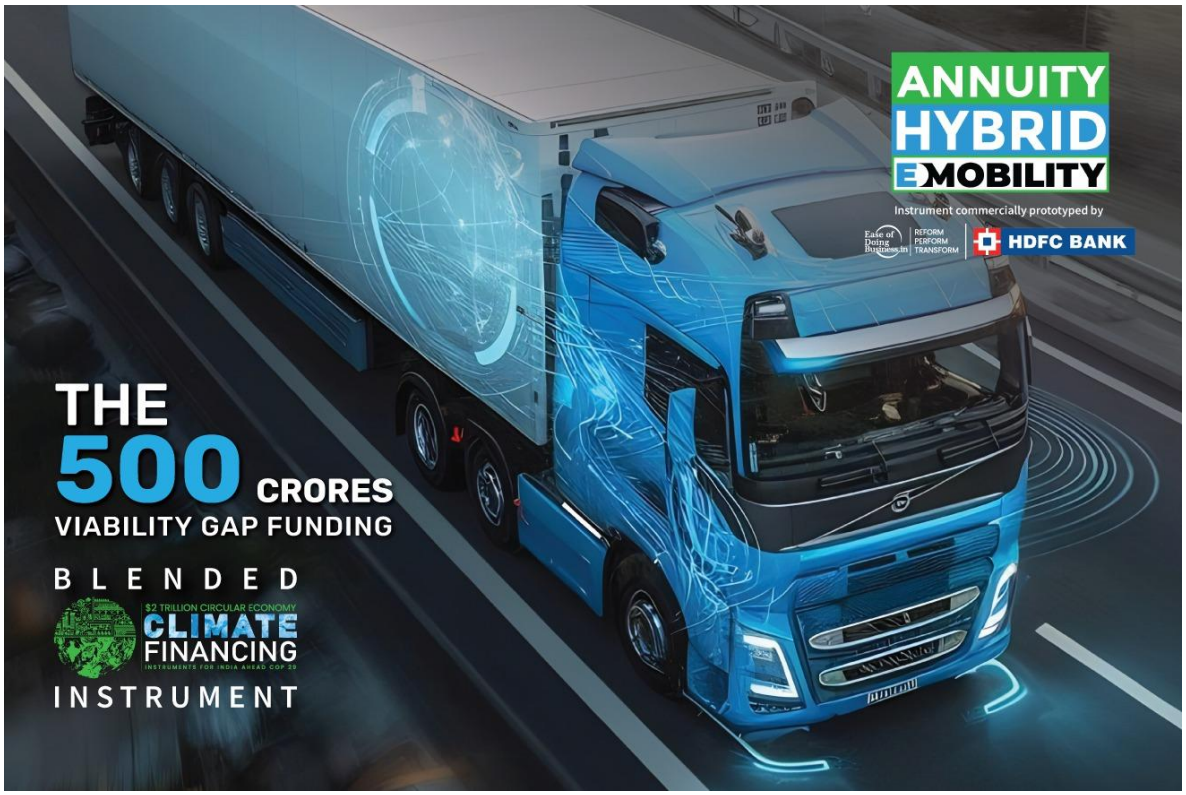
Fastest ₹ 500 Crores on PM E-DRIVE in E-Truck deployment from private capital



1st August 2025, New Delhi: ***India's electric truck deployment impetus received a mega boost under the PM E-DRIVE scheme, with a ₹500 crores public investment in the form of incentives within just 3 weeks of its launch, this was matched by an additional ₹500 crores from private capital through a blended finance instrument enabled by EoDB Services.***

India's journey toward clean mobility is now firmly anchored in result-DRIVEn trajectory and bold investments. What was once a challenge to boost all key sectoral initiatives with matching grants from government has now become inverted reality in a decade securing a matching capital from private sector, a story that unfolds with urgency, clarity, and growth.

A Unified Move: Public and Private Capital Join Forces

The start came in September 2024, when the Cabinet approved a ₹500 crore allocation to incentivise electric trucks in the PM E-DRIVE scheme. This signalled a strong government commitment and ***intent*** to scaling up electric truck adoption, and the measure was further solidified to ***content*** in February 2025 when the Union Budget came with explicit support for electric trucks. Ministry of Heavy Industries (MHI) has now rolled out final guidelines with qualification criteria and coverage to process the subsidy support in July 2025 to a larger ***extent***, it required to decarbonise logistics and surface transport.

