CHAPTER -2
AUTOMOBILE INDUSTRY IN INDIA AND IN MAHARASHTRA

1.1 Introduction
1.2 Evolution of the Indian Automobile Industry
1.3 An overview of Automobile sector in India
1.4 Passenger Car Manufacturing Industry in India
1.5 Gross turnover - Automobile Manufacturers in India
1.6 Domestic Market share - Automobile vehicles in India
1.7 Production performance - Automobile Industry
1.8 Automobile Exports
1.9 Automobile industry in Pune
1.10 Pune auto Industry Scenario
1.11 Profile of the Companies selected for this study
1.12 The Automotive Research Association of India (ARAI)
1.13 Conclusion

List of tables
Table 2.1: Automobile Industry In India – A Statistical Profile
Table 2.2: Gross Turnover of the Automobile Manufacturers in India
Table 2.3: Automobile Production Trends
Table 2.4: Automobile Export trend
Table 2.5: Production of Automobile Vehicles in 2013-January 14 (In Numbers)
Table 2.6: Domestic (Sales in Numbers) 2013- January 14

List of Maps
2.1 : Automobile Industry in India

List of Figures
Figure 2.1: Gross Turnover of the Automobile Manufacturers in India
Figure 2.2: Domestic Market Share for 2011-12
Figure 2.3: Category-Wise share in Vehicle Exports in India (2007-08)
2.1. Introduction:
After knowing the significance of the study it becomes essential to know about the
history and current position of the automobile industry in India. The background of
industrial development and the current scenario of the automobile industry with
special reference to the automobile industries in India and in Pune is described in this
chapter.

The automobile industry plays a pivotal role in the growth and development of India.
It is called as the “Locomotive of growth”. India enjoys a competitive cost advantage
in manufacturing automobile vehicles. The cost of manufacturing vehicles in Indian
is less as compared to the cost of manufacturing automobile vehicles in foreign
countries.\(^1\) It has shown great achievements in terms of introduction of new
technology, development, spread, flexibility and has changed the business scenario.
Today the Indian automobile industry is fulfilling the demand of the Indian as well as
consumers in other countries. The Automobile industry is showing is not only
meeting the growing demands of the Indian market but also making its presence in
the international market rapidly.

2.2. Evolution of the Indian Automobile Industry
The presence of the automobile industry in India can be traced in the 1940s but the
actual growth and expansion of the automobile industry started in 1970. There were
only six automobile manufacturers in India. They were Telco, Mahindra and
Mahindra, Ashok Leyland, Hindustan motors, Bajaj Auto and Premier Automobiles.
There were only two companies involved in manufacturing passenger cars. They were
Hindustan Motors and Fiat India Limited. Between 1970 and 1984 cars were mostly
purchased by rich people and considered as a prestigious product.

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1. Government of India Ministry of Commerce & Industry Department of Industrial Policy &
Promotion (Manufacturing Policy Section) press note no. 2 (2011 series) Subject: National
Manufacturing Policy.p5
• In the year 1985 Maruti Udyog started manufacturing passenger cars. Japanese manufacturers also started manufacturing two wheelers and light commercial vehicles in India. Economic liberalization started in 1992 after the introduction of the new industrial policy. Before the introduction of the new industrial policy manufacturing of cars were licensed but due to economic liberalization the manufacturing of passenger cars were delicensed in the year 1993. It has accelerated the growth and development of the automobile sector. Many international automobile manufacturing companies entered into the Indian market between 1995 and 2002. There were many factors responsible for the speedy growth of the Indian automobile sector such as –
  − Introduction of New Industrial Policy
  − Introduction of the Latest technology to meet competitive pressure
  − Introduction of 100% Foreign Direct Investment
  − Availability of World Class facilities for testing
  − Introduction of environmental and safety measures.
  − Landmark policy changes like quantitative restriction
  − Vehicles manufactured by the Indian auto manufacturers were introduced in the Indian market and started exporting vehicles to other countries.
  − Alignment of Government policies with the requirements of the Indian industries for their development and growth and to strengthen the Indian economy.

In 2003, Core group on Automotive Research and Development was set up to identify priority areas for automotive research and development in India.

