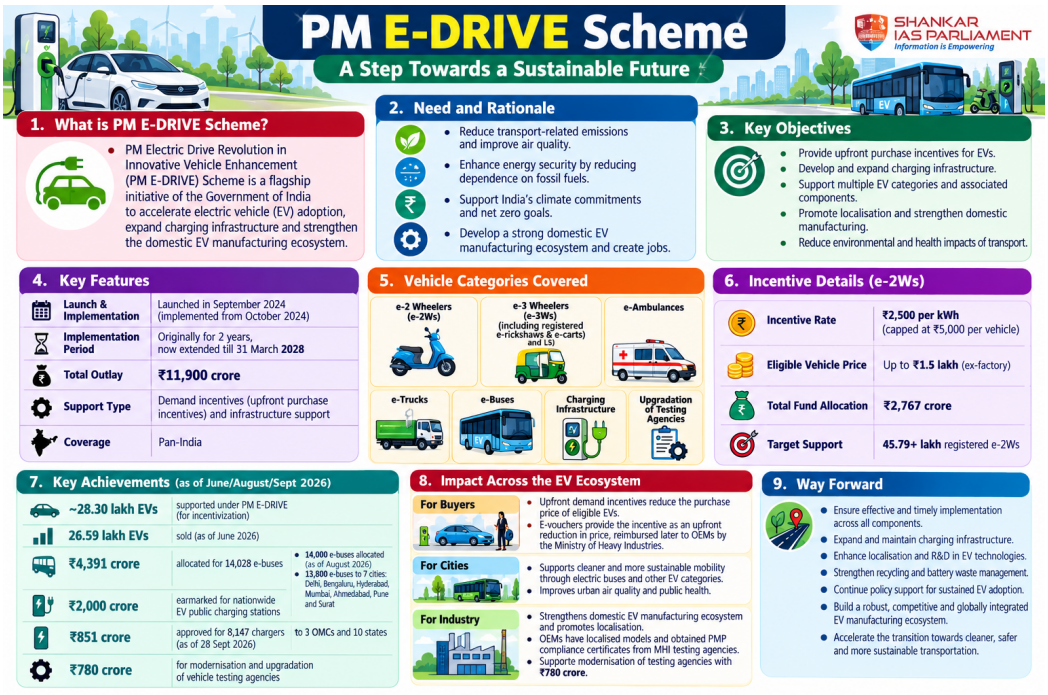
PM E-DRIVE Scheme

A Step Towards a Sustainable Future

Syllabus: *PIB Analysis*

- *Electric mobility is gathering pace, driven by targeted policies, financial incentives and supportive measures.*
- *At the centre of this shift is the **PM E-DRIVE** Scheme, launched in September 2024.*
- *It aims to accelerate EV adoption, expand charging infrastructure and strengthen the domestic EV manufacturing ecosystem.*
- *With an outlay of ₹11,900 crore and implementation extended until March 2028, the scheme supports multiple EV categories and infrastructure.*
- *It supports incentives for ~28.30 lakh EVs and has enabled 26.59 lakh sales as of June 2026.*
- *The scheme also supports e-buses, charging stations and testing facilities, advancing cleaner, sustainable mobility across India.*



India's Shift Towards Electric Mobility

The country is rapidly transitioning towards electric mobility, with electric vehicle (EV) adoption gaining significant momentum.

This is being reinforced through targeted policies, financial incentives and mission-driven

initiatives.

At the centre of these efforts is the **PM Electric Drive Revolution in Innovative Vehicle Enhancement Scheme (PM E-DRIVE Scheme)**.

Implemented from October 2024, it supports faster EV adoption through **upfront purchase incentives** and the **development of charging infrastructure**.

By promoting sustainability, the scheme also seeks to **reduce transport-related environmental impacts** and improve air quality.

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Breaking Down PM E-DRIVE Scheme

The PM E-DRIVE Scheme is implemented on a pan-India basis. Originally notified for a two-year period, the Scheme has been extended to **31 March 2028**.

- The Scheme has a total outlay of ₹11,900 crore.
- It provides **demand incentives** and **infrastructure support** across various vehicle categories and associated components.
    - The categories covered include **e-2 Wheelers** (e-2Ws), **e-3 Wheelers** (e-3Ws) including registered e-rickshaws & e-carts and L5, **e-Ambulances**, **e-Trucks**, **e-Buses**, **charging infra**, and **upgradation of testing agencies**.
    - Registered e-2Ws receive an **incentive of ₹2,500/kWh** (capped at ₹5,000 per vehicle). This applies to vehicles priced up to ₹1.5 lakh ex-factory, with a **total fund allocation of ₹2,767 crore**. The scheme aims to support 45.79+ lakh registered e-2Ws.
    - Target sales for the sub-component registered e-3W (L5) have been achieved, and the segment was closed on 26 December 2025.
    - Support for e-3Ws (e-rickshaws and e-carts) continues until March 2028.

