

# **CHAPTER No. 3**

## **Automobile Sector in India**

- 3.1** Introduction
- 3.2** Environment
  - 3.2.1** The economic outlook
  - 3.2.2** The political outlook
  - 3.2.3** The industry outlook
  - 3.2.4** Price driving purchase choice
  - 3.2.5** Changing consumer behavior
  - 3.2.6** The recent industry trends
- 3.3** Small car & small car manufacturers
- 3.4** Small car manufacturers in India
  - 3.4.1** Hindustan Motors
  - 3.4.2** MarutiUdyog Ltd
  - 3.4.3** Fiat India private Ltd
  - 3.4.4** Ford India Ltd
  - 3.4.5** General Motors Pvt. Ltd.
  - 3.4.6** Honda S1el cars India Ltd.
  - 3.4.7** Hyundai Motors India Ltd.
  - 3.4.8** Skoda India Pvt. Ltd
  - 3.4.9** Toyota Motors
  - 3.4.10** Tata Motors
  - 3.4.11** Chevrolet Motors

**AUTOMOBILE SECTOR IN INDIA**

**3.1 Introduction**

Automobile sector in India is one of the key sectors of the economy in terms of the employment. Directly and indirectly it employs more than 10 million people and if we add the number of people employed in the auto-component and auto ancillary industry then the number goes even higher. The automobile industry comprises heavy vehicles (trucks, buses, tempos, tractors); passenger cars; and two-wheelers. Heavy vehicles section is dominated by Tata-Telco, Ashok Leyland, Eicher Motors, Mahindra and Mahindra, and Bajaj. The major car manufacturers in India are Hindustan Motors, Maruti Udyog, Fiat India Private Ltd., Ford India Ltd., and General Motors India Pvt. Ltd., Honda Sael Cars India Ltd., Hyundai Motors India Ltd., and Skoda India Private Ltd., Toyota Motors, Tata Motors etc. The dominant players in the two-wheeler sector are Hero Honda, Bajaj, TVS, and Honda Motorcycle & Scooter India (Pvt) Ltd. Yamaha etc. Indian automobile industry is also fast becoming an outsourcing hub for automobile companies worldwide, as indicated by the zooming automobile exports from the country. Today, Hyundai, Honda, Toyota, GM, Ford and Mitsubishi have set up their manufacturing bases in India. Due to rapid economic growth and higher disposable income it is believed that the success story of the Indian automobile industry is not going to end soon.

Today automobile sector is on its full flow. In India today automobile sector has made a great impact on the Indian economy. More and more investment are approaching in the automobile sector. People tend to find quick profit and less risk in investing money only in automobile sector. Thus this is the reason for such a great progress by this sector. Standard of living of Indian people is increasing day by day & more and more people find the need and demand for the four-wheeler. Thus the purchase of more and more cars have increased in recent years in India.

This is not only one reason behind automobile sector progress. One more reason is also that more and more foreign automobile companies find a good scope in Indian market. Thus international automobile companies are arriving in Indian market to make mark of it even here in India. Thus, Indian market is now concentrated international companies such as Hyundai, Honda, and Toyota etc.

## 3.2 ENVIRONMENT:

### 3.2.1 The Economic Outlook:

“Socially and economically, India is developing at a galloping rate when compared to the rest of the world. With estimated compounded economic growth rates of over eight percent per annum, Chinese and Indian consumers have greater spending power today than they have had at any time in recent history,” said Sarang Panchal, Executive Director, Customized Research Services, ACNielsen South Asia. In India, the assessment of economic performance over the last 6 months has moved up smartly when compared to the previous six months. 79% of Indians felt that the economy had improved. The follow-through of this positive evaluation has obviously carried forward aggressively. The Data below shows the increasing consumption pattern of the people through the years.

### 3.2.2 The Political Outlook

The Economist Intelligence Unit expects the United Progressive Alliance (UPA) coalition, led by the Indian National Congress, to remain in office throughout the forecast period. However, the minority government will continue to need the support of unreliable regional and caste-based parties, as well as the mainly communist Left Front parties, and this cannot be taken for granted. The pressures of coalition politics are likely to ensure that progress on economic reform will remain slow. We expect GDP growth to rise slightly to 7.1% in fiscal year 2005/06 (April-March), before moderating to 6.8% in 2006/07. High international oil prices will lead to a significant widening of the merchandise trade deficit over the forecast period, but the surpluses on the services and transfers accounts will limit the size of the current-account deficit. The rupee will appreciate slowly against the US dollar during the forecast period. The outlook for inflation is benign. Policy trends: One year into the UPA government's term, the indications are that reformist tendencies are being diluted by the constraints of coalition government, discontent among the UPA's left-wing allies and the power of vested interests. Privatization, liberalization of the foreign direct investment regime and reform of India's rigid labor laws seem unlikely to be carried out over the forecast period, owing to the fact that the Left Front, on which the minority government relies for support to push through legislation, opposes such measures. Fiscal consolidation has been put on hold until at least 2006/07.

