

GOVT NOT CONSIDERING TAX WAIVERS FOR TESLA

Tesla battery supplier Panasonic in talks to set up plant in India

The carmaker has asked its other battery suppliers also to initiate talks for hubs

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In a strategic move aimed at solidifying its supply chains before entering the Indian market, Texas-headquartered electric-vehicle (EV) manufacturer Tesla has asked its battery suppliers to initiate negotiations with the government to set up battery-manufacturing units in the country, *Business Standard* has learnt.

The move comes after Tesla's chief executive officer (CEO), Elon Musk, announced his plans of entering the Indian market.

Panasonic Energy, one of Tesla's top battery suppliers, has approached the Indian government on setting up a battery-manufacturing unit.

A Panasonic Energy delegation headed by Kazuo Tadanobu, president and CEO of Panasonic Energy, met Ministry of Heavy Industries officials earlier this month to discuss the possibilities of building a battery supply chain in the country, senior government officials said.

"Tesla's electronics supply-chain players have started scouting the Indian market. They are understanding the structure of incentives Tesla and its partners are likely to receive if they are to bring their manufacturing unit to India," said a top official, who did not wish to be identified.

The turnaround in Tesla's plans to invest in India comes within weeks of Musk's meeting with Prime Minister Narendra Modi during the latter's state visit to the United States (US) last month.

Musk had then said: "I am confident that Tesla will be in India and will do so as soon as humanly possible."

According to government officials, the Prime Minister's Office (PMO) and the commerce and industry ministry are leading the talks and the government is hopeful that the US automaker will set up its local manufacturing and supplier chain.

If the proposal goes through, it will be a big boost for the government's "Make in India" pitch. Panasonic has also expressed its interest in participating in

EXPANDING REACH

- **Entry of Panasonic in India would be a significant milestone**, as Tesla's production uses continued supply of lithium-ion battery cells for vehicles and energy storage products
- **Tesla's electronics supply chain players have started scouting the Indian market**
- **The government is hopeful that the automaker will set up its local manufacturing and supplier chain unit**
- **Tesla has agreed to buy**

- **Panasonic's full output** from their production equipment at negotiated prices
- **Tesla's battery manufacturing units in the country** will serve as vital suppliers to other domestic and international EV manufacturers
- **Musk plans to sell 20 million electric vehicles in 2030**
- **Panasonic wants to boost its auto battery capacity to 200 gigawatt hours per year by March 2031**, about four times its level at the end of this March



the 20GWh slot bidding, which fell vacant after one of the initial candidates that qualified, Hyundai Global Motors, exited the ₹18,100 crore production-linked incentive scheme for advanced chemistry cell battery storage.

Queries sent to Panasonic Energy did not elicit a response till press time.

Centre not considering tax waivers for Tesla

The finance ministry is not considering

any duty waivers for U.S. automaker Tesla Inc, Revenue Secretary Sanjay Malhotra told Reuters on Thursday.

In the past, talks between the US carmaker and the Indian government have involved seeking customs duty waivers for importing its electric vehicles, which was rejected by India.

"Any duty waiver for Tesla is not under active consideration of the Department of Revenue, as of now," Malhotra said on Thursday.