Chapter 3: Industry Analysis -- Indian Automobile Sector

I. Introduction to Indian Economy

In past India was called a golden sparrow in B. Cs time. It was well developed and education in ancient India was famous. The foreign rulers were interested to rule or loot India. They attacked India repeatedly and looted India. The Indian rulers’ mainly princely states could not fight against foreign rulers as they were not united. They fought only for their own kingdom and not for whole India. The invaders looted Indian and the position of Indian economy was spoiled by them. The last ruler in India was British. India got independence in 1947 and at that time the condition of Indian economy was very pathetic. The development of Indian economy started mainly after independence. The government of India adopted the mixed economy system where the public and private sectors co-existing to meet the interest of the country in a better way. The Indian economy is diverse and embraces a huge area including, agriculture, mining, textile industry, manufacturing and a vast array of other services. There is an enormous shift from what the economy used to be in the distant past. Indian economy is the sixth largest (dollar 2.6 trilion) in the world it surpassed the France economy (dollar 2.58 trilion) recently as per report of World Bank 2017.

The known Economic history of India begins with the Indus Valley civilization. The Indus civilization's economy appears to have depended significantly on trade, which was facilitated by advances in transport. The period was marked by intensive trade activity and urban development. By 300 B.C., the Maurya Empire united most of the Indian subcontinent. The political unity and military security allowed for a common economic system and enhanced trade and commerce, with increased agricultural productivity. After this during ancient and medieval period India is estimated to have had the largest controlling between one third and one fourth of the world's wealth up to the time of the Marathas, from where it rapidly declined during European rule. Its citizens practiced agriculture, domesticated animals, made sharp tools and weapons from copper, bronze and tin and traded with other cities. Agriculture was the predominant occupation of the populace and satisfied a village's food requirements besides providing raw materials for hand based industries like textile, food processing and crafts.

According to economic historian Angus Madison (2007) in his book “Contours of the world economy” India had the world’s largest economy during the years 1 AD and 1000 AD. During the Maurya Empire (321-185 BC), there were a number of important changes and
developments to the Indian economy. The empire spent considerable resources building roads and maintaining them throughout India. The improved infrastructure combined with increased security, greater uniformity in measurements, and increasing usage of coins as currency enhanced trade according to Ratan Lal Basu & Rajkumar Sen (2008): “Ancient Indian Economic Thought, Relevance for Today”. Madison, Angus (2006): “The world economy” during the Mughal period (1526–1858) India experienced peaks and bottoms unprecedented in history. The gross domestic product of India in the 16th century was estimated at about 25.1% of the world economy during Emperor Akbar period. After Emperor Aurangzeb time, India had fallen from the top rank to become the second-largest economy in the world, after the Manchu China.

As the world was moving from agriculture towards industrialisation and economic integration, investment in Indian industries was limited since it was a colony. During the British Raj, massive railway projects were begun in earnest and government jobs and guaranteed pensions attracted a large number of upper caste Hindus into the civil service for the first time. These contributed in development of Indian economy. B. R. Tomlinson (1996) said that the Indian economy grew at about 1% per year from 1880 to 1920, and the population also grew at 1%. The result was, on average no long-term change in income levels. Agriculture was still dominant, with most peasants at the subsistence level. Extensive irrigation systems were built, providing an impetus for growing cash crops for export and for raw materials for Indian industry, especially jute, cotton, sugarcane, coffee and tea.

Since 1951 a series of plans had guided the country's economic development. Although there was considerable growth in the 1950s, the long-term rates of real growth were less positive than India's politicians desired and much less than those of many other Asian countries. Since 1950, India ran into trade deficits that increased in magnitude in the 1960s. The Government of India had a budget deficit problem and therefore could not borrow money from abroad or from the private sector, which itself had a negative savings rate. The Indo-Pakistani War of 1965, Indo-China war, defence expenses, shortage of food grains, increasing population all created difficulties for development of Indian economy. It grew at a low pace that too was unsustainable.

Prasad, and Chandra Shekhar (2010), “Indian Economy - A Performance Review” stated that the economic reforms programme got a big boost when the government announced a new industrial policy in the Indian Parliament on July 1991. Since then, it has been liberalization, privatization, and globalisation all the way. In the new liberalized industrial and trade
environment, the government is progressively assuming the role of a promoter, facilitator, and catalytic agent, instead of a regulator and controller of economic activities. Economic liberalization in India in the 1990s and first decade of the 21st century led to large changes in the economy. Due to liberalisation of Indian economy, the multinational companies from foreign countries entered in Indian markets and GDP started improving year on year but not consistent. The many external factors are affecting the growth are such government interference, global recession, inflation and political instability. It is hoped that the future of Indian economy would be bright.

1. The Economic Liberalization in India

The economic liberalization in India means the reforms in Indian economy for further development and it started on 24 July 1991. After Independence in 1947, India adhered to socialist policies till late eighties. During regime of Prime Minister Rajiv Gandhi initiated some reforms. In 1991, the financial condition of India was not favourable and faced balance of payment crisis; it approached for bailout deal with World Bank and International Monetary Fund. Then most of the economic reforms were forced upon India as a part of the IMF bailout. IMF required India to undertake a series of structural economic reforms as reported by New York Times (June 29, 1991): “Economic Crisis Forcing Once Self-Reliant India to Seek” According to The Economist (30 September 2010): “India’s surprising economic miracle” and Chakrabarti, Anjan; Cullenberg, Stephen (2003): “Transition from socialism to capitalisation in India” the main objective of the government was to transform the economic system from socialism to capitalism so as to achieve high economic growth and industrialisation of the nation for the well-being of Indian citizens. Today India is mainly characterized as a market economy.

The McKinsey Quarterly (2001): “The Mckinsey Quarterly: India from Emerging to Surging” states that removing main obstacles "would free India’s economy to grow as fast as China’s, at 10 percent a year". For 2010, India was ranked 124th among 179 countries in “Index of Economic Freedom” +World Rankings, which is an improvement from the preceding year. “India Report” by Astaire Research reviewed that Controls started to be dismantled, tariffs, duties and taxes progressively lowered, state monopolies broken, the economy was opened to trade and investment, private sector enterprise and competition were encouraged and globalisation was slowly embraced. The reforms process continues today and is accepted by all political parties, but the speed is often held hostage by coalition politics and vested interests.
2. Foreign Direct Investment in India

A study by Ana Marr (1997): “Foreign Direct Investment Flows to Low-Income Countries: A Review of the Evidence” reviews the recent evidence on the scale of FDI to low-income countries over the period 1970-96 and major factors determining foreign companies’ decisions to invest in a particular country. It concludes that large market size, low labour costs and high returns in natural resources are amongst the major determinants in the decision to invest in these countries. China, as a major emerging market, has attracted significant flows of FDI, to become the second largest recipient. Government of India (2003): “Manual on FDI in India: Policy and Procedures, Secretariat for Industrial Promotion, Department of Industrial Policy and Promotion” reported that as a result of the various policy initiatives taken, India has been rapidly changing from a restrictive regime to a liberal one, and FDI is encouraged in almost all the economic activities under the Automatic Route. FDI is freely allowed in all sectors including the services sector, except a few sectors where the existing and notified sectoral policy does not permit FDI beyond a ceiling. To make the investment in India attractive, investment and return on them are freely retrievable, except where the approval is specific to specific conditions such as lock-in period on original investment, dividend cap, foreign exchange neutrality etc as per the notified sectoral policy. After the economic reforms are implemented in the post 1990s, the inflows of FDI to India have increased tremendously since 2000.

There are many past studies which have emphasized the role of GDP growth, wage rate, trade rate, real interest rates, inflation, and stock of FDI, domestic investment in attracting FDI into a country. As per the recent survey done by the United National Conference on Trade and Development (UNCTAD): “The World Investment Report 2010: Investing in a Low-carbon Economy” India will emerge as the third largest recipient of foreign direct investment (FDI) for the three-year period ending 2012. As per the study, the sectors which attracted highest FDI were services, telecommunications, construction activities, and computer software and hardware. The opening up of the Indian economy in the international trade front and more liberal FDI policies has been one of the factors which led to huge FDI inflows in India. However, India’s FDI inflows have fallen sharply this financial year as a stumbling global recovery from global crisis hit investor appetite. Again, the macroeconomic instability in terms of fiscal deficit, current account deficit and high inflation rate also contribute to fall in FDI inflows. As Economic Survey 2010-11 has reported, inflation is a dominant concern and India needs policies to help reverse a fall in FDI inflows.
II. Automobile Sector in India

1. Introduction

The automobile sector is a key player in the global and Indian economy. A rapidly growing middle class, rising per capita incomes and relatively easier availability of finance have been driving the vehicle demand in India, which in turn, has prompted the government to invest at unprecedented levels in roads infrastructure, including projects such as Golden Quadrilateral and North-East-South-West Corridor with feeder roads. The automotive industry in India is one of the largest in the world and one of the fastest growing globally. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 3.7 million units in 2010. According to recent reports, India is set to overtake Brazil to become the sixth largest passenger vehicle producer in the world, growing 16-18 per cent to sell around three million units in the course of 2011-12. In 2009, India emerged as Asia's fourth largest exporter of passenger cars, behind Japan, South Korea, and Thailand. In 2010, India reached as Asia's third largest exporter of passenger cars, behind Japan and South Korea beating Thailand.

The first car ran on India's roads in 1897. Until the 1930s, cars were imported directly, but in very small numbers. Embryonic automotive industry emerged in India in the 1940s. Mahindra & Mahindra was established by two brothers as a trading company in 1945, and began assembly of Jeep CJ-3A utility vehicles under license from Willys. The company soon branched out into the manufacture of light commercial vehicles (LCVs) and agricultural tractors. Following the independence, in 1947, the Government of India and the private sector launched efforts to create an automotive component manufacturing industry to supply to the automobile industry. However, the growth was relatively slow in the 1950s and 1960s due to nationalisation and the license raj which hampered the Indian private sector. After 1970, the automotive industry started to grow, but the growth was mainly driven by tractors, commercial vehicles and scooters. Cars were still a major luxury. Japanese manufacturers entered the Indian market ultimately leading to the establishment of Maruti Udyog. A number of foreign firms initiated joint ventures with Indian companies.

The supply chain of automotive industry in India is very similar to the supply chain of the automotive industry in Europe and America. The orders of the industry arise from the bottom of the supply chain i.e., from the consumers and go through the automakers and climbs up
until the third tier suppliers. However, the products, as channelled in every traditional automotive industry, flow from the top of the supply chain to reach the consumers. Automakers in India are the key to the supply chain and are responsible for the products and innovation in the industry. The description and the role of each of the contributors to the supply chain are discussed here:

Third Tier Suppliers: These companies provide basic products like rubber, glass, steel, plastic and aluminium to the second tier suppliers.

Second Tier Suppliers: These companies design vehicle systems or bodies for First Tier Suppliers and OEMs. They work on designs provided by the first tier suppliers or OEMs. They also provide engineering resources for detailed designs. Some of their services may include welding, fabrication, shearing, bending etc.

First Tier Suppliers: These companies provide major systems directly to assemblers. These companies have global coverage to follow their customers to various locations around the world. They design and innovate to provide "black-box" solutions for the requirements of their customers. Black-box solutions are solutions created by suppliers using their own technology to meet the performance and interface requirements set by assemblers. First tier suppliers are responsible not only for the assembly of parts into complete units like dashboard, brakes-axle-suspension, seats, or cockpit but also for the management of second-tier suppliers.

Automakers/Vehicle Manufacturers/Original Equipment Manufacturers (OEMs): After researching consumers' wants and needs, automakers begin designing models which are tailored to consumers' demands. The design process normally takes five years. These companies have manufacturing units where engines are manufactured and parts supplied by first tier suppliers and second tier suppliers are assembled. Automakers are the key to the supply chain of the automotive industry. Examples of these companies are Tata Motors, Maruti Suzuki, Toyota, and Honda. Innovation, design capability and branding are the main focus of these companies.

Dealers: Once the vehicles are ready they are shipped to the regional branch and from there, to the authorised dealers of the companies. The dealers then sell the vehicles to the end customers.
Parts and Accessory: These companies provide products like tires, windshields, and air bags etc. to automakers and dealers or directly to customers.

Service Providers: Some of the services to the customers include servicing of vehicles, repairing parts, or financing of vehicles etc. Many dealers provide these services but, customers can also choose to go to independent service providers.

The automotive industry of India is categorised into passenger cars, two-wheelers, commercial vehicles and three-wheelers and heavy vehicles with two-wheelers dominating the market. More than 75 percent of the vehicles sold are two-wheelers. Nearly 59 percent of these two-wheelers sold were motorcycles and about 12 percent were scooters. The passenger vehicles are further categorised into passenger cars, utility vehicles and multi-purpose vehicles. All sedan, hatchback, station wagon and sports cars considered under passenger cars.

Tata Nano, is the world's cheapest passenger car, manufactured by Tata Motors - a leading automaker of India. Multi-purpose vehicles or people-carriers are similar in shape to a van and are taller than a sedan, hatchback or a station wagon, and are designed for maximum interior room. Utility vehicles are designed for specific tasks. The passenger vehicles manufacturing account for about 15 percent of the market in India. Commercial vehicles are categorised into heavy, medium and light. They account for about 5 percent of the market.

