

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 3430
ANSWERED ON 23/03/2026

PM-eBUS SEWA-PAYMENT SECURITY MECHANISM (PSM) SCHEME

3430. SHRI ASHOKRAO SHANKARRAO CHAVAN:
SHRI MASTHAN RAO YADAV BEEDHA:
SHRI SADANAND MHALU SHET TANAVADE:

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

- (a) the implementation 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 Government has reviewed the operationalisation of the Direct Debit Mandate mechanism with the Reserve Bank of India (RBI) for recovery of dues in case of default by PTAs; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI TOKHAN SAHU)

(a), (b), (d) & (e): Ministry of Heavy Industries which is the nodal Ministry for PM-eBus Sewa-PSM Scheme, have informed that the PM e-Bus Sewa-PSM Scheme was notified on 28.10.2024. The Scheme Guidelines and Standard Operating Procedure (SOPs) for Payment Security Mechanism have been published.

M/s Convergence Energy Services Ltd. (CESL) acts as the Central Implementing Agency under PM-eBus Sewa-PSM Scheme and manages the dedicated Payment Security Fund to ensure timely payments to electric bus operators. They have been disbursed a sum of Rs.500 crore in the First Tranche to set up the PSM Fund in Financial Year 2025-26. They review & verify payment claims in accordance with the Concession Agreements (CA) and the scheme guidelines. They are also responsible for developing the SOPs for fund disbursement under Payment Security Mechanism and for aggregating e-bus operations at the national level under the Gross Cost Contract (GCC) model. In case of payment default by Public Transport Authorities (PTAs) covered under the scheme, M/s CESL shall disburse the approved amount from the Payment Security Fund to the escrow account of bus operator and subsequently undertake recoupment from the concerned State/PTA within the prescribed timeline, along with the applicable surcharge. If the PTA fails to repay the disbursed amount with LPS (Late Payment Surcharge) within 90 days, Ministry of Heavy Industries will request Reserve Bank of India (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.

As on 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 Ministry of Heavy Industries (MHI) or PM-eBus Sewa Scheme of Ministry of Housing and Urban Affairs (MoHUA). Since buses are under deployment stage, hence no payment default has been reported by PTAs as on date and no claim processed under PM-eBus Sewa-PSM Scheme.

As on 28.02.2026, Tender for 6,228 number of buses have been concluded under PM-eBus Sewa Scheme and Letter of Award for 4,720 buses issued by Public Transport Authorities (PTA). The State-wise details of the allocated e-buses are provided in Annexure-I.

(c): Under PM-eBus Sewa Scheme, MoHUA envisages 31st March 2027 as the estimated timeline for full deployment of electric buses by the participating cities, which is subjected to completion of work for creation of associated depot infrastructure.

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 |

Tender for 6,228 number of buses were concluded under PM-eBus Sewa Scheme of Ministry of Housing & Urban Affairs. Tender for remaining 3,772 buses is due for publication shortly.