1. Introduction

Indian Automobile industry is one of leading automobile industries in the world. The scenario started changing after delicensing of the Indian sector in 1991. The opening up of 100 percent FDI through the automobile route marked the beginning of a new era for the Indian automotive industry. The automobile industry contributes 7.1 percent to the country’s gross domestic product (GDP) and annual production of 23.96 million vehicles in FY 2015-16. India exported $ 14.5 billion worth of automobiles in 2014.

Indian automobile industry includes the manufacture of trucks, buses, cars, defenses vehicles, two-three wheelers etc. The automobile industry broadly divided into car manufacturing, two-wheeler manufacturing & heavy vehicle manufacturing units. The main growth drivers for Indian automobile industry are government policies, new innovations and product launchers, reducing cost to consumer exporting outs to other countries.

The government of India aims to made 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. The technology advancement in Indian Automobile industry i.e. Eco-friendly cars that is CNG based vehicles, hybrid vehicles and electric vehicles to protect the environment. In the union budget of 2015-16, the Govt. has announced plans to provide credit of Rs. 850,000 crore to farmers, which is expected to boost sales in the tractors segment.

Automobile industry has four large manufacturing hubs across the Country.
Delhi-Gurgaon-Faridabad in the North.
Mumbai-Pune-Nashik-Aurangabad in the West.
Chennai-Bengaluru-Hosur in the South and
Jamshedpur-Kolkata in the East.
Global car majors have been ramping up investments in India to cater to growing domestic demand. These manufacturers plan to leverage India’s competitive advantage to set up export-oriented production hub. Electric car able to be increase market segment size in the coming decade.