Statistical data regarding Indian automobile industry are explained below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type of Vehicle</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Passenger Vehicles</td>
<td>13</td>
</tr>
<tr>
<td>2.</td>
<td>Commercial Vehicles</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>Three Wheelers</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>Two Wheelers</td>
<td>81</td>
</tr>
<tr>
<td>5.</td>
<td>Grand Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3.2: Automobile Production Trends

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles</td>
<td>32,31,058</td>
<td>30,87,973</td>
<td>32,21,419</td>
<td>34,65,045</td>
<td>38,01,670</td>
<td>4010373</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>8,32,649</td>
<td>6,99,035</td>
<td>6,98,298</td>
<td>7,86,692</td>
<td>8,10,253</td>
<td>894551</td>
</tr>
<tr>
<td>Three Wheelers</td>
<td>8,39,748</td>
<td>8,30,108</td>
<td>9,49,019</td>
<td>9,34,104</td>
<td>7,83,721</td>
<td>1021911</td>
</tr>
<tr>
<td>Two Wheelers</td>
<td>15,74,4156</td>
<td>16,88,3049</td>
<td>18,48,9311</td>
<td>18,83,0227</td>
<td>19,93,3793</td>
<td>23,14,7057</td>
</tr>
<tr>
<td>Grand Total</td>
<td>20,64,7611</td>
<td>21,50,0165</td>
<td>23,35,8047</td>
<td>24,01,6068</td>
<td>25,32,9383</td>
<td>29,07,3892</td>
</tr>
</tbody>
</table>


Table 3.3: Gross Turnover of Automobile Manufacturers in India (USD Million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(USD Conversion Rate)</td>
<td>66,264</td>
<td>67,607</td>
<td>55,212</td>
<td>58,909</td>
<td>63,866</td>
<td>67,724</td>
</tr>
</tbody>
</table>

Chart 3.1: Gross Turnover of Automobile Manufacturers in India- 2011-12 to 2016 - 17

Table 3.4: Automobile Domestic Sales Trends

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles</td>
<td>26,65,015</td>
<td>25,03,509</td>
<td>26,01,236</td>
<td>27,89,208</td>
<td>30,47,582</td>
<td>32,87,965</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>7,93,211</td>
<td>6,32,851</td>
<td>6,14,948</td>
<td>6,85,704</td>
<td>7,14,082</td>
<td>8,56,453</td>
</tr>
<tr>
<td>Three Wheelers</td>
<td>5,38,290</td>
<td>4,80,085</td>
<td>5,32,626</td>
<td>5,38,208</td>
<td>5,11,879</td>
<td>6,35,698</td>
</tr>
<tr>
<td>Two Wheelers</td>
<td>1,37,97,185</td>
<td>1,48,06,778</td>
<td>1,59,75,561</td>
<td>1,64,55,851</td>
<td>1,75,89,738</td>
<td>2,01,92,672</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,77,93,701</td>
<td>1,84,23,223</td>
<td>1,97,24,371</td>
<td>2,04,68,971</td>
<td>2,18,62,128</td>
<td>2,49,72,788</td>
</tr>
</tbody>
</table>


Table 3.5: Automobile Exports Trends

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles</td>
<td>5,59,414</td>
<td>5,96,142</td>
<td>6,21,341</td>
<td>6,53,053</td>
<td>7,58,727</td>
<td>7,47,287</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>80,027</td>
<td>77,050</td>
<td>86,939</td>
<td>1,03,124</td>
<td>1,08,271</td>
<td>96,867</td>
</tr>
<tr>
<td>Three Wheelers</td>
<td>3,03,088</td>
<td>3,53,392</td>
<td>4,07,600</td>
<td>4,04,441</td>
<td>2,71,894</td>
<td>3,81,002</td>
</tr>
<tr>
<td>Two Wheelers</td>
<td>19,56,378</td>
<td>20,84,000</td>
<td>24,57,466</td>
<td>24,82,876</td>
<td>23,40,277</td>
<td>28,15,016</td>
</tr>
<tr>
<td>Grand Total</td>
<td>28,98,907</td>
<td>31,10,584</td>
<td>35,73,346</td>
<td>36,43,494</td>
<td>34,79,169</td>
<td>40,40,172</td>
</tr>
</tbody>
</table>


Competition in this industry is very high. Competition in this industry is going high. Automotive industry is a volume-driven industry, and certain critical mass is a pre-requisite for attracting the much-needed investment in research and development and new product design and development. Research and development investment is needed for innovations which is the lifeline for achieving and retaining competitiveness in the industry. This competitiveness in turn depends on the capacity and the speed of the industry to innovate and upgrade. The most important indices of competitiveness are productivity of both labour and capital. The Investment Information and Credit Rating Agency of India (ICRA, 2003): “Report on the Competitiveness of Indian Auto Industry” studies the competitiveness of the Indian auto industry, by global comparisons of macro environment, policies and cost structure. This has a detailed account on the evolution of the global auto industry. The United States was the first major player from 1900 to 1960, after which Japan took its place as the cost-efficient leader. Cost efficiency being the only real means in as mature an industry as
automobiles to retain or improve market share, global auto manufacturers have been sourcing from the developing countries. India and China have emerged as favourite destinations since late 1980s. The major advantage of the Indian economy is educated and skilled workforce with knowledge of English. Our disadvantages include poor infrastructure, complicated tax structure, inflexible labour laws, inter-state policy differences and inconsistencies.

Kathuria (1996): “Competing through Technology and Manufacturing: A Study of the Indian Commercial Vehicles Industry” notes that the time-bound indigenization programme for commercial vehicles in the 1980s facilitated the upgradation of vendor skills and modifying vehicles to suit local conditions, which demand functional efficiency, overloading capabilities, fuel economy, frequent changes in speed and easy repair and maintenance. Kathuria also mentions that the choice between vertical integration and subcontracting crucially depends on the policy regime in a liberal regime, vertical integration may not work. Sharma (2006): “A Study on Productivity Performance of Indian Automobile Industry: Growth Accounting Analysis” analyses the performance of the Indian auto industry with respect to the productivity growth. The author finds that the domestic auto industry has registered a negative and insignificant productivity growth during the last one and a half decade. Among the partial factor productivity indices only labour productivity has seen a significant improvement, while the productivity of other three inputs (capital, energy and materials) haven’t shown any significant improvement. Labour productivity has increased mainly due to the increase in the capital intensity.

Humphrey (1999): “Globalisation and Supply Chain Networks: the Auto Industry in Brazil and India” compares the impact of globalisation on supply chain networks in the auto industry in Brazil and India. According to Humphrey, global auto industry hubs were situated in three regions, namely, North America, Western Europe and Japan. Brazil and India are examples of the countries which could develop the indigenous auto industry despite not being situated very close to any of these regions. Hence, Humphrey compares the auto industries in these two countries. Prior to 1991, India had a much more protectionist regime than Brazil, in terms of licensing and quantitative restrictions on both imports and domestic production. Inflows of auto FDI occurred in both the countries since the mid-1990s. Further, Brazil and India have emerged as preferred suppliers for global auto assemblers. ACMA (2006): “Indian Automotive Component Industry: Engine of Growth Driving the Indian Manufacturing Sector” presents the recent trends in the Indian auto industry as a whole and their implications for automotive supply chain in India. The market-oriented growth and growing
The automobile industry in India have ensured bright prospects for the Indian auto component sector, which is vibrant and competitive. Huge future growth potential of the automobile industry and increased access to consumer finance may lead India to a place among the top five automotive economies by 2025.

Kathuria (1996) analyses the developments in the Indian auto industry from the 1950s to 1991. To evaluate the competitiveness of Indian commercial vehicles manufacturers in the domestic market, growth trends, structural trends, market shares, profitability, productivity ratios, prices, quality, dealer network and performance are analysed. Kathuria concludes that the Indian auto industry in general and CV industry in particular, have a lot to learn from the global auto industry, in terms of best-practice technology and vertical integration and supplier relationship. Narayanan (1998) finds that based on an econometric analysis, which considers technology acquisition, skill intensity, component imports, firm size, product differentiation, age and vertical integration as the determinants of competitiveness, Narayanan explained that competitiveness has depended on the ability to build technological advantages, even in an era of capacity licensing. This is facilitated by complementing imported technology with in-house R&D efforts. In a deregulated regime, import of capital goods has been the technology-related variable that triggered growth. In a liberal regime, growth is positively influenced by the intra-firm technology transfer.

Piplai (2001) studied the policy environment and its impact on the Indian automobile industry. He appears to be justified in saying that there has been excess capacity in the auto industry and the auto majors are facing difficulties in aggressively marketing their products, it is probably not correct to conclude, as he has done, that the current levels of competition resulting from liberalisation are unsustainable. As noted in the introduction, car penetration levels are very low in India and hence the future potential for demand is very high. This would ensure that competition is quite sustainable as there will be enough consumers, given the rapid economic growth that is taking place.

The life cycle stage is growth. Life Cycle Reasons the market for manufacturing motor vehicles is consistently increasing. The products manufactured by this industry are profitable. Companies have been consistently opening new plants and employing over the past five years. Japanese and European manufacturers of motor vehicles have entered the market. Industry value added has been rising, along with the rise in GDP. Life Cycle Analysis general improvement in availability of trained manpower and good infrastructure is required for
sustainable growth of the industry. Keeping this in view, the Indian Government has launched a unique initiative of National Automotive Testing and R&D Infrastructure Project (NATRIP) to provide specialised facilities for Testing, Certification and Homologation to the industry. A similar initiative is required for creating specialised institutions in automotive sector for education, training and development. In order to achieve the plan interventions are required from both Industry and Indian Government. The Indian Government would play a key enabling role in facilitating infrastructure creation, promote the country's capabilities, create a favourable and predictable business environment, attract investment and promote research & development.

The level of volatility is medium in this sector. Over the past few years, the Motor Vehicle Manufacturing industry has become more volatile. This has been the result of fluctuations in metal prices and fuel prices, as well as changes in legislation and assistance packages. India's increasing per capita disposable income and growth in exports is playing a major role in the rise and the competitiveness of the industry. As per the BRIC report India's per capita disposable income from current year will rise by 106% in 2015. This increase in the spending power has been a forefront of the economic development. According to the Economic Times of India, economic liberalization – allowing unrestricted Foreign Direct Investment (FDI) and removing foreign currency neutralisation and export obligations – has been also been one of the key to India's automotive volatility.

The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route. Some of the major initiatives taken by the Government of India are:

- The Government of India aims to make automobile manufacturing the main driver of "Make in India" initiative, as it expects the passenger vehicles market to triple to 9.4 million units by 2026, as highlighted in the Auto Mission Plan (AMP) 2016-26.

- In the Union budget of 2015-16, the Government has announced plans to provide credit of Rs 850,000 crore (US$127.5 billion) to farmers, which is expected to boost sales in the tractors segment.

- The government plans to promote eco-friendly cars in the country—i.e. CNG-based vehicles, hybrid vehicles, and electric vehicles—and also to make mandatory 5 per cent ethanol blending in petrol.
The government has formulated a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020, to encourage the progressive introduction of reliable, affordable, and efficient electric and hybrid vehicles into the country.

The Automobile Mission Plan (AMP) for the period 2006–2016, designed by the government is aimed at accelerating and sustaining growth in this sector. Also, the well-established Regulatory Framework under the Ministry of Shipping, Road Transport and Highways, plays a part in providing a boost to this sector. Bharat Stage Emission Standards: In major Indian cities there is a great problem of air pollution and to check this government has taken the initiatives time to time. In this direction Bharat stage emission standards (BSES) are emission standards instituted by it to regulate the output of air pollutant engines including vehicles. The standards and the timeline for implementation are set by the Central Pollution Control Board under the Ministry of Environment & Forests and climate change. The standards, based on European regulations were first introduced in 2000. Progressively stringent norms have been rolled out since then. All new vehicles manufactured after the implementation of the norms have to be compliant with the regulations. Since October 2010, Bharat Stage (BS) III norms have been enforced across the country. In 13 major cities, Bharat Stage IV emission norms have been in place since April 2010 and it has been enforced for entire country since April 2017. In 2016, the Indian government announced that the country would skip the BS-V norms altogether and adopt BS-VI norms by 2020.

On November 15, 2017 The Petroleum Ministry of India in consultation with Public Oil Marketing Companies decided to bring forward the date of BS-VI grade auto fuels in NCT of Delhi with effect from April 1, 2018 instead of April 1, 2020. In fact, Petroleum Ministry OMCs were asked to examine the possibility of introduction of BS-VI auto fuels in the whole of NCR area from April 1, 2019. This huge step was taken due the heavy problem of air pollution faced by Delhi which became worse around this year. The decision was met with disarray by the automobile companies as they had planned the development according to roadmap for 2020. While the norms help in bringing down pollution levels, it invariably results in increased vehicle cost due to the improved technology & higher fuel prices. However, this increase in private cost is offset by savings in health costs for the public.

Electric Vehicles: India unveiled 'National Electric Mobility Mission Plan (NEMMP) 2020' in 2013 to address the issues of National energy security, vehicular pollution and growth of
domestic manufacturing capabilities. Government of India has plans to make a major shift to
electric vehicles by 2030. E-commerce companies, Indian car manufacturers are working on
making electric cars more common over the next two decades. Supreme Court of India while
hearing a petition regarding air pollution took a strong stand on electric vehicles, and asked
carmakers to switch to electric mobility soon. The top Indian court was informed that as
many as 22 electric cars by various manufacturers will make its market launch soon. It was
further added that Indian companies like M & M and Tata Motors are pushing hard to bring
in EVs into the Indian market. A number of electric cars were showcased at Auto Expo 2018.
Tata Motors and Mahindra supplied the first batch of electric cars as a part of EESL tender
and these e-cars will be used by government officials. EESL has already floated the second
tender to procure 10,000 additional electric cars. In the market, currently its only Mahindra’s
e-Verito small electric car that is on sale and we expect Tata Tigor Electric to make its
market launch soon. "Electric vehicles are coming in a big way in India. 22 models of various
manufacturers will be in the market very soon.

III. Leading Car Manufacturing Companies in India

India is one of the most populated countries in the world. It is no surprise that it is also one of
the largest car manufacturing countries in the world, the fourth largest to be exact. Cars are
the most convenient mode of transportation and it is designed according to the need of the
people. In India, Car manufacturing industry was pioneered by Sanjay Gandhi, who
introduced Maruti Suzuki in the country to provide cars even to the lower-classes of people.
India, now has been producing some of the world-class, affordable cars. Not only production,
India has one of the highest numbers of cars in the world. Some of the Indian car
manufacturing companies are widely recognised in rest of the world. In India, we have a lot
of automobile companies in the market. Day-by-day, the number of cars is increasing on road
and that has led to some serious environmental concerns.

During its early days, the most of the Indian car auto manufacturers banked upon foreign
technologies. But the scenario has changed over the years and currently, the Indian auto
manufacturers are using their own technology. Due to the growing pace of Indian automobile
market, a number of car manufacturers including the global leaders have locked their horns in
the Indian auto market. Starting from the era when there was too slim of a variety of cars
available in Indian market, Indian automobile industry has come up a long way to have a
diverse array of cars these days. There are a number of top automobile companies running
their operations in India, which again have a range of models in different segments of cars. However, while looking for top 10 automobile companies in India, one name that would always lead the list is Maruti Suzuki India. Maruti Suzuki has consistently been the dominant leader in the Indian automobile industry. However, there are also other big names like Tata Motors, Toyota, Mahindra and Mahindra, Hyundai Motors, Hindustan Motors, General Motors, Volkswagen, Skoda, , Mercedes Benz, Land Rover, Fiat, Force Motors, Peugeot-Citroen, and in future more companies are expected to establish their units.

The majority of India's car manufacturing industry is based around three clusters in the south, west and north. The southern cluster near Chennai is the biggest with 40% of the revenue share. The western hub near Maharashtra is 33% of the market. The northern cluster is primarily Haryana with 32%. Chennai, is also referred to as the "Detroit of India" with the India operations of Ford, Hyundai, Renault and Nissan headquartered in the city and BMW having an assembly plant on the outskirts. Chennai accounts for 60% of the country's automotive exports. Gurgaon and Manesar in Haryana form the northern cluster where the country's largest car manufacturer, Maruti Suzuki, is based. The Chakan corridor near Pune, Maharashtra is the western cluster with companies like General Motors, Volkswagen, Skoda, Mahindra and Mahindra, Tata Motors, Mercedes Benz, Land Rover, Fiat and Force Motors having assembly plants in the area. Aurangabad with Audi, Skoda and Volkswagen also forms part of the western cluster. Another emerging cluster is in the state of Gujarat with manufacturing facility of General Motors in Halol and further planned for Tata Nano at Sanand. Ford, Maruti Suzuki and Peugeot-Citroen plants are also set to come up in Gujarat. Kolkata with Hindustan Motors, Noida with Honda and Bangalore with Toyota are some of the other automotive manufacturing regions around the country.

There are many companies for manufacturing of cars and their spare parts. These companies are from India and foreign countries. Out of these are the top 10 car manufacturing companies in India according to their market share are explained further. Maruti Suzuki leads from front with a massive market share of over 49 percent followed by Hyundai Motor India. Here is a complete analysis on auto sales in India and what to expect going forward in 2018. With all eyes on Auto Expo 2018, expect car sales in India to further grow this year. Car sales in India (domestic sales) has crossed 3 million sales milestone for the first time in a single calendar year in 2017 as the car makers in India sold a total of 32,29,109 units in the Indian domestic market reporting a growth of 8.85 percent over sales in 2016. Strong demand of SUVs in the UV space attracted the most growth in the passenger vehicle segment. Overall in
2017, over 21.68 lakh cars were sold at a growth of 5.13 percent and sales of Utility Vehicles (UVs) registered sales over 8.70 lakh units at a massive growth of 20.09 percent in 2017. Car manufacturers in India had sold over 20.62 lakh cars and 7.24 lakh UVs in 2016.

