

Automakers, component suppliers take on counterfeit spares sellers

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PUNE: Police have recently raided over 100 auto shops across the country for allegedly selling counterfeit spare parts after receiving a tip-off from a major automaker and a component supplier.

Manufacturer Mahindra and Mahindra (M&M) and spare parts and engine maker Greaves Cotton (GC) sent

decoy customers to different shops selling spare parts. These customers collected the samples, which were later tested by the officials of both the companies. Based on the results, they lodged complaints with the police.

Officials from both companies said that the sale of spurious spare parts not only hits the business of automakers directly, it also puts drivers and other road users at risk. "If people are using spurious parts, not only does it impact a vehicle's performance and safety, it also puts the lives of other road users at risk," said an official spokesperson of Greaves Cotton.

The company said it has unearthed over 516 spurious auto parts during its recent raid at a manufacturing unit in Pune alone. The company also conducted similar raids in Kolkata, Bhopal and Delhi over the past few months and in each of these instances recovered anywhere between 100-150 fake auto parts.

M&M said that over a period of 17 months, the company has conducted 38 "successful" raids across the country. In each of these instances, the company confiscated sample auto parts worth Rs 1-1.5 lakh. "The actual worth could be 10-15 times the confiscated value," said Bharatendu Kapoor, senior vice-president and head of spares business unit, M&M Ltd.

Both M&M and Greaves Cotton said their focus is to zero in on the manufacturers of such spurious parts. "This drive will continue," they said.

It is estimated that spurious parts reportedly make up a fourth of the Rs 45,000 crore auto component market.

According to a FICCI report, loss to Indian industries as a result of spurious auto parts was Rs 10,501 crore in 2013-14, whereas the loss of revenue to the government from taxes was about Rs 3,100 crore in the same period. "The value of counterfeit auto components in the country now must be around Rs 13,500 crore," Kapoor said.

It is, however, difficult for the end user to distinguish between genuine and fake parts. Often, fake parts are passed off as genuine at the cost of the latter.

There is also a flip side to this argument. Many people consider going to a showroom prohibitively expensive. "When one of the belts snapped in the engine of my car, the showroom gave an estimate of Rs 30,000 and upwards. The local garage guy fixed it for just Rs 1,200," said Nitin Patil, a driver by profession.

Some automakers are trying to fix this by giving an upfront estimate of the service cost but it seems customers are not convinced enough. M&M is trying to make its genuine parts available with its wide network of dealers. Showrooms are also displaying in waiting areas the difference between a genuine and fake auto part.

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