

RESEARCH REPORT LAUNCH

Harmonising Bike Taxi Regulations in India

An Evidence-Based Assessment
and Suggested Pathways for Reform

Presented by- **Tasmita Sengupta**, Senior Research Associate, CUTS International



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India International Centre



Outline



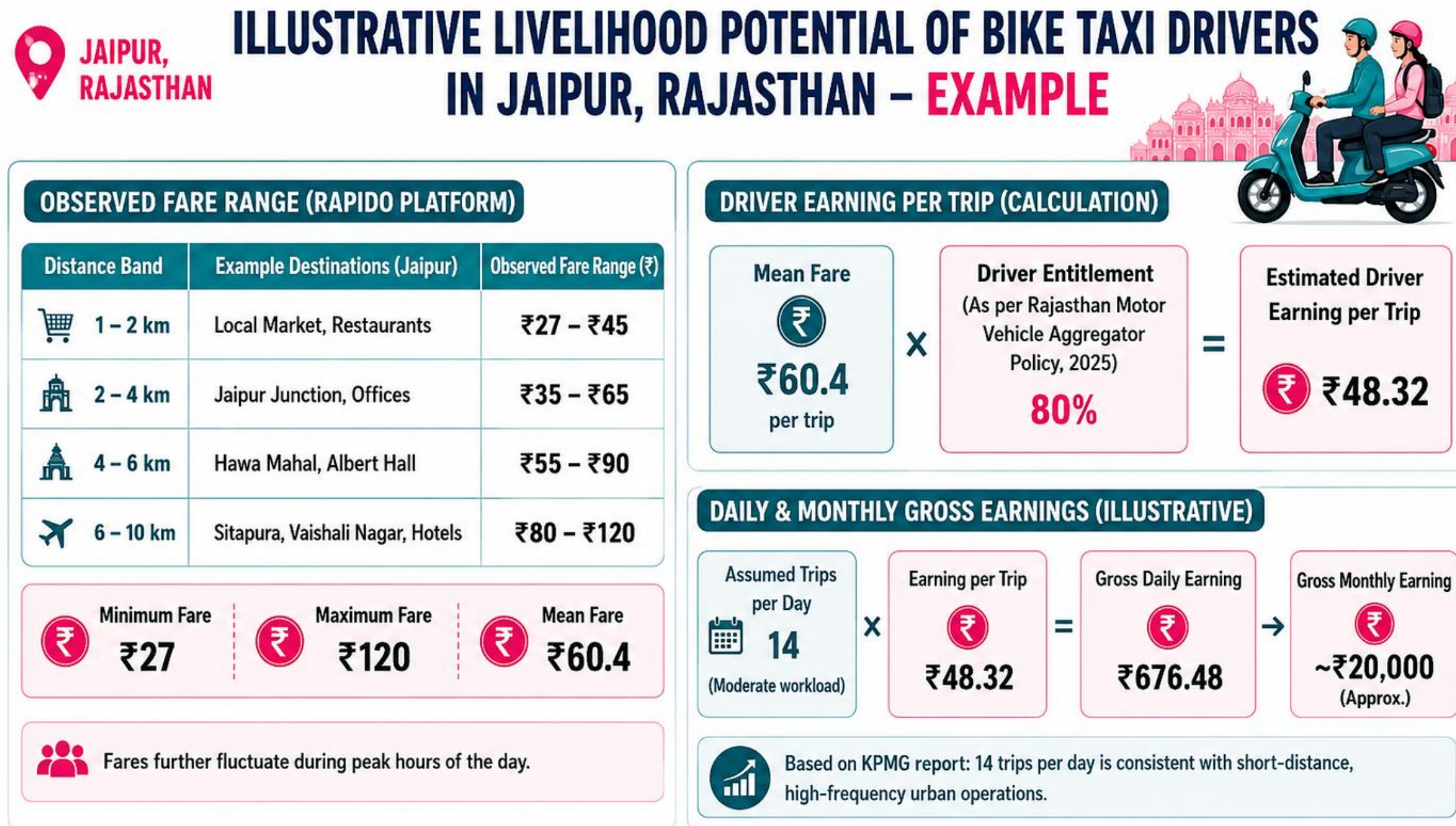
- 01** Why Bike Taxis Matter?
- 02** Bike Taxi Opportunities for India
- 03** Need for the Study
- 04** Study States and Approach
- 05** Comparative Assessment Framework
- 06** Key Findings
- 07** Recommendations

Why Bike Taxis Matter?



