LEAP INSIGHTS · REPORT

India’s car, scooter and truck cities

What the vehicle ledger reveals about the economies of India’s largest cities

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SUMMARY

India, unfortunately, publishes almost no city-level economic data. Yet vehicle registrations, free and already collected, quietly encode the economic character of its cities and serve as a proxy for it. The trick, however, is to read the mix, not the count. Ranked by the composition of their fleets, India's largest cities can be sorted into recognisable economic types. Car cities are those that run on private cars—Chandigarh, Kolkata, and a distinctive Kerala cluster. Scooter cities run on two-wheelers—the industrial and farm towns of the north and Central India. Truck cities are those that run on freight—the logistics nodes and industrial belts. The same ledger, however, misleads spectacularly when read by raw size. The fix is to publish live, deregistration-adjusted city data from the Vahan system that already holds such data.

KEY FINDINGS

- **Car cities.** Chandigarh (53%), Kolkata (48%), and Srinagar (43%) lead the country in cars as a share of personal vehicles. Kerala is the only state with a whole cluster of high-car cities (Figure 1).
- **Scooter cities.** In Aurangabad, Varanasi, Durg-Bhilai, and Kota, two-wheelers are more than 90% of personal vehicles—a signature of industrial and farm towns where incomes are lower and trips shorter (Figure 2).
- **Truck cities.** Faridabad has the highest commercial-fleet share, with Vashi, Thane, Srinagar, and Ranchi also two to three times the median; consumption cities such as Nashik (0.6%) and Chandigarh carry almost none (Figure 3).
- **Size lies.** Faridabad ranks third in the country by raw fleet count—about 7.9 million vehicles for a city of roughly 1.4 million—yet its composition still correctly marks it as a freight hub (Table 1).

1 Context

India is urbanising fast — going by several visible trends such as retail presence, food chains, and vehicular traffic. But since the country has no standardised, current, city-level series for economic output—no municipal GDP, no reliable employment count—it is difficult for policymakers to rank one city against another on the strength of their economies. What India does have, though, is a scattering of administrative datasets, collected for other purposes, that carry an economic signal—provided you know how to read them.

Vehicle registrations are one such dataset. Every car, scooter, and truck must be registered with a Regional Transport Office, and those records are aggregated, city by city, by the Ministry of Road Transport and Highways. The latest published edition lists fleet figures for 55 “million-plus (by population count)” cities. Eight, however, are the established metros—Delhi, Greater Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad, Ahmedabad, and Pune—which official statistics already over-measure. The remaining 47 are the Tier-2 and Tier-3 cities that conventional data forgets. Together these 47 cities account for over 60% of the vehicle stock (65.7 million of the 109.0 million vehicles in the table).

What “the fleet” means. Throughout this report, a city’s fleet is its registered cars, two-wheelers, and commercial vehicles (trucks, tempos, and goods carriers)—the everyday vehicle economy of a city. Two categories are set aside: tractors, an agricultural class registered by the surrounding rural districts, and a small miscellaneous residual (jeeps, trailers, omnibuses, and unclassified vehicles), normally about 2% of the fleet. One exception: Ranchi reports an abnormally large unclassified residual (about 37% of its fleet, against a typical 2%), so for Ranchi alone that residual is retained in the denominator—holding its commercial share at a plausible 17% rather than an artefactual 27%. Every other share below is computed on the cars-plus-two-wheelers-plus-commercial fleet.

Why shares, not counts. A registered fleet is a stock, accumulated over decades and corrupted by vehicles that were scrapped but never deregistered, so raw counts are unreliable and largely track city size. The composition of a fleet—how much of it is cars versus two-wheelers, commercial versus personal—is far more robust than raw counts, because many registration-related distortions affect all vehicle classes at once. Two cautions follow. The “car share” of a city is the ratio of cars to two-wheelers, not a claim that cars outnumber every other vehicle; in absolute numbers two-wheelers still lead almost everywhere. And the share is what carries the economic signal: a city can have similar raw counts of cars and scooters to its neighbour yet a very different ratio, and it is the ratio that tracks living standards. The figures here are the Ministry’s published year-book data used exactly as they stand: no vehicles have been filtered out, and the dead stock cannot be removed—which is the very reason the analysis reads composition rather than raw counts.

