

## **CHAPTER 20**

### **MOTOR VEHICLES**

Motor vehicles are designed to run primarily on roads usually with a sitting capacity of 1 to 8 person and constructed mainly for transporting passengers rather than carrying goods. The automobile industry designs, develops, manufactures, and sells motor vehicles. Development of automobile industry is rapid and in 2008 more than 700 million motor vehicles were produced worldwide.

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.

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.

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. Data collected from different source agencies is compiled and published by the Transport Research Wing of Ministry of Road Transport and High Ways.

#### **Highlights**

- Total number of registered motor vehicles in India increased from 55 million in 2001 to 115 million (provisional) in 2009 indicating a growth of 109% over the period.
- The total per year production of automobiles increased from 5 million in 2001-02 to 14 million in 2009-10 indicating a growth of 180% over the period.
- The number of two wheelers registered in India has increased from 38.56 millions in 2001 to 82.40 million in 2009 registering an increase of 114% over the

period, while the number of Light Motor Vehicles (passengers) and Jeeps showed a impressive growth of 78% and 46% respectively during the same period. The total number of cars registered has increased from 5.30 million in 2001 to 12.37 million in 2009 which show a growth of 133% during the period.

- In 2009 out of the 82.4 million registered two wheelers, all most 25% are in Tamil Nadu and Maharashtra. In the same year, the maximum number of Light Motor Vehicles (passengers) were registered in Maharashtra (19%), followed by Kerala (14.24%) and Gujarat (13.75%).
- In 2009, nearly 22 % of total jeeps were registered in Maharashtra while maximum number of cars were registered in Delhi 14.57% followed by Maharashtra (13.7%).
- State revenue from road transport (which includes Motor Vehicle taxes and fees, Sales Tax on Motor spirit & lubricants, Sales Taxes on passenger & goods traffic), has increased from ` 1696 crores in 2001-02 to ` 3773 crores in 2009-10 (BE).
- Central revenue from Motor Vehicles (which includes Import Duty and Excise Duty from Motor vehicles and accessories, Tires and tubes, High Speed Diesel Oil, Motor spirit fuel) has increased from ` 2793 crores in 2001-02 to ` 5934 crores in 2009-10

**This Chapter contains following tables:**

**Table 20.1-** Number of Motor Vehicles Registered in India (taxed and tax-exempted)

**Table 20.2-** Revenue from Road Transport

**Table 20.3-** Working of State Transport Undertakings

**Table 20.1-** Total Registered Motor Vehicles in India (State wise)

**Table 20.5-** Total registered motor vehicles metropolitan cities.

**Table 20.6-** Category-wise Automobile Production