### 3.2.3 The Industry Outlook

According to ACNielsen, “Sales have grown strongly in the last 3-4 years in India. But, road infrastructure development will decide whether or not pent-up demand will emerge strongly.” Study shows that half of the new buyers will be first time ever buyers, a clear indicator that the evolution of the Indian automobile consumer is happening rapidly. Yet, the proportion of those buying an additional car is also significant. In a market where price is an important factor, this is a signal that affluence is

growing parallel to aspiration and therefore bodes well. Nearly one fifth or 21% of intending buyers claim to be buying an additional car for themselves. The study also indicates substantial consumer interest in engine size larger than 1.4 liter

(80%) It is clear that most Indians aspire to a roomy, family car going forward. Indians can aspire to buy mid-size models as family incomes across urban India continue to grow and household composition increasingly moves towards double-income, nuclear families. With three of the world's four most populous countries leading ACNielsen's Aspirations Index, it is clear that consumer demand for their own set of 'four wheels' augurs well for the automotive industry across the globe.

### **3.2.4 Price Driving Purchase Choice**

Globally, price was the most frequently cited driver of choice, and therefore was a universal consideration for new car purchases. Other considerations like fuel consumption, performance and safety were a distant second and third. Malaysians (88%), Indonesians (82%) and Thais (81%) were the most price-conscious.

Indians and Chinese seemed equally conscious of price (75%, 65%) as well as performance (65%, 67%). On fuel consumption, Indians were the most conscious (54%) across the Asian region. In the rest of Asia Pacific, Chinese (37%) were relatively less concerned while Koreans and Singaporeans were relatively more concerned. "Brand image/ prestige were an important dimension for only 23% of Indians. The response was similar to most other Asians. This is an important indicator of the market maturity and could be related to greater customer emphasis on price, expense and value dimensions. Among dozens of car brands, Toyota was the most popular the world over, in terms of consideration for future purchase (16%). Ford trailed closely at eight percent and Volkswagen was third at six percent in terms of current ownership while Honda (8%) and Hyundai (6%) took over the second and third positions when it came to future purchases among the world's consumers. In India, Hyundai appears to have attracted more Internet-savvy Indians than any of the other brands with 24% of them indicating that their future purchase is most likely to be from the company's portfolio."

### **3.2.5 Changing Consumer Behavior**

This part reflects in general the rise in demand for four-wheeler (small cars), especially by the growing income families. As there is increasing spending power in the 22-35 categories of Indians, the four-wheeler industry can look forward to strong growth in the years ahead provided that the concerns regarding the infrastructure are addressed. Data from the consumer data survey also indicates that the spending tendency of the people has increased. Consumers with incomes of 15-25k have also actively considered / purchased cars when the earlier tendency was to save the money so that it could be used later for some other purposes.

Cars are now viewed as a necessity / mean of comfort rather a luxury item earlier. India's automobile sales expanded by 15.9% in the year ended March 31, 2005 to 7,896,475 vehicles as against 6,810,537 vehicles sold in the fiscal year 2003-04 This includes sales of passenger cars, two-wheelers and commercial vehicles. Sales of passenger cars grew by 17.7% in the year ended March 31, 2005, data released by the Society of Indian Automobile Manufacturers (SIAM) showed. India was the fastest-growing large market for passenger cars in the world in 2004. Automotive demand was especially robust as the beneficial effects of a strong agricultural crop in the preceding year filtered through into rising incomes. With bank credit still cheap, the middle class expanding in size and a steady stream of new models entering the market, demand was buoyant, with sales of passenger vehicles rising by an estimated 24% in calendar year 2004. Sales of commercial vehicles, which are being driven by rising investment,

