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How BYD is Building Momentum in India Before Tesla's Entry

Lower price points, stylish designs and superior tech features are propelling BYD in India's entry-level luxury EV market

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Article Content:

For Ahmedabad-based Luv Patel (name changed on request), Chinese automaker BYD's Sealion 7 was an easy choice when it came to switching from his Toyota Fortuner earlier this year.

The all-electric SUV was an upgrade in every sense for the 32-year-old businessman—from acceleration to design to its battery.

This is the third BYD vehicle in his family after Atto 3 and Seal. "So far, [we have had] no complaints from any BYD [car]," he says.

Some 1,000km away, in Faridabad, 58-year-old Anil Khurana needed a friend's recommendation to shed his initial reluctance towards the Chinese brand. As the pharmacist puts it, he was "hooked" after taking a test drive of Atto 3.

In the Driver's Seat

Despite being a relatively new entrant in the Indian electric passenger-vehicle segment, BYD is slowly shifting gears. The Chinese carmaker's market share rose from 1.9% in 2023–24 to 3.2% in 2024–25 to become the fourth-largest player, beating Hyundai (2.2%) and Citroën (1.8%) (see graphic Purring Ahead, pg 68).

The company sold 3,401 cars in 2024–25, a 90.3% rise from the previous year, according to the Federation of Automobile Dealers Associations (Fada). This makes it one of the fastest-growing auto brands in the country, trailing only MG Motor (158.2%) and Mercedes-Benz (100.5%).

As of April 2025, BYD India's passenger vehicles division had a network of 40 dealerships in the country, up from 27 in September 2024.

It has so far steered clear of a direct, volume-driven confrontation with mass-market leaders like Tata Motors or Mahindra & Mahindra, instead carving out a niche in the accessible luxury segment.

Take, for instance, the Sealion 7. Though the SUV has not topped sales charts yet, it has received a positive response from Indian buyers, garnering 1,000 bookings within a month of its debut at the Bharat Mobility Global Expo in January, the company said.

BYD—bolstered by deep R&D and battery muscle—hasn't waited for policy concessions, unlike say Tesla. The company is targeting the entry-level luxury car market, a segment considered less price sensitive which allows it to maintain price competitiveness despite higher costs.

"BYD has strategically positioned itself to cater to the ₹25–55 lakh segment—a sweet spot for premium vehicles in India," says Nikhil Dhaka, vice-president at Primus Partners, a management consultancy.

Under the Hood

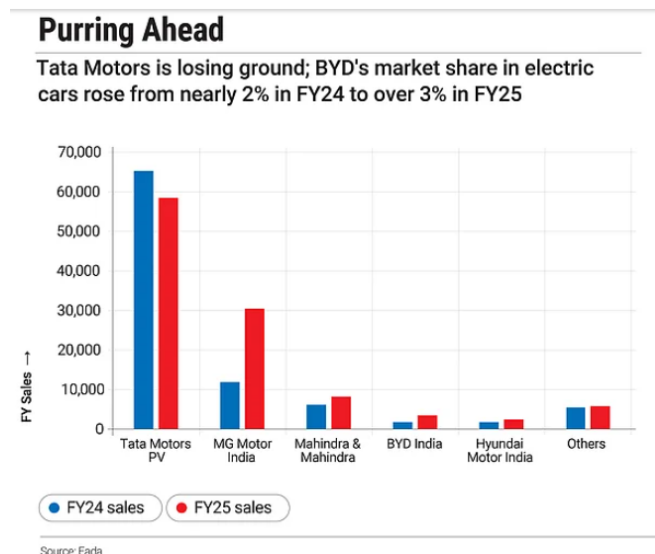
BYD is not just playing on the price front. Experts say the Chinese EV-maker also beats most of its rivals when it comes to driving range, top speed and battery capacity (see graphic The Right Choice).

And while it does not position itself as a budget brand, BYD provides a 'premium-tech' or 'near-luxury' experience that challenges the value proposition of many established brands.

“The BYD Seal, with its pricing from ₹41 lakh to ₹53.2 lakh, is aimed at buyers looking at entry-level electric models from German manufacturers,” says Tarpan Vyas, founder and chief executive of EVINDIA, a data platform for EVs.

The company’s vehicles, such as the Atto 3 (priced from approximately ₹25 lakh) and the Seal are consistently feature-rich, often offering specifications and interior appointments typically found in higher segments, he adds.

“We see comprehensive ADAS [advanced driver assistance systems] suites, large interactive touchscreens and premium-feel interiors,” says Vyas.



Then there is the safety assurance of its blade-battery technology, which plays a key role in garnering customer confidence. This technology, in fact, is one of the value propositions that others have not been able to challenge so far. Rather, BYD’s global rival Tesla and more recently Mahindra, count as customers of the company’s lithium-ion-phosphate batteries.

The company also leverages the advantage of hefty subsidies and concessional loans by the Chinese government. Since 2010, the Chinese automobile industry has received tax exemptions worth \$30bn from the government, which may rise to \$97bn by 2027, a Bloomberg analysis shows.