AUTOMOBILE INDUSTRY IN INDIA

Source: Society of Indian Automobile Manufacturer (SIAM) Report
Table 2.1

AUTOMOBILE INDUSTRY IN INDIA – A STATISTICAL PROFILE

<table>
<thead>
<tr>
<th>AUTOMOBILE INDUSTRY IN INDIA – A STATISTICAL PROFILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
</tr>
<tr>
<td>Domestic Sales</td>
</tr>
<tr>
<td>Exports</td>
</tr>
<tr>
<td>Gross Turnover (Rs.) in Million</td>
</tr>
<tr>
<td>R &amp; D Expenditure (Rs.) in Million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYMENT: (IN MILLION)</th>
<th>EMPLOYMENT: (IN MILLION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct 0.17</td>
<td>Direct 0.20</td>
</tr>
<tr>
<td>Indirect 15.00</td>
<td>Indirect 15.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INSTALLED CAPACITY (IN MILLION)</th>
<th>INSTALLED CAPACITY (IN MILLION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Four Wheelers 4.61</td>
<td>a) Four Wheelers 5.78</td>
</tr>
<tr>
<td>b) Two &amp; Three Wheelers 15.93</td>
<td>b) Two &amp; Three Wheelers 17.88</td>
</tr>
<tr>
<td>c) Engines 0.51</td>
<td>c) Engines (Ir Million) 0.61</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROSS TURNOVER OF THE AUTOMOBILE MANUFACTURERS IN INDIA (IN USD MILLION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>30,476</td>
</tr>
</tbody>
</table>

(USD Conversion Rate) 45 46 46 47 46

Source: SIAM, 2009-11 Statistical Profile

The above table shows that the turnover, production and exports are increasing every year in the automobile sector. The auto sector is also a major employment generator in India as well as a contributor to the National Gross Domestic Product.

2.3. An overview of the Indian Automobile sector

The automobile industry plays a key role in the rapid economic and industrial development of the Indian economy. It is one of the fastest growing and sunrise sector in India. In fact in the last decade, the production, sales in domestic market and exports have increased tremendously which can be seen from the above mentioned figures.
According to the Automotive Mission Plan 2006-2016, Report of Ministry of Heavy Industry and Public enterprises, Government of India, India’s passenger car and commercial vehicle manufacturing industry is the sixth largest in the world which has produced more than 3.9 million units in 2011. The sale of passenger cars and Utility vehicles have increased at 12%, commercial vehicles have increased at 4.4% and two wheeler sales have gone to 11% over the last ten years.\(^3\)

The contribution of the Automobile industry is explained as follows –

- India has now become Asia’s third largest exporter of passenger cars.
- According to the figures released by the Society of Indian Automobile Manufacturers for the financial year 2011-2012, the car sales crossed 20 lakh (2 million) units for the first time ever.
- The automobile industry in India provides direct and indirect employment to 15 million people.
- The contribution of the automobile Manufacturing GDP and the excise duty was 22% and 21% respectively.
- Today India is the largest manufacturer of tractors, the second largest manufacturer of two wheelers and the fifth largest manufacturer of commercial vehicles and is emerging as a global automotive hub.\(^4\)
- More than 3.7 million automotive vehicles were produced in India in 2010 making the country the second (after China) fastest growing Automobile market in that year. According to the Society of Indian Automobile Manufacturers, the annual vehicle sales are projected to increase to 4 million by 2015.

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2.4. Passenger Car Manufacturing Industry in India

Indian automobile Industry has emerged as Asia’s third largest exporter of passenger cars in 2010 after Japan and South Korea.

The majority of the passenger manufacturing industry is located around three zones in the north, south and west. The southern cluster of automobile industry is the biggest consisting of Chennai accounting for 35% of the revenue share. The western hub near Mumbai and Pune contributes to 33% of the market and the remaining 32% is contributed by the Northern Cluster. Companies like Tata Motors, General Motors, Mahindra and Mahindra, Force Motors, Premier Automobile, Mercedes Benz, Volkswagen and Jaguar cars are situated in Pune. This study is carried out in most of the passenger car manufacturing automobile industries situated in Pune district.