What immediately set this initiative apart, was the unprecedented speed and scale of private sector response. Within a week, from the private sector banks, Ease of Doing Business (EoDB), under its e-mobility pilot - **NHEV** facilitated a matching ₹500 Crore Viability Gap Fund (VGF) and credit outlay exclusively to cover overall deployment of electric trucks and ZET — it marked a rare and powerful demonstration of investor confidence on PPP alignment, signaling the emergence of a democratized policy-making approach that enables robust Public-Private Partnerships (PPPs) with a ready-to-use blended climate financing instrument extending critical ease of financing to clean mobility.

Why is 'Private Capital' indispensable for deployment of electric trucks in India?

The recent ₹ 9–10 lakh incentive announced under the PM E-DRIVE scheme is further reducing the total cost of ownership, but electric truck fleet operators still need initial capital to accelerate their procurement and deployment. The saga of building right **content** on this national **intent** started last year when Ease of Doing Business (EoDB) services under its pilot program National Highways for EV (NHEV) flagged off its 3rd on-ground technical trial focused on commercialization of electric trucks from Tamil Nadu between Chennai and Trichy on 9th September 2024.

Aimed at processing recommendations emphasising mobilisation of private capital for financing India's Zero Emission Trucking transition from RMI Foundation and CoEZET–IIT Madras jointly released guide; aided NHEV to build a tangible, real-world content with evidence-based insights vital to validate this blended financing instrument. Concurrently, on 11th September 2024, the Cabinet also approved a total outlay of **₹ 10,900 crore**, to incentivise electric mobility with a hint that the recommendations from the office of Principal Scientific Advisor (PSA) to Govt of India are under consideration and in due course, e-trucks would get steadfast allocations this year in the PM E-DRIVE scheme. Testing of this instrument was announced on 8th Sept 2024 at the beginning of the NHEV Tech-trial III. The 3rd trial, carried out on a 332 km route for 45 days between Chennai and Trichy with electric trucks from Ashok Leyland, provided the real-time, evidence-based confidence and data-DRIVEn insights crucial for such financing and policy decisions. This technical trial turned key safety, technical, commercial, operational, and financial prescriptions collected from NHEV partners and participants into tangible actions needed for financing overall ecosystem deployment, usually remain devoid of the ground validation to convert such recommendations into real investment avenues for private capital stakeholders.

A piece of a larger picture of the trillion-dollar climate economy

Earlier, under its 'Tech for Circular Economy' programme for the Government of India, Ease of Doing Business organised the Climate Financing program in January 2024, to play a critical role in establishing annual milestones for climate fund disbursement and green project financing. These efforts are strategically aligned with India's long-term climate goals, aspiring to create opportunities to mobilise $2 trillion in climate financing by 2030, forming the financial backbone of India's $10 trillion Green Economy ambition by 2070. This recently announced second ₹ 500 crore blended climate financing instrument marks another milestone in this series of financial instruments designed to unlock India's opportunity of the $2 trillion. Speaking at the opening of this Climate Financing program in 2024, Mr. Amitabh Kant emphasised

File Photo: Sri Amitabh Kant, Chief Guest Keynotes on Blended Climate Financing on 10th Year of Ease of Doing Business at New Delhi in Jan 2024

- **Emphasis on Blended Finance:** Mr. Kant highlighted the critical role of blended finance—combining public and private funds—to attract substantial capital for climate projects in India. He stressed that the magnitude of climate finance needed for India's clean energy transition cannot be met by public funds alone, and an investment environment with bankable projects, regulatory stability, and innovation is essential to mobilise both domestic and international private investment.

- **Greater Role of Multilateral and Institutional Support**: He underscored the necessity for institutions like multilateral development banks (MDBs), international financial institutions (IFIs), and philanthropies to back high-risk climate ventures. Mr. Kant advocated for a paradigm shift among global institutions (like the World Bank) to become "climate banks," supporting green transitions and ensuring the Global South can meet its climate and development goals.

- **Focus on Green Hydrogen and Emerging Technologies:** Kant underlined the transformative potential of green hydrogen, energy storage solutions, and climate-tech startups. He called attention to the need for regulatory support and climate financing strategies that foster innovation and scale up disruptive technologies essential for India's net-zero roadmap and green industrialisation.