Experts say these subsidies help BYD sell its cars cheaper globally.

Moreover, BYD’s focus on R&D and vertical integration, most importantly, in battery production, reduces cost pressures and strengthens control over the supply chain. In 2023, the company’s R&D investment stood close to \$5.6bn, a rise of 97% from the previous year.

Over the years, the world's largest EV seller has broadened its manufacturing expertise from batteries and semiconductors to thermal-management systems and ADAS systems.

Besides competitive pricing and high tech, BYD has also leveraged its brand value. A key factor working in BYD's favour here is its strong global footprint. The EV maker is operational in 88 countries where many of its Indian customers experience the brand for the first time.

"Mostly these are businessmen. When they get positive feedback abroad, they consider BYD while buying their next car back home," says a BYD dealer in Delhi.

The company also banks on word-of-mouth for promotion by offering top-tier customer service at margins as low as 1–2%, prompting existing customers to recommend the brand. About 25% of its overall volume comes from referrals, according to the company.

In the Slow Lane


However, there are a few speed breakers ahead in BYD's journey in India. Geopolitics, for one. Though operational in India since 2007 in the electronics and electric-bus market, BYD started selling electric passenger vehicles in 2021, soon after border tensions with China flared up after the Galwan Valley clash.

Subsequently, Chinese investments in India came under heightened scrutiny under the Press Note 3 scheme. As a result, the Indian government in 2023 rejected a proposal by BYD to set up a \$1bn manufacturing plant in partnership with Megha Engineering and Infrastructures.

A local manufacturing unit would have allowed BYD to bypass the 70% import duty levied on completely built-up units—making its cars way cheaper than they already are—and reduce long-term supply chain risks.

The Right Choice

Through its products like the recently launched Sealion 7, BYD is giving tough competition to its rivals on the front of price and performance

→ Top EV cars	 BYD Sealion 7	 BMW iX1 LWB	 Volvo EX40	 Hyundai Ioniq 5	 Kia EV6
Price (ex-showroom*)	₹54.9 lakh	₹49 lakh	₹56.1 lakh	₹46.1 lakh	₹65.9 lakh
Range (km)	542	531	475	631	663
Battery power (kWh)	82.56	66.4	69	72.6	84
0 to 100 km (in sec)	4.5	8.6	7.3	7.6	5.3
Top speed (kmph)	215	175	180	185	192
Peak motor performance	523 bhp, 690 Nm	204 bhp, 250 Nm	238 bhp, 420 Nm	215 bhp, 350 Nm	321 bhp, 605 Nm
*Delhi	Source: CarTrade				

But Union Commerce Minister Piyush Goyal in April this year reiterated the Centre's position, stating that it was “a no for now” regarding BYD’s investment plans.

In addition to this, the EV-maker is under the scanner of the Directorate of Revenue Intelligence for allegedly underpaying about \$9mn in taxes on imported components. “Such issues will remain until the geopolitical situation improves. The company needs to navigate its path through these challenges,” says Sanjay Gopalakrishnan, BYD’s former senior vice-president, electric passenger vehicle business.

But heightened geopolitical sensitivities and increasingly stringent FDI regulations represent structural risks for expansion and supply chain localisation for the company, according to Dhaka of Primus Partners. “If such regulatory headwinds persist, they could significantly limit BYD’s ability to achieve broader market penetration in India,” he adds.

The company is, however, optimistic about its India prospects. Rajeev Chauhan, India head of the electric passenger-vehicles business, had said in January this year that BYD was keen to set up a manufacturing base in India as soon as regulatory hurdles were addressed.

“India is a big market. It needs to plan accordingly, keeping in mind the challenges they face in the Indian market,” Gopalakrishnan says.

Customer Feedback

Besides the bigger political hurdle there are other niggles. As BYD’s vehicle app hasn’t received approval to function in India, buyers cannot use some features like Google Maps and the vehicle tracker.

Lack of local manufacturing units means long waits. It took 40 days for Ghaziabad-based lawyer Bharat Bhushan to get his E6 back from a service centre after a minor accident in January.

“They import all the sensor-based components from China which resulted in a prolonged repair time,” Bhushan tells Outlook Business, calling the decision to buy a China-made car his “biggest mistake”.

The maintenance head at a Delhi dealership says every part of a BYD car is shipped from the company’s Chennai-based unit. “It takes eight to 10 days after the order is placed,” he says, adding that the waiting time may extend further if the part has to be imported from China.

There is also the small matter of the “Made in China” tag that the company must overcome. For millions in India, Chinese goods are considered cheap, low-quality tinsels unlike products from say Germany or Japan.

The road ahead for BYD may be riddled with uncertainty but the company's presence may push automakers to reassess their pricing strategies and focus more on R&D. This could help fill the innovation gap within India's electric passenger-vehicle segment, say experts.

"BYD is compelling established luxury car companies to be more agile, technologically aggressive and value-conscious in their EV strategies for the Indian market," Vyas says.