

CASE 2 FINISTA 25'

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MARKET OVERVIEW

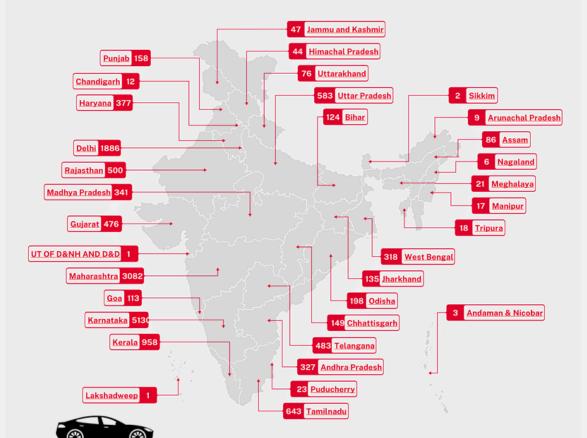
Key Players

TESLA

GLOBAL MARKET SHARE 19.9% \$1.4T

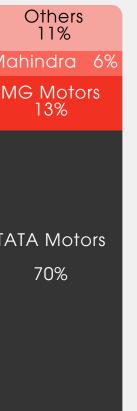
It is a American multi-national company founded in 2003, specialising in electric vehicles (EVs), renewable energy, and battery technology. Led by Elon Musk, it drives sustainable energy innovation globally.

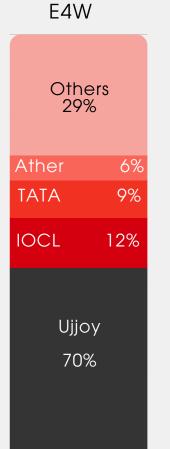
Total Number of Public EV Charging Stations



Market Overview





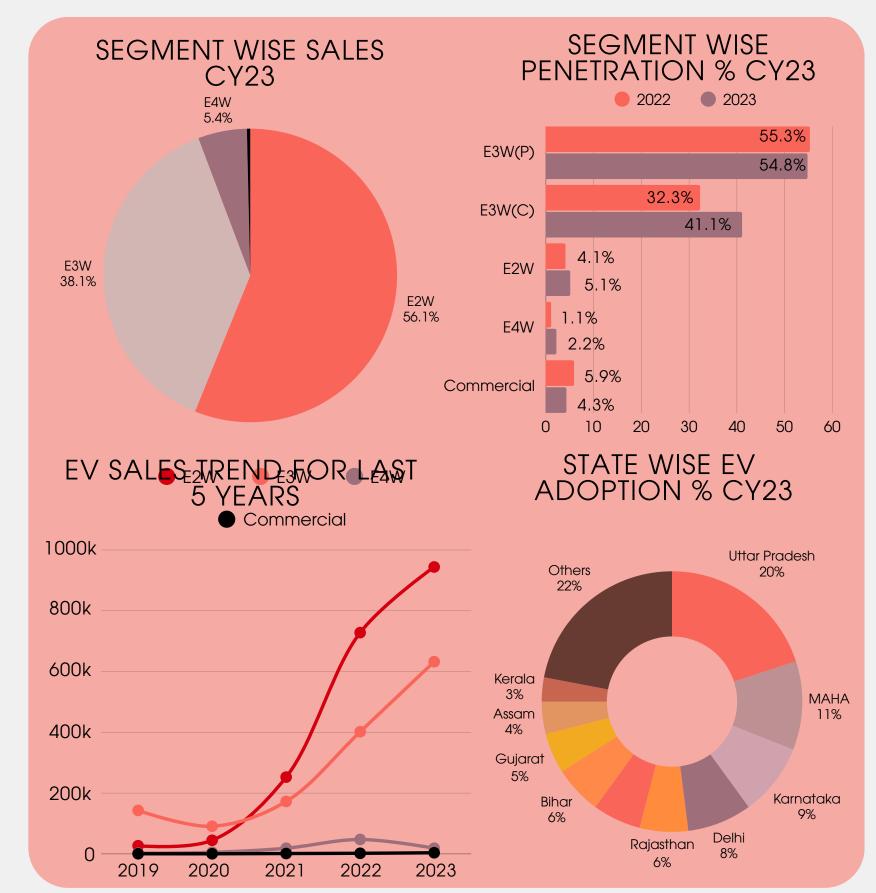








Ecosystem Analysis



Charger

***E - ESTIMATED**

TARGET MARKET

120 MILLION

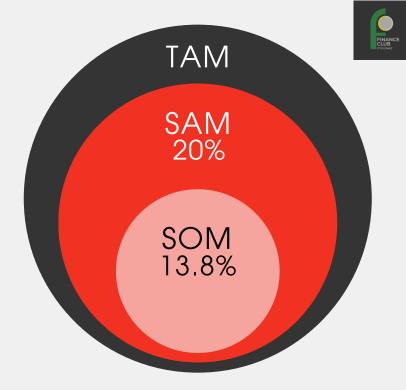
The total population of 8 Tier-1 cities across India



