

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 3278
ANSWERED ON 20.03.2026

PROGRESS OF PM-eBUS SEWA-PSM SCHEME

**3278. SHRI UJJWAL DEORAO NIKAM:
DR. SUMER SINGH SOLANKI:
SHRI TEJVEER SINGH:
SHRI ASHOKRAO SHANKARRAO CHAVAN:
SHRI DEEPAK PRAKASH:
SHRI SADANAND MHALU SHET TANAVADE:**

Will the Minister of **Heavy Industries** be pleased to state:

- (a) the 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 payment security framework established under the scheme, including the role of Convergence Energy Services Limited (CESL) as the implementing agency;
- (c) the 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 Public Transport Authorities (PTAs); and
- (e) if so, the details thereof?

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

(a): PM e-Bus Sewa-PSM Scheme was notified on 28.10.2024. The details of implementation progress is as below:-

- i. Scheme guidelines and Standard Operating Procedure (SOPs) have been published.
- ii. 19 States/UTs have submitted the Direct Debit Mandate (DDM) to Reserve Bank of India as on 12.03.2026.
- iii. As on 28.02.2026, Tender for 6,228 number of buses were concluded under PM-eBus Sewa Scheme of MoHUA. Letter of Award for 4720 buses have been issued by Public Transport Authorities (PTA).
- iv. Tender for 10,900 buses under PM E-DRIVE scheme are concluded and tender for 2,900 buses is under progress.
- v. Rs. 500 crore has been disbursed to CESL in the first tranche to set up the PSM Fund in FY 2025-26.

The State wise details of the allocated e-buses are provided in **Annexure-I**.

(b): Convergence Energy Services Ltd. (CESL) acts as the Central Implementing Agency for Scheme, managing the dedicated Payment Security Fund to ensure timely payments to electric bus operators. CESL reviews & verifies payment claims in accordance with the Concession Agreements (CA) and scheme guidelines. CESL is also responsible for developing the SOPs for fund disbursement and for aggregating e-bus operations at the national level under the Gross Cost Contract (GCC) model.

Convergence Energy Services Ltd. (CESL) reviews and verifies payment claims in accordance with the Concession Agreements and scheme guidelines. In case of payment default by Public Transport Authorities (PTAs), CESL may disburse the approved amount from the Payment Security Fund to the operator's escrow account and subsequently undertake recoupment from the concerned State/authority within the prescribed timeline, along with the applicable surcharge. If the PTA fails to repay the disbursed amount with (Late Payment Surcharge) LPS within 90 days, MHI will request RBI to invoke the Direct Debit Mandate (DDM). RBI shall debit the State Government/UT account and credit the Scheme Fund, including the applicable LPS.

(c): PSM Scheme provides payment security coverage for a period of up to 12 years for each bus deployed under the Scheme. Usually, timeline for deployment of buses is considered to be two (2) years from signing of Concession Agreements (CA) between PTA and OEM.

(d) & (e): As of 12.03.2026, 19 State/UTs have submitted the Direct Debit Mandate (DDM) to the Reserve Bank of India (RBI) who have either participated under PM E-DRIVE Scheme of MHI or PM-eBus Sewa Scheme of Ministry of Housing and Urban Affairs (MoHUA). Since buses are under deployment stage, hence no payment default is reported by PTA as on date and no claim is processed under PSM Scheme.

Annexure I – State wise details of the allocated e-buses

SI No	State/UT	No of buses		
		PM E-DRIVE (MHI)	PM-eBus Sewa (MoHUA)	Total
1	Gujarat	1,800	750	2,550
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	-	2,800
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	450
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	23,800