2 Evidence

2.1 The cities that run on cars

In most Indian cities the two-wheeler is the default vehicle and the car is aspirational. A handful of cities break the pattern, and ranking all 55 by cars as a share of personal vehicles (cars plus two-wheelers) reveals who they are.

Three cities sit far above the rest. Chandigarh tops the country at 53%—a planned, affluent, car-designed city, and the only one where cars actually outnumber two-wheelers. Kolkata follows at 48%, though here the ratio is partly reflective of a metro that leans heavily on public transport and under-registers two-wheelers. Srinagar comes third at 43%, largely attributable to the hilly terrain and winters that make a two-wheeler impractical. In all but Chandigarh, two-wheelers still outnumber cars in absolute terms; what marks these cities out is the unusually high ratio of cars to two-wheelers, which tracks relative living standards rather than city size.

After these outliers comes the most coherent signal in the data: a cluster of Kerala cities—Thiruvananthapuram and Kochi at roughly a third, followed by Thrissur, Kozhikode, and Kannur—probably lifted by decades of Gulf remittances. Kerala is distinctive for being the only state with a whole cluster of high-car cities. It would not be unfair to say that where a household in a poorer city buys a scooter, a Keralite household buys a car.

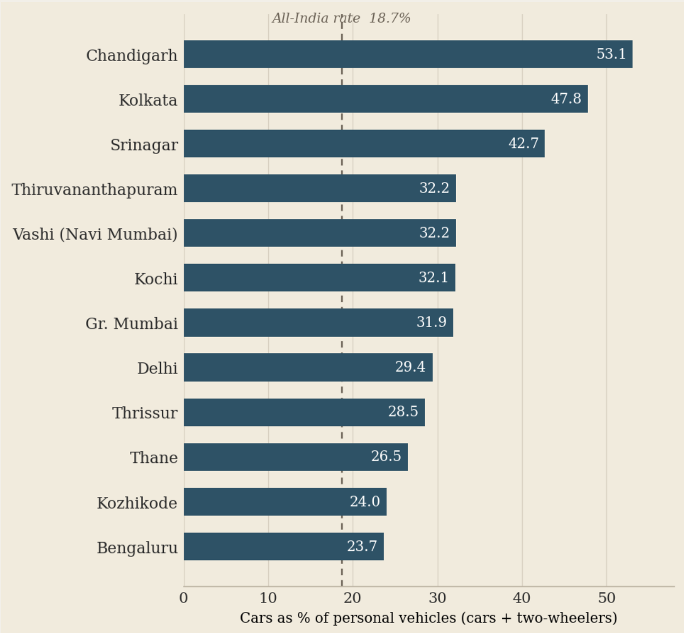

Figure 1. Cars as a share of personal vehicles (cars + two-wheelers), the twelve highest cities. Bars to the right of the dashed line buy cars at above-average rates.

2.2 The cities that run on two-wheelers

Turn the ranking over and the opposite economy appears. In the most two-wheeler-dependent cities, scooters, motorcycles, and mopeds make up more than nine in ten personal vehicles. Closer analysis suggests that these are not random places: they are the manufacturing towns and smaller cities of the interior—Aurangabad and Durg-Bhilai (industrial), Varanasi (a dense heritage city of short trips), the student city of Kota alongside Jodhpur and Jabalpur, and the Tamil Nadu hubs of Madurai and Trichy (industrial). Lower incomes and shorter distances make the two-wheeler not a stepping-stone to a car but a rational vehicle of choice.

