

Tesla in Indian Market: Derive Strategies to be profitable

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ABOUT TESLA

So, What is Tesla

Tesla, Inc. is an American multinational corporation based in Palo Alto, California. Founded in 2003, the company specializes in electric cars, lithium-ion battery energy storage, and residential photovoltaic panels (through the subsidiary company known as Tesla Energy).

Tesla Motors is a public company that trades on the NASDAQ stock exchange under the symbol TSLA.

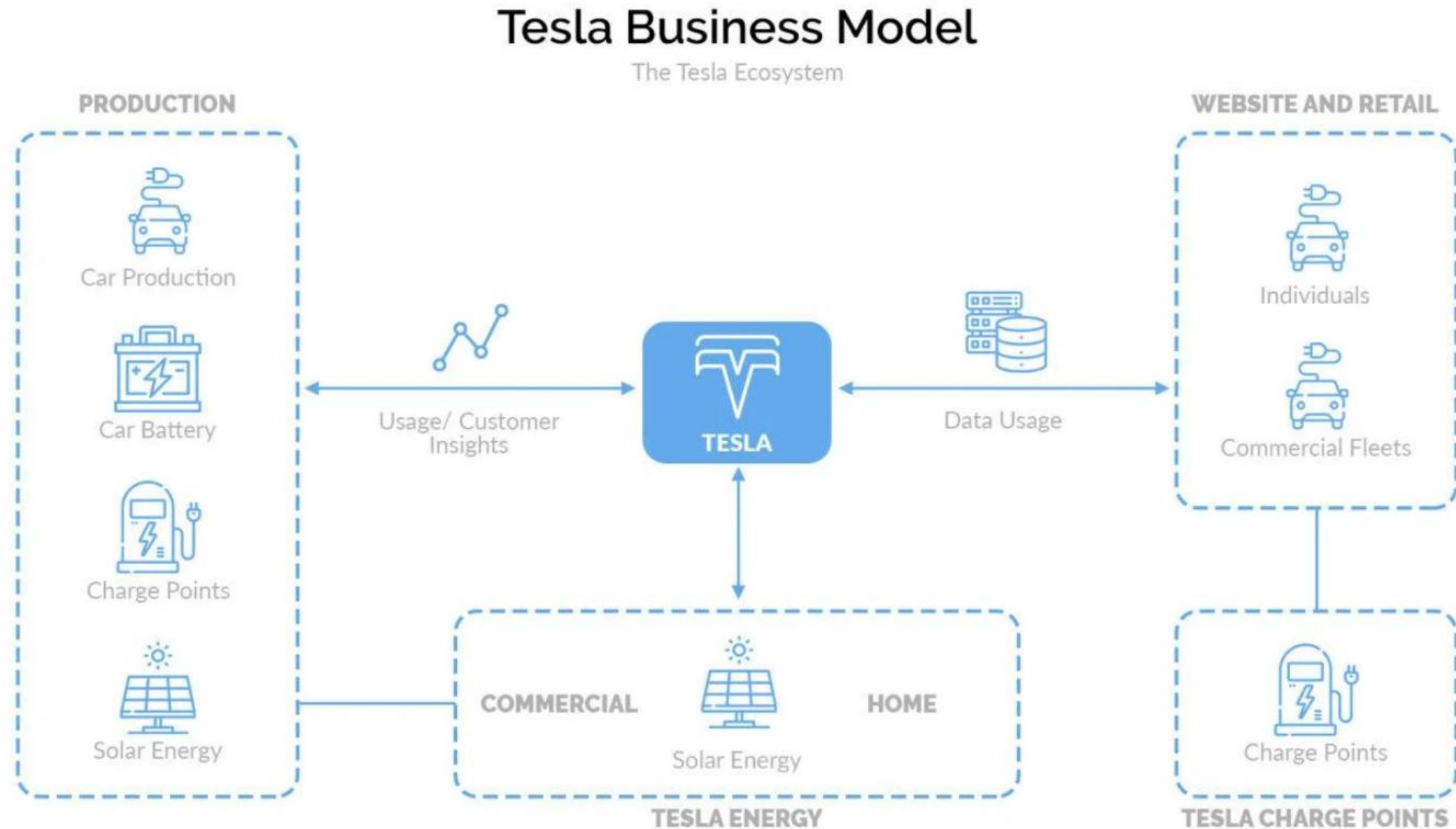


Tesla In-Depth

- Financial: As of 2022, Total Revenue of tesla in Fiscal year 2021 was \$53.823B.
- Employees: As of 2022, There are total of 1,10,000 Employees.



