

Quote By Anurag Singh, Advisor, Primus Partners

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National Technology Day Special: How India's auto industry found its global drive



Authored by Meenakshi Thakur & Syed Shazil Hussain

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Article Content:

India's auto industry has moved far beyond from a licence-driven market into a globally competitive manufacturing and engineering hub, driven by bold homegrown bets such as Tata Indica and Mahindra Scorpio. It is now aiming for leadership in automotive technology and future mobility.

Who would have thought back in the 1990s that an overprotective and licence-burdened Indian auto industry with limited players would give way to a highly globalised, fiercely competitive ecosystem today that is also the world's third largest market and fourth largest vehicle producer in the world.

With global brands establishing their production units in the country and made-in-India vehicles being exported to various parts of the world, the journey of the Indian auto industry has been nothing short of dramatic in the last over 30 years.

So, what was that pivotal moment that changed the course of history for the industry?

Dr V Sumantran, Chairman, Celeris Technologies, believes it was the breaking of Maruti into the scene which brought a broad level of scale for the industry. Dr Sumantran was also the Executive Director-PV, Tata Motors and Vice-Chairman of Ashok Leyland.

"Maruti coming in was a major milestone for the industry because it suddenly brought a different level of scale. And very importantly for India, it brought a lot of Japanese quality culture. And that quality culture went also through all the supply chain," the industry veteran said.

While it started production in 1983, the carmaker had reached a production milestone of cumulative 1 million vehicles by 1994. In CY2025, the carmaker produced a record over 22.55 lakh

vehicles.

C V Raman, former CTO of Maruti Suzuki, said this success was not overnight and credited the government policies over the years to support the industry.

While the 1990s was characterised by ending the 'licence raj' and opening up of the sector to the foreign direct investment, in early 2000, the government introduced the first comprehensive policy with a vision to establish a globally competitive automotive industry in India and to double its contribution to the economy by the year 2010.

The second major boost for the passenger vehicle industry came when Tatas, the truck maker, decided to make their own cars.

"Tatas getting into the car business was the second biggest milestone. By 2004, Tata had overtaken Hyundai to become the second largest automaker in India. So, the fact that an Indian brand can overtake an aggressive Korean brand was a huge thing," said Dr. Sumantran.

Moreover, the Scorpio project of Mahindra & Mahindra in the 2000s not only changed the fortune of the company, but also sent a signal to the consumers that Indian engineering and product development capabilities were ready to compete on a larger stage, thus benefiting the homegrown brands.

On to the global stage

Over the years, Indian automotive products have also proven their mettle in the global markets, with exports growing both in the PV and two-wheeler segment.

"We are much more accepted now than earlier. Our exports have grown tremendously over the years after liberalisation for the quality and durability of the products," said Raman.

India's passenger vehicle exports have grown from just 50,000 units in 2000 to over 7.7 lakh vehicles last year, according to Primus Partners. These numbers also include exports by foreign OEMs which have made India their production base.

Anurag Singh, Managing Director, Primus Partners, said this growth has come despite a challenging global export environment marked by rising competition from countries such as China and Vietnam and increasing trade barriers in importing markets.

"Indian automotive products are increasingly recognized for their strong build quality, fuel efficiency, and exceptional value proposition, particularly in the two-wheeler segment," Singh added.

Dr. Sumantran echoes the sentiment on the recognition of the Indian two-wheeler brand on the global stage. "While India's passenger vehicle industry has grown significantly, two-wheeler manufacturers have been more successful in building international brand recognition," he noted.

He pointed to the global presence of Bajaj Auto, TVS Motor Company, Hero MotoCorp and Royal Enfield.

In FY26, two-wheeler exports reached 5.18 million units, marking a robust 23.4 per cent year-on-year growth, with Latin America, Africa and emerging Asian countries coming out as key markets.

Overlooked prospect?

While the Auto Inc's prowess is increasingly being recognised worldwide, experts believe that the industry needs to up their R&D investments to stay ahead of the curve.

For decades, much of India's engineering capability was centred around reverse engineering, localisation and cost optimisation. But the industry is now attempting to move up the value chain towards original product development, advanced software integration and future mobility technologies.

"The progress has been good. A lot of OEMs have established their bases in India because the opportunity is here and India is a huge market. But we need to invest for the future and not only for the current market" Raman said", Raman said.

Raman said that electric mobility, connected vehicles and software-defined platforms are offering an opportunity for Indian OEMs to invest in the technology.

To be sure, OEMs such as Tata Motors and Mahindra have already established an early lead in India's electric passenger vehicle market, while several startups such as Ultraviolette, Matter, among others are betting entirely on future mobility technologies.

In patent filings too, the homegrown OEMs have shown remarkable progress. As per the latest numbers shared by the company, M&M saw a 20x growth in the number of patents granted – from 56 since inception in FY16 to 1,334 in FY26.

Tata Motors too is not far behind, with the company holding over 900 granted patents as of early 2026, focusing heavily on EV powertrains, hydrogen-based ICE, and intelligent vehicle systems.

On the scenario of India emerging as one of the top global leaders in technology, Raman drew parallels with the rise of Japanese and later Chinese automakers in the market in early years, both of whom initially built their global reputation on reliability and value before evolving into technology leaders.

"Earlier, Japanese technology was not recognised globally either. It took time. Then came the Chinese OEMs," Raman said.

"In the future, it can surely be India's turn, Raman noted.