

Two Wheels, One Framework: Rethinking Bike Taxi Regulations in India

Background

India's urban mobility landscape is undergoing a rapid transformation, driven by rapid urbanisation, rising congestion, and persistent first- and last-mile connectivity gaps. In this context, bike taxis have emerged as an important, technology-enabled mobility solution, particularly in dense urban and peri-urban areas. Their affordability, flexibility, and ability to navigate congested roads make them well-suited to short-distance travel, complementing public transport systems and improving accessibility for price-sensitive users.

The commercial use of two-wheelers for passenger and goods transport has long been recognised in India, even prior to the emergence of digital platforms. However, the rise of platform-based aggregation and gig work has significantly scaled these operations, improving efficiency, expanding market access, and creating flexible livelihood opportunities for a growing workforce. For many, bike taxis now represent a critical source of income, either as a primary or supplementary occupation.

From a legal standpoint, motorcycles are recognised as contract carriages under the Motor Vehicles Act, 1988 (MVA), and further operational clarity has been provided through the 2025 MVA Guidelines issued by the Ministry of Road Transport and Highways. However, complexity lies in the divergence between transport (commercial) and non-transport (private) vehicle classifications.

While the 2025 MVA Guidelines permit motorcycles to operate as transport vehicles subject to state-level approval, inconsistent interpretations and regulatory approaches across states have led to fragmented implementation. This complexity is further compounded by resistance from incumbent transport operators, such as auto-rickshaws and motor cab services, who often express concerns over potential loss or redistribution of earnings. The combined effect is legal ambiguity, compliance challenges for platforms, and income uncertainty for riders, alongside uneven safety and enforcement standards.

Given the growing importance of bike taxis in both mobility and employment, there is a clear need for coherent and harmonised regulatory frameworks that address classification gaps, balance stakeholder interests, and enable responsible sectoral growth.

Objectives

This Study aims to develop clear, evidence-based recommendations for harmonising bike taxi regulations across Indian states. To achieve this, the study will:

- Examine the central legal and policy framework governing bike taxis, including the Motor Vehicles Act, 1988 and the Motor Vehicles Aggregator Guidelines, 2025.
- Analyse state-level regulatory approaches across India.
- Review global best practices to draw relevant policy insights for India.
- Undertake a comparative assessment of six Indian states- **Delhi, Kerala, Maharashtra, Rajasthan, Tamil Nadu, and West Bengal**, to capture diverse regulatory approaches.
- Propose actionable recommendations to enhance regulatory clarity, strengthen last-mile connectivity, support gig employment, and enable sustainable growth of the bike taxi sector.

SCOPE OF WORK

A structured approach to develop evidence-based, actionable recommendations for harmonising bike taxi regulations across Indian states.



Expected Outcomes

- **Enhanced regulatory clarity:** Actionable recommendations to reduce ambiguity, streamline compliance, and create a stable and predictable policy environment.
- **Sustainable and viable revenue models:** Identification of balanced approaches for states to generate revenue while supporting innovation and sectoral growth.
- **Strengthened urban mobility integration:** Improved positioning of bike taxis within urban transport systems to address last-mile connectivity and congestion challenges.
- **Promotion of livelihoods and gig employment:** Support for inclusive and sustainable livelihood opportunities by strengthening the role of bike taxis within the gig economy and improving conditions for workers.