1 Accessibility to Assets and Livelihood Opportunities

- Leveraging existing privately owned motorcycles reduces upfront investment requirements and improves access to income-generating opportunities



Affordable and Time-Efficient Mobility Option

Illustrative Consumer Welfare Potential of Bike Taxis in Jaipur, Rajasthan – Example

CASE I Short Trip (≈ 1.3–1.5 km)		
Mode	Observed Fare (Rapido App)	Savings of Bike Taxi
 Bike Taxi	₹27	–
 Auto Rickshaw	₹55	51% cheaper than Auto
 Cab	₹80	66% cheaper than Cab



Represents short trips of approximately 1.3–1.5 km, highlighting bike taxis' strong value proposition for quick, low-cost point-to-point connectivity.

CASE II Medium Trip (≈ 5–6 km)		
Mode	Observed Fare (Rapido App)	Savings of Bike Taxi
 Bike Taxi	₹52	–
 Auto Rickshaw	₹73	29% cheaper than Auto
 Cab	₹89	42% cheaper than Cab



Reflects medium-distance trips of approximately 5–6 km, showing sustained affordability advantage of bike taxis even for moderate urban travel.

Reduction in Traffic Congestion

URBAN CONGESTION AND THE CASE FOR TWO-WHEELERS



Indian cities rank among the most congested globally



**BENGALURU
RANKED #2 GLOBALLY**

Average congestion level **74.4%**

MOST CONGESTED INDIAN CITIES (2025)

According to TomTom Traffic Index 2025

1		Bengaluru	74.4%
2		Pune	
3		Mumbai	
4		New Delhi	
5		Kolkata	
6		Jaipur	
7		Chennai	
8		Hyderabad	
9		Ernakulam	
10		Ahmedabad	

WHAT DOES THIS MEAN FOR COMMUTERS?



**100+
HOURS**

lost annually
in traffic delays



**SEVERE
TRAVEL DELAYS**

impact daily commute
and efficiency



**HIGH PRESSURE
ON URBAN
INFRASTRUCTURE**

and public resources



Persistent congestion remains a major urban mobility challenge across India's metropolitan regions.

WHY TWO-WHEELERS GAIN RELEVANCE IN CONGESTED CITIES



**Navigate dense traffic
more efficiently**

Reach destinations faster
even in peak congestion



**Reduce travel time
and delays**

Save valuable hours
every day



**Enable flexible and
faster last-mile
connectivity**

Ideal for short, on-demand
urban trips



Urban congestion is not just a mobility issue—it is a **productivity and efficiency challenge**, reinforcing the role of two-wheelers as a practical urban transport solution.



4

First & Last-Mile Connectivity

- Bike taxis complement public transport systems by providing quick, on-demand feeder services where traditional public transport is limited

5

Environmental Sustainability

- Lower fuel consumption and a smaller environmental footprint, particularly for short urban trips
- EV and clean fuel integration can reduce emissions, improve urban air quality, and contribute to India's net-zero emissions target by 2070 while advancing SDGs 11 and 13

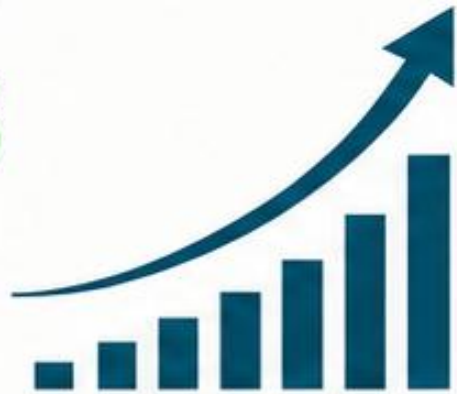
Bike Taxi Opportunities for India

A RAPIDLY EXPANDING MARKET

MARKET SIZE (USD)