Compound Annual Growth Rate (CAGR) in passenger vehicles sales grew by 3 percent in 2017 when compared to 2016. Despite the shift to GST and addition of cess on SUVs and luxury cars by the GST Council, the automakers have managed to post decent growth in 2017. Many automakers do believe that impact of demonetization and GST did slow down the growth rate in 2017 which otherwise would have seen a double-digit growth. India’s largest automaker Maruti Suzuki continues to dominate in India with a massive market share of 49.6 percent in the Indian passenger vehicle space. Maruti Suzuki India sold a total of over 1.60 million vehicles in India. In the ongoing financial year the company is growing at almost 15 percent with exports almost similar to that in FY 2016-17. India’s second largest automaker is Korea’s Hyundai Motor India that crossed 5 lakh sales mark for the second time in a row. The company reported total sales of over 5.27 lakh units and its plants in Chennai are working at full capacity to meet the growing domestic and export demands. Similarly other car companies’ market shares increased year on year. According to the total number of cars manufactured of the companies the position are given below in the table:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Jan-17</th>
<th>Feb-17</th>
<th>Mar-17</th>
<th>April - Dec 2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maruti Suzuki</td>
<td>133768</td>
<td>120599</td>
<td>127695</td>
<td>1220460</td>
<td>1602522</td>
</tr>
<tr>
<td>2</td>
<td>Hyundai India</td>
<td>42017</td>
<td>42327</td>
<td>44757</td>
<td>398219</td>
<td>527320</td>
</tr>
<tr>
<td>3</td>
<td>Mahindra</td>
<td>20096</td>
<td>20605</td>
<td>25352</td>
<td>176312</td>
<td>242365</td>
</tr>
<tr>
<td>4</td>
<td>Tata Motors</td>
<td>14721</td>
<td>13957</td>
<td>17093</td>
<td>145336</td>
<td>191107</td>
</tr>
<tr>
<td>5</td>
<td>Honda</td>
<td>15592</td>
<td>14249</td>
<td>18950</td>
<td>129964</td>
<td>178755</td>
</tr>
<tr>
<td>6</td>
<td>Toyota</td>
<td>10336</td>
<td>11543</td>
<td>13796</td>
<td>103891</td>
<td>139566</td>
</tr>
<tr>
<td>7</td>
<td>Renault</td>
<td>8791</td>
<td>11198</td>
<td>12188</td>
<td>80315</td>
<td>112492</td>
</tr>
<tr>
<td>8</td>
<td>Ford India</td>
<td>7995</td>
<td>8338</td>
<td>8700</td>
<td>62554</td>
<td>87587</td>
</tr>
<tr>
<td>9</td>
<td>Nissan</td>
<td>4346</td>
<td>4807</td>
<td>5309</td>
<td>38928</td>
<td>53390</td>
</tr>
<tr>
<td>10</td>
<td>Volkswagon</td>
<td>4060</td>
<td>3965</td>
<td>4792</td>
<td>34979</td>
<td>47796</td>
</tr>
</tbody>
</table>

Source: Society of Indian Auto Mobile Manufacturers (SIAM)
Society of Indian Auto Mobile Manufacturers (SIAM) also confirms that Indian auto makers are running at about 60-65 percent of its total production capacity and exports are almost same as that of last years. For many automakers including Hyundai Motor India the focus to meet demands in Indian market has resulted in holding up in exports. Implementation of GST has also seen an adverse effect in car exports from India and the auto industry is still waiting for a tax refund of over Rs 2000 crore from the Government of India. Indian automobile giants Mahindra and Tata Motors stand at third and fourth place respectively. While for Mahindra it was a year of consolidation and we only saw new facelifts and variants coming in, Tata Motors aggressively launched three new vehicles in 2017 in the form of Tata Hexa, Tata Tigor and Tata Nexon. Both the companies also won the tender to supply government with electric cars in 2017. Mahindra sold a total of over 2.42 lakh cars in India while Tata Motors’ domestic sales stood at 1.91 lakh units. Mahindra has a market share of 7.5 percent in India while Tata Motors market share has gone up to 5.91 percent.

Indian-arm of Japanese auto makers Honda Cars India and Toyota Kirloskar had a decent run in 2017 despite the frequent changes in taxation policy. Both the companies sell hybrid cars in India and with additional cess on hybrid cars, Toyota decided to temporarily halt production of its popular Camry Hybrid sedan. Honda Cars and Toyota’s market share in India in 2017 stood at 5.33 percent and 4.32 percent respectively. Renault India’s sales in 2017 dropped to just about 1.12 lakh units with its presence in the market going up by 3.48 percent. Renault Captur was launched during the last quarter of the calendar year. Ford India’s domestic sales have climbed up after the launch of new Ford Eco-sport and overall in 2017 the company sold a total of 87,578 units with a market share of 2.71 percent. The company has accelerated its export activities from the country and is now among the top exported from India in 2017.

With interest rates dropping down in December 2017 the outlook for the last quarter of the ongoing financial year remains positive. SIAM believes that passenger vehicles sales will grow at 9 percent by the end of this ongoing FY 2017-18. Globally, India’s has a very good growth rate in the first 11 months of 2017 after Brazil that has reported a massive growth of 55.18 percent by selling over 6.66 lakh cars when compared to a lower base in 2016. Going forward SIAM, Auto industry is all gearing up for Auto Expo 2018 which is when many future cars and SUVs will be showcased and expects some big announcements from all participating car makers.
Out of the leading car manufacturing companies, for the research of the topic, five leading car manufacturing companies have been selected on the basis of access to the plants locations and convenience in meeting the employees of the companies. These companies are Maruti Suzuki, Tata Motors, Mahindra and Mahindra, Honda Motors, and General Motors. The detailed work on these companies has been carried out and appended below:

1. Maruti Suzuki India Limited

Maruti Suzuki India Limited commonly referred to as Maruti, is a subsidiary company of Japanese Suzuki Motor Corporation. It has a market share of 44.9% of the Indian passenger car market as of March 2011. Maruti Suzuki offers a complete range of cars from entry level Maruti 800 and Alto, to hatchback Ritz, A-Star, Swift, Wagon R, Estillo, and sedans D Zire, SX4, in the 'C' segment Maruti Eecco, Multi-Purpose vehicle Ertiga and Sports Utility vehicle Grand Vitara. It was the first company in India to mass-produce and sell more than a million cars. It is largely credited for having brought in an automobile revolution to India. It is the market leader in India, and on 17 September 2007, Maruti Udyog Limited was renamed as Maruti Suzuki India Limited. The company's headquarters are located in New Delhi. In February 2012, the company sold its 10th million vehicles in India.

Maruti Suzuki is India and Nepal's leading automobile manufacturer and the market leader in the car segment, both in terms of volume of vehicles sold and revenue earned. Until recently, 18.28% of the company was owned by the Indian Government, and 54.2% by Suzuki of Japan. The BJP-led government held an initial public offering of 25% of the company in June 2003. As of 10 May 2007, the government of India sold its complete share to Indian financial institutions and no longer has any stake in Maruti Udyog. It was established in February 1981, though the actual production commenced in 1983 with the Maruti 800, based on the Suzuki Alto car which at the time was the only modern car available in India, its only competitors- the Hindustan Ambassador and Premier Padmini were both around 25 years out of date at that point. Suzuki Motor Corporation, the parent company, is a global leader in mini and compact cars for three decades. Suzuki’s technical superiority lies in its ability to pack power and performance into a compact and lightweight engine that is clean and fuel efficient. Nearly 75,000 people are employed directly by Maruti Suzuki and its partners. It has been rated first in customer satisfaction among all car makers in India from 1999 to 2009 by J D.
(a) History

Maruti was launched in 1981 by Government of India and was named as Maruti Technical Services Private Limited. Mr. Sanjay Gandhi, late-Indian Prime Minister Indira Gandhi’s son was The first Managing Director of the company. During the period of 1985 to 1996, a few other significant developments took place including Suzuki taking up 50% stake in Maruti, leading to a 50-50 joint venture between Maruti and the Government of India and over 60 per cent of its parts being produced in India leading to lower costs of production as the parts didn’t have to be imported from abroad. The reason why Suzuki was chosen as the partner of this established corporation, the chairman of Maruti, Mr. R. C Bhargava said that Suzuki was the only company which agreed to bring 26 per cent equity in India and raise it to 40 per cent thereafter while other companies like Nissan, Mitsubishi and Daihatsu were not ready to bring 40 per cent equity in India.

The first car that the company produced was a four-door Maruti 800 and the second car that the company produced was a Multi-Utility Vehicle called the Omni. Between 1994 and 1996 Maruti released the Esteem, the Gypsy, the Omni, the Gypsy King, Zen and Esteem. It also opened a second plant in Manesar whose capacity at the time of opening was 2,00,000 units. In 2000 Maruti launched a call center. This was the first time a car company had ever launched a call center in India. In this year, Maruti setup a website for its Wagon-R car, introduced a new model of the Zen, got the IRTE National Award for its safety initiative, traffic management and environment protection, launched the Baleno and the Wagon R with electric power steering, joined hands with Sumitomo for providing after-sales service and introduced the Suzuki Alto. The Gurgaon plant had stopped production due to a strike by the employees.

Maruti introduced its first CNG car in 2001. In the same year Maruti invested 550 crore rupees in manufacturing cars. In 2002, Maruti launched Maruti Finance to offer financial services like extended warranty and finance for car insurance. It also hiked its car prices and launched the Versa. This was a good year for Maruti in exports as it produced 16,000 cars for an order to Europe. In the next few years Maruti got into collaboration with various companies to launch car-selling schemes. They partnered with State Bank of India to launch a scheme where each branch of the bank would sell a Maruti car. The company also tied-up with Reliance Industries Limited for lease and fleet management. This was the same year Kumar Mangalam Birla joined Maruti as an independent director. From 2005 - 2007 Maruti
became the market leader of Indian cars and in 2006 unveiled the new Wagon-R in Punjab. In 2007, Maruti launched the SX4 sedan.

Major Events: Following are the major events of the company:

- **1970**: The Indian government launched a new car company called Maruti Technical Services Limited which created competition for the existing Ambassador Car Company.
- **1971**: The government changed the name of the company to Maruti Limited. Indira Gandhi’s son, Sanjay Gandhi became the managing director of the company.
- **1977**: The Company was liquidated as a result of corruption. There was a Maruti Scandal in 1978 where the court issued a notice to Maruti. Sanjay Gandhi passed away.
- **1981**: The Company was re-established when the founders’ mother, Indira Gandhi took charge. The Company was now called MarutiUdyog Limited. After partnership with Japanese giant Suzuki Motor Corporation in a Joint Venture Agreement, the company was called Maruti Suzuki Company.
- **1983**: Maruti produced its first car, the Maruti 800. It took the company thirteen months to produce this car. This changed the landscape of the Indian car market as Maruti 800 was the most cost-effective and fuel-efficient car in India.
- **1984**: Maruti produced a large mini-van called the Omni that seated up to eight people. This was an addition to its existing offering of the Maruti 800.
- **1985 to 1995**: Maruti launched the Gypsy, the Maruti 1000, the Zen, the Esteem, and the Maruti On Road Service, a 24-hour service which gives customers 24-hour access to technicians and vans who are ready to help with any problem of the car round the clock. In 1987, the company made its first export sale, selling 500 cars to Hungary.
- **1996**: This was a prominent year for it as five new models of its cars were launched including the Gypsy (E), Omni (E), Gypsy King (E), the automatic Zen and the Esteem in a 1.3 litre engine. The engine had a horsepower of 65 bhp.
- **2000**: It launched India’s first call center and the Altrura, a luxury car. It also introduced the 16-Valve MPFI G13BB engine in the Gypsy and the power increased to 80 bhp.
- **2002**: The Wagon R Pride, Esteem (diesel version), Alto Spin LXi were introduced. Maruti Finance was started diversifying the company from its initial product
offering of only cars to finance. Maruti also inaugurated a children’s park in Delhi as part of its Corporate Social Responsibility Initiative.

- 2003: Maruti launched the Grand Vitara.
- 2005: Maruti launched the Swift.
- 2006: Maruti had produced up to six million cars.
- 2007: Maruti launched the SX4, Swift Diesel and the company was renamed from MarutiUdyog Limited to Maruti Suzuki India Limited.
- 2008: Maruti launched the Swift DZire, the A-Star and inaugurated the K-series engine plant in Gurgaon.
- 2009: The Company shipped the first batch of A-Star cars from the Mundra port.
- 2012: Launched Ertiga and new models of Alto 800.
- 2014: Celerio was launched as a hatchback car.
- 2014: Ciaz sedan car was launched.
- 2015: Baleno hatchback car was launched.
- 2015: S-Cross was launched as a Mini SUV
- 2015: Maruti Suzuki launched NEXA, a new dealership format for its premium cars. Maruti currently sells the Baleno, S-Cross, Ciaz and Ignis through NEXA outlets. S-Cross was the first car to be sold through NEXA outlets. Several new models will be added to both channels as part of the Company’s medium term goal of 2 million annual sales by 2020.
- 2016: Vitara Brezza as a Mini SUV was launched.
- 2017: Ignis as a hatchback car was launched.
- 2017: R & D – Recognised by Government of India
- 2017: Added new customer – Mercedes Benz India.
- 2017: NTF established new Warehouse in Pune to cater to Western region of India.
- 2017: NTF started production at new plant in Gujarat – NTF Unit IV.