Government infrastructure spending and strong industrial production, will grow by around 22% in 2004/05 after expanding by close to 30% in 2003/04. Although the outlook for the automotive sector is buoyant, growth is occurring from a low base. India remains poor and largely undeveloped, with only a small proportion of the population able to aspire to car ownership. Yet, a low average income obscures wide urban rural disparities and the influence of a growing middle class that is increasingly able to afford personal transport. Growth in car sales in India has moved roughly in line with trends in disposable personal income. With gains in disposable income, during the forecast period, in the range of around 10-15% a year. More importantly, the percentage of the population that can afford a car is also rising. According to India's National Council of Applied Economic Research, in 2002 only 6.1m households out of a total of 176m were classified as "affluent or very rich", and therefore able to afford a personal car. However, another 56.8m households were considered to be "well off"—able to afford motorcycles and scooters, but not cars. Some of those aspiring consumer households will have already moved into the "affluent" group during the current economic boom. If only 10% of these "well-off" households can move to the next level in the next five years, the number of car-owning households could rise by nearly 6m,

nearly doubling current levels. Although this structural shift seems eminently achievable, economic shocks—such as a drought or a fiscal crisis that leads to much higher interest rates—could stem demand for a period of time.

## SHIVAJI UNIVERSITY, KOLHAPUR.

The table below shows the past record and the future estimates for the registrations of automobiles. The growth of the passenger car segment in absolute terms is the maximum.

**Table No. 3.1**

Future estimates for the registration of automobiles

	2004	2005	2006	2007	2008	2009
New passenger car registrations ('000)	1117	1343	1479	1624	1747	1911
Stock of passenger cars (per 1,000 population)	6.7	7.5	8.4	9.4	10.3	11.4
New commercial vehicle registrations ('000)	327	382	413	449	483	520
Light commercial vehicle registrations ('000)	122	144	153	173	191	210
Heavy & medium truck registrations ('000)	204	238	259	276	291	310

**Source: Economist Intelligence Unit.**

A broad commitment to low interest rates, plus easier financing arrangements for car buyers, should also stimulate greater demand for cars. A car loan that once took two weeks to approve can now be cleared in two or three days. In 2003 more than 85% of car sales were financed with loans, compared with 65% in 1998. Interest rates on car loans have fallen from around 19% five years ago to about 10% today. As in much of Asia, India is also seeing the birth of a youth-driven credit culture that places greater stock on consumption than in savings. These factors, combined with the gradual deregulation of the car market and the entry of foreign investors, have improved price competition in a highly price sensitive market, and have expanded the range of models on offer. Around 25 new car models will be introduced in India in 2005, most in the medium and luxury. Car producers are already opening more dealerships in semi-urban and rural regions to tap rising incomes and demand, and these areas now account for a growing share of overall sales. Several factors will restrain growth. Scooters and motorcycles are the dominant form of personal transport in India, and will remain so until incomes raise enough to allow average consumers to afford cars. Sales of motorcycles and scooters exceeded car sales by a factor of nearly six—roughly 6m units to 1m. Car sales will also be held back by the poor condition of roads. In 2007, however, a major road building project, the Golden Quadrilateral, is due to be completed. This will link the country's four major cities through a massive new road network, and should make car travel easier and more appealing.

Companies and competitors in the passenger car segment The Breakup of the Market share of the car manufacturers for the period Apr-Dec 04

**Table No. 3.2**

Major small-car manufacturers, Apr-Dec 2004

Sr. No.	Small Car Maker	Market Share (%)
1	Maruti Udyog Ltd	51.0
2	Tata Motors	17.3
3	Hyundai Motor India	17.0

As a percentage of total sales

Sources: center for Monitoring Indian Economy, Society of Indian Automobile Manufacturers.

### **3.2.6 The Recent Industry Trends**

In May 2005, total passenger car sales (including export sales) showed a growth rate of 10 % to 81976 units. Out of 11 players 4 players saw a dip in sales during the month Maruti Udyog, Tata Motors and Hyundai Motor are the major players in the passenger car segment. Of these players, Hyundai motor showed a spectacular increase of 82% at 23080 units while Tata motors showed a marginal increase 6% in sales at 12698 units Maruti Udyog registered a negative growth rate of 5% at 36579 units as compared to the corresponding period of previous year. During the month of May 2005 Passenger car segment showed a 4% decline in exports at 13460 units while domestic sales grew by 13% as compared to corresponding period of previous quarter. The rise in domestic sales export was mainly contributed by Hyundai motors, which contributed 85% increase at 9205 units. The players, which led to a fall in the exports, were Maruti Udyog which posted a 64% fall in sales at 2197 units For the two months i.e. April 2005 – May 2005 passenger cars have registered a growth of 12% to 156410 units. Market leader Maruti Udyog recorded a fall in sales by 5% to 69267 units, while Hyundai Motor registered a rise of 97% to 42774 units. Tata Motor also posted an increase of 10% in sales to 24375 units during the period