\$50.5
MILLION
in 2021



\$1.46
BILLION
by 2030

CAGR of 48.5%

(2022–2030)



THE BIKE TAXI OPPORTUNITY

Bike taxis are transforming last-mile connectivity and creating inclusive economic opportunities at scale

WHY BIKE TAXIS MATTER



DOMINANT SHARE

Two-wheelers account for the dominant share of registered vehicles in India, comprising **~74%** of the total (2022–23)



DAILY URBAN MOBILITY BACKBONE

Drive a large share of daily urban trips, ensuring affordable, quick and last-mile connectivity



HIGHEST PENETRATION POTENTIAL

Exhibit the highest penetration level, showcasing massive growth potential

POWERING EMPLOYMENT



5.4 MILLION
JOBS BY 2030

Significant potential to generate livelihoods and flexible income opportunities across the country



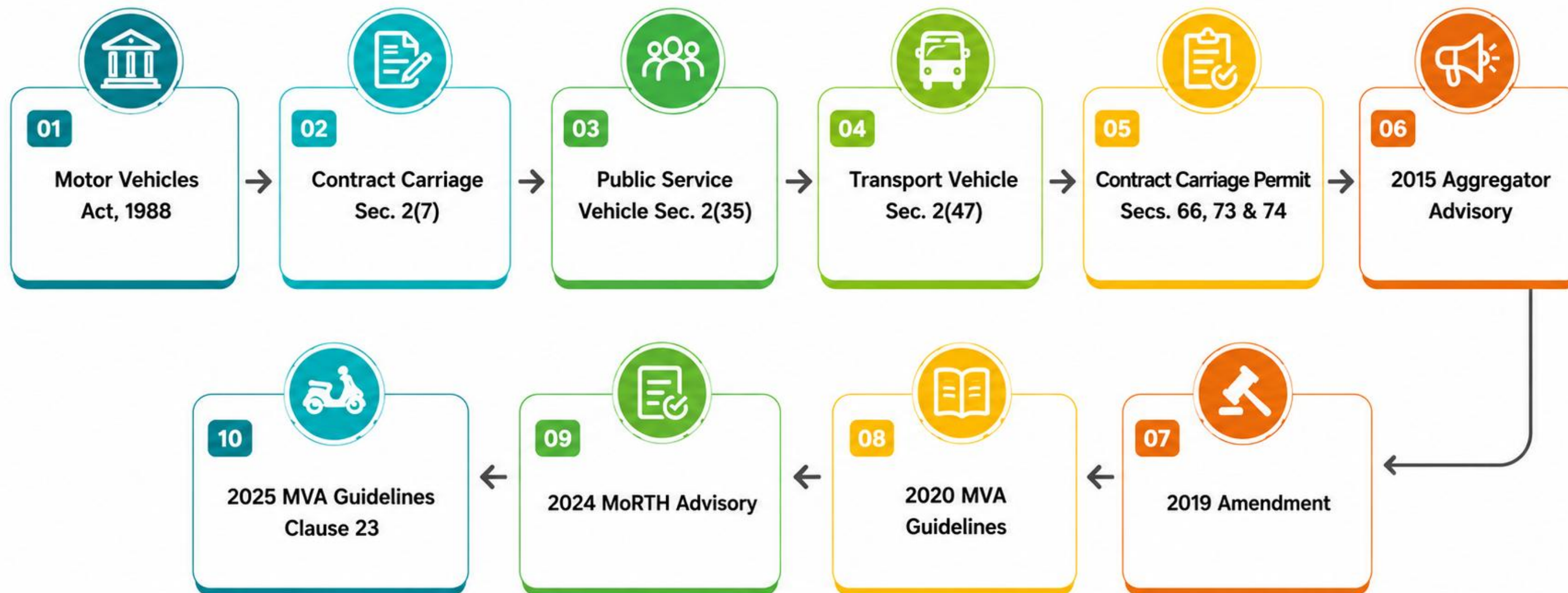
INDIA LEADS THE GLOBAL MARKET



India leads the global two-wheeler market in 2024 (35% share), surpassing China (34%)