Revenue Model



Key competitors



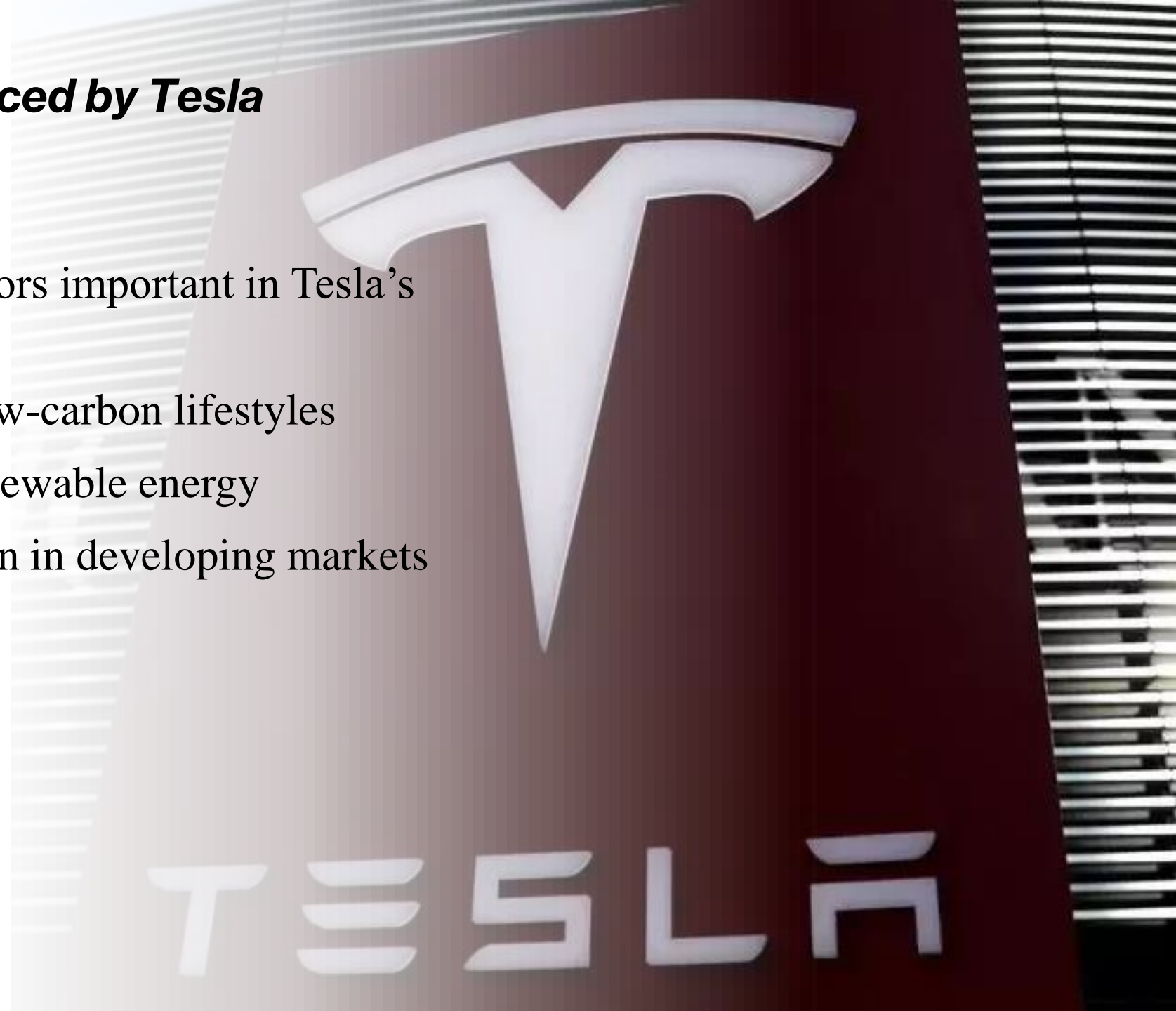
Following are Key Competitors of Tesla around the world:

- General Motors
- Nissan
- Toyota
- Volkswagen
- Ford
- Hyundai
- Kia
- BMW
- Audi
- Mercedes-Benz

