

# INDIAN COMMERCIAL VEHICLE INDUSTRY

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PM e-Drive scheme for trucks to  
accelerate electrification

JULY 2025





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*Rollout of PM E-Drive Scheme for e-trucks is aimed at propelling faster adoption of electrification in the N2 and N3 category trucks. Apart from providing demand incentives, the scheme would also aim to develop an ecosystem for promoting the manufacturing of EV components and expanding charging infrastructure in the coming years.*



**On July 10, 2025, the Ministry of Heavy Industries (MHI) notified the roll-out of PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-Drive) for electric trucks (e-trucks)** with a view to promoting electric mobility in the truck segment. The total outlay for this scheme is Rs. 500 crore towards procurement assistance for over 5,600 e-trucks in FY2026. With this, the truck electrification plan is expected to improve, from present minuscule levels to around 2% by the end of FY2026. Along with demand incentives aimed at lowering the initial cost of purchase of an e-truck by 8-10%, the PM E-Drive Scheme has also allocated healthy investment outlays for electrifying cargo mobility and creation of charging and testing infrastructure.



**The PM E-Drive Scheme for the e-trucks segment is aimed at providing demand incentives, which should reduce the procurement cost for the buyers and thus support faster adoption of electrification in this segment.** While robust pace of expansion of charging infrastructure is aimed at addressing range anxiety, technological advancement in the recent years has provided solutions towards heavy-duty requirements for e-trucks. The e-truck segment has remained one of the slowest adopters of EV technology in India, with high pricing being one of the roadblocks in electrification of the segment.



**The scheme for e-trucks is applicable for trucks in the N2 category with gross vehicle weight (GVW) between 3.5 tonne and 12.0 tonne, and trucks in N3 category having GVW between 12.0 tonne and 55.0 tonne.** The quantum of incentive per vehicle varies depending on the GVW. Moreover, the vehicles also need to qualify on other parameters such as **minimum range, maximum electric energy consumption, minimum max speed, minimum acceleration and minimum gradeability**, to qualify for the incentives available under the Scheme.



While the Scheme faces operational **challenges** such as **limited extent of localisation at present (which may increase the cost of spare parts)**, **heavy dependence on imports of rare earth metals**, **charging infrastructure related shortcomings**, etc., it is expected to provide several **benefits** such as **cleaner and more efficient means for transporting goods** in the longer run. Moreover, the total cost of ownership (TCO) for e-trucks (post the PM E-Drive Scheme incentives) remains a considerable 15-20% lower than their diesel counterparts, thus offering monetary benefits for the end users.



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