(b) Management Team

Shinzo Nakanishi has been Chief Executive Officer and Managing Director of Maruti Suzuki India Limited since 2007. He is the person who established the car brand which caters middle-class. He joined Suzuki Motor Company, the parent company of Maruti Suzuki India Limited in 1971. Currently he is also the Senior Managing Executive Officer and Executive
General Manager of Global Marketing at Suzuki Motor Company. Mr. Seth was Vice President of Finance for Maruti Suzuki India Limited before becoming the Chief Financial Officer. S. Ravi Aiyar was the Company Secretary and Chief Legal Officer of Maruti Suzuki India Ltd. Since 2004, Mr. Aiyar worked as the Company Secretary and Chief Legal Officer of Maruti and has been Director of Maruti Insurance Brokers Limited. Mr. R. C Bhargava, Mr. Shinzo Nakanishi, Mr. Shuki Oishi, Mr. K Asai and Mr. Tsuneo Ohashi comprise the board members of Maruti Suzuki India Limited, while Mr. Amal Ganguly is the Chairperson of the Audit Committee and Mr. R.C Bhargava is the Chairperson of the Corporate Governance Committee. The current members of the board are:

Table 3.7: Board Members of Maruti Suzuki Ltd: 2017

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>R C Bhargava</td>
<td>Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>T Hasuike</td>
<td>Director</td>
</tr>
<tr>
<td>3.</td>
<td>K Saito</td>
<td>Director</td>
</tr>
<tr>
<td>4.</td>
<td>O Suzuki</td>
<td>Director</td>
</tr>
<tr>
<td>5.</td>
<td>R P Singh</td>
<td>Independent Director</td>
</tr>
<tr>
<td>6.</td>
<td>D S Brar</td>
<td>Independent Director</td>
</tr>
<tr>
<td>7.</td>
<td>K Ayukawa</td>
<td>Managing Director &amp; CEO</td>
</tr>
<tr>
<td>8.</td>
<td>T Suzuki</td>
<td>Director</td>
</tr>
<tr>
<td>9.</td>
<td>Shigetoshi Torii</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>10.</td>
<td>K Ayabe</td>
<td>Director</td>
</tr>
<tr>
<td>11.</td>
<td>P Shroff</td>
<td>Independent Director</td>
</tr>
<tr>
<td>12.</td>
<td>R S Karnad</td>
<td>Independent Director</td>
</tr>
</tbody>
</table>


(c) Manufacturing Facilities

In August 1986, Maruti produced 1, 00,000 cars. By 1993, the company produced 1, 96,820 cars, mostly Maruti 800s. Cumulative production reached 1 million in 1994, 2 million in October 1997, approximately 4 million in 2003, 4.7 million in 2004, 5 million in 2005 and 6 million cars by 2006. Maruti Suzuki had surpassed its Japanese parent, Suzuki Motor Corporation in overall production during 2009, when Maruti Suzuki rolled out 9, 66,399 units in 2009, while its parent Suzuki Motor Corporation produced only 9, 08,302 units.
Maruti’s two production plants in India are at Manesar and at Gurgaon. In 2009, Maruti expanded its capital expenditure in the Manesar plant on the lines of 2,000 crore. The company launched a three-lakh unit line in Manesar to increase production capacity by about 1.3 million units. The Manesar plant is responsible for the production of the Swift, Swift DZire, A-star and SX4. The remaining Maruti cars are manufactured in Maruti Suzuki’s Gurgaon Plant. During 2010, Maruti sold 8, 36,893 units in the domestic market, and 1, 30,688 units in exports. Maruti has a growing production of cars in the domestic market to meet the growing demand of consumers in India. The Alto and Wagon-R brought in maximum revenue to the domestic market with Alto selling 2.4 lakh units and WagonR selling 1.4 lakh units of cars. Today, Maruti sells more in the domestic market of India than in the export market.

(d) Maruti Suzuki Car Models

Maruti Suzuki India Ltd is the largest car manufacturer in India and started its operations in 1965. The company sells a wide variety of models including some segments leaders such as Maruti-Suzuki Alto 800, Maruti-Suzuki Baleno, Maruti-Suzuki VitaraBrezza and the Maruti-Suzuki Ciaz. Other popular models include the Maruti-Suzuki Alto K10, Maruti-Suzuki WagonR, Maruti-Suzuki WagonR Stingray, Maruti-Suzuki Swift, Maruti-Suzuki Omni, Maruti-Suzuki Eeco, Maruti-Suzuki Grand Vitara, Maruti-Suzuki Gypsy, Maruti-Suzuki DZire, Maruti-Suzuki Ertiga and the Maruti-Suzuki S-Cross. Beyond holding the leadership spot in terms of sales, Maruti-Suzuki also commands the largest automotive after sales service network.

(e) Awards and Recognition

As one of the top Indian brands of cars, Maruti Suzuki has won many national and international awards since it began production. Some of the major accomplishments of Maruti are listed below:

- Maruti Suzuki Alto received the TNS Voice of Customer Award in 2008. TNS Global is a market research firm. In the same year Maruti received the CNBC-Auto car India Award in the category best Value for Money Car for the SX4. It also received the CNBC-Auto car India Best mid-Size Car Award. Maruti Suzuki India Limited received The Car Manufacturer of the Year Award in 2008.
• In 2009, Maruti won the JD Power Asia Pacific Customer Satisfaction Index (CSI) Survey award, the JD Power Asia Pacific Sales Satisfaction Index (SSI) Survey award, the Most Preferred Car Brand Award at CNBC AWAAZ Consumer Award, the Golden Peacock Eco-Innovation Award, and the Gold-Award by India Manufacturing Excellence Awards (IMEA).

• In 2010, Maruti won the CNBC-TV18 Overdrive Manufacturer of the Year Award and the Auto car Manufacturer of the Year Award.

• Alto’s “Boon don Mein” campaign won the Silver medal of the prestigious “Effie Award” in 2006 and 2007.

• Alto won the “Car of the Year” and “Most Exciting New Car of the Year” by India’s automobile magazine in 2000.

• The Brand Trust Report published by Trust Research Advisory, a brand analytics company, has ranked Maruti Suzuki in the thirty seventh position in 2013 and eleventh position in 2014 among the most trusted brands of India.

• Viewers' Choice Car of the Year published by CNBC-TV18 Overdrive, Overdrive is India’s No.1 Auto Publication for Cars and Bikes in India, has awarded Maruti Suzuki Baleno the Viewers' Choice Car of the Year 2016.

Some of the international awards that Maruti has won include the following:

• Japan – It won the Car of the Year award by the Automotive Researchers' & Journalists' Conference, the 2005-2006 Car of the Year, the Goof Design Award by Japan Industrial Design Promotion Organisation and the 2005-2006 Car view of the Year Award.

• Iceland & Ireland – Maruti Suzuki won the Car of the Year 2006 given out by the BIBD Association of Automotive Journalists, the Samperit Irish Car of the Year 2006 given out by the Irish Motoring Writer’s Association.

• New Zealand and Australia – Maruti won the Fairfax AMI Small Car of the Year Award by Auto car, the National Business Review Small Car of the Year Award by The National Business Review and the 2005 Cars guide Car of the Year.

• Malaysia – Maruti Swift was the winner in the NST Master card Car of the Year 2005 “Small Car” category.
China – Maruti Swift won the 2005 CTV COTY “Economical Car” by CCTV.

First International Award "Prestigious Silver Award for the Overall Performance" from ALJ Toyota Saudi Arabia for year 2013

Maruti Suzuki Certificate for VA-VE 2013-14

Second International Award "Highest Performance Award" from ALJ Toyota Saudi Arabia for year 2014.


Valuable Contribution in HSIL’s 20 Years of Successful journey Award from Honda for the Year 2015.

Overall Excellence Award from the Maruti Suzuki for the Year 2014-15 and 2015-16 respectively.

(f) International Operations

Maruti Suzuki is sold in China by Jiangnan Auto. The company has launched the car at Rs. 1.24 lakhs. Four companies that produced the Maruti 800 in China are: Chang’an Auto, Jiang Nan, Xi’an Tai and Sichuan Auto. Maruti Suzuki also has office in Japan. Indian engineers sometimes travel to Japan to work on Maruti cars and Japanese engineers sometimes travel to India to provide their expertise for Maruti Suzuki.

(g) Sales and Service Network

As of 31 March 2011 Maruti Suzuki has 933 dealerships across 666 towns and cities in all states and union territories of India. It has 2,946 service stations (inclusive of dealer workshops and Maruti Authorised Service Stations) in 1,395 towns and cities throughout India. At present Maruti Suzuki has 1,820 sales outlets across 1,471 cities in India. The company aims to double its sales network to 4,000 outlets by 2020. It has 3,145 service stations across 1,506 cities throughout India. Maruti’s dealership network is larger than that of Hyundai, Mahindra, Honda, Tata, Toyota and Ford combined. Service is a major revenue generator of the company. It has 30 Express Service Stations on 30 national highways across 1,314 cities in India. Service is a major revenue generator of the company. Most of the service stations are managed on franchise basis, where Maruti Suzuki trains the local staff.
Other automobile companies have not been able to match this benchmark set by Maruti Suzuki. The Express Service stations help many stranded vehicles on the highways by sending across their repair man to the vehicle.

(h) Exports

Before 2017 Hyundai Motors was, so far, the undisputed exporter of cars from India. In the last six months, Maruti Suzuki has become the No.1 exporter and will end the year by exporting more than 100,000 cars. Not contented with being the numero uno by far in the domestic passenger vehicles market, the Rs 76,140 crore Maruti Suzuki has scored yet another feather in its cap. It has dethroned, Hyundai Motors India, the second largest passenger vehicle company in India. Incidentally, Hyundai Motors was the No.1 exporter of passenger cars from India since it began operations in the country nearly two decades ago. For the first six months this fiscal year, Maruti Suzuki exported 57,300 units of passenger vehicles (PVs) as against 54,008 units during the same period a year ago. Sales were up 6 per cent year-on-year, according to the latest data by Society of Indian Automobile Manufacturers (SIAM). Hyundai’s exports slipped to 44,585 units as against 63,014 units during the period under consideration, a decline of 29.25 per cent.

(i) Future Plans

Maruti Suzuki has revealed a future course of direction in its annual report 2016. It has, in brief, spoken about various technologies and updates that it will bring over the next few years. This list includes new platforms, mechanical updates as well improvements to the cabin. Here are some of the highlights from the report.

- Introduction of new models, full model changes and minor changes: Based on what we have seen at the 2016 Auto Expo, It has launched its new models of Ignis, Baleno, Ciaz, and new Desire models.

- Development of technologies for upcoming safety regulations, emission norms in the existing as well as the upcoming new models: The Indian car market will go through two major changes by 2020 and both will significantly affect the cars that are sold here. The first is that BS4 emission norms will be fully implemented across the country by April 2017. The second is the implementation of the Bharat NCAP (New Car Assessment programme) which is expected to be applicable from 2019 onwards.
• Electric vehicles/hybrids: Given that this is the future of motoring, it only seems logical that the largest manufacturer (in terms of market share) orient itself in a direction that would lead to such models being produced. It has already introduced its SHVS technology for the Ciaz and Ertiga and this is expected to spread across more models in the future. In terms of pure electric cars, it has signed a deal with Tata and Mahindra and to jointly develop an all-electric vehicle for the Indian market. The plan is expected to involve equal investment across the plate under the FAME initiative (Faster Adoption and Manufacturing of hybrid and electric vehicles): New technologies in terms of lighting, interiors and exteriors. This is expected to involve use of new lightweight materials for the body and higher percentage of LED systems both inside and outside. The cabins of newer Marutis will get better upholstery in terms of grain and texture Development of technologies for upcoming safety regulations, emission norms in the existing as well as the upcoming new models.

2. Tata Motors India

Tata Motors is India’s largest automobile company which is the leader in the commercial vehicles segment. It is the world’s fourth largest truck manufacturer. Tata Motors is a part of the Tata Group manages its share-holding through Tata Sons. The company expanded its operations to commercial vehicle sector in 1954 after forming a joint venture with Daimler-Benz AG of Germany. Despite the success of its commercial vehicles, Tata realized his company had to diversify and he began to look at other products. Based on consumer demand, he decided that building a small car would be the most practical new venture. So in 1998 it launched Tata Indica, India’s first fully indigenous passenger car. Designed to be inexpensive and simple to build and maintain, the Indica became a hit in the Indian market. It was also exported to Europe, especially the UK.

Tata acquired Spanish bus and coach manufacturer Hispano Carrocera in 2009. In 2006 it formed a joint venture with Marcopolo of Brazil, and introduced low-floor buses in the Indian Market under the name Tata Marcopolo Bus. Recently, it has acquired British Jaguar Land Rover (JLR) min 2008 which includes the Daimler and Lanchester brand names. Tata Motors have its operation in UK, South Korea, Thailand and Spain. The company has 25,000
employees who have produced 5.9 million Tata vehicles since 1954. The company’s plants in India are at Jamshedpur (Jharkand), Pun (Maharasthra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka).

(a) History

Bharat Ratna Jehangir Ratanji Dadabhoy Tata was the founder of Tata Motors was born in Paris in France. His father was the cousin of Jamshedji Tata. He spent his childhood in France. He obtained a first pilot license in India. He founded Tata Airlines in 1932 which has now become Air India. JRD joined Tata and Sons in 1925. He was made the chairman 13 years later. He was the director of many companies like Steel, Engineering, Power, Chemicals and Hospitality. The company under his chairmanship grew from 100 million dollars to 5 billion dollars. He started with 14 enterprises and in the end when he left there were 95 enterprises.

According to growth timeline provided on official website of company, in 1945, he founded Tata Motors. Tata Engineering and Locomotive was established in 1945 to manufacture locomotives. In 1948, steam road roller was introduced in collaboration with Marshall Sons (United Kingdom). In 1954 there was collaboration with Daimler Benz for the manufacture of commercial vehicles only. This vehicle was rolled out within 6 months of the contract. In 1959, the Research and Development Center was set up at Jamshedpur. In 1961, exports began with the first truck being shipped to Sri Lanka. In 1971, DI engines were introduced. In 1977, Pune was the place where the first commercial vehicle was built. Four years after that, there was the manufacture of Heave Commercial Vehicles. In 1985, the first hydraulic excavator was produced in collaboration with Hitachi. In 1945, he founded Tata Motors. In 1948, he launched Air India, India’s first international airline. In 1953, the Indian Government appointed his as the Chairman of Air India. He also launched a programme to give workers a voice in the company. He founded Tata Consultancy Services.

Following are the major events of the company. (As taken from the tatamotors.com):

- 1986: The Tata 407, the first light commercial vehicle was produced followed by the Tata 608.
- 1989: The Tata mobile 206- 3rd LCV model was produced.
- 1991: The 1st indigenous passenger car, the Tata Sierra was introduced. The one millionth Tata vehicles rolled out this year.
- 1992: The Tata Estate was launched.
• 1993: There was a joint venture signed with Cummins Engine Company to manufacture high horsepower and emission friendly diesel engines.
• 1994: Multiple launches took place: The Tata Sumo multi utility vehicles were launched as well as the LPT 709, a light commercial vehicle. There was a joint venture with Daimler to manufacture the Mercedes Benz cars in India. There was also a joint venture with Tata Holset to manufacture turbochargers to be used on Cummins engines.
• 1998: Tata launched the Indica the first fully indigenous Indian passenger car.
• 2004: Tata Motors acquired Daewoo's South Korea-based truck manufacturing unit, Daewoo Commercial Vehicles Company, later renamed Tata Daewoo.
• 2004: Tata Motors rang the opening bell at the New York Stock Exchange to mark the listing of Tata Motors.
• 2005: Tata Motors acquired a 21% controlling stake in the Spanish bus and coach manufacturer Hispano Carrocera.
• 2006: Tata formed a joint venture with the Brazil-based Marcopolo, Tata Marcopolo Bus, to manufacture fully built buses and coaches.
• 2008: Tata Motors acquired the English car maker Jaguar Land Rover, manufacturer of the Jaguar and Land Rover from Ford Motor Company.
• 2009: Tata unveiled the Tata World Truck range jointly developed with Tata Daewoo; the range went on sale in South Korea, South Africa, the SAARC countries, and the Middle East at the end of 2009.
• 2009: Lucknow plant was awarded the "Best of All" Rajiv Gandhi National Quality Award.
• 2010: Tata Motors acquired an 80% stake in the Italian design and engineering company Trilix for €1.85 million. The acquisition formed part of the company's plan to enhance its styling and design capabilities.
• 2012: Tata Motors announced it would invest around ₹6 billion in the development of Futuristic Infantry Combat Vehicles in collaboration with DRDO.
• 2013: Tata Motors announced it will sell in India, the first vehicle in the world to run on compressed air (engines designed by the French company MDI and dubbed "Mini CAT").
• 2014: Tata Motors introduced first Truck Racing championship in India "T1 Prima Truck Racing Championship".
- 2015: Tata Motors announced Lionel Messi as global brand ambassador at New Delhi, to promote and endorse passenger vehicles globally.
- 2016: Tata Motors announced the Bollywood actor Akshay Kumar as brand ambassador for its commercial vehicles range.
- 2017: Tata Motors announced that it has signed a memorandum of understanding with Volkswagen to develop vehicles for India's domestic market.
- 2018: Tata Motors announced that it sold its aerospace and defense business to another Tata Group Entity, Tata Advance Systems, to unlock their full potential.