Need for the Study (1/2)

Central Regulatory Landscape



Need for the Study (1/2)

Key Challenges

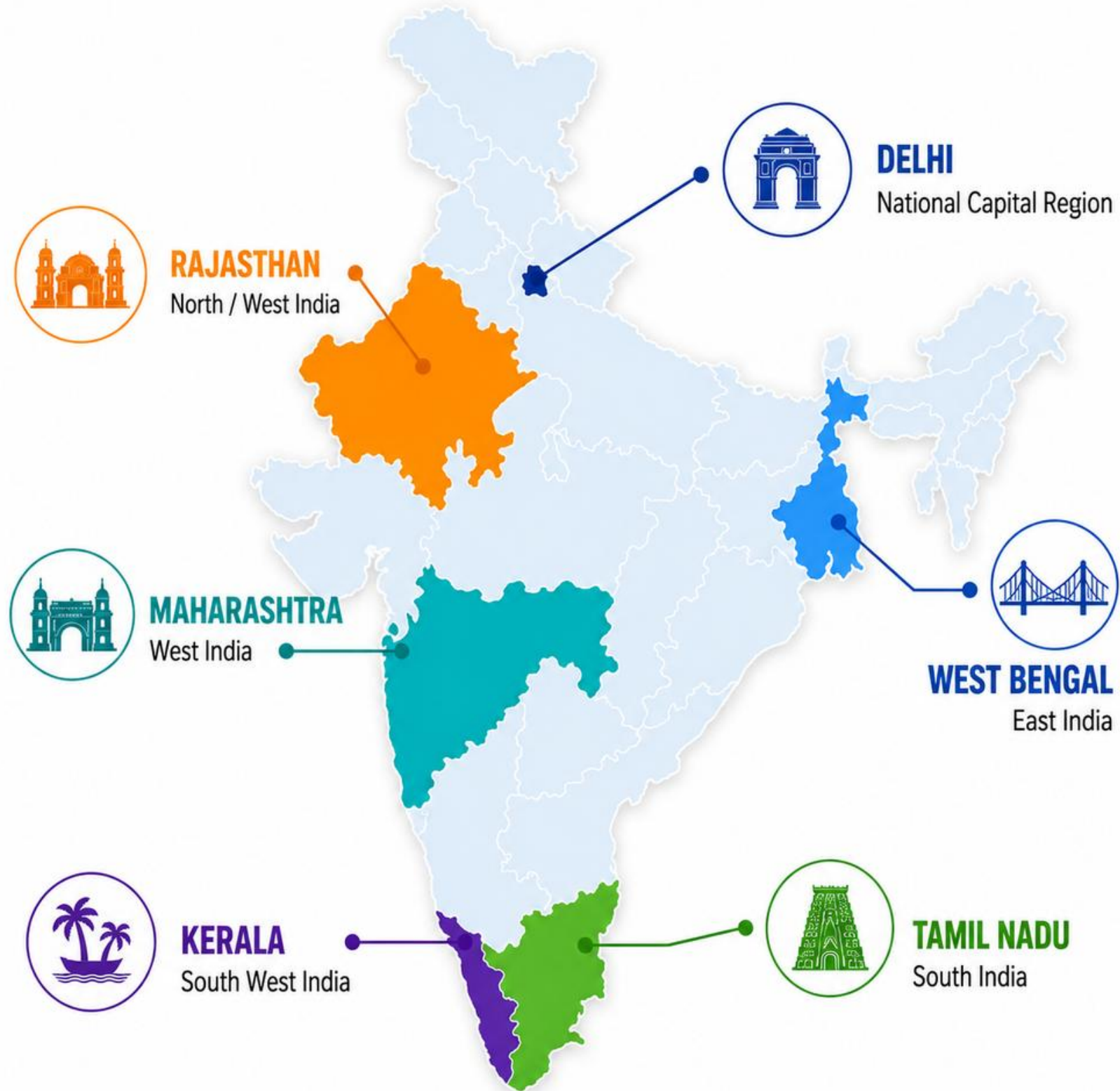
- Inconsistent State-Level Interpretations of the Definition of Motorcycles
- Fragmented State Regulations
- Uneven Policy Implementation
- Divergent Vehicle Classification (Transport vs Non-Transport)



