Maruti Suzuki

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Website www.marutisuzuki.com

Maruti Suzuki India Limited, formerly known as Maruti Udyog Limited, is an automobile manufacturer in India. It is a 56.21% owned subsidiary of the Japanese car and motorcycle manufacturer Suzuki Motor Corporation.[7] As of July 2018, it had a market share of 53% of the Indian passenger car market.[8][better source needed] Maruti Suzuki manufactures and sells popular cars such as the Ciaz, Ertiga, Wagon R, Alto K10 and Alto 800, Swift, Celerio, Swift Dzire, Baleno and Baleno RS, Omni, baleno, Eeco, Ignis, S-Cross and Vitara Brezza.[9] The company is headquartered at New Delhi.[2] In May 2015, the company produced its fifteen millionth vehicle in India.

Maruti Udyog Limited was founded by the Government of India in 1981, only to merge with the Japanese automobile company Suzuki in October 1982. The first manufacturing factory of Maruti was established in Gurgaon, Haryana, in the same year.[11]

Chronology

Under the name Maruti

Further, Maruti Udyog Ltd was incorporated through the efforts of Dr. V. Krishnamurthy.[12]

Affiliation with Suzuki

In 1982, a license and joint venture agreement (JVA) was signed between Maruti Udyog Ltd, and Suzuki of Japan. At first, Maruti Suzuki was mainly an importer of cars. In India's closed market, Maruti received the right to import 40,000 fully built-up Suzuki in the first two years, and even after that the early goal was to use only 33% indigenous parts. This upset the local manufacturers considerably. There were also some concerns that the Indian market was too small to absorb the comparatively large production planned by Maruti Suzuki, with the government even considering adjusting the petrol tax and lowering the excise duty in order to boost sales.[13] Local production commenced in December 1983.[14] In 1984, the Maruti Van with the same three-cylinder engine as the 800 was released and the installed capacity of the plant in Gurgaon reached 40,000 units.

In 1985, the Suzuki SJ410-based Gypsy, a 970 cc 4WD off-road vehicle, was launched. In 1986, the original 800 was replaced by an all-new model of the 796 cc hatchback Suzuki Alto and the 100,000th vehicle was produced by the company.[12][dead link] In 1987, the company started exporting to the West, when a lot of 500 cars were sent to Hungary. By 1988, the capacity of the Gurgaon plant was increased to 100,000 units per annum.

Market liberalisation

In 1989, the Maruti 1000 was introduced and the 970 cc, three-box was India's first contemporary sedan. By 1991, 65 per cent of the components, for all vehicles produced, were indigenized. After liberalization of the Indian economy in 1991, Suzuki increased its stake in Maruti to 50 per cent, making the company a 50-50 Joint Venture with the Government of India the other stake holder.

In 1993, the Zen, a 993 cc, hatchback was launched and in 1994 the 1298 cc Esteem was introduced. Maruti produced its 1 millionth vehicle since the commencement of production in 1994. Maruti's second plant was opened with annual capacity reaching 200,000 units. Maruti launched a 24-hour emergency on-road vehicle service. In 1998, the new Maruti 800 was released, the first change in design since 1986. Zen D, a 1527 cc diesel hatchback, and Maruti's first diesel vehicle, and a redesigned Omni were introduced. In 1999, the 1.6 litre Maruti Baleno three-box saloon and Wagon R were also launched.

In 2000, Maruti became the first car company in India to launch a Call Center for internal and customer services. The new Alto model was released. In 2001, Maruti True Value, selling and buying used cars was launched. In October of the same year the Maruti Versa was launched. In 2002, Esteem Diesel was introduced. Two new subsidiaries were also started: Maruti Insurance Distributor Services and Maruti Insurance Brokers Limited. Suzuki Motor Corporation increased its stake in Maruti to 54.2 per cent.

In 2003, the new Suzuki Grand Vitara XL-7 was introduced while the Zen and the Wagon R were upgraded and redesigned. The four millionth Maruti vehicle was built and they entered into a partnership with the State Bank of India. Maruti Udyog Ltd was Listed on BSE and NSE after a public issue, which was oversubscribed tenfold. In 2004, the Alto became India's best selling car overtaking the Maruti 800 after nearly two decades. The five-seater Versa 5-seater, a new variant, was created while the Esteem was re-launched. Maruti Udyog closed the financial year 2003-04 with an annual sale of 472,122 units, the highest ever since the company began operations and the fiftieth lakh (5 millionth) car rolled out in April 2005. The 1.3 litre Suzuki Swift five-door hatchback was introduced in 2005.[15]

In 2006 Suzuki and Maruti set up another joint venture, "Maruti Suzuki Automobiles India", to build two new manufacturing plants, one for vehicles and one for engines.[15] Cleaner cars were also introduced, with several new models meeting the new "Bharat Stage III" standards.[15] In February 2012, Maruti Suzuki sold its ten millionth vehicle in India.[14] In July 2014 it had a market share of more 45%.[16]

Maruti Suzuki is now looking to shift its current manufacturing facility located in the downtown Gurgaon as apparently it is short of space and logistics. It is hunting for a huge 700 acres of plot of land.[17]

On 25 April 2019, Maruti Suzuki announced that it would phase out production of diesel cars by 1 April 2020, when the Bharat Stage VI emission standards come into effect. The new standards would require a significant investment from the company to upgrade its existing diesel engines to comply with the more stringent emission standards. Chairman R.C. Bhargava stated, "We have taken this decision so that in 2022 we are able to meet the Corporate Average Fuel Efficiency norms and higher share of CNG vehicles will help us comply with the norms. I hope the union government's policies will help grow the market for CNG vehicles." Diesel cars accounted for about 23% of Maruti Suzuki's annual sales.[18]