

E-trucks reach diesel cost parity in 3-5 yrs: TaMo CV

Company says its e-bus tender bid relied on 12-year cost realism

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The total cost of ownership (TCO) of an electric truck (e-truck) becomes comparable to that of a diesel truck in three to five years, after which, owners increasingly benefit from lower fuel costs because electricity is cheaper than diesel, Girish Wagh, managing director and chief executive officer of Tata Motors Commercial Vehicles, said in an interview with *Business Standard* on Tuesday. TCO refers to the combined cost of acquiring, operating, and maintaining a vehicle over its entire lifecycle.

When asked about losing the central government's electric bus (e-bus) tender for 10,900 buses, Wagh said Tata Motors' bid was based on a "rational" long-term cost assessment, drawing on years of e-bus operations. He added that the company remains keen to participate in the upcoming 6,000-bus tender.

Tata Motors on Tuesday launched a next-generation portfolio of 17 trucks, including e-trucks spanning seven to 55 tonnes for light, medium, and heavy-duty applications.

Wagh said Tata Motors has focused on localisation, with indigenisation levels in e-trucks exceeding the government-mandated 51 per cent threshold, making the vehicles eligible for production-linked incentive scheme benefits.

According to Wagh, sectors such as steel, cement, and chemicals — considered "hard-to-abate" because reducing greenhouse gas emissions is particularly difficult due to high energy and process requirements — are increasingly evaluating e-trucks as part of their efforts to cut emissions.

Beyond vehicle sales, Wagh said Tata Motors is offering a full ecosystem, including charging infrastructure, financing solutions, and lifetime maintenance support. Costs for establishing charging infrastructure are separate from the vehicle cost and are planned based on buyers' routes and truck deployment patterns.

He explained that the TCO analysis was conducted by studying specific use cases, such as steelmakers using tractors for short-haul, closed-loop movement of coils. Tata Motors worked with prospective buyers to assess how many diesel vehicles were needed per day, how many e-trucks would replace them, the required charging infrastructure, and the total project cost before calculating the overall TCO.

Wagh said the key consideration for customers evaluating e-trucks is overall economics rather than upfront pricing. "For e-trucks, what is important is the

TCO comparison," he said. Tata Motors has been working closely with customers to match the TCO of diesel trucks by factoring in the optimal daily duty cycle, he added.

"With this whole range of e-trucks that we are launching, the customer can get a payback within around three to five years. After that, the running cost of an e-truck is lower than that of a diesel truck," Wagh said.

Meanwhile, Tata Motors failed to secure any orders in the PM Electric Drive Revolution in Innovative Vehicle Enhancement Scheme e-bus tender, which was concluded by state-owned Convergence Energy Services on December 25, 2025, for the procurement of 10,900 e-buses to be deployed across cities, including Delhi, Bengaluru, Hyderabad, Ahmedabad, and Surat. Most contracts were awarded to new-age manufacturers such as PMI Electro Mobility, Eka Mobility, and Olectra Greentech.

When asked about losing this tender, Wagh said Tata Motors' bid was guided by long-term financial rationality rather than aggressive pricing. "Our bid was based on the experience we have and what we expect expenditure to be over 12 years... We are finding that in the industry, as original equipment manufacturers gain more experience in bus deployment, their quotes have also become more rational. We expect this trend to continue," he said.

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Girish Wagh; MD & CEO, Tata Motors Commercial Vehicles

