ABSTRACT

The credit crisis around the globe which ignited in reality sector of United States in the year 2007, not only absorbed the market of US but also spread to all countries including India. The industries in India got the pinch of financial meltdown during the period between October to December 2008. Most of the Indian industries have faced arduous loss due to the crisis that crippled the global financial economy. The Recession in United States of America and other developed economies had affected adversely the India’s exports, imports, GDP, and employment.

The chances of recovery of Indian economy appear to be shiny complying with the establishment of a stable government. However India’s economy is anticipated to recoup slowly during the period July to December 2014. This improvement in the development of Indian economy is dependent on the Policies taken by Indian government.

Keywords: Recovery; Economy; Government Policies

INTRODUCTION

The World economic crisis actually started to show its impression in the middle of 2007. Due to this, the share market had to undergo a bearish trend, major financial institutions had crumpled and most of the governments had to bring forth policy packages that would help them to overcome from the crisis. The breakdown of Lehman Brothers was an indicator for commencing of the world economic crisis. Most of the industries had already slipped into recession. India had a compounding effect due to the increase in food prices, the financial instability and doubt in the growth of industrialized nations. The consequences faced were unemployment, decrease in housing prices and fall in Indian consumer spending. The Indian economy had been affected by world economic crisis through the changes in fiscal or financial sector, exports exchange rates, the decline in business and customer confidence lead to reduction in investment and consumer demand. In order to overcome the crisis the government of India had proposed major policies or packages.

LITERATURE REVIEW

Anjani Maraj(2010): The author describes when and how Global financial crisis did begin and its repercussions. Globally the share markets had sunk, the financial institutions had slowed and the bureaucrats rich developed and developing nations had to find innovative packages to help their financial organizations. It also affected employment, cost cutting and increase in rate of interest.

Michael D. Hurd, Susann Rohwedder (2010): Here the authors explain their data collections that are devoted in finding what are the results of the economic crisis on American households during September and October 2008.

Sandeep Krishnat Raval and Dr. P.S Kamble (2011): The authors have stressed on severe imbalance in the world economy that had international effects. It further explains the severity of this obstructing
untoward condition mainly for developing countries and talks about whether global recession is unavoidable.

**OBJECTIVES**

1. To analyze the recovery of Indian Automobile Sector post-recession
2. To understand the policies taken by Indian Government for recovery of automobile sector from recession.

**RESEARCH METHODOLOGY**

The current study is based on secondary data research collected from various available resources like magazines, journals, articles, research papers and many reliable websites of several companies of Automobile Sector.

**Analysis of Recovery of Indian Automobile Sector Post Recession**

Post recession, the automobile Companies are witnessing a positive impulse in the market due to innovative policies that are framed for the development in the economy of India. This has led to rise in customer sentiments, launch of new prototypes and demand for the products. The new models sedan and i20 the Mobilio MPV have attracted the customers. There are advance bookings for i20 which counts for twenty thousand three hundred for the month of August 2014 since its launch on 11th August 2014. The car sales rose to fifteen percent in August 2014 compared to August 2013.

The sales of goods carriers have grown by twenty percent. Most of the auto manufacturers from different continents are striking their operations to India with an intention to export their manufactured products out of India. The Hyundai has planned to origin engines for its operations around the globe from India. The Ford has contrived to make India as its manufacturing center for engines. Toyota and Suzuki are also increasingly using India as main junction for global requirements.

In August 2014, market leader Maruti Suzuki India’s domestic sales grew by 30.43 per cent, while Hyundai’s sales grew by 18.78 per cent. Honda Cars India witnessed a growth of 27.39 per cent in domestic sales. On the other hand, home grown auto manufacturers like Tata Motors and Mahindra and Mahindra saw a decline of 6.07 per cent and 6.42 per cent, respectively. As per SIAM data, motorcycle sales during the August 2014 grew by 14.45 per cent to 9.10 lakh units against 7.95 lakh units in August 2013, while total scooter sales stood at 3.69 lakh units compared to 2.83 lakh units in the same month last year, up by 30.44 per cent. Total two-wheeler sales in August 2014 grew to 13.46 lakh units from 11.29 lakh units in the same period of the previous year. Sales of commercial vehicles (CV) continue to be a concern as they were down by 48,473 units. Total sale of vehicles across categories registered a growth at 16.60 lakh in August 2014 as against 14.13 lakh units in the August of 2013.

**Policies Taken By Government Of India For Recovery Of Automobile Sector From Recession**

1. Government of India has proposed for GST which will improve the ownership of vehicle in northeast areas.
2. The declaration of developing hundred smart cities, rural roads, infrastructure improvement like highways and industrial corridors by Indian government shall add on numbers for production of commercial vehicles whose records presently show very low.
3. The Indian Government has focused on important specific factors like the protraction of concessions in excise duty, decrease in steel prices and removal of customs duty on auto parts which will help the sector to grow.
CONCLUSIONS

Through 2020, India is probable to sweep over Thailand in global auto-export market share. According to the report from (SIAM) the domestic car sales in August 2014 stood at 1.54 lakh units as compared to 1.34 lakh units in the August 2013, an increase of about 15 per cent. In the April-August 2014 period the Sales of Cars have grown to 7.36 lakh units against 6.99 lakh units in the April –August 2013. This gives hope that this year the auto industry is likely to post positive sales figures after two consecutive years of decline in 2012-13 and 2013-14.

The accelerating up of highway projects and development of 8,000 km of roads will promote both medium and heavy commercial vehicles. The step towards a GST regime is beneficial but it needs to be implemented at the earliest. The industry really is in want of a full-bodied and flowing structure of indirect taxation that will bestow consumers the confidence to spend more outstanding to the chastening of prices.

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