Total Upper Middle
Class and Upper Class
citizens among the 8
cities

16.5 MILLION

People willing to purchase their next vehicle EV



GOVERNMENT SUBSIDIES

FAME II

- Faster Adoption and Manufacturing of Electric Vehicles scheme is India's key national policy relevant for EVs. It allocates USD 1.4 billion over three years from 2019 for 1.6 million hybrid and electric vehicles and includes measures to promote domestic manufacturing of EVs and their parts.
- Under India's FAME II programme,
 USD 133 million is budgeted for charging infrastructure

Market Overview

PERFORMANCE LINKED INCENTIVES

- The government has reduced the import duty tax from 100% to 15% for upto 8000 vehicles per year for 5 years reducing the cost to buyers with the requirement of setting up a manufacturing unit within 3 years.
- The Ministry of Heavy Industries has also sanctioned Rs. 800 Cr. as capital subsidy for establishment of 7,432 electric vehicle public charging stations.

Ecosystem Analysis

CONSUMER INCENTIVES

- Incentive of **Rs.10,000** for every kWh of battery capacity for all EVs.
- GST on EVs was reduced from 12% to 5%
- GST on chargers and charging stations reduced from 18% to 5%.
- EVs exempted from road tax, parking charges and toll charges in specific states



FRAMEWORK ANALYSIS



THREAT OF NEW ENTRANTS

The EV industry is capital and labor-intensive, posing entry challenges. However, growing public government linterest, incentives, rising startup attract support new players, leading to increased competition.



TESLA

HIGH

THREAT OF **SUBSTITUTES**

Few substitutes exist for EVs, sustainable as options transport like vehicles hydrogen or limited have cycling support and functionality due to limited R&D and Advancement

LOW

COMPETITIVE **RIVALRY**

market is crowded with major players like TATA, MG Motors, and Mahindra, China leads in EV sales, and new entrants amplify competition. Tesla's strong brand and charging network remain competitive advantages.

BARGAINING POWER **OF BUYERS**

Customers have moderate power due to high EV demand multiple and suppliers balancing prices. Options exist. but competition helps manage buyer influence. Indian market is very price sensitive.

MODERATE

BARGAINING POWER **OF SUPPLIER**

Suppliers hold significant due power dependency on unique inputs like lithium for batteries, which make up 40% of vehicle costs. Shortages lithium, in aluminum, and chips further increase supplier leverage.

LOW

POLITICAL

- Policies like FAME-II and PLI offer subsidies and Incentives: \$1.1B in EV incentives till now
- 70% of EV parts sourced from China
- 25+ states with separate EV policies

ECONOMIC

- High price sensitivity in auto market, where luxury vehicles represent only 1.5%
- High interest rates affect vehicle financing options.
- Limited Charging Infra. causes rise in total cost of ownership

SOCIAL

Ecosystem Analysis

- Indian consumers want to shift to renewable/green energy.
- Preference for Premium Brands has increased.
- Lot of car buyers prioritize price-to-features ratio over brand name

TECHNOLOGICAL

- Rapid development of charging infrastructure but needs to pickup pace.
- Grid infrastructure challenges may affect charging reliability
- Emerging battery production ecosystem in India

ENVIRONMENTAL

- Target for reduced carbon emissions and improved air quality
- Environmental regulations now stricter, favoring EV adoption
- Growing renewable energy capacity helps clean energy

LEGAL

- Requirements for local manufacturing under "Make in India" initiative
- 5-year minimum warranty mandate
- Evolving regulations around autonomous driving features





ECOSYSTEM ANALYSIS



MARKET SIDE



Performance



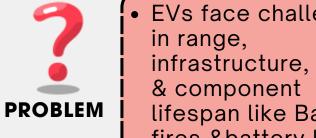
Import/Export



Costing



Charging



infrastructure, safety lifespan like Battery fires &battery life

- EVs face challenges India's E4W sector E4Ws cost 53% struggles globally due to limited standards adherence, with auto component exports under 2% and few EV parts.
 - more than ICEs due to expensive batteries and limited scale, with high upfront costs, financing issues & weak resale market.
- Limited public chargers for 4wheelers, especially in rural & highway areas, with non-standard systems causing compatibility issues.



Market Overview

- testing, set quality standards & ensure compliance with certifications through regular reviews, inclusive warranties.
- Conduct rigorous Leverage India's material strengths via corridors & FTAs, aligning manufacturing and standards with global benchmarks.
- Leverage green funds, carbon taxes, and 3-way partnerships to finance xEV adoption, support recycling, and promote battery second-life initiatives.
- Promote BaaS, uniform charging standards, and upgrade grids to prioritise xEV charging with solutions like V2V charging.

