

CHAPTER 20

MOTOR VEHICLES

20.1 In India the first car ran on roads in 1897. Prior to independence in the 1940s India had no automobile industry to speak of. Cars were brought into the country in a knocked down condition from England. They were reassembled to serve the minuscule market provided by the British ruling class and some Indian elites. The presence of such vehicles led to the birth of an indigenous spare parts industry mostly concentrated in the south of the country. Road Transport in India grew rapidly after 1947 owing to rapid growth in urbanization and per capita income and to the vehicle production moving there.

20.2 Following economic liberalization in India in 1991, the Indian automotive industry has demonstrated sustained growth as a result of increased competitiveness and relaxed restrictions. Several Indian automobile manufacturers expanded their domestic and international operations. India's robust economy led to the further expansion of its domestic automobile market which attracted significant India-specific investment by multinational automobile manufacturers.

20.3 However motor vehicle penetration in India is low compared with developed countries. Although India and other developing countries lag behind in penetration rates (vehicles/1000 persons) in case of four wheelers like cars , they have much higher two wheelers penetration level compared to developed countries.

Vehicular penetration in select developed & developing countries

Country	GNI per capita 2009 (US \$)	Per 1000 person		
		Passenger Cars	Total Vehicles**	Two Wheelers
Developed				
U.S.A	46360	439	828	26
U.K	41370	460	544	21
Japan	38080	617	617	28
Germany	42620	510	610	46
Australia	40240	550	717	28
France	42620	496	654	56
Developing				
Mexico	8960	191	288	11
Malaysia	7350	313	675	325
South Africa	5760	110	170	7
Brazil (*)	8070	165	275	68
China	3650	34	119	72
Korea ,Rep	19830	267	393	37
India (##)	1220	13	117	76

** : Total Vehicles include passenger cars, buses + coaches, vans +lorries and Two wheelers

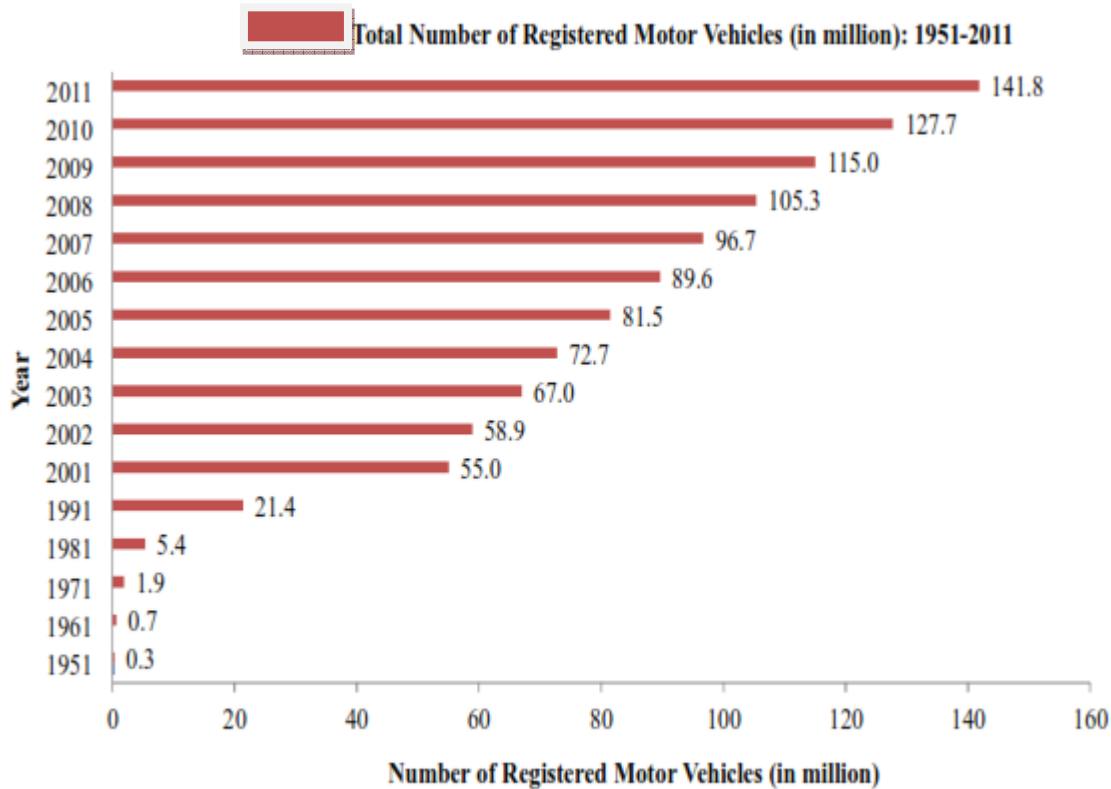
(*) : Data relates to 2008, ## : Data relates to 2011.