India posted a highest growth rate of 23% at 1102 units This was due to lower base in the corresponding period of previous year While Fiat India recorded highest fall of 72% to 334 units Due to arrival of newer, more aggressive models and segment fragmentation, market shares of major players' have remained static or changed marginally despite growth in sales. Among the passenger car manufacturers, share of market leader Maruti Udyog dropped to 44% (against 52% earlier), while that of Hyundai Motor increased to 27% (against 15%). Market share of Tata Motors remained static at 16%. Apart from above the other players like Ford India's market share decreased form 6% to 4% at

5743 units. Toyota Kirloskar Motor Pvt Ltd., did not have a change in the market share of 1% at 1681 units. Tractor and utility vehicle major, Mahindra & Mahindra (M&M) planning to launch Renault's popular mid sized and low-cost sedan car Logan in India by 2007. For this M&M has joined hands with French carmaker Renault SA to form an Rs 700 crore joint venture. The Swift, Maruti's latest model, was launched on May 25, 2005, at an attractive introductory price. The response has been overwhelming, over 18,000 customers from across the country have already placed orders for the Swift. Under pressure after the instant success of Maruti's Swift, Hyundai Motors launched an offensive by reducing prices of its Santro Xing by over Rs 19,000. A virtual price war has broken out in the domestic car market. To beat Hyundai's price cuts on its Santro Xing models, Maruti is resorting to discounts and freebies such as free stereos and insurance.

The Maruti 800 (Std) is now being offered at Rs 2.31 lakh, a cut in the price of around Rs 19,000. Focus is now shifting towards B segment, since it is the biggest segment in terms of volume as A segment is losing its ground. The sudden popularity of Maruti's Swift has left carmakers wondering if they will all have to cut prices to stay in the race. More cars are slated to be launched this fiscal. General Motors plans to re-launch Daewoo's Matiz in a re-tooled avatar as the small-car Spark. The launch is likely to challenge conventional pricing of entry-level cars like the Alto and Zen in a big way and could force a fresh bout of price wars in the auto market. Maruti could cut prices of the Alto and Zen by this month-end or in July as its position under threat from GM's plans. Moreover, Hyundai's aggressive pricing strategies, which saw the Korean car-maker launch a non-AC Santro variant at Rs 2.79 lakh, are a challenge too.

Ford wants to introduce a family coupe being developed in Australia which could be priced to beat competitors like the Honda City and the Chevrolet Optra. Base model could be priced in a way that make it more attractive than its competitors by offering more value for money. Launches usher in fresh waves of competition and this will bring down prices, even though vehicle makers here have been affected by the rising cost of raw materials such as steel, plastics, aluminum and rubber. Ford's moves could see Honda and Chevrolet reacting in a manner similar to the Hyundai-Maruti price jousting. Volkswagen also plans to bring in a small car based on the Volkswagen Fox within the next year. This too will impact the price of entry level cars. Hindustan Motors is planning to roll out a car in the luxury 'D' segment from the Mitsubishi stable in 2005. This model is likely to compete with Honda Accord, Toyota Camry, Skoda, Octavia and Opel Vectra. It is also planning to introduce new models in Pajero, a premium segment car. The company has decided to emphasize on the premium 'D' segment of the car market.

Hyundai Motor India, the wholly-owned subsidiary of Hyundai Motor Company is gearing up to launch redesigned versions of the Sonata, Accent in mid-2006 and a hatchback in 2007. Czech car maker Skoda Auto will nearly double capacity in India and begin exporting to Bangladesh this year as part of its plan to use India as a regional hub. Skoda Auto, which is fully owned by Germany's



Volkswagen AG, will also step up investment in India. The company has already invested Euro 100 million (\$132.7 million) in its Aurangabad plant in Maharashtra, its only manufacturing facility outside Europe.

### 3.3 Small Car & Small Car Manufacturers

The definition of small car can be one's subjective assessment. But according to Federation of Automobile Dealers Association and Auto Policy of India, a car that has limited or no luxury features with seating capacity not more than **four passengers** excluding driver, offering customers basic mobility and value for money, can be considered a small car. **Excise duty rules** in India define a small car as a car with a **length** of 4 meters or less with an **engine power** less than **1,200 cc**, if **gasoline**, and **1,500 cc**, if **diesel**. From a price perspective, it is difficult to objectively define a small car. According to the **standard Indian income classification**, any car costing up to **INR 600,000 (Ex. showroom)** can be considered a small car.

The study has revolved around all major auto makers who make use of a perfect blend of IMC Mix to promote their products. For the sake of study, the researcher has considered a few automakers namely MARUTI, TATA, Hyundai, Honda, Fiat Motors and the like whose cars are being used on roads.

