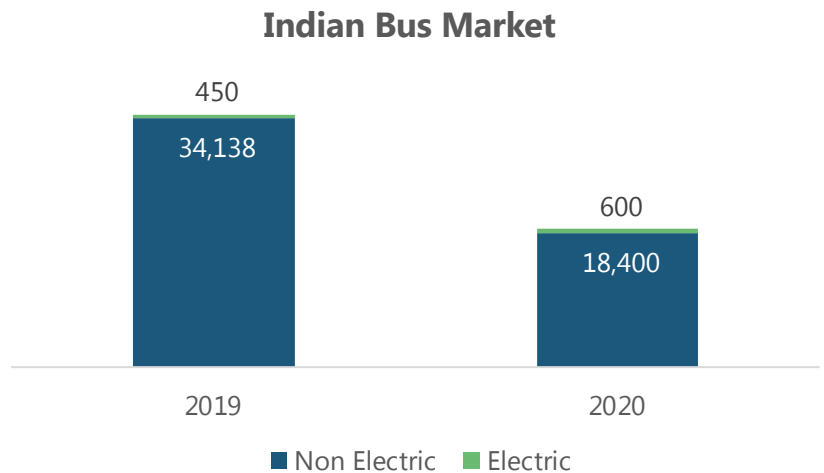


## Covid-19's impact on the Bus market

The pandemic brought with it consequent government directives restricting public gatherings which directly bore a drastically negative impact on the public transportation industry in India.

The restrictions imposed brought down annual sale numbers in 2020, causing a decline of around 50% as country-wide lockdowns continued.

Covid-19 related restrictions had dire effects on Bus operators in India, causing massive financial spill overs for bus operators. In order to compensate for their losses, bus operators resorted to transport fee hikes, consequentially reducing demand and affecting sale levels.



## Government Initiatives



The Government implemented its first EV policy, FAME I, in 2015. The policy provided multiple tax subsidies and sales incentives for the sale and procurement of electric and hybrid vehicles with a specialized focus on Buses.

Currently, India is undergoing its second phase of the FAME policy, FAME II. The policy is an extension of subsidies on electric and hybrid vehicles with a budgetary allocation of INR 100,000 million till 2023.

The budget allocation through FAME II is aimed at allocating a total of 7,090 electric buses alongside other passenger and two/three-wheeler vehicles.

## Insights:

PTR predicts that in the coming years, India will observe steady growth in the employment of battery-electric medium buses with the government focusing on inter-city bus procurement.

Approximately 50% to 60% of all E-bus procurement projects will be undertaken by federal agencies as private operators are currently still reeling from the impact of Covid-19 and remain skeptical about the new technology, facing the associated "range-anxiety" issue attached to electric vehicles. Range-Anxiety refers to the operational limitations of electrical vehicles due to battery capacities.