

Indian government approves PM E-DRIVE scheme to promote electric mobility

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The PM E-DRIVE scheme also aims to expedite the expansion of India's EV charging infrastructure with an outlay of over \$238 million

Soon after rolling out incentives for global automakers to manufacture electric vehicles in India, the Union Government, led by Prime Minister Narendra Modi and his cabinet, has approved a new scheme titled "PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme" on Sept. 11 for promoting electric mobility in the country, with an outlay of 109 billion rupees (about \$1.3 billion) over a period of two years.



Source: Getty Images

Under the PM E-Drive scheme, the Union Government of India will offer grants worth 36.79 billion rupees to incentivize electric two- and three-wheelers, electric ambulances and electric trucks, among other emerging EV categories. The scheme aims to support sale of about 2.4 million electric two-wheelers, 316,000 electric three-wheelers and 14,028 electric buses.

The Ministry of Heavy Industries (MHI), which has compiled and proposed the scheme, plans to introduce e-vouchers for EV buyers for availing demand incentives under the scheme. As per the defined process, the dealer is entrusted to submit the e-voucher, signed by the buyer, to avail demand incentives under the scheme.

The PM E-DRIVE scheme also allocates a sum of 43.91 billion rupees for the procurement of 14,028 electric buses by state transport units (STUs) and public transport agencies. The demand aggregation will be done by Convergence Energy Services Ltd. (CESL) in the nine cities that have a population of more than 4 million people. These cities include Delhi, Mumbai, Kolkata, Chennai, Ahmedabad, Surat, Bangalore, Pune and Hyderabad. That said, the scheme will also include electric buses for intercity and interstate operations, with incentives to be provided in consultation with states.

“While allocating buses to cities and states, first preference shall be given to those number of buses of cities and states, which are being procured after scrapping old STU buses, through authorized scrapping centers following the vehicle scrapping scheme guidelines issued by the Ministry of Road Transport and Highways (MoRTH),” the official press note released by the PM India website.

Moreover, the PM E-DRIVE scheme will also allocate 5 billion rupees for the deployment of electric ambulances — a category introduced for the first time in over 10 years of government-backed incentives for EVs in India. To this end, the government plans to formulate the performance and safety standards for electric ambulances in consultation with the Ministry of Health and Family Welfare (MoHFW), MoRTH, and other relevant stakeholders.

In addition, the government has allocated 5 billion rupees for the deployment of electric trucks in the subcontinent under the PM E-DRIVE scheme. The government plans to provide incentives to those who have a scrapping certificate from MoRTH-approved vehicles scrapping centers (RVSF).

The PM E-DRIVE scheme also aims to expedite the expansion of India's EV charging infrastructure with an outlay of 20 billion rupees. With these grants, it aims to fund the installation of 22,100 fast chargers for electric four-wheelers, 1,800 fast chargers for electric buses and 48,400 fast chargers for electric two- and three-wheelers.

The PM E-DRIVE scheme also includes an outlay of 7.8 billion rupees under the aegis of MHI for

upgrading vehicle testing agencies. The move is aligned to upgrade the testing agencies, which provide homologation and other services to ensure due standards are met, in order to meet the growing EV ecosystem in the subcontinent.

According to a news report published by *Hindustan Times* on Sept. 13, the PM E-DRIVE scheme does not allocate any dedicated grants or incentives for the electric car segment as they already benefit from a lower 5% goods and services tax (GST) rate.

Earlier, the Indian government had implemented the Faster Adoption and Manufacturing of Hybrid and Electric Vehicle (FAME) scheme in two phases. As part of these schemes, about 1.6 million EVs were supported in the decade.

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