### 3.4 Small car manufacturers in India

There are a number of small car manufacturers in India that produce cars of extremely high standard. Some of the leading small car manufacturers in India are Hindustan Motors, Maruti Udyog, Fiat India Private Ltd., Ford India Ltd, and General Motors India Pvt. Ltd, Honda Siel Cars India Ltd, Hyundai Motors India Ltd., Skoda India Private Ltd., Toyota Motors, Tata Motors etc. Many of small cars manufactured by these companies are exported to countries in South East Asia, Africa and South America.

1. Hindustan Motors
2. Maruti Udyog Ltd
3. Fiat India Private Ltd.
4. Ford India Ltd.
5. General Motors Pvt. Ltd.
6. Honda Siel Cars India Ltd

7. Hyundai Motors India Ltd
8. Skoda India Private Ltd.
9. Toyota Motors
10. Tata Motors
11. Chevrolet Motors

### 3.4.1 Hindustan Motors

**Hindustan Motors** is an Indian automaker based in Kolkata, West Bengal, India. It is part of the Birla Technical Services industrial group. The company was the largest car manufacturer in India before the rise of Maruti Udyog. It is the producer of the Ambassador car, widely used as a taxicab and as a government limousine. This car is based on the Morris Oxford, a British car that dates back to 1954. One of the original three car manufacturers in India, founded in 1942 by Mr. B. M. Birla, it was a leader in car sales until the 1980s, when the industry was opened up from protection. Manoj Jha was the Managing Director and R. Yeshwanth Manoj Jha stepped down from the post on 21 February 2012.<sup>[2]</sup> It began in Port Okha near Gujarat, in 1948, it moved to West Bengal. The place is now called Hindmotor.



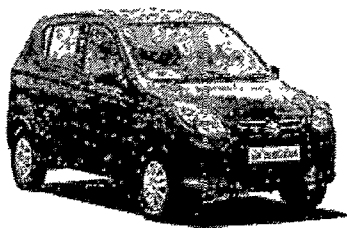
**3.4.2 Maruti Udyog Ltd.**

Maruti Udyog Ltd is one of India's leading automobile manufacturers. It is partly owned by the Indian government and partly by Suzuki of Japan. Marutis are sold in India and various other countries (depending upon export orders). Cars similar to Marutis (but not manufactured by Maruti Udyog) are sold by Suzuki in Pakistan and other South Asian countries. The company annually exports more than 30000 cars and has a extremely large domestic market in India selling over five hundred thousand cars annually. Maruti 800, till recently, was the company's largest selling compact car. More than a million units of this car have been sold worldwide so far. Maruti Udyog Limited (MUL) was established in Feb 1981 through an Act of Parliament, to meet the growing demand of a personal mode of transport caused by the lack of an efficient public transport system. Suzuki Motor Company was chosen from seven prospective partners worldwide. This was due not only to their undisputed leadership in small cars but also to their commitment to actively bring to MUL contemporary technology and Japanese management practices (which had catapulted Japan over USA to the status of the top auto manufacturing country in the world). A license and a Joint Venture agreement was signed between Govt of India and Suzuki Motor Company (now Suzuki Motor Corporation of Japan) in Oct 1982.

**The objectives of MUL then were:**

1. Modernization of the Indian Automobile Industry.
2. Production of fuel-efficient vehicles to conserve scarce resources.
3. Production of large number of motor vehicles which was necessary for economic growth

**Table No. 3.3**  
Specification ALTO 800 STD



<b>MATURI SUZUKI ALTO 800 STD SPECIFICATIONS</b>	
Price	2, 50, 148
Length (mm)	3395
Seating capacity	5
Fuel tank capacity	35
Engine power	48 PS @ 6000rpm

Table No. 3.4

Specification MARUTI SUZUKI ZEN ESTILO



MARUTI SUZUKI ZEN ESTILO	
Price	3, 52, 077
Length (mm)	3600
Seating capacity	5
Fuel tank capacity	35
Engine power	68 PS @ 6200rpm

Table No. 3.5

Specification MARUTI SUZUKI WAGON-R



MARUTI SUZUKI WAGON-R	
Price	4, 49.525
Length (mm)	3539
Seating capacity	5
Fuel tank capacity	35
Engine power	68 PS @ 6200rpm