Digital incentive delivery via PM E-DRIVE

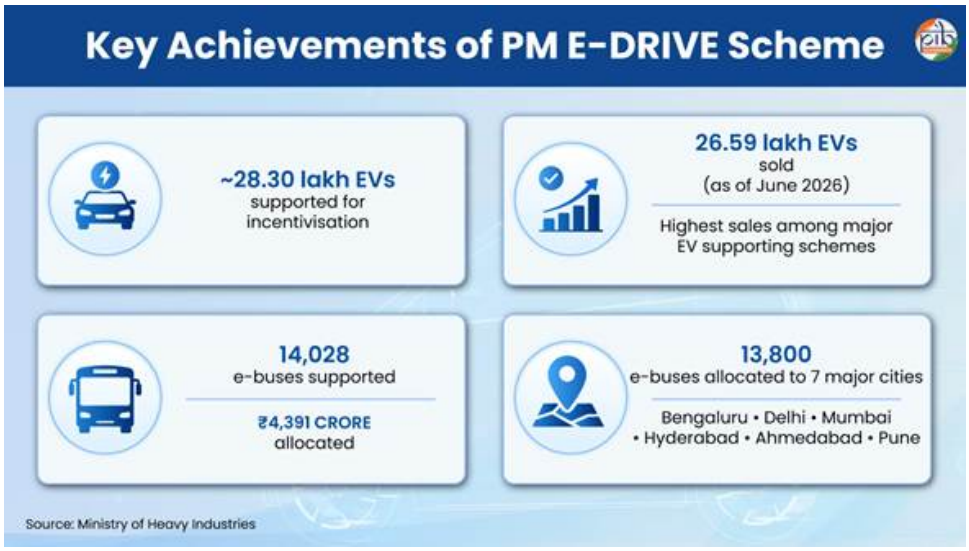
e-Vouchers are available under the Scheme to streamline the EV purchase process and facilitate demand incentives for customers. The Scheme portal generates an Aadhaar Face-authenticated e-KYC e-Voucher at the time of purchase. A download link is sent to the customer's registered mobile number.

The buyer signs the e-Voucher and submits it to the dealer to avail the demand incentive under the scheme. The dealer then signs and uploads the e-Voucher on the PM E-DRIVE portal.

Key Achievements of PM E-DRIVE Scheme

- PM E-DRIVE supports incentivization of approximately ~28.30 lakh EVs.
- **26.59 lakh EVs have been sold** (as of June 2026).
- ₹4,391 crore has been allocated for the deployment of 14,028 e-buses under PM E-DRIVE. Of these, 14,000 e-buses have been allocated (as of August 2026).
    - **13,800 e-buses** have been allocated to seven cities — **Delhi, Bengaluru, Hyderabad, Mumbai, Ahmedabad, Pune and Surat**.
- Grant support is also available for **EV public charging stations (EV PCS) and upgradation of testing agencies**.
    - ₹2,000 crore has been earmarked for nationwide EV PCS across India.

- ₹851 crore has been approved for deployment of 8147 chargers to 3 oil marketing companies and 10 states (as of 28 September 2026).
- ₹780 crore has been allocated for modernization and upgradation of vehicle testing agencies.



Impact Across the EV Ecosystem

Government support under PM E-DRIVE is supporting wider EV adoption, cleaner mobility and the development of India's EV manufacturing ecosystem.

For Buyers

- Upfront demand incentives **reduce the purchase price of eligible EVs**, helping lower the initial cost of electric mobility.
- E-vouchers enable eligible buyers to receive the demand incentive as an **upfront reduction in the purchase price**, with the amount subsequently reimbursed to the Original Equipment Manufacturer (OEM) by the Ministry of Heavy Industries.

For Cities

- The Scheme supports the transition towards **cleaner and more sustainable mobility** through electric buses and other EV categories.

For Industry

- PM E-DRIVE supports the development of India's **domestic EV manufacturing ecosystem** and promotes localisation of EV models.
- OEMs registered under the scheme have localised their EV models and obtained **certificates of compliance with the Phased Manufacturing Programme (PMP)** from MHI testing agencies.
- The scheme provides **₹780 crore for modernisation and upgradation of vehicle testing agencies**, equipping them with new and emerging technologies.

Towards a Cleaner Mobility Future

- PM E-DRIVE is helping address environmental and energy security challenges while accelerating sustainable mobility.
- By supporting EV adoption and charging infrastructure, the scheme **strengthens India's transition towards cleaner and more sustainable transportation**.

Reference

PIB