Consequences

- Non-uniform Safety & Compliance Standards
- Regulatory Uncertainty for Drivers & Platforms
- Constrained Urban Mobility & Livelihoods

Study States and Approach



Literature Review



Stakeholder Consultations



Data Triangulation

- Central Regulations
- State Policies
- Judicial Precedents
- Government Datasets
- Academic & Policy Literature
- Global Best Practices

- Government Officials from Transport Departments
- Platform Aggregators
- Motor Cab Unions
- Worker Representatives
- Domain Experts

- Findings
- Recommendations

Comparative Assessment Framework



- How are bike taxis formally recognised within the legal and regulatory framework of Study States?
- To what extent are bike taxi services operationally permitted and implemented on the ground, including the use of private motorcycles for commercial passenger transport?
- What permit and licensing requirements govern bike taxi operations across jurisdictions?
- What operational conditions and compliance requirements are imposed on bike taxi services?
- What State-level policy priorities influence regulatory approaches towards bike taxi services?
- How do Study States perceive and address concerns relating to safety, worker welfare, consumer protection, and market regulation?
- How do Study States perceive the risks and benefits of bike taxis for platform aggregators, workers, consumers, and the broader urban mobility ecosystem?

Key Findings (1/3)

1 Licensing Architecture Varies Widely and Creates Uneven Entry Barriers

AGGREGATOR FEE STRUCTURE AND FINANCIAL OBLIGATIONS							
STATES	APPLICATION/ LICENSE FEE	ANNUAL FEE	NEW VEHICLE ONBOARDING FEE	AGE OF VEHICLES/ SLOW VEHICLES	FEES ON DAILY/ WEEKLY/ FORTNIGHTLY BASIS	SECURITY DEPOSIT	CANCELLATION PENALTIES
RJ	✓ Yes	✓ Yes	✗ No	✓ Yes	✓ Yes	✓ Yes	✓ Yes
KL	✓ Yes	✗ No	✗ No	✗ No	✗ No	✓ Yes	✓ Yes
WB	✗ No	✗ No	✗ No	✗ No	✗ No	✗ No	✓ Yes
TN	✗ No	✗ No	✗ No	✗ No	✗ No	✗ No	✗ No
MH	✓ Yes	✗ No	✗ No	✗ No	✗ No	✓ Yes	✗ No
DEL	✗ No	✓ Yes	✓ Yes	✓ Yes	✗ No	✓ Yes	✓ Yes
SCORE	3	2	1	2	1	4	4

✓ Yes – Provision exists
✗ No – No provision
NA NA – Not Applicable
Higher score indicates better adherence

Key Findings (2/3)

2 Explicit Permission for Aggregation of Non-Transport Motorcycles is Still Limited

- Inclusion of non-transport bike taxis- Rajasthan with conditions
- No explicit mention about bike taxis- Kerala
- Non inclusion of non-transport bike taxis- Delhi, Maharashtra, West Bengal

3 Mandatory EV Inclusion Targets Constrain Worker Entry in the Short Term

- High upfront EV costs limit worker entry
- Limited finance and charging infrastructure slow EV adoption
- Mandatory EV-only policy - Delhi
- EV and other fuel categories- West Bengal and Rajasthan