### 3.4.3 Fiat India Private Ltd.

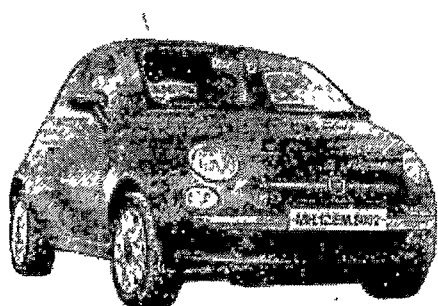
FIAT was founded in Turin on July 12, 1899. The first plant, inaugurated in 1900 at Corso Dante, had 235 employees and produced 24 automobiles. The first automobile to bear the Fiat brand name was a model 4 HP. Other models followed soon, the 8, then 10, then 12HP. The 8HP was the first front-engine Fiat, with a two-cylinder 1082cc engine producing 10hp, built at a rate of one per week. The 12HP, with a 3768cc engine was the first Fiat to be widely exported, around Europe and to the US. A total of 134 were built

## SHIVAJI UNIVERSITY, KOLHAPUR.

The first mass-produced Fiat, the Zero 12-15HP was introduced in 1912. This used a 1847cc engine producing 18hp and over 2000 were built up until 1915. 1912 also saw a Fiat, the S76, set the world land speed record. This monster was powered by a 28355cc four-cylinder engine with three spark plugs per cylinder and 290hp. Maybe the most famous Fiat, the 500 'Topolino', was first shown in 1936. A small (the smallest mass produced car in the world at the time), two seat, it was powered by a 569cc four cylinder engine with just 13hp. Up to 1948, 122,000 were produced. Fiat has produced over 450 models since its inception and is world renowned for its superb design capabilities.

In the Indian context, most noteworthy of mentioning is the range of cars that Fiat offers on the 178 platform which includes the very popular hot hatch – The Palio. Fiat India is completely managed by Fiat Auto SpA of Italy. Giovanni Agnelli founded Fiat SpA in 1899. In India, the company was established in 1905, with the appointment of Bombay Motor Cars Agency as its sales agent. Later Fiat Automobiles signed a license and servicing contract with Premier Automobiles Ltd, paving the way for manufacturing and selling of 1100 and 1100D Fiat Padmini cars. Later the company introduced the Uno — Europe's favorite car for the last two decades - into India.

The Fiat 178 World Car Project has been developed specifically to expand production in overseas markets. This project includes international-class cars like the Siena sedan, the Siena Weekend station wagon and the Palio hatchback. Fiat has achieved a high level of localization for all its cars, and is making world-class cars available in India at even more competitive and affordable prices. Fiat Automobiles SpA owns the most-admired and sought-after models worldwide, including the Fiat Lancia, the Ferrari, the Maserati and the Alfa Romeo. Fiat is the only automobile manufacturer in the world that has won the coveted European Car of the Year award nine times. It is also the only company in the world that manufactures recyclable car. In the pipeline are ambitious plans to make India its operational hub in Asia in the future and invest US \$1 billion here in the coming years.



**Fiat 500**



**Fiat Grande Punto**

3.4.4 Ford India Ltd.

**Ford Motor Company** (also known as simply **Ford**, NYSE F) is an American multinational automaker headquartered in Dearborn, Michigan, a suburb of Detroit. It was founded by Henry Ford and incorporated on June 16, 1903. The company sells automobiles and commercial vehicles under the Ford brand and luxury cars under the Lincoln brand. In the past it has also produced heavy trucks, tractors and automotive components. Ford owns small stakes in Mazda of Japan and Aston Martin of the United Kingdom. It is listed on the New York Stock Exchange and is controlled by the Ford family, although they have minority ownership.

Ford introduced methods for large-scale manufacturing of cars and large-scale management of an industrial workforce using elaborately engineered manufacturing sequences typified by moving assembly lines; by 1914 these methods were known around the world as Fordism. Ford's former UK subsidiaries Jaguar and Land Rover, acquired in 1989 and 2000 respectively, were sold to Tata Motors in March 2008. Ford owned the Swedish automaker Volvo from 1999 to 2010. In 2011, Ford discontinued the Mercury brand, under which it had marketed entry-level luxury cars in the United States since 1938.

Ford is the second-largest U.S.-based automaker and the fifth-largest in the world based on 2010 vehicle sales. At the end of 2010, Ford was the fifth largest automaker in Europe. Ford is the eighth-ranked overall American-based company in the 2010 Fortune 500 list, based on global revenues in 2009 of \$118.3 billion. In 2008, Ford produced 5.532 million automobiles and employed about 213,000 employees at around 90 plants and facilities worldwide.

