

# 'Priority is to make cars safe, affordable'

**SRONENDRA SINGH**

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In the 40 years of his life in Maruti Suzuki India (MSIL), one regret that Chairman RC Bhargava has is that cars are becoming unaffordable for Indians because of various reasons— economic or regulatory. In an interview with *BusinessLine*, Bhargava said even though India sells around 20 million two-wheelers every year and there are around 230 million two-wheeler owners in India, they are not upgrading quickly to cars because prices have gone up a lot even for small cars. As MSIL gears to celebrate 40 years of operations, Bhargava said the company has played a significant role in the development of the industry, supply chain of components and allied sectors. The total investment made by the Suzuki group is around ₹65,000 crore in these 40 years and total contribution to exchequer is more than ₹2.70-lakh crore, he added. Excerpts:

**The industry recently reported the highest-ever turnover of ₹4.2-lakh crore, a 23 per cent y-o-y growth in FY22. How much do you**

**think Maruti Suzuki has contributed to it?**

The whole component industry has grown because of Maruti... There wasn't any before Maruti came in 1983 — when Ambassador, Fiat or Telco (now Tata Motors) were there, there was no worthwhile auto component industry. The industry developed because we gave special importance to component development and the vendors, and adopted partnership approach to dealing with them. We have always been there to advise, guide and help vendors in their operation. Because the principle which we always believed in is that the more competitive the supply chain becomes, the more competitive Maruti will become.

**What's the company's aim in the next 40 years, or say the next 25?**

The fundamental plan is to take part in India's growth in the next 25 years. We see that these years should see a much faster rate of economic and industrial growth and this has to translate to a faster growth of the automotive industry. We think the policies of the government now will

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**RC BHARGAVA**  
Chairman, Maruti Suzuki



be more friendly towards manufacturing growth. In the past, policies were not friendly, and that was one of the things when we started 40 years ago— Maruti was not expected to survive. It was seen as a political project, which, it was in a sense. It was not a planned project or a part of an economic plan. And the expectancy of Maruti succeeding was as close to zero as possible. But, we succeeded because of this partnership with Suzuki. One of the things which the Maruti experience has taught us is the enormous energy which will generate if everybody works together.

**As time changes, customers expect technologically advanced products and**

**better safety features, like star ratings in crash tests...**

I don't think anybody understands what causes accidents in India. The cars don't cause the accidents as such and if you're talking of injuries and deaths, they happen because accidents happen. Accident rate in India is among the highest in the world. The question I have is should we first look at preventing accidents or at seeing that accidents happen, and we'll try and save you once you have an accident. I think the answer is obvious — talking about this one star, two stars, is people who are trying to promote how to make the car safer if there's an accident. My priority at the moment in India is certainly to make the cars as safe as the govern-

ment regulations require and will make car still affordable to people. If by trying to make the car into a tank, the car becomes unaffordable to a large segment of the people, then have I achieved anything? The job of a manufacturer is to look at the totality of safety, not at one component which may be the least important. We are the company which is doing maximum towards safety, but the impression that is carried out is 'Maruti resists airbags'.

**Don't you think it would affect your sales and market share in the future? Your entry-level car sales are already down.**

The prices have gone up a lot and that is the problem. That is why the sales in the lower-end of the market have declined substantially, which I am unhappy about because we are denying the weaker customers an opportunity to get into something more comfortable and safer. So by making the small cars expensive and safe, the result is that people who would have upgraded to a four-wheeler have to delay the purchase. They will buy ultimately, but they may delay it by a year or two.

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