4 Unexplored Revenue Potential of Bike Taxi Services for State Governments

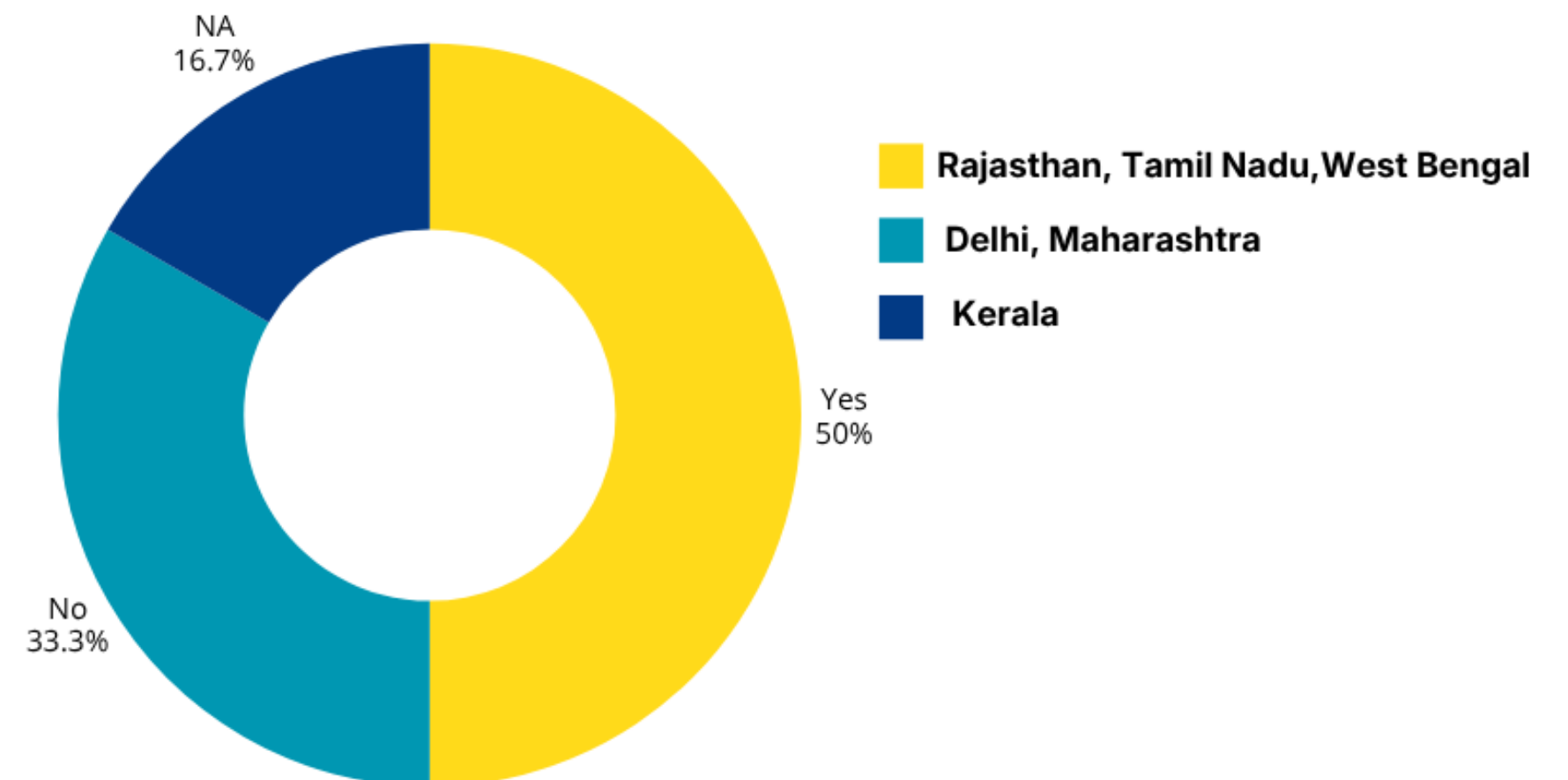
Key Findings (3/3)