**(b) Manufacturing Facilities**

As noted in the growth and development of company, Tata’s production is carried out in Jamshedpur, in East Pune and in Sanand and Lucknow in the West and North respectively. The Jamshedpur plant in 1945 was spread over 822 acres. It has four divisions - Truck Factory, Engine Factory, Cab and Cowl Factories. The truck division has two assembly lines. There is a vehicle rolling out every 8 minutes from the division and there is another division to meet the requirements of the Indian Army. There are advanced facilities for manufacturing 5000 tonnes of Hydraulic press line. The Engine factory produced the Tata 697/497 aspirated and turbo charged engines and 6B series engines. The Pune plant is in two geographical locations: Pimpri and Chinchwad. It has been established in 1966 and has a Production Engineering Division. It also has a vehicle manufacturing complex. It is engaged in the design and manufacture of press tools. It has CAD facilities and manufacturing facilities.

**(c) Management Team**

Ratan Tata holds a Bachelor’s Degree in Architecture from Cornell University and has studied at the Harvard Business School. He joined Tata in 1962. In 1991, he was appointed the Chairman of Tata Sons Limited, the holding company of Tata Entities and holds the chairman ship of Tata Companies. He has grown the company to a 62.5 billion dollar company. Ravi Kant holds a Bachelor of Technology degree from the Indian Institute of Technology and a Master’s in Science degree from the University of Aston, Birmingham, UK. He has experience in Marketing and Manufacturing in the automobile industry. He was with Phillips India as the Director of Consumer Electronics business and was employed with Kinetic Engineering Limited and Hawkins Cookers Limited. He was the MD of the company since July 2005.
Nusli Wadia is the Chairman of Bombay Dyeing and Manufacturing Company. He has been on the Board of Tata since December 1998. S.M Palia is a Development Banker. He was with IDBI. He was appointed the Director of Tata in 2006. Mr. Carl Forster is the Group Chief Executive Officer of the Company since 2010 and was responsible for Tata Motors global operations including Jaguar Land Rover. He was appointed as the Managing Director of the Company. Mr. Prakash Telang is the Executive Director of the Company since May 2007 and became the Managing Director of India since 2009. The current management team is mentioned in the table below;

Table 3.8: Management Team - Tata Motors: 2017

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ratan N Tata</td>
<td>Chairman Emeritus</td>
</tr>
<tr>
<td>2.</td>
<td>Guenter Butschek</td>
<td>Managing Director &amp; CEO</td>
</tr>
<tr>
<td>3.</td>
<td>Ralf Speth</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>4.</td>
<td>Falguni Nayar</td>
<td>Non Exe. &amp; Ind. Director</td>
</tr>
<tr>
<td>5.</td>
<td>Om Prakash Bhatt</td>
<td>Addnl. Independent Director</td>
</tr>
<tr>
<td>6.</td>
<td>N Chandrasekaran</td>
<td>Chairman &amp; Non-Exe. Director</td>
</tr>
<tr>
<td>7.</td>
<td>Satish Borwankar</td>
<td>Exe. Director &amp; COO</td>
</tr>
<tr>
<td>8.</td>
<td>V K Jairath</td>
<td>Non Exe. &amp; Ind. Director</td>
</tr>
<tr>
<td>9.</td>
<td>N Munjee</td>
<td>Non Exe. &amp; Ind. Director</td>
</tr>
<tr>
<td>10.</td>
<td>Hanne Birgitte Sorensen</td>
<td>Independent Director</td>
</tr>
</tbody>
</table>

Source: http://www.moneycontrol.com/company-management/tatamotors/board-of-directors

(d) Car Models of Tata Motors

Tata has currently 11 cars on sale for the Indian market. Tata offers 4 Hatchbacks, 3 Sedans and 4 SUVs. While the Tata Nano is most affordable Hatchback starting at Rs 2.36 Lakh, the Tata Tigor is most affordable Sedans starting at Rs 4.84 Lakh, the Tata Safari Storme is most affordable SUV starting at Rs 10.84 Lakh. Also, the Tata Hexa is the most expensive Tata car with a price tag of Rs 12.49 Lakh. The Tata Tigor is the latest offering from Tata with a starting price of Rs 4.84 Lakh and the upcoming Tata Cars include the Tiago EV, H5X, Tigor EV, Harrier, EVision Electric, 45X. Tata Hexa. Discontinued Tata Models Are: Tata Indica, Tata Indica V2 Turbo, Tata Indigo, Tata Indigo CS, Tata Indigo Marina And Tata Indigo XL.
(e) Awards and Recognition

Tata Motors has consistently been recognised for yielding excellent results and creating significant value for all. Our awards encourage us to spread our reach further, impacting more and more lives. There is a big list of awards of Tata Motors and some of them are mentioned below:

- Tata Motors won the Golden Peacock Award for Corporate Social Responsibility for 2011.
- Tata Motors won The Best Learning Organisation of Asia 2011-12.
- Tata Motors features in 'Best Companies to Work for' Survey 2014.
- Tata Motors Press Unveil at Auto Expo 2014 wins a silver in the Best Use of Digital Marketing for an Event or Activations Best IP category.
- Range Rover Asian Car of the Year 2014-Autocar Asia.
- Range Rover Sport Best SUV of the Year-Car 2014 and Driver China.
- Jaguar Land Rover has received a 2015 Queen's Award for Enterprise in Sustainable Development, for reducing the environmental impact of its products and its operations.
- Ahmedabad-The Central Quality team from Ahmedabad plant bagged Best Kaizen award at CII Best Kaizen Competition 2014, Vadodara.
- Dharwad plant graced with Golden Peacock Environment Management Award.
- Tata Motors Lucknow plant won the Devi Shankar Memorial Running trophy at the Annual Chrysanthemum and Coleus show organized by The National Botanical Research Institute & Council for Scientific Research, Lucknow.
- Recognition for Jamshedpur Plant at ‘Compliance Champion Award, 2015’
- Tata Motors won the Silver medal in the Experiential Marketing category at EFFIE Awards. It was the highest medal awarded in CV category in FY14-15 for T1 Truck Racing Season 1.
- Tata Zest wins the Best Design of 2014 CII Design Excellence Award.
- Tata Zest steals the show at Bloomberg TV India Autocar Awards. Adjudged winner in the Compact Sedan of the Year 2014 category and the Best Value for Money car category.
- Zest bags the prestigious ‘Car of the year 2014’ title at Motor beam awards.
- Zest secures the Car of the Year 2014 award at The Automotive India Awards.
- Zest wins the Compact Sedan of the year award Flywheel Auto Awards 2015.
- Project ‘Sankalp’ in Supply Chain Category Awarded at PERP 2015.
• Tata Motors made it to the ET best brands list for ET best brands 2016.
• Tata Motors won Make in India award 2016 Awards for Make in India category.
• Asia Pacific Excellence Award, 2016, for outstanding contribution to skill development at the Asia Pacific Excellence.
• Tata Tiago won ‘Compact Car of the Year’ at 17th CNBC TV18 Overdrive Awards 2016.
• Tata Motors won the Business Today ‘Best Companies to Work For’ Award 2017.
• Tata Hexa won ‘Best 4X4 of the Year’ at Auto portal Best Car Awards 2018.
• Tata Hexa won ‘Family Car of the Year 2018’ award at 10th Top Gear India Magazine Awards.

(f) International Operation

Tata Motors have operations in Thailand, South Africa, Argentina and South Korea. It was running Jaguar Land Rover- the British brand. In South Korea it acquired Daewoo Commercial Vehicles Company and Hispano Carrocera. It is also planning to set up plants in Turkey, Indonesia and Eastern Europe. Tata is expanding to foreign markets to become competitive internationally. The biggest accomplishment of Tata is with the Light Commercial Vehicle, India’s first Sports Utility Vehicle and Tata Indica, released in 1998. Tata Ace became India’s first developed mini truck and then came the People’s Car - the Tata Nano. With over 8.5 million Tata branded vehicles plying globally, Tata Motors is among the select companies in the world to offer an extensive portfolio to its consumers. Today, the Tata Motors group is present in over 175 countries, with a worldwide network comprising over 6,600 touch points. Tata Motors has R&D centres in UK, Italy, India and South Korea. With vast global experience, the company brings deep understanding of customer expectations from diverse markets, and is well positioned to cater to ever changing automotive norms and consumer trends across the globe.

In the continent of Africa, Tata Motors has significant presence in South Africa, Angola, Algeria, Democratic Republic of Congo, Ghana, Kenya, Morocco, Mozambique, Nigeria, Seychelles, Sudan, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe. Tata has a manufacturing base in Rosslyn, South Africa, which produces trucks ranging from 7 to 75 tonnes. Tata Motors has been wooing customers in Latin America since 2009. Russia form a large part of our global expansion strategy. The manufacturing base in Ukraine gives access to local geographies and facilitates customisation and speed of delivery. Tata Motors first ventured into other Asia Pacific markets with its foray into Sri Lanka in 1961. In addition, Tata Motors has a substantial presence in Bangladesh, Nepal, Myanmar, Bhutan, Afghanistan, Indonesia, Malaysia, Philippines, Thailand and Vietnam. With an established
presence in most of the geographies, and a dominant share of the commercial vehicle segment in various markets, Tata Motors is well on its way to realising its global expansion strategy. Tata Motors has been present in the Middle East geography since 1971 when our trucks were first sold in Bahrain. Today, the vehicles are sold in the UAE, Oman, Kuwait, Qatar, Saudi Arabia, Iraq and Turkey. The region accounts for a tenth of our export market.

(g) Sales & Service Network

Tata Motors has more than 250 dealerships in more than 195 cities across 27 states and 4 union territories of India. It has the 3rd largest Sales and Service Network after Maruti Suzuki and Hyundai. Tata Motors is continuously enhancing the coverage and capacity of its network to cater to the increasing needs of our ever-growing customer base. The 3S services implies complete Sales, Service and Spares experience to our customers owning Tata Motors' complete range of commercial vehicles. We launched our 13th 3S facility in Gujarat, and our 22nd 3S facility in Nashik. With the new Nashik facility, Tata Motors has 55 such 3S facilities in the state of Maharashtra.

Key highlights of the 3S Facility:
- The one-stop facility will cater to sale, service and spares of commercial vehicles.
- Availability of vehicle financing, insurance and loyalty programmes, including service contracts.
- Offering 24*7 services.

Tata Motors, in anticipation of the launch of the Bolt hatchback and Zest sedan, has announced that it will be recruiting over 3,000 new staff across its dealerships nationwide. The company says it is also upgrading its dealer and service network to provide a better customer experience. Ranjit Yadav, president, Passenger Vehicles Business Unit, Tata Motors, said, “In line with our vision and strategy to provide an enriched purchase experience, we have undertaken a revamp expedition of showrooms and expansion of our dealership workforce to prepare for the launch of our exciting global cars, Zest and Bolt. We are gearing up as we move closer to the launch. Besides our new range of products, our retail experience will also go through a sea change. Our customer-focussed cars are being backed with customer-engaging purchase experience at our dealerships. This is a step forward for us in reinforcing our commitment to provide best-in-class purchase experience.” Tata Motors' dealership, sales, services and spare parts network comprises over 3500 touch points; Tata
Motors also distributes and markets Fiat branded cars in India. The 28 Tata-Fiat dealers, who together have 44 outlets, are located in 11 cities.

(h) Exports

The rechristened Tata Daewoo Commercial Vehicles Company has launched several new products in the Korean market, while also exporting these products to several international markets. Today two-thirds of heavy commercial vehicle exports out of South Korea are from Tata Daewoo. In 2005, Tata Motors acquired a 21% stake in Hispano Carrocera, a reputed Spanish bus and coach manufacturer, and subsequently the remaining stake in 2009. Hispano's presence is being expanded in other markets. In 2006, Tata Motors formed a joint venture with the Brazil-based Marcopolo, a global leader in body-building for buses and coaches to manufacture fully-built buses and coaches for India and select international markets. In 2006, Tata Motors entered into joint venture with Thonburi Automotive Assembly Plant Company of Thailand to manufacture and market the Company's pickup vehicles in Thailand. The new plant of Tata Motors (Thailand) has been production of the Xenon pickup truck, with the Xenon having been launched in Thailand in 2008. Tata Motors is also expanding its international footprint, established through exports since 1961.

The Company's commercial and passenger vehicles are already being marketed in several countries in Europe, Africa, the Middle East, South East Asia, South Asia and South America. It has franchisee/joint venture assembly operations in Kenya, Bangladesh, Ukraine, Russia, Senegal and South Africa. The company is exporting its products across the world barring some countries. The export destinations are scattered in all continents. Tata Motors has been caught up in the revamping of its automotive division and its initial focus is the domestic market. Its key strength is commercial vehicles and it is only now strengthening its passenger vehicle product portfolio with models like the Tigor, Nexon, Tiago and Hexa. Hence, it still has a long way to go in PV exports that were pegged at 1,307 units, a huge decrease of 59.51 per cent in FY18.

(i) Future Plans

It was discussed during Geneva Motor show. Tata Motors, own homegrown automaker today unveiled its ‘Future Ready’ strategies for its systematic approach in the coming days for the Indian automotive arena. Tata Motors has been working extensively on an image makeover strategy, here we bring you a brief glimpse of Tata Motors future game-plan and how it plans
to implement the same in India. Under the umbrella term of corporate brand promise, Tata Motors has a vision of becoming a high performance organisation by the year 2019. How is it going to achieve that? Well, by following these four parameters. The automaker plans to reach at the third spot globally in the commercial vehicle segment, reach at the third spot in the domestic passenger vehicle segment, achieve a sustainable financial performance and provide new and exciting innovations.

Tata Motor’s future game-plan will be based on the following 6 strategies
1. Intense top line focus
2. Agile cost management
3. Structural Improvements
4. Customer centric approach
5. New Business models and technologies
6. Lean and accountable organisation

Also according to the Tata Motors, the current trend in India seems to be like that the segment of MUVs is slowly losing its ground to soft-roders, the sedan segment is under pressure and that buyers are now moving towards hatchbacks that to in the premium segment. Tata Motors has been observing this closely and will be making its future strategies based on this very sentiment. Another announcement made by Tata Motors was that the automaker will be reducing its current portfolio of platforms of 6 to just 2. These platforms have been developed for over 4 years and are suitable for multiple vehicle body styles.

This move will help the automaker in producing efficient structure and reduce the overall costs involved in manufacturing. Other strategies include reduction of total cost of ownership for the customers, shared mobility, connected vehicles, autonomous vehicles, modular platform and with looking into the foray of EV as well. Another major revelation by Tata Motors was the launch of a new sub-brand, called the TaMo. This new vertical of the automaker will be working on fast paced development and introduction of new concept models. A glimpse of its upcoming sports car under the TaMo moniker was also showcased, the same is expected to debut on the 7th of March at the upcoming 2017 Geneva Motor Show.
3. Mahindra & Mahindra Limited

Mahindra & Mahindra Limited (M&M) an Indian MNC automakers headquartered in Mumbai, Maharastra, India. It is one of the largest automobile manufacturers by production in India and a subsidiary of Mahindra Group conglomerate. The company was founded in 1945 in Ludhiana as Mahindra & Mohammed by brothers K.C. Mahindra and JC Mahindra and Malik Ghulam Mohammed. After India gained independence and Pakistan was formed, Mohammed migrated to Pakistan where he became the nation's first finance minister. The company changed its name to Mahindra & Mahindra in 1948. It is ranked 21st in the list of top companies of India in Fortune India 500 in 2011.

