4,500	750		5,250
3	Maharashtra	2,500	1,609		4,109
4	Telangana	2,200	151		2,351
5	Delhi	2,800	-	3,330	6,130
6	Andhra Pradesh	-	1,050		1,050
7	Madhya Pradesh	-	972		972
8	Meghalaya	-	55		55
9	Odisha	-	400		400
10	Punjab	-	447		447
11	Puducherry	-	75		75
12	Rajasthan	-	1,150		1,150
13	J&K	-	200		200
14	Assam	-	100		100
15	Uttarakhand	-	137		137
16	Manipur	-	50		50
17	Arunachal Pradesh	-	50		50
18	Goa	-	50		50
19	Haryana	-	450	200	650
20	Bihar	-	400		400
21	Chhattisgarh	-	240		240
22	Kerala	-	293		293
23	Himachal Pradesh	-	50		50
24	Dadra and Nagar Haveli and Daman and Diu	-	50		50
25	Chandigarh	-	428		428
26	Ladakh	-	48		48
27	Andaman & Nicobar Islands	-	45		45
	Total	**13,800**	**10,000**	**3,555**	**27,355**

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