2.5. Gross turnover of Automobile Manufacturers in India

According to the figures issued by Society of Indian Automobile Manufacturer (SIAM) 2013 Statistical Profile which is represented in the table 2.2 shows that the gross turnover for automobile manufacturers in India is increasing every year. The turnover in 2006-07 was 30,476 USD million which increased to 58,583 USD million in the year 2010-11. It shows that the contribution of Indian Automobile industry in Indian GDP is increasing every year.

### Table 2.2: Gross Turnover of Automobile Manufacturers in India (In USD Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross turnover</td>
<td>30,476</td>
<td>36,612</td>
<td>33,250</td>
<td>43,296</td>
<td>58,583</td>
</tr>
<tr>
<td>(USD Conversion Rate)</td>
<td>45</td>
<td>40</td>
<td>46</td>
<td>47</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: Society of Indian Automobile Manufacturer (SIAM) 2013 Statistical Profile

![Gross Turnover of the Automobile Industry in India](www.siamindia.com/)

Figure 2.1 Gross turnover of Automobile industry in India.

Source: Society of Indian Automobile Manufacturer (SIAM) 2013 Statistical Profile (www.siamindia.com/)
2.6. Domestic Market share of Automobile vehicles in India

According to the International organization for Motor Vehicle Manufacturers (OICA) Report 2013 which is represented in Pie chart 2.2 shows that the market share for passenger vehicles in India is 15.15 %, two wheelers is 77.78%, commercial vehicle 4.4%, and three wheeler 3.35 in the year 2011-12. It shows that there is a good demand for passenger cars in the Indian market. The increase in the dispensable income, easy availability of finance, increase in the sale of used cars etc. are the factors responsible for increase in the demand for passenger cars in India. It also represents that the buyers of passenger cars in India are increasing every year6.

**Figure 2.2:** Domestic Market Share - 2011-12

![Pie chart showing market share of different types of vehicles](image)

Source: OICA Report 2013

2.7. Production performance of automobile Industry:

According to the figures issued by Society of Indian Automobile Manufacturer SIAM Report, Statistical profile 2013, the total production of automobile vehicles in the year 2007-08 was 10,853,930 which increased to 20,626,227 in the 1012-13.

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In the year 2007-08, the number of passenger vehicles manufacture was 1,777,583 which increased to 3,233,561 in the year 2012-13.

Similarly, in the case of Commercial vehicles in the year 2007-08, the number of Commercial vehicles manufactured was 5,49,006 which increased to 831,744 in 2012-13.

In the case of 3-wheelers, the numbers of vehicles produced in the year 2007-08 was 500,660 which increased to 839,742 in the year 2012-13.

In case of 2-wheelers, the number of two -wheelers produced in 2007-08 was 8,026,681 which increased to 15,721,180 in the year 2012-13.

It can be seen form the table 2.3 that there is a growth in the production of vehicles during the last 5 years\(^7\).

**Table 2.3: Automobile Production Trend**

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles</td>
<td>1,777,583</td>
<td>1,838,593</td>
<td>2,357,411</td>
<td>2,982,772</td>
<td>3,146,069</td>
<td>3,233,561</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>549,006</td>
<td>416,870</td>
<td>567,556</td>
<td>760,735</td>
<td>929,136</td>
<td>831,744</td>
</tr>
<tr>
<td>Three Wheelers</td>
<td>500,660</td>
<td>497,020</td>
<td>619,194</td>
<td>799,553</td>
<td>879,289</td>
<td>839,742</td>
</tr>
<tr>
<td>Two Wheelers</td>
<td>8,026,681</td>
<td>8,419,792</td>
<td>10,512,903</td>
<td>13,349,349</td>
<td>15,427,532</td>
<td>15,721,180</td>
</tr>
<tr>
<td>Grand Total</td>
<td>10,853,930</td>
<td>11,172,275</td>
<td>14,057,064</td>
<td>17,892,409</td>
<td>20,382,026</td>
<td>20,626,227</td>
</tr>
</tbody>
</table>

Source: SIAM Report, Statistical profile 2013 (www.siamindia.com/)

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7. Society of Indian Automobile Manufacturer SIAM Report, Statistical profile 2013 (www.siamindia.com/)
Figure 2.3: Category-Wise Share In Vehicle Exports In India (2007-08)

It can be seen from the pie chart 2.3 that there is 18% share of passenger vehicles, 66% of two wheelers, 11% three wheelers and 5% commercial vehicles in the vehicle exports from India.

