

Legal Battles to be faced by Tesla to enter Indian Market

Tesla is the California based car company belonging to Elon Musk that is specially known for its self-driver cars. The system is cost effective, electric based and solar based. These cars are famous throughout the world for their different concept. This company has its eyes on India, that is considered as the leading market for all types of vehicles. India was asked to lessen its import duties in order to make the entry of Tesla easy. Tesla had shown the intentions to make the automobile sector more enhanced in India, but it faced some major challenges that become the darkness in its path to enter. There are budget issues, taxes, and duties charges along with weak legal framework in context to Artificial Intelligence.

Entry of Tesla in India:

India is taken to be one of the biggest and the rapid growing economies of the world. The country is one of the best to have potential buyers and the same was analyzed by the automobile company. This organization is known to have one of the best cars. They had surveyed the Indian markets and the demand for their products, which was assessed to be quite a lot. Elon Musk also showed his intentions to enter Indian markets, but the import duties are too much that makes their entry difficult. There is no liberalization for the brand to establish business here, and if they will enter the sector then their costs will be more than their profits gained. The host company was not only seeing the boon in the market but also Indian citizens specially the millennials have always been excited to welcome Tesla in the country.

Implications of Budget 2022-23:

The recent budget that was released on 1st February 2022 by Nirmala Sitharaman stated that there will be less charges on Battery consumption vehicles, but it will only benefit to the two wheelers and not four wheelers. Similarly, it talked about Make in India campaign. The Tesla was asked to establish the plant for manufacturing in India as it will generate more employment to Indians and no import duties will be levied on them. But the argument put forth by the company was that first they need to import in order to check the initial consumption and ongoing process of their goods in the market and later they can think of doing the manufacturing in India. This proposal is the ideal business practice and hence would be adapted by any intellectual business company. The taxes could have been reduced to uplift the automobile sector and in long run the country would have gained the benefits. Other suggestion herein is that like the startups are given leverage, similarly such international companies should

have been given the leverage of sometime to establish themselves. Later, the high import duties for them would be again imposed if they do not establish a unit in India or the certain number of profits can be set as the limit to switch to manufacturing unit as mandatory clause to function in India.

Lack of Legal Framework:

Tesla cars are way different from the cars that are seen in India. It provides the self-driven cars; however, they are not fully driven by the computer, but a person is needed to have a check on the steering wheel and sit inside. The only 4 models were selected to be suited and introduced on Indian roads as the country is densely populated, it does not possess stringent traffic rules, there are many pedestrians on roads, and each cannot be rectified at earliest. Foreign lands have artificial intelligence firmly implemented that the computer recognizes the optimum time to honk which cannot be done in India as there are hurdles every now and then that will create the noise pollution with excessive honking. Moreover, India is still a developing country so is its legal system. The cyber laws are not fully reliable to have such cars on the road. There should be laws in relation to full mechanism of regulation of such automobiles.

Conclusion:

There is a need of an hour to make laws with respect to the extent of Artificial Intelligence. The laws must be related to implementation of self-driven cars or more advanced technology. Furthermore, not only the legal framework should be stricter but also the extent and amount of reliance given to robots or computers shall be set. This will limit the charge in the hands of technology and real personals will be more liable. There is an urgent need to develop the laws with the developing world otherwise our country will lack behind the others. Lastly, the taxes and economical policies with respect to imports shall be made in a way to attract the foreign companies to see the market, if they succeed which they will do as Indian market has all the kinds of buys; then accordingly they should be made to have mandatory make in India units as their manufacturing plants for associated goods.

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