

Incentives for private bus operators to take EV route in the works

NITIN KUMAR

New Delhi, 9 August

In a move to accelerate the adoption of green initiatives in public mobility, the Centre is planning to introduce an incentive scheme especially tailored for the purchase of electric buses (e-buses) by private operators, a senior NITI Aayog official said.

Currently, buses belonging to only state transport undertakings (STUs) are supported under the Faster Adoption and Manufacturing of (Hybrid & Electric Vehicles (FAME-II) scheme. As private buses account for around 90 per cent of around two million buses plying on Indian roads, their electrification in a bid to reduce greenhouse emissions becomes crucial.

Sudhendu J Sinha, adviser (infrastructure connectivity-transport and

electric mobility), NITI Aayog, revealed that the policy to incentivise private e-bus purchases is in development. “We have sought detailed demand requirements from bus manufacturers, operators, and their respective associations. The final decision will be made after considering their recommendations and demands,” Sinha told *Business Standard* on the sidelines of an industry event on Thursday.

The policy will be part of an initiative to achieve the ambitious target of 40 per cent e-bus penetration by 2030 and reach carbon neutrality by 2070.

The Ministry of Heavy Industries and the Ministry of Road Transport and Highways, both responsible for overseeing the transport and EV sectors, are jointly working on this policy.



The airline, which has the best credit rating, should be able to get the cheapest funds. Rating agency Crisil in June reaffirmed Air India's ₹37,500-crore bank loan facilities AAA/Stable, factoring in the carrier's strategic and economic importance to its parent, Tata Sons, which is also AAA-rated. "These strengths are partially offset by a modest financial risk profile and susceptibility to risks inherent in the aviation business," the rating agency said.

In 2022-23, Air India's revenue doubled to around ₹41,260 crore because of a swift recovery in passenger traffic volume in the post-Covid era, and also due to the recovery of the grounded fleet, aiding in more passenger traffic.

However, Air India continues to make operating losses, largely because of a steep increase in aviation turbine fuel (ATF) prices, coupled with the depreciating rupee, Crisil said, adding the order for 470 aircraft is expected to be delivered over 8-10 years. Any moderation in ATF prices, along with fleet addition and an expected rise in passenger traffic volume, should drive improvement in the operating performance of the company in 2023-24, the rating agency said. In June, the airline's Chief Financial Officer Vinod Hejmadi said Air India had made a pre-delivery payment (PDP) to Boeing for a section of the 220 planes that it ordered from the American aircraft manufacturer. "The funds were arranged from multiple banks at a very competitive rate and converted into USD at the best rates," Hejmadi said in a message to employees.

EV...

Whether this scheme would be part of the new incentive scheme for EVs, being considered by the Ministry of Heavy Industries on the line of FAME-II, commonly called FAME-III, or an independent initiative was unclear.

The FAME-II scheme allows a subsidy of ₹20,000 per kWh for e-buses with a cap of 40 per cent of the vehicle's cost and a maximum ex-factory price limit of ₹2 crore. According to its guidelines, the approximate size of the battery in an e-bus is 250 kWh. This subsidy, according to the government, helps manufacturers reduce the cost of e-buses by around ₹50 lakh each. An e-bus, sans subsidy, costs more than ₹1.2 crore, about five times the cost of a diesel bus.

Why the need

The high cost of such buses deter customers from buying them. But, according to the official, the forthcoming incentive scheme could be a game-

changer in India's quest for greener and cleaner public transportation.

Despite FAME-II incentives, the high cost of e-buses, lack of finance, and poor health of STUs have deterred original equipment manufacturers (OEMs) from participating in the government's past tenders. State-run Convergence Energy Services is already considering cancelling a dry lease tender for 4,675 e-buses, announced on January 4, because of a tepid response from OEMs. To allay fears of OEMs participating in state tenders, the government has announced a ₹4,126 crore "payment security fund" to support 38,000 STU e-buses.

More on business-standard.com

BS SUDOKU
#4048

					2			
			8	4	6			9
2	6				9			1
				1	7	5		
9		3						
6				2		4		
8		7				3		6
	2			3				
		4						

SOLUTION TO #4047

4	9	1	2	6	3	8	7	5
6	8	7	5	9	4	3	1	2
5	3	2	1	7	8	4	9	6
9	1	8	7	2	5	6	3	4
3	2	5	9	4	6	1	8	7
7	6	4	3	8	1	5	2	9
8	5	9	6	1	2	7	4	3
2	4	6	8	3	7	9	5	1
1	7	3	4	5	9	2	6	8

Easy:

★★

Solution tomorrow

HOW TO PLAY

Fill in the grid so that every row, every column and every 3x3 box contains the digits 1 to 9