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Electric bus makers gear up for Delhi's full fleet electrification.

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Delhi will increase its electric bus fleet from the existing 8,000 to 11,000 over next five years

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NEW DELHI

Electric bus makers like Tata Motors Ltd, PMI Electro Mobility Solutions Ltd and JBM Auto Ltd are likely to get a lift from the proposed electric vehicles policy of Delhi, India's largest electric bus market.

The draft policy has proposed a 100% electrification of the public bus fleet in the city by 2027.

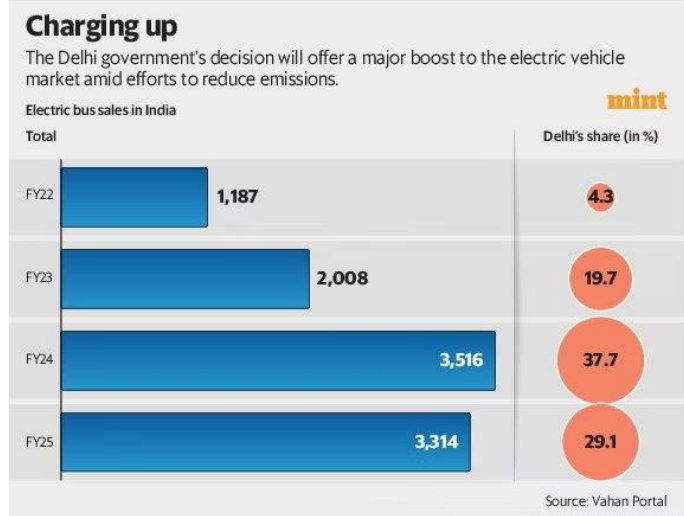
Tata Motors, India's largest electric bus maker, sold 545 units to the national capital in FY25, accounting for more than half its total sales in the country. Similarly, at 331 units, the city accounted for close to 69% of sales for PMI Electro Mobility. JBM Auto sold 86 units, or about a fourth of its total, in the national capital.

This comes amid slowing sales of electric buses India, with FY25 recording a near 6% decline in sales to 3,314 units, according to the government's Vahan portal, which records registrations. Of the total electric bus sales in the country during the last financial year, Delhi constituted about a third of them. Electric bus penetration in the country stood at 4.7% last fiscal.

"Delhi is a major market for electric buses so if the policy is implemented, it is definitely going to be a major boost for the leading players in the segment," Nikhil Dhaka, policy lead at Primus Partners, said.

As per the draft electric vehicle policy, the Delhi Transport Corporation (DTC) and Delhi Integrated Multi-Modal Transit System (DIMTS) will procure only electric buses from the day the policy is notified.

National capital's EV policy has said



that the government will electrify all the bus depots and take its total procurement to 11,000 in the next five years from 8,000 in 2025.

Mumbai-based Tata Motors sold 1,058 electric buses last financial year, leading the market with a 32% share, as

increased production," Saket Mehra, partner and risk & leader for automotive & EV at Grant Thornton India.

Experts highlight that electric bus adoption went on a slow lane in the country amid infrastructure issues such as availability of charging stations

dent about the demand for electrification in the country.

"We have an improved value proposition across the segments, we have increased capacity of body building just six months back and therefore, are very well-placed to address this growing segment," Girish Wagh, executive director at Tata Motors, said during the company's third-quarter earnings call on 29 January.

In March, Chennai-headquartered Ashok Leyland announced that it is considering shutting down operations of its electric bus unit Switch Mobility in the UK and doubling down on the electric bus market in India.

"The EV bus market in India is doing exceptionally well. Switch India is likely to achieve Ebitda breakeven in FY25, and is hoping to treble volumes in FY26, on the back of 1800+ e-bus orders in hand," Shenu Agarwal, MD and CEO at Ashok Leyland, said.

Industry experts suggest that the important thing for bus makers for the country would be to ramp up production to ensure that they are able to meet demand for electric buses on time.

"Next two years are crucial which will test the production capabilities of the major original equipment manufacturers (OEMs). There are government and private orders pending so there is an expectation that investments will be made in boosting production capabilities," Sanyam Gandhi, director at transport solution provider Chartered Speed, said.

Other metros could also opt for electric vehicles, following Delhi's suit.

"In our view, with Delhi taking measures against CNG, it may be prudent for bigger metros such as Mumbai to also opt for EVs that have zero tailpipe emissions," analysts at Kotak Institutional Equities wrote in a 8 April note.

GREEN POLICY

DRAFT Delhi policy has proposed a 100% electrification of its public bus fleet in the capital by 2027

THIS comes amid slowing sales of electric buses India, with FY25 recording a near 6% decline

TATA Motors, PMI Electro Mobility Solutions and JBM Auto likely to benefit from the policy

DELHI accounted for a third of total electric bus sales in the country in the last financial year

per Vahan data. Olectra Greentech Ltd, PMI Electro Mobility and Ashok Leyland's Switch Mobility Automotive Ltd are the key competitors in the segment.

"The policy will provide a substantial boost to the electric bus market by creating a surge in demand that will benefit bus manufacturers through

and reduction in subsidy for electric buses by the central government under the Prime Minister E-drive scheme.

"Counterparty risks, such as delayed payments and low ticketing revenues, have complicated the financial dynamics within the industry," Mehra said.

Leading bus makers remain confi-