PM E-DRIVE Policy: MODINOMICS 3.O on Right Trajectory

Electric trucks have historically been major carbon emitters in surface transport. PM E-DRIVE has now brought electric trucks under its incentive coverage. The scale and speed of private capital deployment in NHEV confirm that the policy trajectory is headed in the right direction. The overwhelming response from various Zero Emission Trucking (ZET) stakeholders is encouraging. Recent Public-Private Partnership (PPP) deployments—such as the $ 57 million USD viability gap funding (VGF) in 'NHEV' and the $20 million USD equity investment from IFC in 'Transvolt Mobility'—are expected to further accelerate nationwide adoption of electric Heavy Duty Vehicles (HDVs) and the transition of surface transport to clean, cutting-edge, zero-emission solutions. ~ Sri Sudhendu Jyoti Sinha, Advisor - NITI Aayog, Govt Of India

Electric Trucks Price will fall from ₹ 1.25 Crore to ₹ 90 Lacs

"This Climate Financing Instrument of ₹ 500 Crores will significantly reduce the price of electric trucks in India, as it is based on a specific technical trial conducted on 55-ton electric trucks, which is expected to come down to a price of ₹ 99 lacs in a few weeks from now. And post PM E-DRIVE incentive, it will further come down to 90 lakhs from the current ₹ 1.25 crore price tag." - **Abhijeet Sinha,** Program Director, Ease of Doing Business, currently heading NHEV pilot said while releasing the instrument on August 1, 2025, in New Delhi.

"Government incentives provide critical momentum, but without substantial private investment stimulated by clear standards and regulations with real market signals, and tangible commercial trials, they risk being only a temporary boost rather than a foundation for transformation. We drove NHEV trials simultaneously to make private capital available to avail incentives, but rollout within a short span of time reflects strong investor confidence in PM E-DRIVE & early market tractions towards bringing more banks & funding agencies"

This swift mobilisation of capital highlights the government's concerted efforts to promote Public-Private Partnerships (PPPs) by extending the Ease of Doing Business (EoDB) framework to emerging markets. The potential of such democratised and evidence-based policymaking, when combined with on-ground technology trials, will accelerate stronger investment flow and advancements towards early achievement of India's surface transport decarbonization goals. With electric trucks expected to reduce CO_2 emissions by over 1 million tonnes annually and the commercial EV market projected to grow at a CAGR of 45% by 2030, India's proactive strategy is already showing tangible results. The convergence of ₹1,000 crores ($ 120 Million USD) now in initial funding within just two weeks underlines investor confidence and the effectiveness of a collaborative governance model in fast-tracking clean mobility transitions.

Response From Electric Truck Fleet Operators

Firstly, The International Finance Corporation (IFC), a member of the World Bank Group, announced an equity investment of $20 million in Transvolt Mobility within a week after the announcement of PM E-DRIVE on 11th July. This strategic equity investment of IFC comes in the wake of the PM E-DRIVE incentive scheme, followed by the second such big announcement of $ 57 million USD (₹500 crore INR) blended climate finance opened by Ease of Doing Business (EoDB) on 1st August 2025 to accelerate deployment and clean mobility ventures with Viability Gap Funding (VGF). Commenting on the instrument, Mr. ***Siddesh Rai***, Vice President, Transvolt Mobility, also a Working Group Member (WGM) of NHEV Climate Finance policy making, said

"Government incentive and the recently announced policy frameworks are encouraging steps for EV adoption; however, faster and sustainable adoption of EV as part of the mainstream business requires strong participation from private sector; we are fully geared up to take up the challenge and partner with Government of India PPP pilot initiative NHEV and private sector stakeholders to make EV a success especially in the electric truck segment."

Response from Charge Point Operators (CPOs)

Relux Electric facilitated the mid-point charging points for the 3rd technical trial run of NHEV focused on Electric Trucks between Chennai and Trichy in Tamil Nadu. ***Board Member*** of Charge Point Operators Society of India (CPOS of India) ***Mr. Karthikeyan*** S., applauds the NHEV announcement and says, *"It's a remarkable step towards the deployment of Net Zero Emission trucks, happy to be a part of its technical trial last year in Sep 2024. On behalf of Charge Point Operators of India, we extend sincere gratitude to the NHEV Project Director, Mr. Abhijeet Sinha, for the ease of doing business that truck buyers will get now and the EV footfall that CPOs will receive from these Heavy-Duty Vehicle (HDV) deployments. NHEV has once again come up as a frontrunner in the scale and speed critical for India's NetZero emission."*

Response coming from Leading Think Tanks and Policy Analysts

Mr. Rahul Bagdia, CMD, pManifold Business Solutions, a think tank and international electric mobility consulting organisation that actively organised various stakeholders' sessions and consultations in Chennai, Tamil Nadu just days before starting NHEV on ground Technical Trial in Sep 2024 on Electric Trucks to collect real-time & real-world data to validate this blended climate financing, commented on this announcement on 1st August 2025.