Sources: 1. World Road Statistics, 2011, International Road Federation, Geneva.

2. Calculated on the basis of data received from Offices of State Transport Commissioners/UT Admns.

Trend in Growth of Registered Vehicles in India :

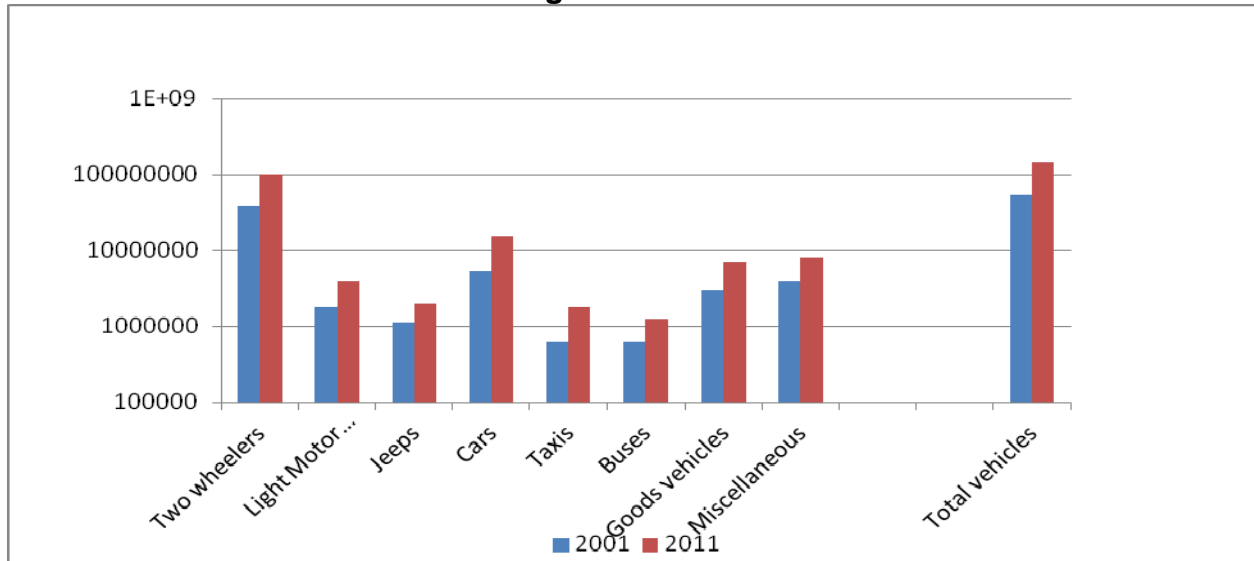
20.4 India has experienced tremendous increase in the total number of registered vehicles from about 0.3 million on 31st March, 1951 to about 142 million as on 31st March , 2011. The total registered vehicles in the country grew at a Compound Annual Growth Rate (CAGR) of 9.9% between 2001 and 2011.