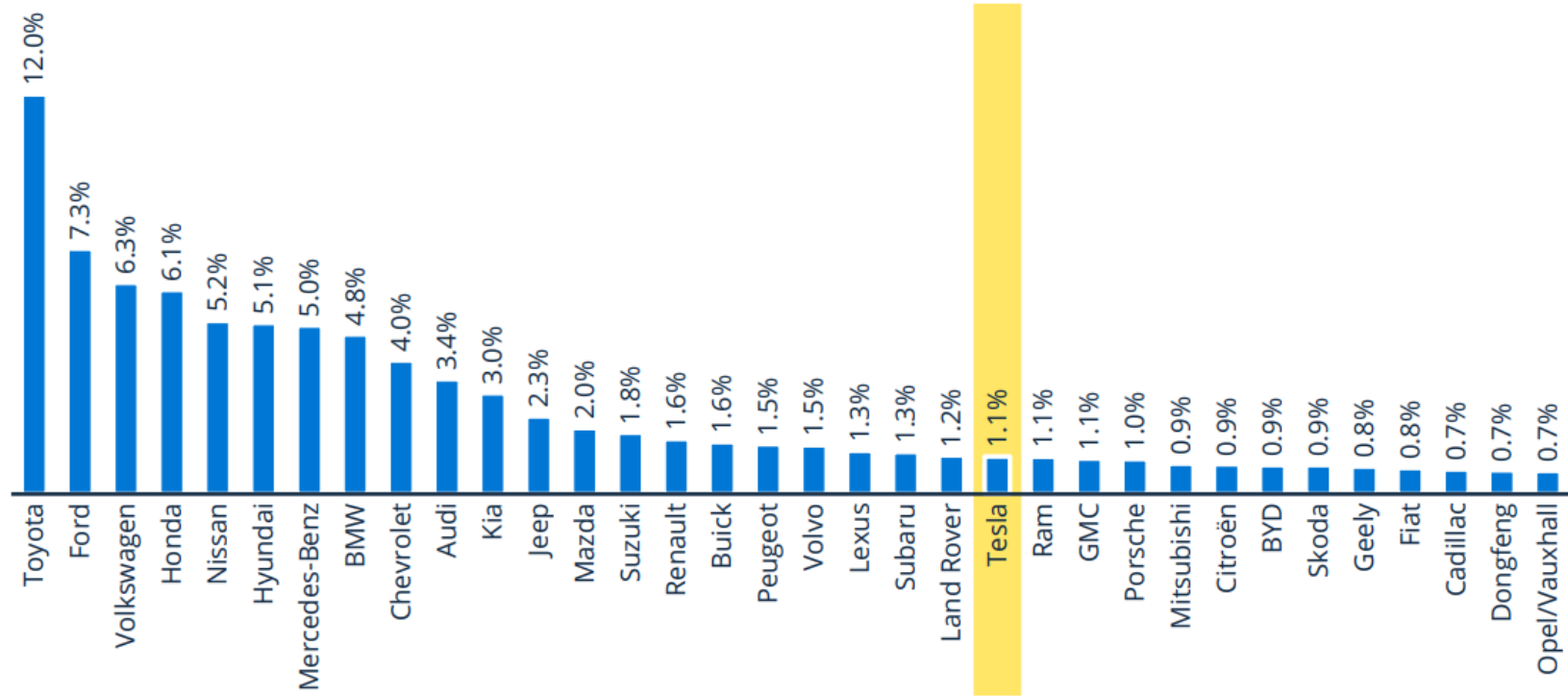
Socioeconomic factors faced by Tesla

The sociocultural external factors important in Tesla's business are as follows:

- Increasingly popularity of low-carbon lifestyles
- Increasing preference for renewable energy
- Improving wealth distribution in developing markets



Market share of passenger cars revenue worldwide in 2021



Market Size and Position of Tesla

Estimated Market Size of Tesla In India

- To Estimate market size following steps are taken:
 - Since, tesla will be launched as luxury car brand with a starting price of 60Lakhs and go up to 2.5Cr. Most Our Consideration will be based on this fact.
 - With a Population of 130 Cr, only 15% of Population (19.5 Crore) (with a family size of 4) lies in income bracket who will be able to Purchase Tesla vehicles. (Eligible Families will be 48.75 million)
 - Considering age group of 25–50-year-old are interested in buying tesla which is around 30% of 48.75 million (~15 million)
 - Assuming the best possible scenario, almost 90% of this population consider buying Tesla vehicle which is approximately 13.5 million
 - Assuming Tesla will be catering to all these 13.5 million potential customers, their market size of tesla will be 10% of total population.
 - In terms of Number of cars assuming currently India have approximately 200 million Cars (Source: Indian Ministry of Road Transport and Highways) and assuming successfully sold to 90% of 13.5 million potential Customer (12 million sold car), their market size in term of car will be 6% of total cars.



