Ministry of Heavy Industries

Union Minister Shri H. D. Kumaraswamy Convened a High-Level Meeting on Financing Mechanisms for Electric Buses and Electric Trucks

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The Ministry of Heavy Industries (MHI), Government of India, held a high-level meeting under the chairmanship of Shri H. D. Kumaraswamy, Union Minister for Heavy Industries & Steel, on 20th May 2026 in New Delhi with senior representatives of public and private sector banks including SBI, Punjab National Bank, Canara Bank, Central Bank of India and HDFC, SIDBI, bus and truck operators, including associations such as the All India Motor Transport Congress (AIMTC), Kodadaramu Lorry Association, Bus Operators Confederation of India (BOCI), Karnataka Bus Operators Association (KBOA) and South India Motor Transport Association, along with major private transport operators and travel companies, to deliberate on the financing mechanisms required to accelerate the adoption of electric buses and electric trucks in the private sector.

The objectives of the meeting were to understand the financing challenges for e-bus and e-truck adoption, the current status of financing for e-buses and e-trucks, potential solutions to address the financing challenges and the Government support required.

The meeting was a step in line with Prime Minister Shri Narendra Modi’s call to save fuel and adopt Electric Vehicles amid global uncertainties and the evolving situation in West Asia, reflecting India’s strong commitment towards energy security, reduced dependence on fossil fuels, lower oil import bills and a sustainable future for all.

During the meeting, key financing challenges relating to the adoption of electric buses and electric trucks in the private sector were deliberated upon, including proposed support mechanisms such as Credit Guarantee and Interest Subvention. Credit Guarantee schemes aimed at de-risking lending by financial institutions and Interest Subvention mechanisms intended to reduce borrowing costs for private sector buyers, were discussed as potential measures to support accelerated adoption of electric commercial vehicles.

Public transport, particularly buses, forms the backbone of mobility across India, while trucks play a critical role in freight movement by carrying a substantial share of domestic goods. At the same time, the commercial vehicle segment contributes significantly to road transport emissions, fuel consumption and particulate matter pollution. In this context, the electrification of buses and trucks is essential for achieving India’s decarbonisation targets and advancing the nation’s Net Zero by 2070 goal.

This initiative reflects the Ministry of Heavy Industries' proactive approach towards enabling the transition to electric mobility in the commercial vehicle segment. By bringing together government departments, multilateral institutions, financial entities and industry stakeholders on a common platform, MHI aims to develop actionable financing solutions that address key barriers to EV adoption, thereby supporting India's broader goals of energy security, emission reduction and indigenous advanced manufacturing under the vision of Aatmanirbhar Bharat and Viksit Bharat @2047.

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