

# The Private Sector Holds the Key to India's E-Bus Push

## INTRODUCTION

The private sectors role in encouraging a country's growth and economic development cannot be overstated. Private enterprises are the chief agents in creating employment ,providing funds , building competitiveness and driving innovation for growth .

## Analysis

In a major push toward achieving India's climate targets, the Union Cabinet recently approved the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme, which allocates funding for electric vehicles (EVs) across many segments. This includes ₹4,391 crore for subsidies incentives that support procurement of 14,028 electric buses in nine cities. This is an important move that strengthens the public transport sector's shifted to EVs. But private bus operators are left out of the subsidy framework, which raises concerns about the potential to scale electric mobility beyond State to run buses.

Electric bus deployment in India has thus far been driven by the public sector, which was supported with financial subsidies under the national Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India (FAME India) scheme. Under FAME I, from 2015-19, 425 buses received approval for purchase subsidies, which raised to 7,120 buses under FAME II, which ran from 2019-24. The incentives were available to State and city transport , municipal corporations, and other public entities. But public transport buses make up only 7 % of the 24 lakh registered buses in India.

## Key Initiatives

The major initiative by the government of India to encourage private sector participation such as :

- **PM-E Bus Sewa-Payment Security scheme**

This scheme will support the deployment of more than 38,000 e-buses from 2024-25 to 2028-29. The scheme will also address the concern of potential payment defaults by ensuring timely payments to operators.

- **Leasing models**

It can help address the cost concerns of private bus operators. Leasing models often come with comprehensive maintenance contracts, including battery replacements and insurance coverage.

- **Financial incentives**

It provides lower interest rates for loans and long term loan tenure can help address the cost concerns of private bus operators.

- **National Electric Bus Program (NEBP)**

The NEBP program was launched in 2022 . The goal of this program is to introduce 50,000 electric buses across the country by 2030.

- **Zero Emission Vehicle (ZEV) mandates**

The national-level regulations such as ZEV mandates can help increase the supply of affordable electric buses.

## Conclusion

Despite the governments programmes and initiatives , it lagging behind the the research that helps identify, categorize, and evaluate the factors influencing the adoption and widespread use of electric buses in the Indian public transport sectors. This study analyses and identifies interactions of factors thorough review .