Union Minister for Road Transport and Highways and the Minister of Micro, Small and Medium Enterprises Nitin Gadkari on Monday told <u>The Indian Express</u> Idea Exchange programme that US clean energy and electric vehicle company Tesla will "start operations" in India in early 2021.

During the conversation with Indian Express editors, the minister underlined the push for electrical cars in the country and said a lot of Indian companies were also working on electrical vehicles that might be more affordable, but technically as advanced as the Tesla. He said Tesla will start operations first with sales and then maybe look at assembly and manufacturing based on the response to the cars. "India is going to become a number 1 manufacturing hub for auto in five years," Gadkari added.

In October, Tesla CEO Elon Musk had suggested that the <u>company will come to India in</u>

2021 while responding to a tweet from India. "Next year for sure," Musk had replied when a handle called Tesla Club India checked with him about the company's progress in India.

Recent reports suggest the first model to come to India will be the <u>more affordable Tesla Model 3</u>, booking for which could start in a few weeks. However, the Economic Times report said the sales will happen only in the second half of the year. The completely built units will be imported and likely to be priced Rs 55 lakh onwards. Tesla will most probably handle sales directly as it does in other parts of the world.

In 2016, Tesla has collected \$1000 deposit from interested buyers in India. However, those consumers are still waiting for their cars and some of them had told indianexpress.com they felt let down by the company.

In 2017, a year after the company started taking bookings, Musk had said his cars could come to India in the summer, but later blamed FDI norms for the delay. "Maybe I'm misinformed, but I was told that 30% of parts must be locally sourced and the supply doesn't yet exist in India to support that," he had tweeted.