

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
RAJYA SABHA  
UNSTARRED QUESTION NO. 555  
ANSWERED ON 29.11.2024

**STRENGTHENING E-VEHICLE ECOSYSTEM**

555. SHRI LAHAR SINGH SIROYA:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

(a) whether Government is expanding and strengthening the e-vehicle ecosystem by supporting manufacturing and charging infrastructure, thereby encouraging greater adoption of e-buses for public transport network through payment security mechanism; and

(b) if so, the details thereof along with the progress made so far and the amount sanctioned/spent for the same?

**ANSWER**

MINISTER OF HEAVY INDUSTRIES  
(SH. H.D. KUMARASWAMY)

**(a) & (b):** Ministry of Heavy Industries has formulated the following schemes for expansion and strengthening the e-vehicle ecosystem by supporting manufacturing and charging infrastructure for greater adoption of e-buses: -

- i. **PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme:** This scheme notified on 29.09.2024, aims to incentivise sale of e-2W, e-3W, e-Trucks, e-Ambulances, and e-buses. The scheme also supports development of charging infrastructure and upgrading testing agencies over two years, up to FY 2025-26. The total outlay is Rs. 10,900 crore, with Rs. 4,391 crore allocated for procuring 14,028 e-buses for State/City Transport Undertakings (STUs). Additionally, Rs. 2,000 crore has been allocated for installation of EV Public Charging Stations (PCS).
- ii. **PM e-Bus Sewa-Payment Security Mechanism (PSM) Scheme:** This Scheme notified on 28.10.2024, has an outlay of Rs. 3,435.33 crore. The scheme aims to support deployment of more than 38,000 electric buses for duration up to 12 years. The objective of scheme is to provide payment security in case of default by Public Transport Authorities (PTAs) for making timely payment to the selected bidders/operators/OEMs on their monthly payment obligations for operations of electric buses. Additionally, the scheme provide support in capacity building, training needs and adoption of innovative technologies by PTAs for e-bus operation.
- iii. **Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme:** The FAME-I scheme was implemented from April 2015 to March 2019, followed by Phase II (FAME-II), which was available from April 2019 to March 2024. Both these schemes were implemented to promote the faster adoption of electric vehicles (EVs) by offering demand incentives and supporting the development of charging infrastructure. Under FAME-I, 425 electric buses were sanctioned, while FAME-II sanctioned 6,862 electric buses. Additionally, under FAME-II, MHI allocated Rs.800 crore as a capital subsidy to three Oil Marketing Companies (OMCs) under the Ministry of Petroleum and Natural Gas (MoPNG) for setting up 7,432 public EV charging stations.

- iv. **Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry:** The Government on 15<sup>th</sup> September, 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs.25,938 crore for enhancing India's manufacturing capabilities for advanced automotive products. PLI-Auto proposes financial incentives to boost domestic manufacturing of Advanced Automotive Technology (AAT) products and attract investments in the automotive manufacturing value chain. Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of AAT products. The scheme incentivises various categories of electric vehicles including e-2W, e-3W, e-4W, e-trucks and e-buses also.
- v. **Production Linked Incentive (PLI) scheme, 'National Programme on Advanced Chemistry Cells (ACC) Battery Storage':** The Government on 12<sup>th</sup> May, 2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of Rs. 18,100 crore. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country for 30 GWh. Additionally, 5GWh of niche ACC technologies is also covered under the Scheme.

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