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CONSUMER VOICE

EASE OF VEHICLE OWNERSHIP INDEX

Benchmarking Indian States on Pre-Owned Vehicle Commerce

2026

EXECUTIVE SUMMARY

Context

India's pre-owned vehicle market is undergoing a profound structural shift, evolving from a fragmented, informal sector into a cornerstone of the national consumer economy. Projected to grow from USD 36.4 billion in 2025 to over USD 73.5 billion by 2030, the sector already outpaces new vehicle sales in volume, fundamentally redefining mobility and asset ownership across the country.

India's Pre Owned Vehicle Market

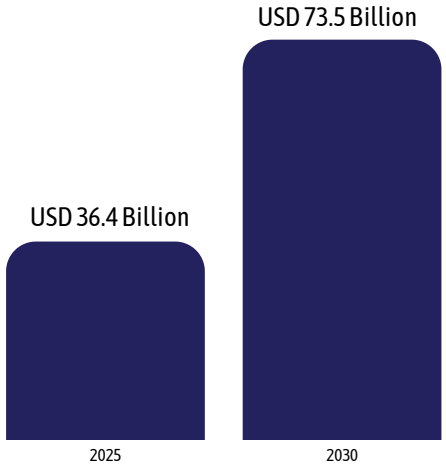


Fig 1: Market Growth Projection[1]



Fig 2: Expected ratio of Pre-Owned vehicles sales to new vehicles sales by 2030[2]

5-8 tonnes of carbon emissions saved when a pre-owned vehicle purchase substitutes a new vehicle purchase[3]

However, this rapid scaling has exposed a critical systemic mismatch: India's vehicle ownership transfer framework remains tethered to an era of localized, bilateral transactions. This legacy administrative architecture is increasingly strained by the realities of a digitally enabled, platform-driven, and interstate marketplace. As organized intermediaries and large-scale inventory movements become the norm, the existing framework must evolve to meet modern demands for transparency, efficiency, and scale.

[1] Car&Bike & Volkswagen. (2025). India Blue Book.
[2] ET Auto. (2025, January).
[3] MMCM. (2026, May 8). Carbon footprint of a car in India: Emissions by fuel type.

The need for an Index

As India's pre-owned vehicle market expands across state boundaries, inconsistencies in ownership transfer processes have emerged as a significant barrier to efficiency, transparency, ease of doing business, and ease of living at large. While the central government provides the overarching legal framework, implementation rests with State Transport Departments, resulting in wide variations in procedures, timelines, documentation requirements, and digital integration across states. This fragmented regulatory experience creates friction for citizens, dealers, and digital mobility platforms operating in an increasingly interconnected marketplace.

A national benchmarking index can serve as a critical reform instrument by bringing transparency, comparability, and accountability into the system.

By systematically measuring state-level performance across key dimensions of the ownership transfer journey, the index can help identify implementation gaps, spotlight best practices, and create incentives for administrative modernization through competitive federalism.

Similar benchmarking exercises, such as the Ease of Doing Business Index and mobility-focused governance assessments, have demonstrated how transparent rankings can accelerate state-led reforms, improve service delivery, and drive institutional innovation.

In this context, the index is more than a measurement tool; it's a catalyst to harmonize India's vehicle transfer ecosystem into a more seamless, citizen-centric, and digitally integrated national market. Vehicle ownership transfer is more than an administrative transport function. It is one of India's largest citizen-state asset transactions and a critical enabler of market formalisation, interstate mobility, and digital governance.

Much as the GST unified the movement of goods across state boundaries, India now requires a comparable administrative transformation to enable seamless movement of vehicle ownership. The quality of ownership transfer processes therefore serves as a proxy for how effectively states deliver interoperable, citizen-centric public services in an increasingly national marketplace.

Ease of Vehicle Ownership Index

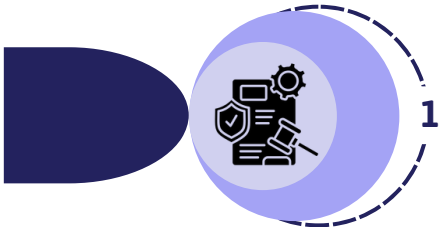
The Ease of Vehicle Ownership Index (EVOI) applies the principles of competitive federalism to benchmark state performance in vehicle ownership transfers through a transparent, evidence-based framework. By measuring procedural efficiency, user experience, and implementation quality across states, the Index aims to drive reform, identify best practices, reduce friction for citizens and dealers, and support the formalisation of India's growing pre-owned vehicle market.

