

Price war comes to EVs as Tata cuts price of e-Nexon

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As major automotive (auto) manufacturers line up electric cars for the Indian market, segment leader Tata Motors has decided to significantly slash the prices of its popular Nexon EV by ₹31,000-85,000 amid intensifying competition. This move by Tata Motors comes a day after Mahindra & Mahindra (M&M) launched its much-awaited compact electric sport utility vehicle — the XUV400 — at a competitive price point.

At ₹18.99 lakh, the Nexon's top variant is equivalent to M&M's XUV400's top trim. Tata Motors has also reduced the price of its low-end variant by ₹50,000 to ₹14.49 lakh (ex-showroom), making it cheaper by ₹1.5 lakh than the XUV400's low-end variant.

Tata Motors says the move was taken after the company received benefits from additional locations, government initiatives, and production efficiency in the past few months.

“Our strategy has been to make our products more attractive to customers and build a range from the Tiago right up to the Nexon in a cohesive manner. Our smart engineering and government incentives have allowed us to achieve this disruption. We are just passing it on to customers,” Vivek Srivatsa, head-marketing, sales and service strategy, Tata Passenger Electric Mobility, told *Business Standard*.

Tata Motors has three electric cars in the Indian market, against one each from MG Motor India and M&M. MG Motor's ZS EV starts at a price range of ₹22.98 lakh and goes up to ₹27 lakh. M&M's e-Verito starts from ₹9.13 lakh and goes up to ₹9.46 lakh.

In December, Tata Motors became the only manufacturer to sell 50,000 electric vehicles (EVs) in the Indian market.

According to VAHAN data, Tata Motors

BATTLE FOR THE ELECTRIC TURF

Price (ex-showroom)

TATA NEXON

EARLIER

₹14.99-19.84 lakh

CURRENT

₹14.49-18.99 lakh

MAHINDRA XUV400

₹15.99-18.99 lakh

Source: Companies



Auto industry to grow at brisk pace: ICRA

The domestic automotive industry is expected to grow at high single-digit levels in 2023-24, a report by rating agency ICRA has said. According to the report, the demand for the passenger vehicles segment is expected to grow at 6-9 per cent, commercial vehicles by 7-10 per cent, two-wheelers by 6-9 per cent, and tractors by 4-6 per cent in FY24. This is compared to a projected 21-24 per cent growth for passenger vehicles, 18-20 per cent for commercial vehicles, 9-12 per cent for two wheelers and 0-4 per cent for tractors in 2022-23. The domestic automotive industry has seen a healthy revival in FY2023, aided by a recovery in economic activities and increased mobility.

SHINE JACOB

has over 80 per cent market share in the Indian EV segment. It is followed by MG Motor, which has about 10 per cent in the segment.

According to industry analysts, Tata Motors' move is aimed at keeping prices competitive.

“Since Tata Motors is the largest EV player in the Indian market, it wants to be price-competitive in every segment. With this move, it has shown it does not want to cede ground to other players,” said Puneet Gupta, director, S&P Global Mobility.

At present, Tata Motors has three EVs

in its portfolio — the Tiago, the Tigor, and the Nexon — catering to customers wanting a car priced between ₹8.49 lakh and ₹18.99 lakh. Its entry-level Tiago EV arrives at an introductory price of ₹8.49 lakh and goes up to ₹11.79 lakh. The Tigor EV starts from ₹12.49 lakh and goes up to ₹13.75 lakh.

“The price reduction came not just because of competition from the XUV400, but other automakers eyeing to launch products in the same price range. But Tata Motors will benefit from its leadership position in the EV space, along with upcoming launches,” said Mansi Lall, research analyst, Prabhudas Lilladher.