(a) History

Mahindra & Mahindra was set up as a steel trading company in 1945. It soon expanded into manufacturing general-purpose utility vehicles, starting with assembly under licence of the iconic willy jeep in India. Soon established as the Jeep manufacturers of India, M&M later branched out into the manufacture of light commercial vehicle (LCVs) and agricultural tractors. Today, M&M is the leader in the utility vehicle segment in India with its flagship UV Scorpio and enjoys a growing global market presence in both the automotive and tractor businesses. Over the past few years, M&M has expanded into new industries and geographies. They entered into the two wheeler segment by taking over Kinetic Motors in India. The US based Reputation Institute recently ranked Mahindra among the top 10 Indian companies in its 'Global 200: The World's Best Corporate Reputations' list. The total workforce caps at 1,11,900 people in over 100 countries and the company is a leader in utility vehicles, tractors and information technology, with a significant and growing presence in financial services, tourism, infrastructure development, trade and logistics. Mahindra’s headquarters are in Mumbai India.

Mahindra is among the top tractor brands in the world. It sells everything from two-wheelers to CVs, UVs, SUVs and the sedan. Mahindra recently acquired a majority stake in REVA Electric Car Co Ltd. (now called Mahindra REVA), strengthening its position in the Electric Vehicles domain. Tech Mahindra acquired the leading global business and information
technology services company, Satyam Computer Services. After the formation of Mahindra tools, Mahindra Engineering and Chemical products was formed. In 1983, M&M led the Indian tractor segment. Post that incident they formed a joined venture with British Telecommunications to form Mahindra British Telecom. Keshub Mahindra was made the Chairman of Mahindra in 2007 from the post of Vice-Chairman and Managing Director. Mahindra has total revenues of US 12.5 billion dollars and employs more than 1, 19,900 people around the world. The company has coverage in the vehicles market, the tractor market, information technology as well as significant present in financial services, leisure and hospitality.

Major Events: **Following are the major events of the company:**

- **1940:** Mahindra & Mahindra was launched and it assembled jeeps in Willys, USA.
- **T950:** They established a joint venture with Mitsubishi Corporation and 5000 tons of wagon-building plates from Yawata Iron & Steel were supplied
- **1970:** International Tractor Company of India merged with Mahindra & Mahindra and was its Tractor Division.
- **1980:** Mahindra was the number one tractor company in India, a position it has till date. Formerly known as Mahindra British Telecom, Tech Mahindra was established - a joint venture with British Telecommunications.
- **1990:** The Company went into a large number of new business areas and many new companies were established. These are: Mahindra Holidays & Resorts India Limited, Mahindra USA Inc. for distribution of tractors in the USA, Mahindra Consulting (now Bristlecone).
- **2000:** The Scorpio launched a sports utility vehicle that redefined the SUV market. 2008: They entered the two wheeler industry by taking over Kinetic Motors in India.
- **2010:** M&M also has a controlling stake in the REVA Electric Car Company.
- **2011:** Acquired South Korea's Ssangyong Motor Company in 2011.
- **2014:** Mahindra and Mahindra acquired a 51% controlling stake in Peugeot Motorcycles.
- **2015:** Mahindra and Mahindra Ltd and affiliate Tech Mahindra Ltd, through a special purpose vehicle (SPV), have agreed to buy a 76.06% stake in Italian car designer Pininfarina SpA, for €25.3 million (around Rs.186.7 crore).
- **2017:** Mahindra and Mahindra Ltd acquired Erkunt Traktor Sanayii AS, a Turkish tractor maker and its foundry business for ₹800 crore.
(b) Management Team

The current management team of Mahindra & Mahindra Ltd is given below in the table:

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anand G Mahindra</td>
<td>Executive Chairman</td>
</tr>
<tr>
<td>Anish Shah</td>
<td>Group President</td>
</tr>
<tr>
<td>Anupam Puri</td>
<td>Director</td>
</tr>
<tr>
<td>Hemant Sikka</td>
<td>President</td>
</tr>
<tr>
<td>Keshub Mahindra</td>
<td>Chairman Emeritus</td>
</tr>
<tr>
<td>M M Murugappan</td>
<td>Director</td>
</tr>
<tr>
<td>Nadir B Godrej</td>
<td>Director</td>
</tr>
<tr>
<td>Narayan Shankar</td>
<td>Co. Secretary &amp; Compliance Officer</td>
</tr>
<tr>
<td>Pawan Goenka</td>
<td>CEO &amp; Managing Director</td>
</tr>
<tr>
<td>R K Kulkarni</td>
<td>Director</td>
</tr>
<tr>
<td>Rajan Wadhera</td>
<td>President</td>
</tr>
<tr>
<td>Rajeev Dubey</td>
<td>CEO &amp; Group President</td>
</tr>
<tr>
<td>Rajesh Jejurikar</td>
<td>President</td>
</tr>
<tr>
<td>Ruzbeh Irani</td>
<td>President</td>
</tr>
<tr>
<td>S Durgashankar</td>
<td>President</td>
</tr>
<tr>
<td>S P Shukla</td>
<td>CEO &amp; Group President</td>
</tr>
<tr>
<td>S Ramkrishna</td>
<td>President</td>
</tr>
<tr>
<td>T N Manoharan</td>
<td>Director</td>
</tr>
<tr>
<td>Ulhas Yargop</td>
<td>Group President &amp; Group CTO</td>
</tr>
<tr>
<td>V S Parthasarathy</td>
<td>Group CFO &amp; Group CIO</td>
</tr>
<tr>
<td>Vikram Singh Mehta</td>
<td>Director</td>
</tr>
<tr>
<td>Vishakha N Desai</td>
<td>Director</td>
</tr>
</tbody>
</table>

Source: https://economictimes.indiatimes.com/mahindra-&-mahindra-ltd/
(c) Manufacturing Facilities

Mahindra has seven following auto manufacturing facilities:

- Igatpuri (Engine Plant), Haridwar (3 wheeler / GiO plant)
- Kandivli (utility vehicles), Nasik (utility vehicles)
- Chakan and Zaheerabad (LCVs & 3 wheelers)
- Completely Knocked Down Unit Plants in Egypt and Brazil

It has the tractor manufacturing facilities at Mumbai, Jaipur, Rudrapur, Nagpur, Swaraj Tractors Mohali operations, It has its power plants at Delhi, Chennai, Pune, Vasai, and in other countries also.

(d) Sales and Service Network

India’s leading SUV manufacturer, in year 2013 expanded its dealership and service network across the country. With a network reaching 70% of the districts in India, vehicles from the Mahindra stable can now be serviced even in the remotest areas of Kargil, Port Blair, Reckong Peo in Himachal Pradesh, Barmer and Jaisalmer. Today Mahindra has service facilities across the length and breadth of the country. Further, the recently added dealerships in Jaisalmer as well as Barmer are 3S dealerships, well-equipped to handle enquiries for sales, service and spares requirements of customers for both the personal and commercial range of Mahindra vehicles. With a focus on customer satisfaction and customer delight, the 3S dealerships have a dedicated sales team for the personal and commercial range of vehicles. In order to facilitate speedier resolution of customer service requirements, the workshop facility comprises of 14 and 16 service bays with a peak service capacity of 28 and 32 vehicles at Jaisalmer and Barmer respectively. In February 2013 a service station of 5 bays was also inaugurated in Reckong Peo in Himachal Pradesh, which can service the wide range of Mahindra vehicles.

Speaking about Mahindra’s network reach across the country, Arun Malhotra, Chief Sales Customer Care Officer, Automotive Division, Mahindra &Mahindra Ltd said being a customer centric company it has always been our endeavour to provide utmost convenience to our customers and offer them best in class sales and service facilities. Hence we have further expanded our network to even the remotest locations of India. The addition of these well-equipped dealerships with world class infrastructure and service facilities will ensure
that we are able to provide last mile sales and service connectivity to our customers. Today we have increased our proximity to the consumers and have assured them of high quality service when they purchase a Mahindra vehicle. The dealerships are strategically located to provide optimum convenience not only to local Mahindra customers but also to the personal, commercial vehicles, tourist vehicles and taxi operators plying on the highways in these areas. The new dealership at Jaisalmer is located on the Jodhpur – Barmer Bypass Road and can serve all towns and villages within a radius of 120 km of Jaisalmer. Mahindra has an expansive reach of 300 dealerships with 614 touch points across 240 cities and a total of 1,300 up-country outlets in 900 towns/semi-urban and rural areas across the country.

(e) Mahindra Car Models

Mahindra and Mahindra is an Indian success story that needs no introduction. In one form or the other the company has managed to be relevant in the Indian automobile sector over the years. It has been into two wheeler manufacturing, four wheeler manufacturing, military automobiles and even trucks and heavy duty equipment. It started with Willy Jeep and after that may more passenger cars. Mahindra Thar was launched and still maintains a special stature in the customer’s mindset. Mahindra didn’t look back after the success of Thar and made more urban customer centric vehicle breed such as the Mahindra Scorpio, Mahindra Bolero, Mahindra Xylo, Mahindra XUV500 and the recent Mahindra Quanto. Mahindra Verito is a result of its collaboration with Renault. The vehicle was a hit but it was essentially used by Meru Cabs as it was spacious, comfortable and relatively performance oriented. The company then went on to try out the electric car market by acquiring the startup, Reva Cars and rebranding it as Mahindra e20. The recent introduction of Mahindra KUV100 just goes to show the company’s intent which is to capture demand of primarily the SUV and MUV segment in the country.

(f) Awards and Recognition

The main awards and recognitions of Mahindra & Mahindra are following:

- Bombay Chamber Good Corporate Citizen Award for 2006–07.
- Its Farm Equipment division received the Japan Quality Medal in 2007.
- The US based Reputation Institute ranked M&M amongst the top Ten Indian companies in its 'Global 200: The World's Best Corporate Reputations' list for 2008.
• Anand Mahindra won the Qimpro Platinum Standard (Business) 2008 award for excellence in business practices.

• Mahindra was felicitated with the ‘Brand Communicator of the Year’ at the 9th Asia Pacific PR Award. The award was received by Roma Balwani, head of corporate communications of Mahindra and Mahindra.

• Mahindra & Mahindra was awarded the ICSI National Award for Excellence in Corporate Governance for the year 2008 at a function held in Vigyan Bhawan, New Delhi.

• Bluebytes News rated M&M as India's second Most Reputed Car Company (reported in their study titled Reputation Benchmark Study) conducted for the Auto (Cars) Sector in 2012.

• Apollo CV awards 2014 for the fourth consecutive time, Mahindra’s truck and bus division won at the prestigious Apollo awards.

(g) International Operations

Mahindra and Mahindra have been connected globally since it’s founding in 1945. It has a setup in North America, South America, Europe, Middle East, Africa, Asia and Australia. In the US market Mahindra works with Caterpillar and John Deere and GE. The company also helps American companies to source materials from India. The company also consults various other consulting companies from the Silicon Valley.

The company also works with agribusiness and farm equipment, automotive, components, consulting services, energy and IT. The company sells tractors in China, and also sells fresh products to South East Asia. They also help Bangladesh and Nepal with generator sets so that there is supply of power at the homes in these countries improving the standard of living at home. They also sell their vehicles to Nepal. It has an office in Singapore too from where it does security consulting. They also work with Japan on bulk handling systems. Club Mahindra also allows people to take vacations and travel all over the world.

(h) Export

Founded in 1945 as a steel trading company, It entered automotive manufacturing in 1947 to bring the iconic Willys Jeep onto Indian roads. Over the years, it diversified into many new businesses in order to better meet the needs of our customers. The international operation of automobile unit is discussed below:
• 1969 – Mahindra establishes its export division with its first order of 600 jeeps for the Yugoslavian market. And this began Mahindra Journey for expanding its global footprint.

• 1970’s – Mahindra begins exporting vehicles to Nigeria and other African countries. Today, the company has a presence in almost 15 markets in Africa. It was also during the 70’s that Mahindra concluded exports of about 3300 units, mainly to Indonesia and Yugoslavia.

• 1990’s – Mahindra begins exporting to Nepal in the early 90’s and today, the mountain kingdom is one of Mahindra’s key markets in neighbouring countries. CBU exports in Ro-Ro shipment was made to Ceylon, Kenya, Namibia, Mozambique in Africa.

• In the early 2000s Mahindra made its presence in Tanzania, Sri Lanka, Congo, Madagascar, Mozambique, Ethiopia, Rwanda, Burundi and Nigeria.

• Circa 2000 – The Bolero is launched, further transforming the image of the company with its contemporary looks and style. Mahindra increased its global aspirations and expanded further afield. It was during this decade that Mahindra’s export division gained further momentum.

• In 2002, M&M achieved a major milestone with the launch of India’s first indigenous SUV, the Scorpio. In addition to the Scorpio, Mahindra also developed the Mahindra Pik Up, based on the Scorpio platform, exclusively for overseas markets.

• 2004 – A significant year for Mahindra, which sees the company open its first office outside India marking its presence internationally. Mahindra South Africa, a JV company, is also set up in South Africa for sale of the Scorpio and Bolero Pik Up.

• 2005 – Mahindra Europe is established in Italy with the launch of the Scorpio (known as the Mahindra Goa), and Bolero Pik Up. Mahindra also made a foray in the Other European market in the same year.

• 2007 – Mahindra consolidates its position in neighbouring countries including Bhutan. The company soon forays into Morocco, Algeria and Ghana, consolidating its position in the African continent. Mahindra also ventures into Chile and Peru in South America with the introduction of the Mahindra Pik Up.
• 2008 - Mahindra Automotive Australia is formed to strengthen Mahindra’s position in Australia. The market of Paraguay is opened for Mahindra Business

• 2009-10 – The iconic Brand Mahindra Thar is launched in Italy and South Africa. This year also saw the consolidation of Farm and Auto Business in Mahindra, leveraging on the synergy for International Business.

• 2011- Mahindra Expands its foot prints in South America in Uruguay, Ecuador. Year 2011 also saw one of the most distinguished launch, designed and developed in-house by Mahindra, with the cheetah-inspired styling the Mahindra XUV500, its first global SUV platform. There was a simultaneous launch for Mahindra XUV500 in South Africa.

• The year 2011 also saw the global launch of Mahindra Next Big Pik up exclusively for International Markets, Mahindra Genio.

• 2012- The market of Columbia was opened to strengthen the presence in South America. This year to see many more foot prints across the globe with a huge surge on Volumes and market share

(i) Future Plan

Mahindra and Mahindra plans to launch a new SUV which is above the Mahindra Scorpio. The company after acquiring the Korean company Ssangyong will pump in Rs. 2,000 for the company restructuring. The company is also working with Reva and is planning to launch Reva cars in China. The model that the company plans to launch in China is the Reva NXG which runs at 100 kmph and at the range of 170 kms. The Mahindra Renault design of the car will be changed as the Logan has not done that well in India. There is also the Mahindra Great Escape event that takes place in Hyderabad every year where people test their Mahindra cars. Mahindra and Mahindra, India's leading utility vehicle maker on Tuesday said that it plans to fit electric power trains on all its crossovers and SUVs in the future, as government of India pushes to electrify all vehicles on road by 2030.