Key competitors of Tesla in India



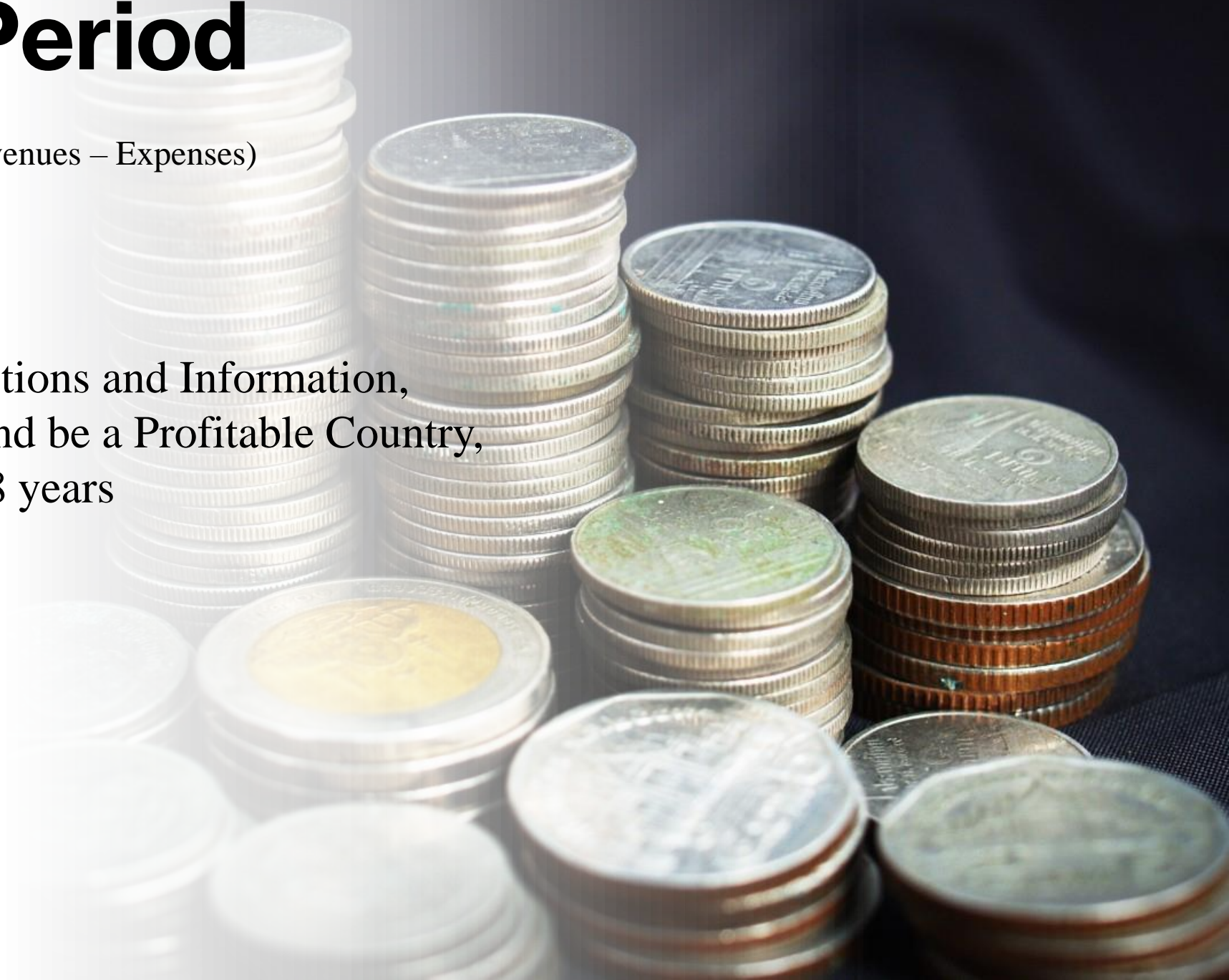
Following are Key Competitors of Tesla :