Ford Figo



FORD FIGO	
Price	3, 91, 093
Length (mm)	3795
Seating capacity	5
Fuel tank capacity	45
Engine power	71 PS @ 6250rpm

3.4.5 General Motors Pvt. Ltd.

In 1994, General Motors India Private Limited (GMIPL) was formed as a 50-50 joint venture between GM and Hindustan Motors. GMIPL started out producing and selling Opel vehicles, and was bought over completely by GM in 1999. Till 2003, the company continued to produce Opel cars at its Halo facility. Later, it switched to producing Chevrolet vehicles at the same plant. General Motors India 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.



SPARK	
Price	3, 30, 815
Length (mm)	3495
Seating capacity	5
Fuel tank capacity	38
Engine power	63 PS @ 5400rpm

3.4.6 Honda Siel Cars India Ltd.

Honda Cars India Ltd., (HCIL) is a leading manufacturer of premium cars in India. The company was established in 1995 with a commitment to provide Honda's latest passenger car models and technologies, to the Indian customers. The company is a subsidiary of Honda Motor Co. Ltd., Japan. HCIL's first manufacturing unit was set up at Greater Noida, U.P. in 1997. The green field project is spread across 150 acres and has an annual production capacity of 100,000 units. The company's second manufacturing facility is in Tapukara, Rajasthan. This facility is spread over 450 acres and currently has a state-of-the-art Power train and Press shop. The first phase of this facility was inaugurated in September 2008.

The company's product range includes Honda Brio, Honda Jazz, Honda City, Honda Civic and Honda Accord which are produced at the Greater Noida facility. The CR-V is imported from Japan as a Completely Built Unit. Honda's models are strongly associated with advanced design and technology, apart from the established qualities of durability, reliability and fuel-efficiency.

**3.4.7 Hyundai Motors India Ltd.**

Hyundai Motor India Limited (HMIL) is a wholly owned subsidiary of Hyundai Motor Company, South Korea and is the second largest and the fastest growing car manufacturer in India. HMIL presently markets over 25 variants of passenger cars in six segments. The Santro in the B segment, Getz in the B+ segment, the Accent in the C segment, the Elantra in the D segment, the Sonata in the E segment and the Terracan in the SUV segment. The company recorded combined sales of 215,630 during calendar year 2004 with a growth of 43% over year 2003.

HMIL is India's fastest growing car company having rolled-out over 700,000 cars in just over 70 months since its inception and is the largest exporter of passenger cars with exports of over Rs 1,700 crores. HMIL has recorded a staggering growth of 149% in exports over the year 2003. HMIL's fully integrated state-of-the-art manufacturing plant near Chennai boasts some of the most advanced production, quality and testing capabilities in the country. In continuation of its investment in providing the Indian customer global technology, HMIL has announced plans for its second plant, which will produce 150,000 units per annum, raising HMIL's total production capacity to 400,000 per annum by 2007. The plant will be built on a 2.1 million square meter site adjacent to the existing facility with an investment of \$450-\$500 million on its new integrated facility. HMIL is investing to expand capacity in line with its positioning as HMC's 16 global export hub for compact cars. Apart from expansion of production capacity, HMIL plans to expand its dealer network, which will be increased from 146 to 180 this year. And with the company's greater focus on the quality of its after-sales service, HMIL's service network will be expanded to over 1,000 in 2005.

HMIL has many awards in its bouquet. It was declared "The Star Company" amongst unlisted companies by Business Standard this year. Getz got the coveted "Car of the Year 2005" award twice over. It was declared a winner by both Business Standard Motoring and CNBC-TV18 Autocar Auto awards. Hyundai Elantra won the CNBC-TV18 Autocar "Best Value for Money" Car Award. HMIL was also the "Manufacturer of the Year" two years in a row in 2002 and 2003. ICICI Overdrive Awards declared Hyundai as the "Car Maker of the Year" in 2003. Hyundai products with state of the art technology have also been winning many accolades over the years. Santro bagged top honours in JD Power Asia Pacific for three years. Accent was ranked No. 1 in JD Power Asia Pacific APEAL for two years and also got Business Standard Motoring Jury award for its CRDi model. HMIL has also been awarded the benchmark ISO 14001 certification for its sustainable environment management practices.



Table No. 3.6

Specification HYUNDAI EON-D LITE



HYUNDAI EON-D LITE	
Price	2, 78, 838
Length (mm)	3495
Seating capacity	5
Fuel tank capacity	32
Engine power	56 PS @ 5500rpm

Table No. 3.7

Specification HYUNDAI i20



HYUNDAI i20	
Price	5,04, 383
Length (mm)	3995
Seating capacity	5
Fuel tank capacity	45
Engine power	84 PS @ 6000rpm

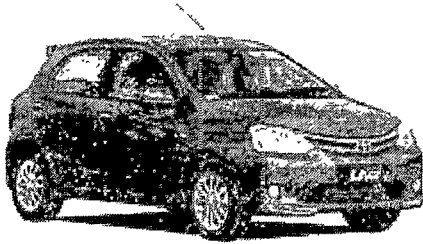
#### 3.4.8 Skoda India Private Ltd.



