

Auto companies board the fully built bus boom

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The demand for fully built buses from automotive original equipment manufacturers (OEMs) is rapidly wheeling in, driven by the revival of passenger mobility after Covid-19. Automotive giants Tata Motors and Ashok Leyland are capitalising on this shift, observing a marked increase in orders for fully built units (FBUs).

Anand S, vice-president (V-P) and head of commercial passenger vehicle business at Tata Motors, told *Business Standard* that the company has seen considerable growth in FBUs over the past five to six years.

"In 2018-19, the salience for FBUs stood at around 55 per cent. In the first quarter (Q1) of 2024-25 (FY25), this share has risen to about 75 per cent, reflecting a growing preference among customers for factory-built buses," he said.

Anand attributed the shift towards FBUs largely to evolving customer needs and market dynamics.

"Customers are increasingly opting for FBUs due to their superior quality, including enhanced ride comfort, aesthetics, and better interior packaging. Additionally, improved after-sales and warranty support, OEM authenticity, and shorter lead times make FBUs a more convenient



and hassle-free option for customers," he said.

From a financing perspective, institutions offer a higher loan-to-value ratio for FBUs, making them a more attractive option compared to split body and chassis purchases. The growing aggregator business is also fuelling demand for FBUs.

"Stricter regulations, such as the bus body

code and fire alarm and protection system, further enhance the practicality of FBUs, as local fabrication options often fail to meet these standards," Anand added.

Among user industries, the school and staff transportation segments have the highest demand for FBU buses, followed by intracity buses.

A TICKET TO RIDE

▶ 75% of Tata Motors' bus sales are fully built models

▶ Ashok Leyland sees a major surge in fully built bus demand

▶ Bus body makers struggled to catch up with production after Covid-19

▶ State transport authorities opt for one-stop fully built bus solutions over multiple vendors

▶ Financing, shorter lead times, and tougher regulations boost FBU demand

"We expect this trend to continue, with FBU buses becoming the preferred choice for transportation needs in these segments," Tata Motors said.

Ashok Leyland has also seen a similar increase in demand for FBUs.

Sanjeev Kumar, president of medium and heavy commercial vehicles (M&HCVs) at Ashok Leyland, told *Business Standard* that the demand for such buses has risen considerably — both from state transport corporations and private players — since Covid-19.

"Bus body makers were unable to meet this huge demand. State transport authorities also felt that OEMs should supply them with FBU buses," Kumar said, adding that around 60 per cent of their overall bus deliveries are FBUs.

Last year, Ashok Leyland supplied 1,600 FBUs to Gujarat State Road Transport Corporation, followed by another order from Maharashtra State Road Transport Corporation (MSRTC).

Last month, MSRTC placed orders for 2,104 units of Viking passenger buses with Ashok Leyland. Tamil Nadu has also placed orders for ultra-low-floor FBUs with Ashok Leyland, he said.

State transport authorities prefer the one-stop solution of FBUs over sourcing the chassis from one vendor and the body from another, reducing lead times.

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DPDP Act to be digital by design: Vaishnaw



Ashwini Vaishnaw, Union minister for electronics & IT and information and broadcasting

The underlying digital infrastructure, developed by the Digital India Corporation (DIC) and the National Informatics Centre (NIC), has surpassed the beta testing stage, he noted.

The issue of age verification for children under 18 years has been resolved, a senior government official revealed. “We have solved the issue of age-verification under the

requirements of the Act, and the mechanism that we’ve come up with is a very good approach.”

The DPDP Act stipulates that platforms must secure “verifiable consent” from a

parent or legal guardian before processing the personal data of users under the age of 18. This provision was among the most contentious during last year’s public consultations on the Bill.

Section 9 of the DPDP Act says that before handling any personal data of a child or a person with a disability who has a legal guardian, the “data fiduciary” must first get clear and confirmed consent from the child’s parent or the person’s legal guardian.

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