- Mahindra & Mahindra
- Tata Motors
- Maruti Suzuki
- Hyundai
- Toyota
- MG Motor

Breakeven Period

Breakeven Period = Initial Cost / (Revenues – Expenses)

On basis of Different Assumptions and Information,
For Tesla to launch in India and be a Profitable Country,
It would take approximately 8 years





Recommend Strategies

- Tesla should make its R&D and Manufacturing Unit in India.
- Collaboration with the Indian Government.
- Tesla should build a GigaFactory in India as China.
- Make an affordable car.
- Create a charging Infrastructure

Why is Manufacturing unit required in India?

Custom Duty on Import

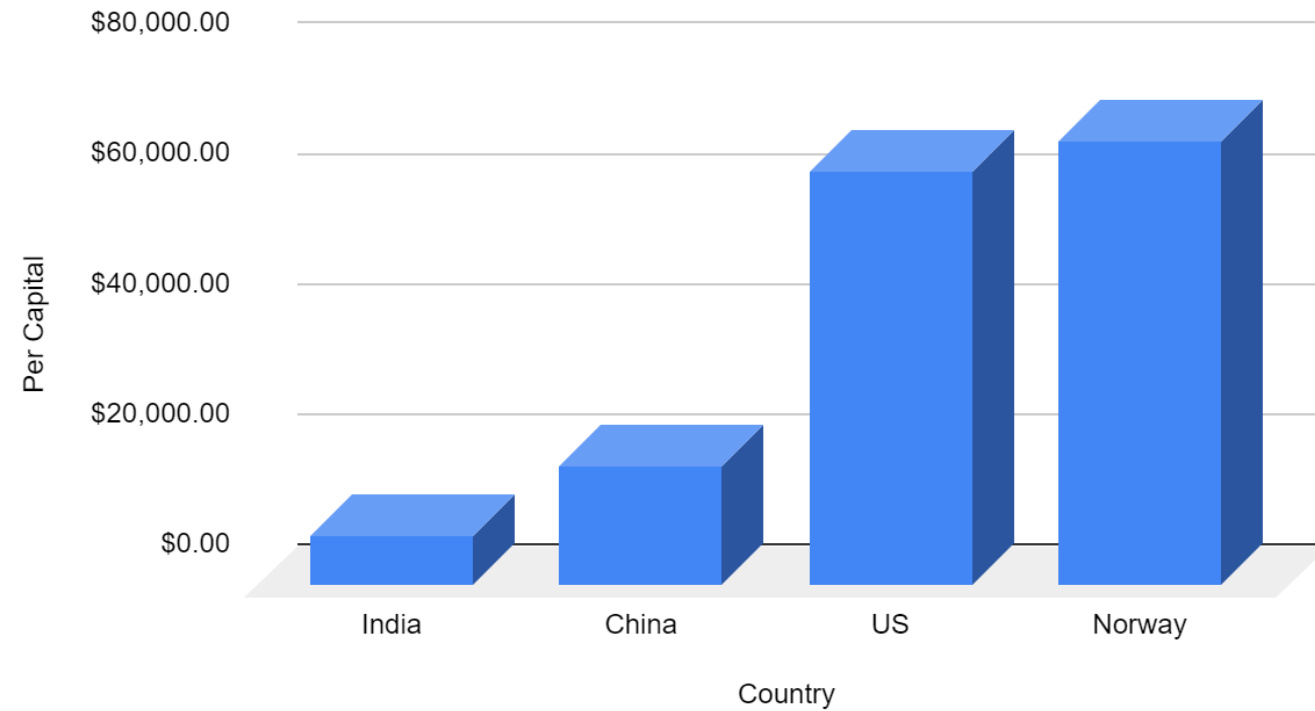
Components	Custom Duty	Custom duty earlier
Completely built units of EVS	100%	25%
Electric two wheelers	25%	15%
Electric Bus	25%	15%
Electrics Trucks	25%	15%
Semi electric PV	30%	15%

[Note: India has a 60% import duty on fully imported cars that cost \$40,000 or less, and a 100% duty on vehicles that cost more than \$40,000.]



Need of affordable Tesla

GNI Per Capital PPP



THANKS