2.8. Automobile Exports

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles</td>
<td>218,401</td>
<td>335,729</td>
<td>446,145</td>
<td>444,326</td>
<td>507,318</td>
<td>554,686</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>58,994</td>
<td>42,625</td>
<td>45,009</td>
<td>74,043</td>
<td>92,663</td>
<td>79,944</td>
</tr>
<tr>
<td>Three Wheelers</td>
<td>141,225</td>
<td>148,066</td>
<td>173,214</td>
<td>269,968</td>
<td>362,876</td>
<td>303,088</td>
</tr>
<tr>
<td>Two Wheelers</td>
<td>819,713</td>
<td>1,004,174</td>
<td>1,140,058</td>
<td>1,531,619</td>
<td>1,947,198</td>
<td>1,960,941</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,238,333</td>
<td>1,530,594</td>
<td>1,804,426</td>
<td>2,319,956</td>
<td>2,910,055</td>
<td>2,898,659</td>
</tr>
</tbody>
</table>

Source: Society of Indian Automobile Manufacturers (www.siamindia.com/scripts/industrystatistics.aspx)

It can be seen from the table 2.4 that a total of 1,238,333 vehicles were exported in the year 2007-08 which increased to 2,898,659 in the year 2012-13. It shows that Automobile sector contributes to the Indian economy by earning foreign currency. For the first time in history, car exports crossed half a million in a financial year. In March 2012 as compared to March 2011, overall automobile exports registered a growth of 17.81 percent.8

8 SIAM Statistics of India by Society of Indian Automobile Manufacturers (www.siamindia.com/scripts/industrystatistics.aspx)
2.9. Automobile industry in Pune

Pune has the seventh largest metropolitan economy and the sixth highest per capita income in the country. Pune is India’s fifth auto motor producing district in India. The automobile sector is prominent in Pune. The establishment of the Maharashtra Industrial Development Corporation (MIDC) by the Government of Maharashtra, the Government five year plans and policies, introduction of the New industrial Policy, 100% foreign direct investment, easy availability of raw material, availability of skilled and unskilled labours are the major factors responsible for the growth and development of the automobile industries in Pune.

Today, Pune has a diverse industrial population. It is one of India’s most important automotive hub. Some well-known Indian as well as foreign automobile companies have established their manufacturing units in Pune district. All types of automobile vehicles are manufactured in these companies such as two wheelers, three wheelers and four wheelers including trucks and tractors thereby contributing to the Indian economy. The Automobile companies like Tata motors, Mahindra and Mahindra, Force Motors, General Motors, Mercedes Benz, Volkswagen and Fiat are having their manufacturing plants in Pune. It is declared as the motor city of India by The Independent.

2.10. Pune Auto Industry Scenario:

It can be seen from the SIAM report published in Sampada, March 2014 on page number 40 that the production of passenger vehicles in Pune is the highest as compared to other vehicles from December 2013 to January 2014. The growth rate of the production of passenger vehicles is 44.8% which is followed by commercial vehicles 7.88%, three wheelers 6.96% and two wheeler 3.97% from December 2014 to January 2014.

9.en.wikipedia.org/wiki/AutomotiveIndustry_in_India
Table 2.5: Production of automobile vehicles in 2013-14 (in Numbers)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Production January 2014</th>
<th>Production December 2013</th>
<th>% Change (Growth Rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicle</td>
<td>48378</td>
<td>33399</td>
<td>44.8%</td>
</tr>
<tr>
<td>Commercial Vehicle</td>
<td>42925</td>
<td>39788</td>
<td>7.88%</td>
</tr>
<tr>
<td>Three Wheeler</td>
<td>56132</td>
<td>52477</td>
<td>6.96%</td>
</tr>
<tr>
<td>Two Wheeler</td>
<td>313696</td>
<td>301689</td>
<td>3.97%</td>
</tr>
<tr>
<td>Total</td>
<td>461131</td>
<td>427353</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