This edition covers 15 states representing over 85%[4] of the organised used car market and focuses exclusively on the pre-owned vehicle ownership lifecycle. The assessment captures both official procedures and on-ground user experiences, while excluding areas such as new vehicle registrations, EV infrastructure, road conditions, and broader sustainability metrics.

[4] Estimate based on industry transaction volumes and market presence of major organised used-vehicle platforms.

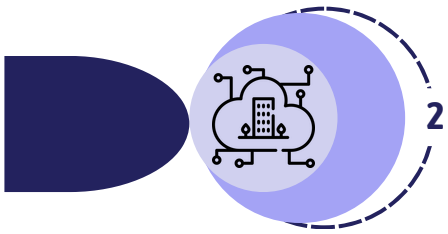
Six-Pillar Framework for measuring Ease of Ownership

The EVOI evaluates performance across six interconnected pillars, each weighted to reflect its direct impact on the citizen and dealer experience. Scores are computed using a geometric mean–based composite index methodology that rewards balanced, consistent performance.



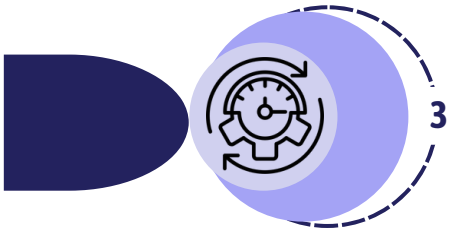
Weightage: *20%*

Policy & Regulatory Framework
Clarity and consistency of ownership transfer rules across states



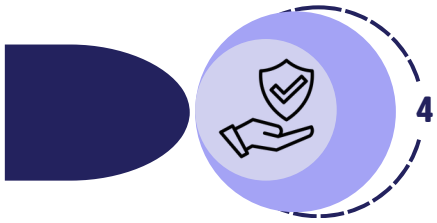
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Digital Infrastructure & Services
Functional availability and reliability of online systems



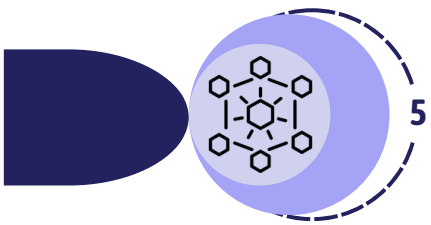
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Process Efficiency & Timeliness
Speed, predictability, and procedural burden



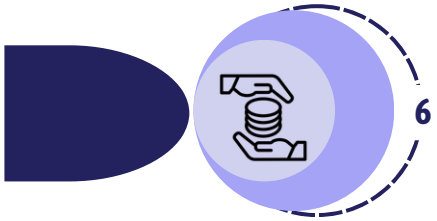
Weightage: *10%*

Transparency & Accountability
Fee clarity, application tracking, and grievance mechanisms



Weightage: *15%*

Institutional Ecosystem
Consumer protection, dealer support, and trade infrastructure



Weightage: *15%*

Cost & Affordability
Official fees vs actual all-in market cost of transfers

Structural Realities Defining the Ecosystem

The EVOI findings identify nine structural realities that define India's current vehicle ownership transfer ecosystem. Together, they explain why the market has grown faster than the administrative system governing it.

Procedural Heterogeneity

While the Central Motor Vehicles Rules (CMVR) establish a national baseline, decentralized execution creates hyper-localized mandates across state and intra-state RTOs, leading to divergent procedural requirements and implementation practices. These variations increase compliance burdens, creates uncertainty for citizens and businesses, delays vehicle transactions, and restricts the development of a seamless national pre-owned vehicle market.

Deemed Ownership Limbo

Despite clear central government legislative intent to mitigate liability risks in the secondary market, the "Deemed Ownership" framework lacks operational enforcement. While 22 states have formally incorporated deemed ownership into their regulatory frameworks, actual adoption on the ground remains limited. Large states like Delhi, Karnataka, and Telangana have no dealers registered so far, and certain states like Andhra Pradesh, Haryana, Gujarat, Punjab, and Uttar Pradesh have single-digit registrations (refer to Annexure for the state-wise registration list). As a result, the proportion of vehicle transfers processed through deemed ownership mechanisms remains significantly below its potential, highlighting a disconnect between regulatory intent and market implementation.