Apart from electrification, Mahindra will have a strong portfolio of petrol cars once BS VI enforced enabling the company to shed the tag of primarily a diesel vehicle maker. Launching the new KUV 100 NXT (at Rs 4.39 lakh to 7.33 lakh), Pawan Goenka, MD, Mahindra and Mahindra said the company has placed a strong bet on electrification and plans
to electrify all the SUVs and crossovers. "We will be launching the KUV Electric one year from now. The drive towards electrification is visible, whether it is 20% or 100%, one does not know what the penetration will be, but Mahindra will be prepared to face the situation," added Goenka. Apart from KUV Electric which will be launched in 2018, Mahindra plans to electrify, Tivoli based SUV S201 in the following year. To be sure, the company has no plans of electrifying its workhorses Scorpio and XUV 500 in the immediate future. If needed, Mahindra may introduce mild hybrid versions of big SUVs.

The company has in fact committed an investment of over Rs 3500 crore to Rs 4000 crore on future electric vehicle portfolio and technology. The MD of Mahindra and Mahindra says the general perception is that Mahindra is a diesel vehicle company, but he informed that over 50% of its small SUV KUV 100 comes from petrol and going ahead company will strengthen its petrol portfolio further. "Our petrol portfolio will be stronger than diesel once BS VI comes in," asserted Goenka. Having seen its market decline, Mahindra is getting active with its new launch product plans again. The company launched the KUV refresh with 40 new changes within 21 months of its original launch date at an aggressive price. The company will be launching an all new global MPV U321 in the next 6 months time, followed an urban SUV S201 on the SsangYong platform.

4. Honda Cars India Limited (HSCI)

Honda Siel Cars India Limited (HSCI) was formed as a joint venture between Honda Motor Company of Japan and Siel Limited for the production, marketing and export of passenger cars in India. It established its plants at two places in India and began operations in December 1995. Soichiro Honda dreamed of giving people motorcycles and so he started the Honda Motor Company. He was mostly a dreamer. His company built two, four, five, and six-cylinder race bikes. Honda’s first motorcycle was produced when it was demanded in Japan after the World War, where transportation was really overcrowded. Honda picked up a lot of war surplus 500 two-stroke motors which nobody wanted, to power generators. He made motorbikes in October 1946 in his small factory in Hamamatsu and used turpentine in the bikes because gasoline was in short supply. Turpentine was not the best thing for powering motorbikes and required a lot of pedaling to warm the engine. Honda’s first bikes were very
successful. In 1947, the ½ horsepower A-Type Honda was being manufactured and sold by the company, though the bike gave out a lot of smoke and was thus called the “Chimney.” Honda then produced the D-Type. Honda was involved in all steps of the manufacture of the product. Honda called this “The Dream.”

(a) History

The company manufactures and sells passenger cars. They also deals with the needs of their customers who want to exchange their existing cars with a new one. They offer car sales, services. The company operates as a subsidiary of Honda Motor Co Ltd and Usha International of Siddharth Shriram Group. Later, the company bought the latter's shares in the joint venture. Now the company is a 100% subsidiary of Honda and has renamed itself. It was formerly known as Honda Siel Cars India Ltd. The company's first manufacturing unit is at Greater Noida and has been operational since 1997. It was set up at an investment of more than 4.5 million INR initially. The plant is spread over 150 acres. The initial capacity of this plant was 30,000 car per annum, but it was later increased to 50,000 cars on a two shift basis. Now the capacity has been further increased to 100,000 units annually. This led to an increase in the covered area in the plant.

They set up their second plant in Rajasthan. The present models that are currently being produced are: Honda City, Accord, Civic, Jazz, Brio, CR-V, Amaze, Mobilio, BR-V and WR-V. The company has 331 dealership outlets across 121 cities in about 20 states and 3 union territories of the country. They have sold 189,062 units during their 2014-2015 period against 1, 34,399 units during the same period a year ago. It recorded an increase of more than 44%. The Japanese carmaker, Honda, launched their new compact SUV on the Jazz platform called WRV in the year 2017. The company has ended their 2017 March revenue and it touched 16,870 crore, first profit of 360 crore profit after six years loss consecutively.

Major Events: Following are the major events of the company:

- 1962: American Honda Company launches its advertising campaign. Honda sells power equipment products in the US which include the F-190 mini-tiller and the E-300 and E-40 portable generators.

- 1974: The Honda Civic CVCC engine is introduced.

- 1982: Honda of America begins producing the Accord at Marysville, Ohio making it the first Japanese automaker to make cars in America.
• 1990: Honda released the Acura NSX car with the VTEC engine technology.
• 1994: Honda enters the Indy Car open wheel racing series
• 1996: Honda begins production at a new plant in Ohio.
• 1997: Honda starts leasing the Honda EV Plus.
• 1998: Honda City was launched.
• 2001: Honda Accord was launched.
• 2009: Honda Jazz present model was launched.
• 2011: Honda Brio was launched.
• 2013: Honda CR-V locally assembled.
• 2013: Honda Amaze was launched.
• 2017: Honda BR-V was launched.

(b) Management Team

Mr. Takanobu Ito is the Chief Executive Officer of Honda Japan. He has been the Managing Director of Honda Motor Company since June 2007. He is the President of the Honda Motor Company since 2009. He started his career in Honda in 1978. Mr. Koicho Kondo is the Compliance Officer of Government and Industrial Affairs officer of Honda since June 2010. He is currently the Vice President of Honda and was the Executive Vice President in the past. He is the Chairman of Honda since April 2011. Mr. Nobuyuki Sanui is the Head of the Manufacturing Plant of Honda Canada since 2009. He was the Chief Executive Officer and the President of Honda Manufacturing of Alabama from April 2009. He was the President of Honda Transmission Manufacturing of America in Ohio before holding the current office.

Mr. Michimasa Fujino is the Operation Officer of Honda. He was the CEO of Honda Aircraft and served as the Chief Engineer of Honda Aircraft. Mr. Satoshi Aoki is the Chief Financial Officer and Executive Vice President of Honda since 1995. He is the Chief Operating Officer of Hondo since 1998 and the Compliance Officer since 2004. He joined Honda in 1969. At present management team of Honda Car India Ltd. a joint venture, is discussed in tables below:
Table 3.10: Key Management Team Members Honda Car India Ltd: 2017

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaku Nakanishi</td>
<td>President &amp; CEO</td>
</tr>
<tr>
<td>Jiro Morisawa</td>
<td>Chief Financial Officer and Nominee Director</td>
</tr>
<tr>
<td>Tatsuya Natsume</td>
<td>Chief Executive Officer of Honda Philippines and President of Honda Philippines</td>
</tr>
<tr>
<td>Takashi Nagai</td>
<td>President of Honda Logistics Inc. and Representative Director of Honda Logistics Inc.</td>
</tr>
<tr>
<td>Hiroshi Shimizu</td>
<td>President of Honda Cars - Philippines</td>
</tr>
</tbody>
</table>

Source: https://www.bloomberg.com/research/stocks/private/board.asp?privcapId=9247909

Table 3.11: Insiders as Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jiro Morisawa</td>
<td>Chief Financial Officer and Nominee Director</td>
</tr>
<tr>
<td>Hiroyuki Shimizu</td>
<td>Senior Vice-President, Director for Marketing &amp; Sales and Whole-Time Director</td>
</tr>
<tr>
<td>Takashi Nagai</td>
<td>President of Honda Logistics Inc. and Representative Director of Honda Logistics Inc.</td>
</tr>
<tr>
<td>Arun Singh</td>
<td>Secretary and Director</td>
</tr>
<tr>
<td>Raman Sharma</td>
<td>Vice President, Director of General Affairs and Nominee Director</td>
</tr>
</tbody>
</table>

Source: https://www.bloomberg.com/research/stocks/private/board.asp?privcapId=9247909

(c) Manufacturing Facilities

Honda has a production plant in Rajasthan which is spread over 600 acres. This facility was launched with an investment of Rs. 1,000 crore and employs 1,000 people. The facility has produced over 60,000 units and rolled out its first car in 2009. The plant was developed as a MoU between Honda and the Rajasthan Government. The plant has the ISO 9001 certificate. Honda also has a production plant in Manesar in Haryana with a capacity of 1.55 million units per annum and a plant in Tapukara in Rajasthan with a capacity of 6 lakh units. This plant has an investment of Rs. 500 crore. They opened a Rs. 1,000 crore plant in Andhra Pradesh in the Medak and Nalgonda districts which is 100 acres large.
(d) Car Models of Honda

Honda offers a variety of cars models in Luxury segment, midsize segment, and Small segment in India. Honda offers 8 new car models in India. Amaze, City and WRV are among the popular cars from Honda. Honda Brio is the lowest priced model at Rs. 4.73 lakh and Honda Accord is the highest priced model at Rs. 43.21 lakh. The list of Honda car India includes the following models: Honda Brio, Honda Amaze, Honda Jazz, Honda WR-V, Honda City, Honda BRV, Honda CRV, and Honda Accord Hybrid. The Upcoming Honda Cars Are: Honda Accord Facelift, Honda Sports EV Concept, Honda Clarity Fuel Cell and Honda Brio Facelift. Discontinued Honda Models are: Honda City Old, Honda City ZX, Honda City Hybrid, And Honda CR-V Old.

(e) Awards and Recognition

The following are some of the awards Honda has won in the 21st century:

- Honda Accord won the 'Green Car of the Year' by Autocar India Awards 2017.
- JD Power 2017 award for most Dependable Upper Compact Car—Honda Brio.
- JD Power 2017 award for most Dependable Midsize Car—Honda City.
- JD Power 2017 award for Most Appealing Entry Midsize Car—Honda Amaze.
- JD Power 2017 award for Most Appealing Midsize Car—Honda City.
- Corporate - Engine of the year - Honda eco technology (HET) 1000cc engine Sedan of The Year 2014 - Honda City.
- Most Reliable Brand - Apollo Auto India Best Brand Awards 2010.
- Advance Technology - Apollo Auto India Best Brand Awards 2010.
- Quality - Apollo Auto India Best Brand Awards 2010.
- Best automobile brand of India 2007.
- Manufacturer of the Year 2006, by NDTV Profit-Car India
- Manufacturer of the Year 2006, by CNBC-TV 18 Auto car India
- Best Mid-size Car in Initial Quality year 2006, (Honda City) and Most Appealing Mid-size car (Honda City) by JD Power
- CNBC Auto car CAR of the year 2004
(f) International Operations

Honda is present in different countries all across the world. Honda’s advanced technologies are produced in Japan. In South America Honda is expanding to the regional market and promoting ecology. In Asia and Australia Honda is providing new and improved products. In China, Honda is participating in environmental initiatives. In Europe, Middle East and Africa, it’s trying to improve its reputation. In North America, Honda is expanding production. In Asia in particular, the primary mode of transportation is motorcycles and Honda has thus established motorcycle manufacturing plants in eight countries. The cumulative production capacity of the motorcycles was 30 million motorcycles in India in 2009, 25 million in Indonesia and a total of 17 million in Thailand. Honda provides bikes in Asia with the popular Programmed Fuel Injection System. Along with motorcycles the market for automobiles is also growing rapidly in Asia. In India the Honda Jazz was launched while in Indonesia and other countries the Freed was introduced.

(g) Exports

The Indian arm of Japanese carmaker Honda Cars India is gunning to up its component exports from India to overseas markets. It is targeting parts exports to the tune of Rs 1500 crore in the current financial year (2017-18) up 31.57 percent from Rs 1140 crore posted in FY17. It is also looking to step up vehicle (completely built units) exports to 6000 units in FY18, Jnaneswar Sen, senior VP sales and marketing told ET Auto. Between April-December 2017-18, the carmaker exported 4114 vehicles growing 4.87 percent over the previous fiscal. Of this, passenger cars contributed 2719 units and utility vehicles 1395 units. In 2016-17, during the same period, it clocked exports of 3923 units with cars accounting for 2902 units and UVs 1021 vehicles. In FY18, UV exports for Honda have risen 36.63 percent while cars are down by 6.30 percent, according to SIAM data. The customer’s preference for UVs does not seem to be limited to India alone but is finding acceptance globally as well.

Last July, Honda Cars India (HCIL) had commenced exports of the fully assembled 1.6L diesel engine to Thailand and Philippines for the first time, from India. Though the carmaker does not power its Indian product portfolio with this diesel motor so far, it has been making parts for the 1.6L diesel engine at its Tapukara facility since 2013. HCIL has been exporting critical engine parts of the 1.6L diesel to Honda UK for powering the Civic and CR-V since then. India and Europe are strong diesel markets for Honda and therefore it decided to make India the manufacturing base for it. Interestingly, Tapukara in India is the largest
manufacturing facility for manual transmissions and diesel engines for the Japanese
carmaker. HCIL is also the largest exporter of manual transmissions globally. Auto
component exports form an important business arm of HCIL and in 2016-17, the carmaker
exported parts to 15 countries. The company’s components business is growing briskly with
shipments of parts headed to countries like the US and Brazil, to Europe (primarily the UK),
China, Japan and some South East Asian markets. These parts include body panels and
engine parts including transmission cases, cylinder blocks, engine blocks and crankshafts
made at the Tapukara plant.

(h) Future Plans

Honda Cars India, which has had limited success in the small car space, is banking on
compact SUVs and sedans to build volumes in India. Honda is the fourth largest carmaker in
India today, and commands a market share of 5.55%. Honda Motor has started work on
developing a small car and a compact sports utility vehicle (sub-4 metre) targeting India, as it
aims to break into the country's mass market segment, people familiar with the company's
plans said. Part of the development will be carried out in India with a focus on maximising
the use of local products to keep costs low. The process has moved from consideration stage
to real development work in the past couple of months, they said. Yoshiyuki Matsumoto. The
Japanese firm also sees a market for the small car in other South Asian nations as well as
Africa and Indonesia, and has code named it the 'World a Entry Car' to signify this
potential. The new car and the compact SUV will be built on a re-engineered GSP platform,
which the Brio too is based on, the people said. The Amaze and the new Mobilio utility
vehicle are also based on the GSP platform. The small car is likely to be positioned below the
Brio and is expected to be Honda's first car costing less than Rs 4 lakh.

Honda's new vehicles are expected to hit the market soon and give a major boost in volumes
to the Japanese company, which is already knocking at the No. 3 position of Mahindra.
Matsumoto said it needs to put in infrastructure in terms of sourcing, manufacturing and
distribution network for the new car. The R&D capability is getting built and the dealer
network expansion is already underway. Honda plans to expand its network to 150 cities by
next March, from 107 now. It has a capacity to build 1.8 lakh units a year and it can be
expanded to 2.4 lakh units with minor investment. Honda is also considering a third plant in
Gujarat — the first two are in Greater Noida and Rajasthan — but Matsumoto declined to
confirm any such plans. While Japan will be the lead country to develop the vehicles,
Matsumoto has stressed on India's role in developing the small car, saying it "will come out of the R&D centre in India". "After a few years, India will be the No. 1 country in the Asia Oceania region, that's why we already have a setup of R&D in India," he said. Apart from India, Honda also sees the small car fitting into Indonesia’s LCGC Programme (low cost green car).