Source: Sampada, March 2014 P40

Table 2.6: Domestic (Sales in Numbers)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Domestic sales January’14</th>
<th>Domestic sales December’13</th>
<th>% Change (Growth Rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicle</td>
<td>40704</td>
<td>34565</td>
<td>17.7%</td>
</tr>
<tr>
<td>Commercial Vehicle</td>
<td>39682</td>
<td>37694</td>
<td>5.2%</td>
</tr>
<tr>
<td>Three Wheeler</td>
<td>30353</td>
<td>29672</td>
<td>2.29%</td>
</tr>
<tr>
<td>Two Wheeler</td>
<td>194573</td>
<td>155629</td>
<td>25.02%</td>
</tr>
<tr>
<td>Total</td>
<td>305312</td>
<td>257560</td>
<td>18.54%</td>
</tr>
</tbody>
</table>


It can be seen from above table that the total domestic sales of automobile vehicles in Pune has increased by 18.58% in the month of December 2013 as compared to January 2014. There is 17.7% increase in Passenger vehicles, 5.2% increase in commercial vehicles, 2.29% increase in three wheelers and 25.02% increase in the two wheelers domestic sale in the month of December 2013 as compared to January 2014\(^\text{10}\).

\(^{10}\text{SIAM} \text{ report published in Sampada, March 2014, P40.}\

Tables are published in Sampada, March 2014, p40. Original source - SIAM.

Sampada is a magazine published by MCCIA
2.11. Profile of the Companies selected for this study

**Tata Motors:** Tata Motors Limited is India’s largest automobile company. Tata Motors has many manufacturing plants throughout India such as the Tata Motors plant which is situated at Jamshedpur in the East, then comes Sanand and Pune in the West also Tata Motors has its base at Lucknow and Pant Nagar in the North. Tata Nano is manufactured at the Sanand plant which is located in Ahmadabad District of Gujarat. There are some other vehicles like Mini truck Ace and the passenger carrier Magic is manufactured at the Pant Nagar plant in the north, Low Floor Buses, Semi low floor buses and CNG buses are manufactured at the Lucknow plant in the state of Uttar Pradesh.

The passenger cars of Tata Motors like Indica and Indigo and commercial vehicles are manufactured at the Pune plant. Tata Motors is famous for Nano, Vista, Indica, Manza and Indigo passenger car models and also the commercial light vehicle models which include Tata Ace, Prima, and Winger Venture etc. It has established itself as a market leader in each segment and is also among the top three passenger vehicles with winning segment in cars.

It is one of the major players in Pune’s automobile sector with a strong workforce of 24,000 employees. This study is conducted at the Pune plant of Tata Motors. On an average, 700 cars per day are manufactured daily in this plant. The market share of Tata Motors is 13.12%. Total cars sold in 2011-12 are 3,13,385. The popular passenger cars of Tata Motors are Vista, Indica, eCS, Indigo, Indigo and Nano. 

**Mahindra and Mahindra:** Mahindra started the manufacturing of automobiles in 1947. Its total business has grown to USD 16.2 billion. There are more than 1,80,000 employees working in Mahindra and Mahindra.

The study is conducted at the Pune plant of Mahindra and Mahindra which is located at Chakan. The total manufacturing capacity of this plant is 300000 vehicles per year. The Chakan plant of Mahindra and Mahindra has a workforce of 2000 people.

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Mahindra has sold 38,466 units of vehicles during June 2014. The popular cars under this brand are Bolero, Scorpio, Verito and Xylo\(^2\).

Volkswagen: The Volkswagen plant in Chakan occupies a total area of over 2.3 million square meters (575 acres) with buildings covering about 1,15,000 square meters. It is the largest investment by a German company till today in the growing Indian market. The Volkswagen plant in Chakan has an annual production capacity of 130,000 vehicles per year.

The Pune plant of Volkswagen which is located at Chakan is one of the most modern in the Volkswagen group. The market share of Volkswagen is 2.95% . The total cars sold in the year 2011-12 is 78,261 units. The popular cars of this brand are Polo, Vento, Jetta, Beetel, Passat, Phaeton and Touareg\(^3\).

