

Tesla scouts for land in Satara to set up CKD unit

PUJA DAS

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Elon Musk's Tesla is exploring land parcels in Satara, the hometown of Maharashtra Deputy Chief Minister Eknath Shinde, to set up a completely knocked down (CKD) assembly unit for electric vehicles (EVs), a senior government official said.

This comes after Tesla's negotiations with Hyderabad-based Megha Engineering fell through, the official said, adding that the EV maker was in discussions with another Indian firm for a joint venture to acquire land and set up a CKD unit. CKD is a method used to reduce import duties and facilitate local assembly by shipping vehicle parts separately to be assembled in the destination country.

The US carmaker's entry into India is expected by the last quarter of the current financial year, the official said. The company has already secured a showroom location in Mumbai to sell imported cars in India this year.

Queries sent to Tesla's offices in the US and India (Tesla India Motors and Energy Pvt Ltd), the Union heavy industries ministry, and the Maharashtra government remained unanswered at the time of going to press.

Last week, Tesla's India head Prasanth Menon stepped down. A Tesla's China team will now oversee the EV



THE ROAD AHEAD

- Tesla secures showroom location in Mumbai to sell imported cars
- Firm in talks with a low-profile yet creditor realtor
- Ongoing India-US trade talks on lower auto tariffs may benefit the EV maker
- To position itself alongside premium brands like Jaguar and Lamborghini
- Lists nearly two dozen mid-level job openings in India

maker's India operations.

The Maharashtra government had earlier offered Tesla land in Chakan and Chikhali, near Pune, for setting up a factory. Chakan is one of India's largest automobile hubs and is home to global manufacturers such as Mercedes-Benz, Tata Motors, Mahindra & Mahindra, Volkswagen, and Bajaj Auto.

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Tesla's India entry expected by Q4FY26

Satara also hosts automobile manufacturing facilities, including those of Cooper Corporation, a leading producer of engine components, engines, gensets, and tractors.

“Satara, around 110 km from Pune, is where Tesla is planning to start assembling its cars. The company has secured large plots of land,” the official said. The official, however, was unable to disclose the size of the land or logistics details.

Regarding the Indian

partner for land acquisition, the official said: “Currently, Tesla is in talks with a low-profile yet highly accountable and credible Indian realtor. This has been a work in progress for a year.”

“Tesla attempted to collaborate with Megha Engineering to purchase land, but the discussions did not succeed due to multiple conditions, such as not being allocated a larger share of the land,” the official explained.

India is currently negotiating a trade deal with the US

that includes lower auto tariffs, which could benefit Tesla. According to media reports, India may propose a 0-1 per cent tariff on the import of automobile parts if the US reduces its 25 per cent duty on the same. India is also open to modifying its Scheme to Promote Manufacturing of Electric Passenger Cars in India (SMEC), based on the outcome of the bilateral trade agreement with the US and other free trade pacts.

“The initial batch of vehi-

cles will not be manufactured in India, as it will take around 18 months for Tesla to set up its operations, including 6-7 months for necessary permissions and clearances, and to have a fully equipped team,” the official added.

While the national capital has emerged as a leader in EV adoption, especially in the two-wheeler segment, the automaker is focusing on Mumbai, Bengaluru, and to some extent, Delhi for its niche market.

“Tesla’s initial launch plan was in Delhi, but the national capital is almost electrified and as its cars will not be budget-friendly for at least the next 3-4 years in terms of profitability. Hence, Delhi is not of interest to Tesla at this stage,” the official said.

Tesla plans to position itself similarly to Jaguar and Lamborghini, with prices starting at around ₹60 lakh, including registration and other fees. Its entry-level model may resemble a Mini

Cooper, priced around ₹50 lakh–55 lakh.

The official said Tesla is proceeding cautiously because it recognises that the EV market in India is emerging. The automaker is betting on the Indian population. While the SMEC policy may be a contributing factor, relocating an entire unit and hiring a substantial workforce will be necessary.

Tesla has already listed close to two dozen mid-level job openings in India, including positions for store, service, and customer relationship managers, indicating progress in its plans to launch in the country.