5 Transparency and Passenger-Protection Requirements are Strengthening

- GPS tracking, emergency contact features and driver verification
- Minimum passenger insurance of 5 Lakhs - Rajasthan
- PwD inclusive measures- Rajasthan, Maharashtra
- Choice for female drivers- Rajasthan, West Bengal, Maharashtra

6 Provision of Social Protection Coverage for Bike Taxi Drivers

- Minimum health (₹5 lakh) and accident (₹10 lakh) insurance coverage- Rajasthan, West Bengal, Kerala
- Compliance with POSH Act, 2013
- Minimum revenue sharing with drivers



Need for a Harmonised Framework



A proportionate and predictable regulatory framework across States is essential to balance innovation, commuter safety, ease of compliance, & livelihood generation

Recommendations (1/3)

1 Structured Authorisation of Non-Transport Motorcycles

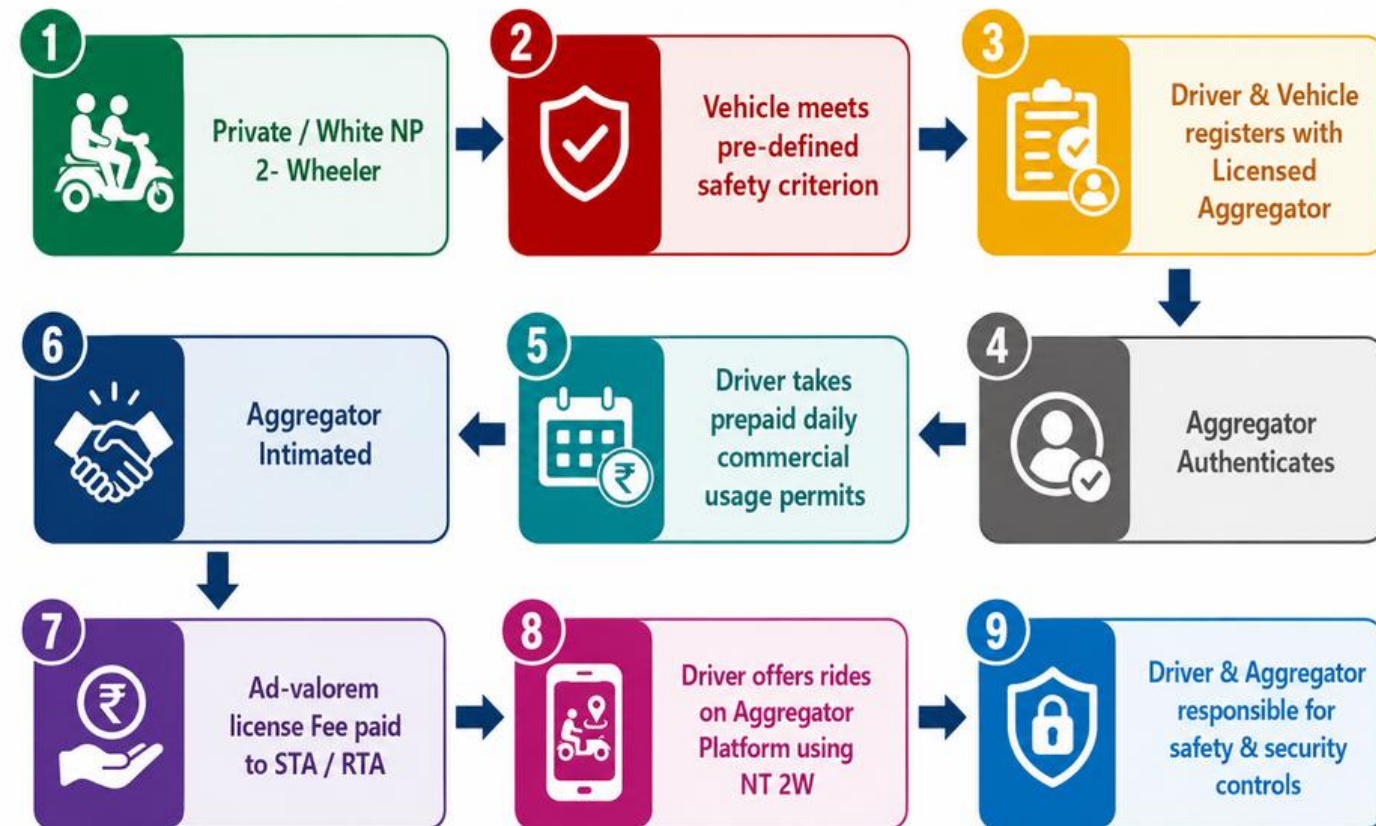
- States may operationalise Clause 23 of the 2025 MVA Guidelines through notified schemes under Section 67(3) of the MVA following Rajasthan
- Clear Standard Operating Procedure (SOP) for conversion like Vietnam and Thailand or compliance-based like Indonesia