Incomplete Digitisation

Constrained by paper-based backend processes and disconnected data systems, resulting in continued physical visit requirements, inconsistent DigiLocker acceptance, and the absence of a unified, verifiable vehicle history across ownership, insurance, liabilities, penalties, and enforcement records.

Hypothecation Deadlock

The absence of real-time integration between banks and transport departments has turned loan closure and hypothecation removal into a major transaction bottleneck. Dealers and buyers often operate without visibility into outstanding liabilities, forcing manual coordination with banks and significantly delaying transfers. None of the assessed states are achieving a seamless workflow. The severity is starkly split: As per the survey findings, 50% of states report severe challenges, while the remaining 50% face moderate operational difficulties.

Structural Realities Defining the Ecosystem

Road Tax Inequities

Interstate transfers trigger systemic double taxation. While jurisdictions levy new taxes based on original vehicle invoice values, mechanisms for acquiring refunds from preceding states remain administratively inaccessible, delayed, or heavily depreciated.

Systemic Rent-Seeking

Opaque processes and administrative friction compel citizens to rely on third-party agents to navigate RTO workflows. This dependency, driven by manual verifications and informal payments, artificially inflates the actual market cost of ownership transfers to nearly 10 times the official statutory fees, according to the survey findings.

Challan Bottleneck

Active traffic penalties function as a "digital lock," blacklisting vehicles on the Parivahan portal and halting transfers. This is compounded by "Circular Dependency," where one cannot pay a fine without critical information, and "Portal Deserts," where systems fail to synchronize in real-time, leaving vehicles blocked for weeks after a fine has been cleared.

Weak Grievance Architecture

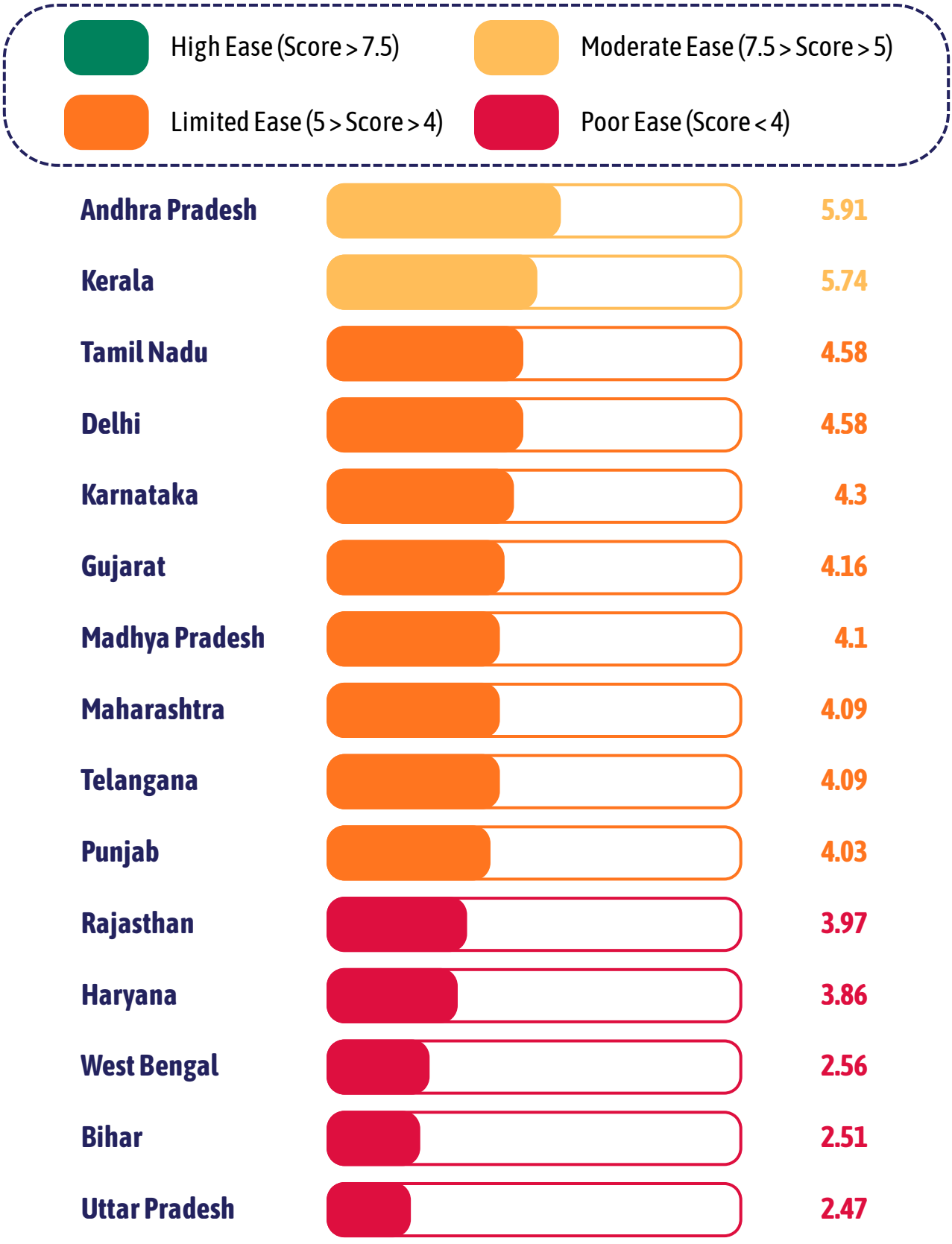
The near-total lack of functional grievance redressal mechanisms for portal failures or stalled digital applications creates an institutional void. Without a formal recourse framework, citizens and commercial stakeholders are forced back into physical, manual interventions to resolve automated system deadlocks.