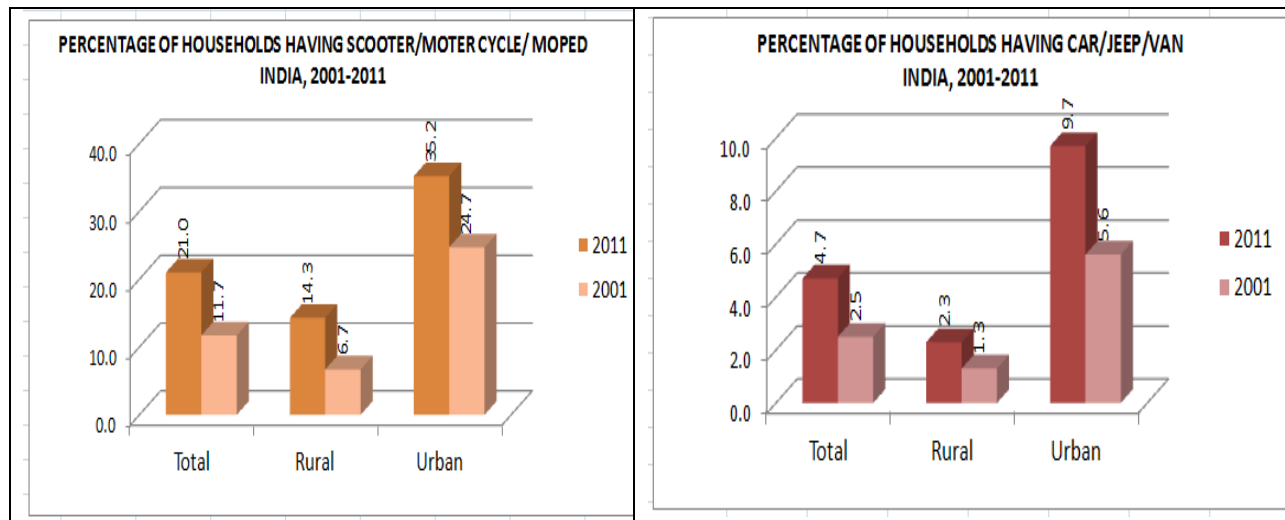
Source: Offices of State Transport Commissioners/UT Administrations.

20.5 During 2001-11 growth rate of registered motor vehicles was almost three times the growth rate of road network. Amongst motor vehicles , except for jeeps, which recorded 75 per cent increase in registration , registration in other categories of vehicles , increased by about 100 per cent or more with cars and taxis recording an increase of about 200 per cent (192 & 182 % precisely). Overall growth in registration of motor vehicles, during the period was about 158 per cent. About 26 States/UTs had CAGRs equal to or more than the all India growth rate of 9.9 % during 2001-11

Number of Registered vehicles in India



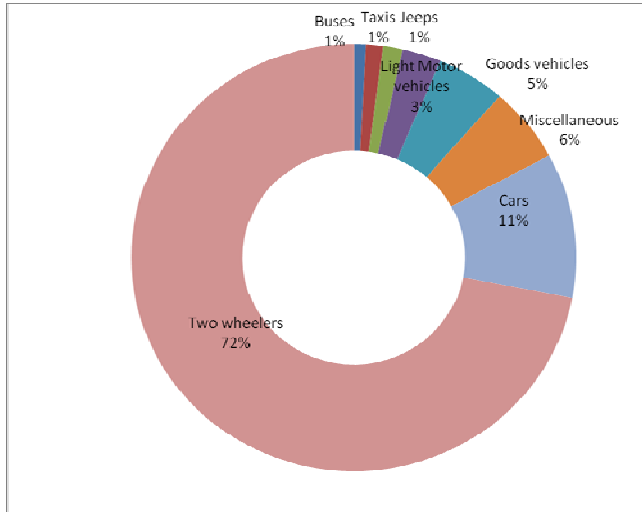
20.6 As per **Census 2011**, about 21 per cent households have two wheelers whereas about 4.7 per cent of households in India have cars/jeeps/vans.



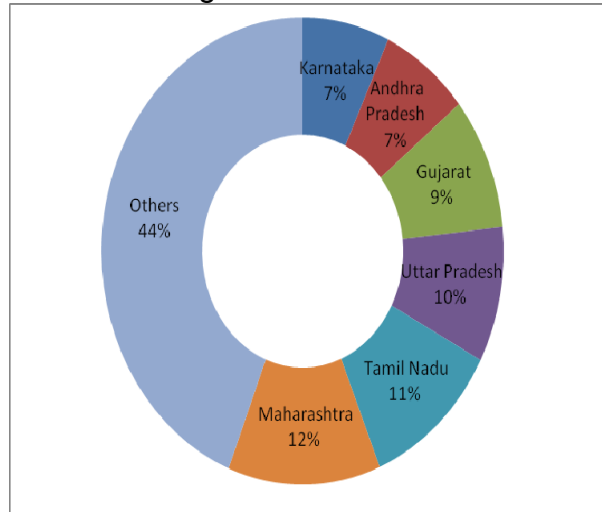
20.7 Total number of vehicles registered in India during 2011 was about 14.2 million out of which about 10.2 million (about 72 per cent) vehicles were two wheelers.