2 Platform-Authorised Usage Model

- Adopt compliance-based daily/weekly/monthly permit system or trip-linked digital permits integrated with platform
- QR-based stickers or permit decals
- Proportionate regulatory framework that differentiates between full-time commercial operators and platform-enabled use

Recommendations (2/3)

3 Revenue Model for States



FISCAL GAINS FROM OPERATIONALISING BIKE TAXIS FOR STATES

1 VEHICLE-BASED DAILY PERMIT MODEL

Permit Fee: ₹5 per vehicle per day

METRO CITY (Example)



5 LAKH
NT 2Ws operating daily



₹25 LAKH
Daily Collections
(5,00,000 × ₹5)



₹7.5 CRORE
Per Month
(₹25 Lakh × 30 days)



₹90 CRORE
Per Year
(₹25 Lakh × 365 days)



₹450 CRORE
Over 5 Years
(₹90 Crore × 5 years)

TIER-2 / TIER-3 CITY (Example)



1 LAKH
NT 2Ws operating daily



₹5 LAKH
Daily Collections
(1,00,000 × ₹5)



₹1.5 CRORE
Per Month
(₹5 Lakh × 30 days)



₹18 CRORE
Per Year
(₹5 Lakh × 365 days)



₹90 CRORE
Over 5 Years
(₹18 Crore × 5 years)



State-level revenues from tier-2 & tier-3 cities can conservatively scale up to ~ **2.5x** the metro revenue potential.

2 TRIP-LINKED DIGITAL PERMIT MODEL

Assumptions: 15 trips per vehicle per day | Permit Fee: ₹2 per trip



1 LAKH
Operational Vehicles



15 TRIPS
Per Vehicle Per Day



₹2
Permit Fee Per Trip



₹30 LAKH
Daily Collections
(1,00,000 × 15 × ₹2)



₹9 CRORE
Per Month
(₹30 Lakh × 30 days)



₹109.5 CRORE
Per Year
(₹30 Lakh × 365 days)



₹540+ CRORE
Over 5 Years
(₹109.5 Crore × 5 years)



Note: These are indicative estimates based on assumed usage and permit fees. Actual revenues may vary based on city characteristics and adoption.

Recommendations (3/3)

4 Harmonisation of Safety and Welfare Standards

- Annual third-party audits of pricing and allocation algorithms
- Trip-based micro-cess shared by aggregators, drivers, and States for social security
- Nationwide women-driver and passenger preference features
- Uniform standards for helmets, insurance, grievance redressal, safety training, and fare transparency

5 Incentive-Based Electrification

- Replace immediate EV mandates with phased adoption targets
- Support drivers through subsidies, affordable finance, and credit guarantees
- Expand charging and battery-swapping infrastructure before imposing mandatory electrification

6 Promote Collaborative and Evidence-Based Regulation

- Encourage continuous consultation among governments, platforms, drivers, and consumers
- Use regulatory sandboxes and conduct Regulatory Impact Assessments
- Strengthen unified digital compliance system with awareness generation amongst gig workers

Thank You



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