General Motors: General Motors has been a key player in the global auto industry for more than 100 years. There are more than 121,000 employees who work for General Motors in six continents. General motors is a leading name among the automobile companies in India. It is the 5\(^{th}\) largest automobile manufacturing company in India. It started operations in India in the year 1996 when it set up a manufacturing unit in Halol. It has two manufacturing plants. One is at Halol and the second unit of General Motors is at Talegaon in Pune. This study is conducted in Pune plant. It manufactures a wide range of vehicles like trucks and heavy vehicles to cars. The popular cars of this brand include Abio, Spark and Chevrolet\(^4\).

Mercedes-Benz India: Daimler entered the Indian market and set up Mercedes-Benz India Limited in 1994. The company was later renamed DaimlerChrysler India Private Limited after the merger of the parent company Daimler with Chrysler. After DaimlerChrysler sold off most of its equity interests to Chrysler in 2007, it changed its name to Daimler AG. As a result, Daimler Chrysler India was renamed Mercedes-Benz India once again.

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\(^{2}\)www.mahindra.com

\(^{3}\)www.volkswagen.co.in/en/volkswagen/volkswagen/chakan_plant.html

http://en.wikipedia.org/wiki/Volkswagen_India

\(^{4}\)en.wikipedia.org/wiki/General_Motors_India_Private_Limited
The Pune plant is situated at Chakan and is a 100% owned subsidiary of Daimler AG. It is one of the world’s most successful automotive companies. There has been a long association of Daimler Chrysler with India which spans more than 50 years. Presently it is engaged in the local production of Mercedes- Benz cars. It has recorded sale of 5819 vehicles in 2010 with 80% growth in sales as compared to sales in 2009. The Daimler group is one of the biggest producers of premium cars and the world’s biggest manufacturer of commercial vehicles with a global reach. The Mercedes Benz has achieved the distinction of start the production of new second generation GL Class full size luxury SUV from Mercedes Benz India’s world class plant is situated at Chakan\textsuperscript{15}.

Fiat India Limited: It is an Indian subsidiary of Fiat Group Automobiles, Italy. Fiat India Automobiles Limited was incorporated on 2\textsuperscript{nd} January 1997. The Company presently has 2600 employees and is located at Ranjangaon in Pune District. The plant has a capacity to produce 100000 cars, 200000 engines and other components. The agreement of the joint venture between Fiat and Tata was signed on 19\textsuperscript{th} October 2007. The company is mainly focusing on production and selling of the Fiat Linea, Punto models, which are being manufactured by the Tata –Fiat joint venture plant at Ranjangaon. The company plans to double the production capacity for both car units and engines in the next few years. Fiat sold 23,551 vehicles in 2009 with 241% growth in sales as compared to 2008 and has plan to sell 130,000 cars annually in India by 2014\textsuperscript{16}.

Apart from the car manufacturing companies there is the Automotive Research Association of India (ARAI) situated at Pune. It provides expertise to the Indian automobile industries.

\textsuperscript{15} http://www.mercedes-benz.co.in/ ,
http://en.wikipedia.org/wiki/Mercedes-Benz_India

\textsuperscript{16} http://en.wikipedia.org/wiki/Fiat_India_Automobiles
2.12. **The Automotive Research Association of India (ARAI)**

The Automotive Research Association of India (ARAI) is located in Pune. It is a research and development center for automobile industry in India. It is striving to achieve international recognition in the testing and evaluation of components. Its functions are as follows:-

- It provides design and development expertise.
- It keeps pace with global economy and standards.
- It is involved in testing and evaluation of components and systems.
- It provides technical expertise for research and development to the automobile manufacturing industries.
- Meet national and international standards.
- Meet the requirements of the automotive industries in India and around the world. It plays an important role in assuring safe, more efficient and less polluting vehicles.
- It provides certification, testing, homologation and framing of vehicle regulations.

It works in harmony and complete confidence with its members, customers and the Government of India to offer the finest services, which earned for itself ISO 9001, ISO 14001 and other essential accreditations. ARAI is well-equipped with the latest technology, equipment, facilities and highly qualified manpower.  

2.13. **Conclusion**

This chapter gives detailed information about the development and growth of the automobile industry in India as well as in Pune. It presents the current scenario of the automobile industry. It provides employment to about 15 million people but at the same time attrition is also a major problem in the automobile industry. To find out the factors responsible for the attrition in the automobile industry in Pune, a detail research methodology is essential. Hence the research methodology used to conduct this research is described in the next chapter.

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