© - Customer Pain Points

SUPPLY CHAIN SIDE





Renewable Energy



Investment

Raw Material

• Imports and limited raw materials; lowers domestic value add and raise supply chain risks. energy in EV India lacks battery charging is

- Charging E4W strains the grid, which lacks uniform capacity. Renewable material recycling limited (currently 9.9% grid mix).
- Battery/SC manufacturing requires huge investments for low order sizes. challenging without guaranteed demand.

- Localize manufacturing with recycling and H2 tech investments; secure supply contracts for converters, batteries, and chargers.
- Encourage open access for green energy in EV charging
- Build partnerships among STUs, energy providers, OEMs, and infra. players.
- Strengthen PLIs for EV parts
- Subsidize capital equipment imports.
 - Aggregate demand to lower costs through bulk production.



Ecosystem Analysis

MARKET ENTRY





Collaborating with **B2B** business like BigBasket, Zepto for fleet management with the upcoming Tesla Semi, with a slow rollout over the course of 3 years to gain momentum in the country



Partnering up with **OMCs** (Oil Marketing Companies)like IOCL, BPCL étc through Tesla Power to gain traction & help reach national goal of setting up EV charging stations which are equipped with the superchargers.



Working with startups to launch EV ride hailing cab like OLA, service BluSmart to build a 100% electric fleet in Tier 1 cities of India and to gain recognition brand locally.



A reliable **residual** value management mechanism could fuel EV car penetration. A secondary market is essential for the EV car market due to the higher upfront costs of cars.





Setting up a sales **showroom** to cater to the traditional POV of Indian customer with distribution digital channels in a city with ready charging infrastructure quick adoption of the vehicles











Tesla categorises its Indian customers into three different segments so that it can render its services accordingly:

- 1. Luxury Vehicle Buyers: Status-conscious luxury vehicle owners will be consumers of Model S.
- 2. Tech-Savvy Millennials: Tech-loving millennials are drawn by innovations and features
- 3. Upper-Middle Class Families: Emphasis on low-cost, eco-friendly solutions that emphasise the total cost of ownership

Tesla's positioning strategy balances premium positioning with affordability to Indian consumers:

- 1. Initial Entry via Price Skimming: Model S will start at the high end and cater to the high-income segment whereas Model 3 will be for the middle class. Later, Tesla can launch Model 2 to promote mass-market affordability
- 2. Value Proposition: Emphasize the cost of ownership over a lifetime and present the economic benefits of ICE vehicles



COST BENEFIT ANALYSIS

COSTS

Operational

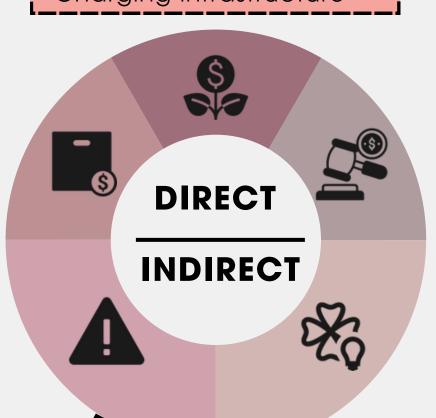
Raw material imports Labor costs **Energy** and utilities Logistics Marketing Sales

Risk-Related

Currency fluctuation Political/policy uncertainty Market acceptance risk Supply chain disruption

Initial Investment

Manufacturing plant setup Land acquisition Equipment and machinery Initial workforce training Charging infrastructure



Regulatory

Import duties Certification and compliance Local content requirements State-level permits

Opportunity

Delayed entry in other markets Cap. allocation trade-offs Management bandwidth R&D resource allocation

Revenue **Potential**

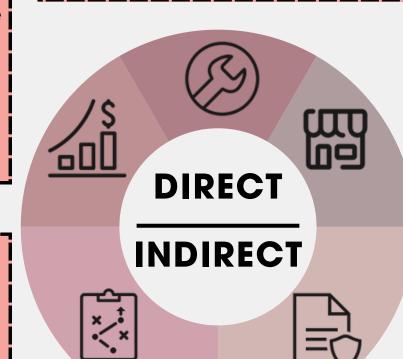
Projected sales Average revenue / unit i Service and *I* maintenance Charging network revenue

Strategic Advantages

Production hub for Asia exports R&D capabilities enhancement Supply chain diversification Talent pool development

Job Creation

Establishing Gigafactory can create thousands of jobs, strengthen Tesla's economic ties with India & increase its brand repo.



BENEFITS

Market Benefits

Access to 7% growth rate auto market Premium segment leadership potential Brand value increase in Asia

Policy Benefits

Government incentives Tax benefits Land subsidies under SEZ act cost reduction Export incentives

- Proceed with a phased market entry, balancing high initial costs and regulatory challenges with long-term strategic gains. Success hinges on execution and government relations.

 • Timeline: 5-7 years for full market establishment
- Priority: High, given increasing competition and market potential



THANK YOU