

Made-in-India Teslas to sport key Tata elements

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NEW DELHI: Made-in-India Teslas will sport key vehicle control elements from Tata Electronics, in a deal that fuels the Tatas' ascent in electronics, and helps the EV giant localize its cars quicker.

Tata Electronics Pvt. Ltd will make parts such as printed circuit board assemblies that will go into Tesla's battery management systems, motor controller units and door controls, among others, the people cited above said on condition of anonymity. The Tata group company is looking to build a new facility for the purpose, and has started buying manufacturing equipment, the people said on condition of anonymity.

The Tata Electronics deal is a deviation for Tesla, which has typically relied on international partners such as Foxconn and Jabil Inc. for vehicle electronics. While Foxconn and Jabil haven't yet tied up with Tesla for the India project, an arrangement in the future cannot be ruled out.

"Tatas have emerged as a favourable bet for Tesla because of two reasons—they are expanding aggressively in both fabrication and packaging of semi-conductor chips, and they are also in a position to pitch



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more aggressively for government incentives," said one of the two people cited earlier.

The deal helps Tesla achieve value-addition in India, allowing it to take advantage of a government policy that lowers import duty for EV makers ready to invest and manufacture in India. The policy mandates EV makers to achieve 50% domestic value-addition in five years from signing up for the concessional duty scheme.

Tata Electronics did not reply to queries emailed on Saturday on the development.

Separately, Tata Electronics is setting up India's first chip fabrication plant in Gujarat's Dholera, which will manufacture semi-conductors for applications in the automotive, including electric vehicles, telecommunications and defence industries, among others. The fab unit is

expected to come on stream in 2026. Meanwhile, Tesla is scouting potential sites for its India factory, with Gujarat and Karnataka seen as front-runners. Musk, Tesla's CEO, is expected to reveal details of the EV maker's investment plans in a visit to the country and in a meeting with Prime Minister Narendra Modi later this month.

The partnership comes at a time when Tata is weighing the acquisition of Pegatron's iPhone manufacturing unit in India, which is already equipped to produce control computers for Tesla in the global markets.

Industry experts believe that Tesla's approach to integrating Indian manufacturers into its supply chain could serve as a model for other foreign companies looking to enter the domestic market. "India's EV market is poised for rapid expansion, driven by increasing adoption of electric vehicles and a surge in in-vehicle electronics," said Soumen Mandal, a senior analyst at Counterpoint Technology Market Research. "By 2030, semiconductor content per car is projected to double from current levels. Tesla's partnership with Tata Electronics will strengthen India's global standing, offering cost-effective components and boosting competitiveness against Chinese counterparts like BYD," Mandal added.