NOC Fragmentation

Non-Objection Certificate (NOC) requirements vary widely across states, with differing rules for intra-state transfers, destination-specific NOCs, validity periods, and documentation. These inconsistencies create avoidable delays, increase compliance costs, and undermine the vision of a seamless national vehicle market.

Overall State Rankings: 2026

The cross-state analysis reveals a deeply uneven but consistently friction-heavy ecosystem. The scores are on a scale of 0-10, and the scores secured range from 5.91 (Andhra Pradesh) to 2.47 (Uttar Pradesh), reflecting fundamentally different quality of citizen experience, not minor administrative variation.



Citizen Experience: What Users Reported

39%

of citizens reported that their Registration Certificate (RC) transfer was still pending after completing their vehicle transaction.

61.5%

of respondents were unaware of Party Peshi requirements until they reached the RTO, highlighting significant gaps in procedural transparency.

63%

of citizens were unable to accurately estimate the total cost of completing an ownership transfer, reflecting widespread opacity in transaction charges.

100%

of respondents admitted to relying on intermediaries or agents to complete ownership transfer procedures due to administrative complexity.

Where Reform is Working: State Bright Spots

Kerala
Delhi
Gujarat

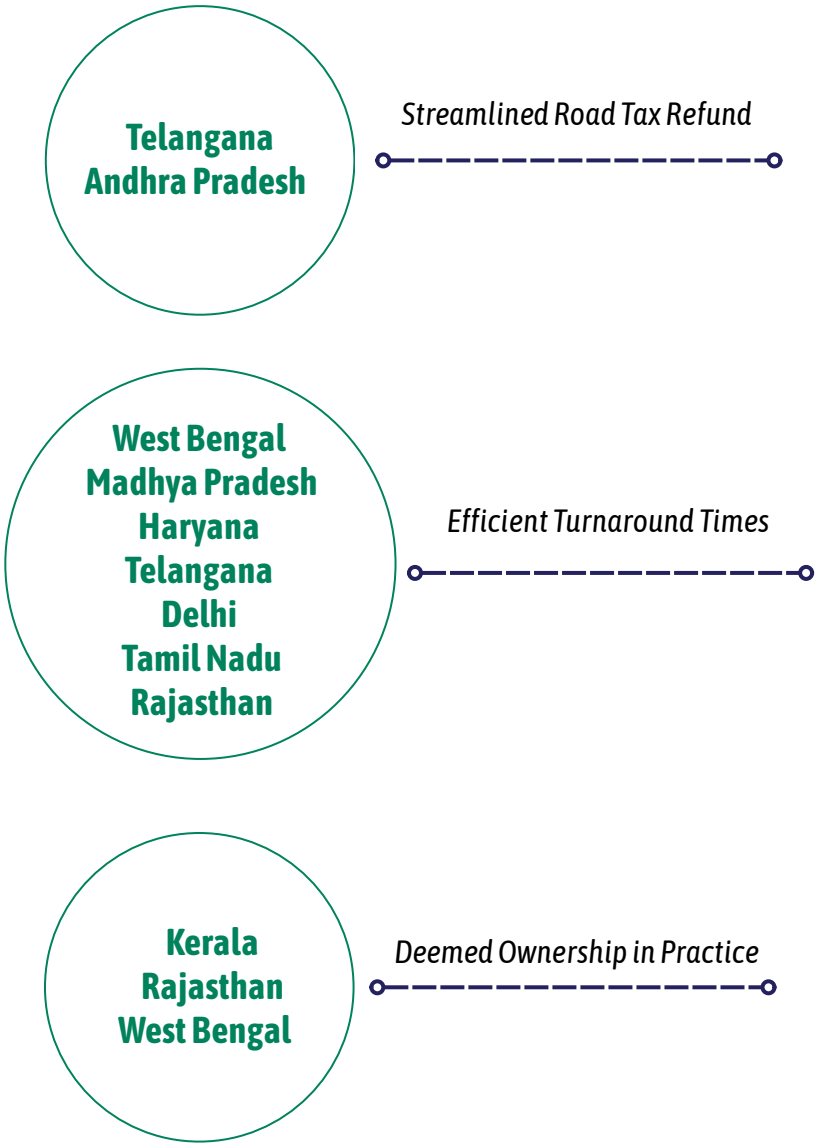
Digital Transfer Readiness

These states have developed the infrastructure for digital ownership transfers. However, practical implementation still often involves visits to RTOs for document submission and processing. While these states are closest to a faceless model, the user journey is not yet fully faceless in practice.

Andhra Pradesh
West Bengal

Innovation in Access

These are among the few states pioneering alternatives to physical party appearances. West Bengal allows seller verification through video-call-based appearance in select RTOs, while Andhra Pradesh uses biometric pre-authentication of all parties involved at available centres.



The only two states with a functional road tax refund mechanism. Survey findings suggest a 15–30-day processing time and an 80–90% return rate via Demand Draft.

These states demonstrate comparatively faster processing of ownership transfer applications, with dealers and agents reporting more predictable timelines and fewer procedural delays than the national average. While documentation requirements and digital maturity vary across jurisdictions, stronger administrative workflows and quicker approvals contribute to a more efficient transfer experience for citizens and dealers.