"India's E-truck transition is a compelling proof of the transformation that becomes possible when bold public ambition meets agile private innovation, supported by robust financing structures. The mobilisation of ₹ 500 crores public investment in the form of subsidies, matched by an additional ₹ 500 crores private capital through a blended finance instrument, demonstrates the nation's commitment to moving policy from paper to practice."

He added that the findings from India's Priority Corridors for Zero Emission Trucking report, co-authored by pManifold, have already highlighted the importance of deploying e-trucks along high-impact freight corridors, backing capital allocation with real-world operational and financial data.

Highlighting the evidence-based policy making, he says, "NHEV's data-drivenn approach is a template for realistic, investable approaches to emissions reduction, making it possible for investors and fleet operators to have the confidence to back net-zero delivery solutions. This initiative is as much about ambitions as it is about making data-driven choices, leveraging digital tools, and forming alliances that can enable India to seize its $2 trillion climate opportunity and become a zero-emission global leader in commercial transport. The action on important routes such as Chennai-Trichy serves to reinforce the fact that India's climate ambitions are grounded in transparent, successful, and repeatable approaches, something that provides the nation with both motivation and a practical guide to cleaner freight electrification."

NHEV: Democratised policymaking on Real-World Evidence-Based Tech Trial-III

What's unique in India's green mobility push is the reliance on evidence-based policy making, not just aspiration. Early in the process, NHEV pilot runs provided the essential grounding for Electric SUV, Electric Bus and E-Truck fleets currently running successfully on Jaipur - Delhi – Agra routes. The recent Chennai-Trichy trial, for instance:

- Deployed 2 electric trucks and 2 LNG trucks on a high-traffic 332 km route trial.
- Collected technical, operational and commercial data round-the-clock for 45 days.
- Engaged stakeholders to ascertain their business interest in real-time, real-condition pilots.

TECH TRIAL - III: Chennai–Trichy, Tamil Nadu | Outcomes from Ground Zero

The NHEV Tech Trial – III, conducted along the Chennai–Trichy corridor, is structured as a five-week phased program aimed at delivering profitable, green, and sustainable transport assets through optimised monetisation and utilisation. The first week (9–15 September) focused on establishing Basic Parameters, with OEMs conducting internal test runs to validate catalogue specifications essential for certification and product readiness, deliberately excluding third-party integrations at this stage. The second week (16–22 September) was focused on Integrated Parameters, aligning key system components with prototype solution architects to generate actionable insights for augmentation. In the third week (23–29 September), Augmented Parameters were tested under real-world commercial conditions to build lessee stakeholder confidence and support long-term lease adoption. The fourth week (30 September–6 October) evaluated Breakeven Assessments, analysing deployment feasibility and cost dynamics. Finally, the fifth week (7–13 October) was concentrated on assetization and Monetisation, finalising deployment models and business terms to enable scalable commercialisation of electric freight mobility along India's green corridors.

National Roll Out
13000 KM
Expansion Overview
for the deployment of Electric Trucks

Highways	Porbandar - Silchar: 3,300 km Srinagar - Kanyakumari: 4,000 km Delhi – Kolkata: 1,453 km Chennai – Mumbai: 1,290 km Kolkata - Chennai: 1,684 km Mumbai - Delhi: 1,419 km
States	Jammu and Kashmir, Punjab, Haryana, Delhi, Uttar Pradesh, Madhya Pradesh, Odisha, Maharashtra, Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Gujarat, Rajasthan, Bihar, West Bengal, and Assam
Depot Hubs	60
Control Rooms	16
Charging Hubs (every 150 km)	87
E-trucks to be deployed	720 - 810

Blended Climate Financing Instrument by Ease of Doing Business (Download)

The ₹ 500 crore blended financing instrument from Ease of Doing Business under Annuity Hybrid E-mobility is designed to bridge the viability gap through private capital. Designed to support a large-scale deployment batch of 720–810 electric trucks across golden quadrilaterals, including Porbandar – Silchar, Srinagar – Kanyakumari, Delhi – Kolkata, and Chennai – Mumbai. Provisioned with 12-month EMI and interest moratorium, and packaging both movable and immovable project assets with optimised assetization and maximum monetisation lease contracts to deliver an inbuilt First Loss Guarantee **(FLG)** mechanism. Spanning a 10-year implementation timeline, it brings together six key stakeholders—lessees, asset owners, fleet operators, EVSE infrastructure providers, and EV OEMs—to participate in real-world tech trials and validate the commercial and operational viability of the deployment. With supporting infrastructure comprising 60 depot hubs, 16 control rooms, and 87 charging hubs on Design Build Operate Transfer (DBOT) with NHEV, the blended financing instrument offers a viable, scalable, bankable zero-emission freight ecosystem deployment across India.

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