The company is expected to use India also as a base for exports to Africa, which Matsumoto calls as a next big frontier for Honda. With the launch of Mobilio, volumes are likely to cross 2 lakh units in fiscal year 2015. It has a target to sell 3 lakh units a year by fiscal 2017. With the volumes of Mobilio, and the sustained demand for City and Amaze, we expect Honda to overtake Mahindra & Mahindra as the third largest player in the Indian market, with a compact SUV and with a new small car; we may see Honda challenging Hyundai for the number two position in the future," said Gupta. At present, Honda has entered into an arrangement with Hitachi Automotive Systems in Japan for procuring electric motors for its hybrid and electric product line and whether the carmaker’s EV strategy will include setting up an assembly unit for the motors in India is still under consideration.

5. General Motors India

General Motors were founded in 1908 in Flint, Michigan by William C. Durant. The company has its global headquarters in Detroit and employs approximately 209,000 people all over the world. It does business in 120 countries and, together with its strategic partners, produces cars and trucks in 31 countries. GM’s highest sales are reported from China, followed by the United States, Brazil, the United Kingdom, Germany, Canada, and Russia. The company includes a total of 13 brands - Baojun, Buick, Cadillac, Chevrolet, FAW, GMC, Daewoo, Holden, Isuzu, Jiefang, Opel, Vauxhall, and Wuling – under its umbrella. Over the past few years, GM has suffered several setbacks, including the declaration of bankruptcy in June 2009 and an eventual split. A “New GM” emerged in 2009 with the support of the US government. The new company was listed on the New York Stock Exchange in November 2010. As part of the reorganisation, the company phased out two of its brands - Pontiac and Good wrench - and adopted a new brand identity. It also received loans from European governments in 2009, and reduced its stake in European operations. Operations in other parts of the world were not affected by the bankruptcy and continued as before.
(a) **History - General Motors in India**

The company first started doing business in India in 1928, assembling **Chevrolet cars**, trucks and buses, but ceased operations in the country in 1954. It continued its tie-up with Hindustan Motors to build Bedford trucks, Vauxhall cars, Allison Transmissions and off-road equipment. GMIPL was created as a joint venture in 1994. Hindustan Motors shared equal percentage of ownership along with General Motors, to manufacture and sell Opel branded automobiles. Till 2003, GMIPL continued manufacturing Opel cars at the Halol facility in Gujarat and then it switched to producing Chevrolet cars. In 2000, GMIPL moved its headquarters to Gurgaon. In 2003, the company opened its technical center operations in Bangalore, which included research and development and vehicle engineering activities.

The technical center operations were expanded to include purchasing and financial support services for General Motors operations located outside of India (2006), vehicle engine and transmission design and engineering (2007) and a vehicle design studio (2007). It has its headquarters in Gurgaon, Haryana, and has two assembly plants in (Talagaon, Maharashtra and Halol, Gujarat) with a combined production capacity of 385,000 vehicles per year. It also has a technical centre in Bangalore which focuses on research and development, vehicle engineering activities, purchasing and financial support services, and vehicle engine and transmission design.

Till 2003, the company continued to produce Opel cars at its Halol facility. Later, it switched to producing Chevrolet vehicles at the same plant. GMIPL began construction of a second vehicle assembly plant in Talegaon in 2006, which began production of Chevrolet vehicles in September 2008. In December 2009, Chinese auto company Shanghai Automotive Industry Corporation (SAIC) bought a 50 percent stake in GM India. The new joint venture company is called General Motors SAIC Investment Limited (GMSIL) and is the 5th largest automobile manufacturing company in the country after **Maruti Suzuki, Hyundai, Tata Motors** and **Mahindra**.

General Motors came to India nearly two decades ago, if you remember they came in with Opel and offered products like the Astra back then. They ran a reasonably successful business until the last three years. Just in May, 2017 General Motors announced they would no longer have any domestic sales in India by the end of 2017, focusing their entire business on manufacturing for exports alone. It’s a huge blow not just for General Motors, but for the entire automotive industry. General Motors
failure is a strong indicator of what manufacturers like them fail to do in India, for long thought to be one of the toughest markets anywhere in the world.

Major Events: Major events of the company are following:

- 1928: General Motors initiated its operations in India but in 1954, the corporation closed down its assembly operations.
- 1994: GMIPL was created as a joint venture in India.
- 2000: GMIPL shifted its headquarters to Gurgaon in India.
- 2003: The company launched its technical center in Bangalore. The technical center included research and development facilities, vehicle engineering activities.
- 2006: A second vehicle manufacturing plant was set up in Talegaon in 2006, which started producing vehicles of the brand Chevrolet in September 2008.
- 2007: A vehicle design studio was set up by the company.
- 2014, and 2016 Auto Expo, GM India had showcased some promising new products. This includes the Chevrolet Adra compact SUV, Chevrolet Essentia compact sedan, and the new Chevrolet Beat.
- 2016: Accumulating losses, plummeting sales and uncertainty over government policies appear to have prompted GM India to take stock of the situation and reviewed its future strategy.
- 2016: General Motors started scaling down Indian operations. They first consolidated manufacturing processes at its Talegaon plant and shut down Halol plant in Gujarat, and so on.
- 2017: In the month of May, General Motors announced they would no longer have any domestic sales in India by the end of 2017, focusing their entire business on manufacturing for exports alone.

(b) Management Team

General Motor India is a subsidiary of General Motor USA and at present the following members are on the board of directors of General Motors India Private Limited given in the table below:
Table 3.12: Directors of General Motors India Private Limited

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name</th>
<th>Designation</th>
<th>Date of Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Asif I Khatri</td>
<td>Whole time Director</td>
<td>28 July 2017</td>
</tr>
<tr>
<td>2.</td>
<td>Vinay Madhav Pradhan</td>
<td>Whole time Director</td>
<td>01 September 2017</td>
</tr>
<tr>
<td>3.</td>
<td>Pritpal Singh Kular</td>
<td>Additional Director</td>
<td>30 November 2017</td>
</tr>
<tr>
<td>4.</td>
<td>Rama Krishnan KV</td>
<td>Director</td>
<td>30 July 2014</td>
</tr>
<tr>
<td>5.</td>
<td>Kaher Kazem</td>
<td>Managing Director</td>
<td>29 January 2016</td>
</tr>
<tr>
<td>7.</td>
<td>Zuoping Yao</td>
<td>Director</td>
<td>03 May 2010</td>
</tr>
</tbody>
</table>

Source: https://www.zaubacorp.com/company/general-motors-india-private-limited/

(c) GM Models in India

Many car models were manufactured by General Motors India. It manufactures all its cars under its subsidiary Chevrolet. It manufactured small, medium and large sizes of cars. It includes hatchback cars, sedans and SUVs. The models of the company are: Chevrolet Spark, Chevrolet Beat, Chevrolet Aveo U-VA, Chevrolet Aveo, Chevrolet Optra Magnum, Chevrolet Cruze, Chevrolet Tavera Neo2, Chevrolet Captiva, Chevrolet Enjoy, Chevrolet Beat Facelift 2012, and Chevrolet Sail. General Motors India recently announced its decision to exit the Indian market with the Chevrolet brand. The automaker will no longer be selling its cars in India, even though it will continue to produce and export vehicles from its Talegaon manufacturing facility in Maharashtra. Sales for GM cars in the country will officially stop on 31st December 2017, but the company has said that it honour all warranties and also provide after sales and service support to customers. The discontinued models of the company from December, 2017 are following:

- Chevrolet Sail U-VA (2012–2017)
- Chevrolet Cruze (2009–2017)
- Chevrolet Captiva (2008–2016)
- Chevrolet Forester (2003-2007)
- Chevrolet Aveo U-Va (2006–2012)
- Chevrolet Optra (2003–2012)

(d) Manufacturing Facilities

There is the Halol Plant in India which has a production capacity of 85,000 units while its facility in Pune which was built with an investment of 300 million dollars had a production capacity of 1.4 lakh units. The headquarters of the company in India are at Halol and Gurgaon and a large technical center in Bangalore. The plants have a very high production capacity. GMIPL established its second vehicle assembly plant in Talegaon in 2006, which began production of Chevrolet vehicles in September 2008. But in May, 2017 General Motors announced they would no longer have any domestic sales in India by the end of 2017, focusing their entire business on manufacturing for exports. GM’s manufacturing facility at Talegaon plant is continuing as an export hub for Mexico and Central and South American markets. GM has stopped Chevrolet manufacturing and sales from Halol plant in market by the end of 2017.

(e) Awards and Recognition

The awards and recognitions of General Motors India are following:

- The best vehicles won awards at the sixth NDTV Profit Car and Bike Awards which had commenced in 2006. The award criteria consisted of the following: segment position, environment factor, acceptability, market value, efficiency, and consumer value and segment position.
• GM won the National Level Quality Circle Awards in Halol, the National Level Quality Circle Excellence Award, Gujarat Safety Award, Energy Conservation Award, TNS Automotive Award, and the National Safety Award. In 2007,

• The company won the Overdrive Car Maker of the Year Award. It also won the NDTV Profit Car India Awards 2007 – Carmaker of the Year Award.

• General Motors’s Spark was awarded the “Most Dependable Compact Car” and “Best Compact Car in Initial Quality 2010” by JD Power and Associate’s India study.

• General Motors also won the “Automobile Manufacturer of the Year 2010” award by the Golden Steering Wheel, the Indian edition of Europe’s automobile awards. This award was awarded by Car Wale, and recognized General Motor’s manufacturing capabilities in India.

• GM’s Halol plant was felicitated with the Gujarat State Safety Award 2010. GM India won the third prize for energy conservation at the National Energy Conservation Award 2010 and was awarded by Sushilkumar Shinde. The award was received by P Balendran, Vice-President, and General Motors India.

• GM was one of the top automakers at the NDTV Profit Car and Bike India awards 2011 as it won the “Best Communication and PR Campaign for the Beat” and the “Car Manufacturer of the Year Award.” These are really prominent awards in India. GM aims to gain more market share in India, the second largest automobile market in the world.

• New Chevrolet SAIL U-VA was awarded the ‘Premium Hatchback of the year’ award for 2012 by ET Zigwheels Car and Bike Awards.

• Chevrolet SAIL U-VA has grabbed the most prestigious and coveted award in the Indian automobile industry “Compact car of the year -2013” – by Auto car India.

• New Chevrolet SAIL U-VA has been crowned ‘Hatchback of the Year 2013’ by Car India.

(f) International Operations

General Motors started in 1908. It has its headquarters in Detroit and it employs 209,000 people in major regions of the world and it does business in over 120 countries. GM is most
popular in China and then its second largest market is the United States. Brazil, the United Kingdom, Canada, Russia and Germany come next. GM also believes in Corporate Social Responsibility. After a good success in India the company faced the bankruptcy a couple of years back. It could revive due to support of US government. Under this situation the General Motors has announced plans to restructure its GM International Operations (GMIO) business unit. The move resulted in withdraw from several markets. The move was considered as a way to “drive stronger financial performance and focus its capital and resources on business opportunities expected to deliver higher returns.”Specifically, the automaker phased its Chevrolet brand out of India and South Africa by the end of 2017, while transitioning GM India to a production hub only for export to other markets. GM India is now maintaining vehicle and engine production operations in India while ceasing to sell Chevrolet vehicles in the country. GM’s manufacturing facility at Talegaon plant is continuing as an export hub for Mexico and Central and South American markets. GM has stopped Chevrolet manufacturing and sales from Halol plant in market by the end of 2017. Further, it completely exited from South Africa including sales and manufacturing operations. As announced on February 28th, Isuzu has agreed to purchase GM’s 57.7 percent shareholding in GM East Africa, assuming management control. GM has withdrawn sales of the Chevrolet brand from East African markets.

(g) Exports

GM India exports the Beat car to Europe and Asia Pacific. 20% of the cars produced in India will be exported to these continents. Beat comes in three models - Beat PS, Beat LS and Beat LT. The company exported vehicles to Bangladesh, Nepal and Sri Lanka. GM plans to increase its US market share by one percentage point. They also want to implement new marketing techniques. They want to remake their corporate image as a leader and change focus of their advertising to aspiration. They plan to address the customers, dealers, salespeople, employees and retirees. In January 28, 2017 (PTI) American auto major General Motors is looking to ramp up component exports from India even as it continues to add new global markets for vehicle shipments from the country, a company official said.

The company, which has stopped selling cars in the Indian market, recently, started exporting Beat Notchback to Costa Rica. "Apart from this addition, we also plan on expanding the component exports in 2018," a General Motors India spokesperson told PTI. The company currently exports body panels and engines to Vietnam and Cambodia. The official, however,
declined to specify the markets that the company plans to target for components exports. Elabourating on the vehicle exports from India, the spokesperson said that the company is focused on ensuring that it produces high-quality vehicles for export markets."Our exports have tripled over the past year and we are very pleased with the acceptance of our products in the export markets," the official said. In 2017, GM ranked 5th in India in terms of passenger vehicle exports. Its hatchback Beat was the highest exported passenger vehicle from India.

On availability of service and spare parts for its vehicles in India, the official said the company has a network of 175 ASOs in operation across key locations in the country."In addition, we continue to operate parts procurement, warehousing and distribution to ensure smooth parts supply for Chevrolet vehicles in India," the official said. Based on current planning the automaker is taking all measures to ensure availability of spare parts, generally in the market for at least 10 years, the official added. Last year in May, General Motors announced stopping selling its vehicles in India. It now exports vehicles manufactured at its Talegoaon plant in Maharashtra.

(h) Future Plans

On May 18, 2017, General Motors decided to stop selling Chevrolet Cars in India. The decision was announced as part of a series of restructuring actions from GM and marks a significant blow to India's strategy of encouraging domestic manufacturing. GM plans to keep operating its tech center in Bengaluru and to refocus its India manufacturing operations by making one of its two assembly plants in India. (Image: Reuters). General Motors Co. stopped selling cars in India from the end of this year 2017, drawing a line under two decades of battling in one of the world's most competitive markets where it has less than a one percent share of passenger car sales. GM says it would no longer market its Chevrolet brand - its only brand of cars marketed in India - despite India's promise as a market set to overtake Japan as the world’s third largest in the next decade. But it doesn't plan to leave India entirely.

It is operating its tech center in Bengaluru and to refocus its India manufacturing operations by making one of its two assembly plants in India – the one at Talegaon, about 100 km (62 miles) southeast of Mumbai – into an export-only factory. It planned to sell the Halol plant in Gujarat to Chinese joint venture partner SAIC Motor Corp."We are not giving up benefits India offers as a local cost manufacturing hub with an excellent supplier base which is extremely competitive," Stefan Jacoby, GM's chief of international operations, said in an interview. GM’s exports from India, mainly to Mexico and Latin America, nearly doubled to
70,969 vehicles in the fiscal year then ended on March 31. The Talegaon plant has a capacity of 130,000 vehicles a year Jacoby said the move to turn the Talegaon assembly into an export-only plant will not impact GM Korea and its position as an export hub.

India will export vehicles mostly to Mexico and South America, among other destinations, while GM Korea will ship Korean-made cars to North America, Southeast Asia, Australia, and Pakistan. The decisions to significantly scale down GM's operations in India are results of months of analysis over "where we are going to place our bets (globally) as a company," Ammann said in an interview. The move is the latest blow to Prime Minister Narendra Modi's "Make in India initiative," aimed at making the country a global manufacturing powerhouse. GM plans to continue to work on the $5 billion GEM programme, which GM is developing with SAIC Motor. Ammann said the programme remains on track, even without India now, to account for about 2 million vehicles a year in global sales volume, mainly in Latin America, Mexico and China.