Distribution of registered vehicles during 2011

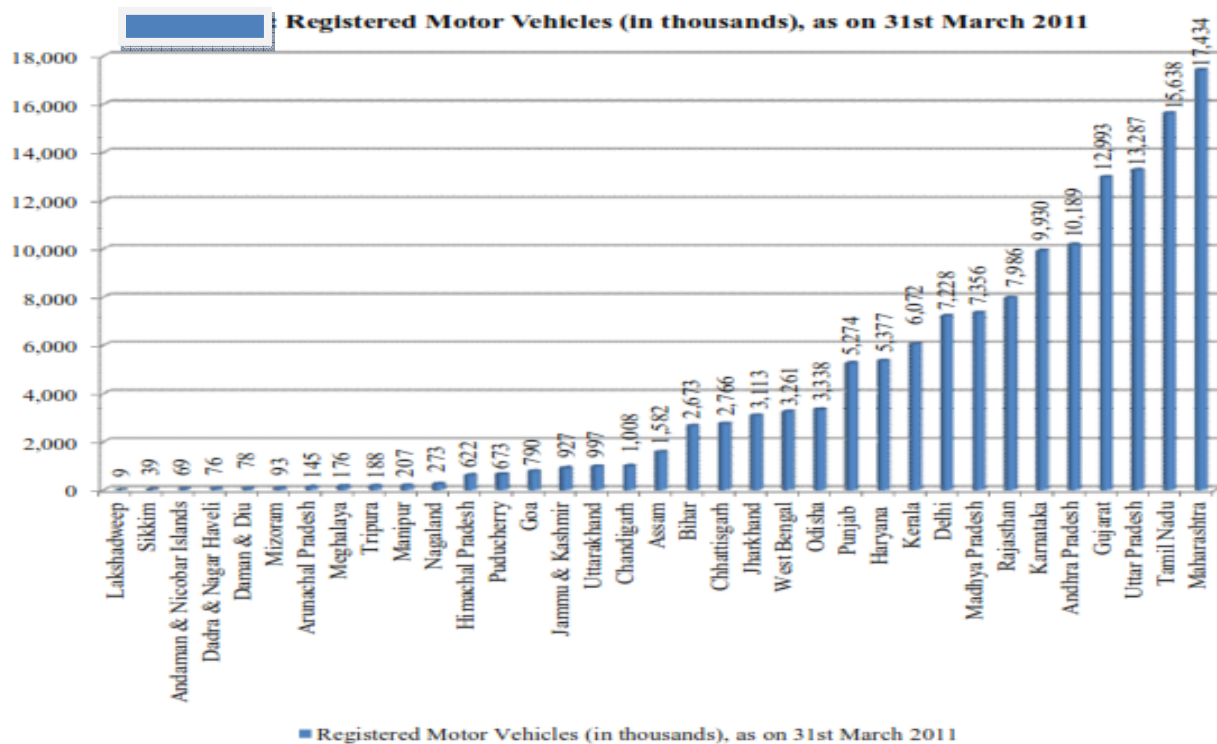
Category of vehicles



States with about 10 million or more registered vehicles



20.8 During 2011, six states (indicated in the figure above) had about 10 million vehicles or more and they together comprised about 66 per cent of all registered motor vehicles in India during 2011.