SKODA Fabia	
Price	5,43, 188
Length (mm)	4000
Seating capacity	5
Fuel tank capacity	45
Engine power	75 PS @ 5400rpm

3.4.9 Toyota Motors

Table No. 3.8  
Specification TOYOTA Liva



TOYOTA Liva	
Price	4,66, 160
Length (mm)	3775
Seating capacity	5
Fuel tank capacity	45
Engine power	80 PS @ 5600rpm

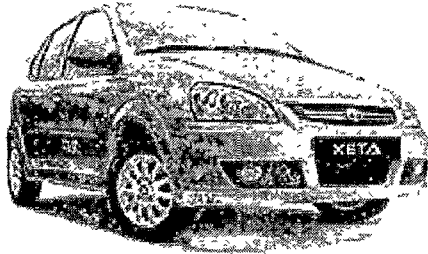
Towards the end of the nineteenth century, Sakichi Toyoda invented Japan's first power loom, revolutionizing the country's textile industry. January 1918 saw him create the Toyoda Spinning and Weaving Company, and with the help of his son, Kiichiro Toyoda, Sakichi fulfilled his lifelong dream of building an automatic loom in 1924. The establishment of Toyoda Automatic Loom Works followed in 1926. Kiichiro was also an innovator, and visits he made to Europe and the USA in the 1920s introduced him to the automotive industry. With the £100,000 that Sakichi Toyoda received for selling the patent rights of his automatic loom, Kiichiro laid the foundations of Toyota Motor Corporation, which was established in 1937. One of the greatest legacies left by Kiichiro Toyoda, apart from TMC itself, is the Toyota Production System. Kiichiro's "just-in-time" philosophy - producing only precise quantities of already ordered items with the absolute minimum of waste - was a key factor in the system's development. Progressively, the Toyota Production System began to be adopted by the automotive industry across the world.

Rising from the ashes of industrial upheaval in post-war Japan, Toyota has become the largest vehicle manufacturer in Japan with over 40% market share. Toyota began to make inroads into foreign markets in the late 1950s. The first Crown models arrived in the USA in 1957, and by 1965, with models such as the Corolla, Toyota began to build its reputation and sales to rival those of domestic producers. The first Toyota imported into Europe was via Denmark in 1963. Toyota has continued to grow in Europe's sophisticated and complex market, and in 2000 the company delivered its ten millionth cars to a customer in Germany. In fact, growth is currently one of the main words in Toyota's European vocabulary, and the company plans to reach annual sales of 800,000 in Europe by 2005. Toyota is number one for customer satisfaction in the majority of European countries and has built an excellent reputation across Europe for reliability and customer service. This enviable reputation, along with the support of a network of more than 25 distributors and 3,500 sales outlets, are important factors in supporting Toyota's European sales growth in the coming years.

3.4.10 Tata Motors

Table No. 3.9

Specification TATA INDICA V2 XETA



TATA INDICA V2 XETA	
Price	4, 21, 174
Length (mm)	3690
Seating capacity	5
Fuel tank capacity	38
Engine power	62 PS @ 5000rpm

Table No. 3.10

Specification TATA INDICA VISTA



TATA INDICA VISTA	
Price	4, 64, 685
Length (mm)	3795
Seating capacity	5
Fuel tank capacity	37
Engine power	71 PS @ 4500rpm

### 3.4.11 Chevrolet Motors

Chevrolet is India largest automobile manufacturing company, with China became Chevrolet's third largest market, with sales 332,774 vehicles The Chevrolet is India's largest and top most car manufacturing company which can make each segments of car just like compact, mid-size, sporty etc. manufacturer. Chevrolet has got a huge success in India because of making a good and efficient dealership, servicing network all over the India.

Chevrolet Established in 1917.Over 6 million Chevrolet vehicles play on India road The company manufacturing base is spread across GURGOAN (Haryana) supported by a nation-wide dealership, sales, services and spare parts network all over India Chevrolet can be providing other facilities like Insurance, Finance, True Value etc

Table No. 3.11

Specification Chevrolet BEAT



CHEVROLET BEAT	
Price	4, 33, 818
Length (mm)	3640
Seating capacity	5
Fuel tank capacity	35
Engine power	82 PS @ 6200rpm