These are among the few states where dealers and agents actively operationalise the deemed ownership framework during vehicle transactions. This provides greater certainty during vehicle holding periods, reduces liability concerns for intermediaries, and demonstrates how existing regulatory provisions can be effectively translated into practice.

The pre-owned vehicle ecosystem sits at the intersection of economic growth, employment generation, digital governance, financial inclusion, and sustainability.

A more efficient ownership transfer system can unlock significant economic value by improving inventory velocity, reducing transaction costs, formalizing informal commerce, and expanding access for first-time buyers.

The Reform Pathway: Eight Priorities

The report outlines a reform pathway centred on eight priorities that collectively address the structural gaps documented across the six pillars. These reforms broadly advocate for standardisation and digitisation of the services.

Digitize Ecosystem

Create a unified cloud-based vehicle records system with automated online approvals, digital identity verification, and video-KYC to eliminate retrieval delays, physical appearances, and dual document submissions.

Accountable Service Delivery

Institutionalize transparent, enforceable Service Level Agreements (SLAs) across the entire RTO ecosystem to enable instant (< 24 hrs) service delivery guarantees.

Standardize NOC Frameworks

Establish a uniform, digitally processed national NOC framework by eliminating state-level variations in requirements, documentation, and validity norms to enable seamless interstate vehicle transfers.

National Road Tax Standardisation

Transition toward a unified framework effectively a "One Bharat, One Road Tax" model to eliminate inter-state fiscal arbitrage, eradicate double taxation, and streamline cross-border asset mobility.

Operationalise Deemed Ownership

Enforce the statutory "Deemed Ownership" framework across all jurisdictions.

Standardize HP formalities

Replace physical NOCs and bank visits with real-time API integration between lending institutions and Parivahan, ensuring automatic "lien removal" upon loan settlement

Cost Rationalization

Eliminate intermediary costs by enabling a digital unified payment gateway that transparently consolidates all statutory and service charges into a single transaction.

Liberalize Challan Ecosystem

Streamline traffic penalty resolution within ownership transfer workflows by permitting authorized stakeholders to clear outstanding fines.

> **The EVOI establishes a framework for competitive federalism in mobility governance, one that positions vehicle ownership not simply as a transport function, but as a measurable indicator of a state's digital maturity, institutional responsiveness, and economic readiness for the next phase of India's mobility transition.**