Source Road Transport Year Book 2009-10 & 10-11

20.9 City wise distribution of vehicle population : Among 35 million plus cities about which the information is available as on 31st March, 2011, with a population of 72.3 lakh, Delhi had the largest number of registered motor vehicles, followed by Bengaluru (37.9 lakh), Chennai (34.6 lakh), Hyderabad (30.3 lakh) and Pune (20.9 lakh). These five cities accounted for 49.3% of the total vehicles of the 35 Million plus Cities. Amongst the top five cities in terms of the number of registered motor vehicles, the highest CAGR of 12.94% was recorded by Pune during 2001-2011. Hyderabad and Chennai, too recorded CAGRs of more than 10%.

Automobile Production & Sales:

20.10 During 2011-12, 20.4 million motor vehicles were produced in India, which is about 3.8 times the production during 2001-02 . In the two wheeler category , the production rose to more than 3.5 times during 2011-12 (to 15.4 million). Highest growth, compared to 2001-02, was recorded in case of motorcycles where the production rose to more than four times, followed by scooters where it reached to levels slightly lower than three times the values in 2001-02. The production of mopeds during 2011-12 was still lower at 0.78 million (about 1.8 times of production during 2001-02). Three wheelers with 0.87 million units production recorded an increase of more than 300 per cent over 2001-02 whereas commercial vehicles recorded an increase of more than 460 per cent, with light commercial vehicles even more impressive growth of over 700 per cent . Production of commercial vehicles during 2011-12 was, however, less than 1 million (0.9) and that of commercial vehicles was about 0.5 million .More than 3 million passenger vehicles were produced during 2011 -12 vis a vis 0.7 million production during 2001-02 . Out of this more than 2.5 million were passenger cars whose production had increased to more than five times of the production during 2001-02 (o.5 million).

About 20.3 million vehicles were sold during 2011-12 which included about 15.4 million two wheelers, 0.9 million each of three wheelers and commercial vehicles and about 3.1 million passenger vehicles (2.5 million cars). Increase in annual sale over the previous year was about 14 per cent.

20.11 Fleet of State Transport Undertakings : As per information provided by Central Institute of Road Transport , during 2011, average fleet held by various State Transport Undertakings taken together was 1,22355 . This is an increase of about 6 per cent from the fleet size of 1,14,970 during 2001.

Acts & Rules related to motor vehicles :

20.12 The Ministry of Road Transport and High Ways is responsible for the formulation of broad policies relating to regulation of road transport in the country, besides making / monitoring arrangements for vehicular traffic to and from the neighboring countries.

The following Acts / Rules, which embody the policy relating to motor vehicles and State Road Transport Corporations (SRTC's), are being administered in the Road Transport Division of the Department:

- **Motor Vehicles Act, 1988**
- **Central Motor Vehicles Rules, 1989**

- **Road Transport Corporations Act, 1950**
- **Carriers Act, 1865 (to be replaced by the new Carriage by Road Act, 2007)**

20.13 For smooth compliance of the provisions of the Carriage by Road Act, 2011 viz. registration of common carriers, the manner of reporting data on carriage of goods, quantum of liability of the common carrier, format for various forms relevant for administration of Act/Rules, Carriage by Road Rules, 2011 were notified vide G.S.R. 176 (E), dated 28.02.2011 and widely published for information of the general public.

20.14 The Central Motor Vehicles Act 1988 empowers the Central Government to frame rules under provisions of the Act. Road Transport in India is primarily the responsibility of the State Government and U.T. Administrations. The State Govt. and Union Territory Administrations regulate road transport under the provisions of the relevant Motor Vehicle Act/rules in the respective states.

20.15 **Source of Data:**

- Data collected from different source agencies is compiled and published by the **Transport Research Wing of Ministry of Road Transport and High Ways.**
- Information on working of State transport undertakings including average fleet held & operated is maintained by **Central Institute of Road Transport, Pune.**
- Office of **Registrar General of India** also collects information on number of households having two wheelers and four wheelers during decennial **Census.**
- **Society of Indian Automobile Manufacturers (SIAM)** maintains information on automobile production & sales in various categories.
- **National Sample Survey Office** also collects information on ownership of vehicles by households including expenditure for new acquisition and maintenance expenses thereafter through consumer expenditure surveys.

References:

- Road Transport Year Book 2009-10 & 10-11, Ministry of Road Transport & Highways.
- Census 2011 results on ownership of assets by households.