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Tesla Enters Indian Market With Launch of High-End Model Y Electric SUV

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Tesla has officially entered the Indian market with the launch of its Model Y electric vehicle (EV), opening its first showroom in Mumbai's Bandra Kurla Complex. The move signals a strategic entry into one of the world's fastest-growing automobile markets, although the company is initially taking a cautious approach by targeting the luxury EV segment.

Priced at approximately ₹60 lakh for the rear-wheel-drive version and ₹68 lakh for the long-range all-wheel-drive variant, the Model Y is being imported directly from Tesla's Shanghai factory. The pricing reflects India's steep import duties, which exceed 70 percent, making Tesla's offerings competitive with other premium auto brands such as Mercedes-Benz and BMW, rather than with local EV players like Tata Motors or Mahindra & Mahindra.

The launch event drew attention from the Indian business community, including Anand Mahindra, who publicly welcomed Tesla's entry. Tesla's CEO Elon Musk has not yet visited India following the launch, but the company has indicated plans to build supporting infrastructure, including supercharger networks in Mumbai and New Delhi.

India's EV market remains relatively small, accounting for roughly 2 to 4 percent of total car sales. Despite the limited scale, interest is growing, particularly among higher-income consumers. Tesla's entry is expected to stimulate demand and encourage further investments in EV infrastructure, which remains a key barrier to mass adoption.

In a recent policy shift, the Indian government reduced import tariffs on electric vehicles to 15 percent for qualifying manufacturers. This regulatory change has made it more viable for companies like Tesla to test the market without immediately committing to local manufacturing.

Tesla has not announced plans to build or assemble cars in India, but ongoing discussions with Indian authorities could shape its long-term strategy. Market analysts believe that if demand proves strong and policy conditions continue to improve, Tesla may consider local production to bring down costs and expand its consumer base.