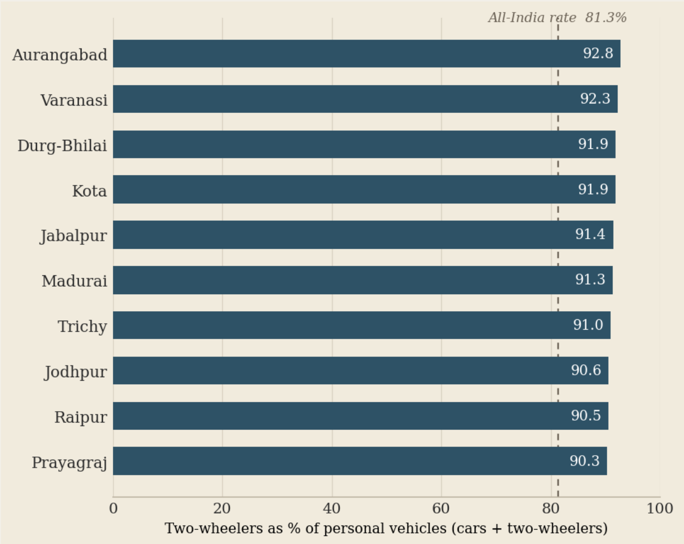

Figure 2. Two-wheelers as a share of personal vehicles, the ten highest cities. (Faridabad's apparent first place is excluded as a registration artefact; see §2.4.)

2.3 The cities that run on trucks

A third measure—commercial vehicles as a share of the fleet—cleanly separates freight and industrial cities from consumption-driven ones. Across the 55 cities the measure runs as a continuous spectrum, from under one per cent of the fleet to over twenty, with a median near nine.

At the freight-heavy end, Faridabad has the highest commercial share of all—genuine, even though its raw fleet total is not (see §2.4)—followed by Vashi in Navi Mumbai (22%), Thane (19%), Srinagar (18%), and Ranchi (17%): logistics nodes, industrial belts, and regional distribution hubs. (Ranchi's figure rests on a one-off denominator adjustment, explained in the method note, that corrects for a large misclassified residual in its source data.) At the other end, consumption cities such as Nashik (a striking 0.6%, low enough that it likely reflects an RTO classification quirk as much as a real economy), Chandigarh, Agra, Coimbatore, and Lucknow carry barely any commercial vehicles relative to the size of their fleet: their economies are built on residents spending, not goods moving through. One city earns a second look—Srinagar ranks high on both cars and trucks, with no contradiction: its terrain suppresses two-wheelers while its role as the valley's sole distribution gateway, in the absence of a railway network, loads it with freight. The two measures capture different things, and a city can score on both.

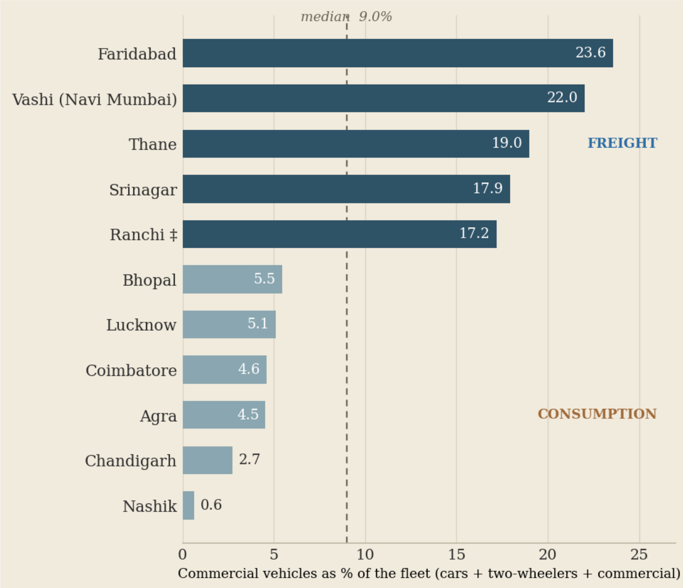

Figure 3. Commercial vehicles as a share of the fleet (cars + two-wheelers + commercial). Freight cities carry several times the share of consumption cities. Ranchi (‡) uses a one-off denominator that retains its misclassified residual (see method note); on the standard basis it would read a misleading 27%.

2.4 When the data lies

The same dataset that reveals so much can also mislead—and the way it misleads is instructive. Ranked by the raw count of registered vehicles, Faridabad places third in the entire country, with about 7.9 million vehicles on its register, behind only Delhi and Bengaluru. For a city of roughly 1.4 million people, that is nearly six registered vehicles per resident—impossible on its face, and a reminder that a register counts paperwork, not vehicles on the road.

The number is an artefact of two forces. First, registrations are cumulative and India almost never deregisters a vehicle, so dead stock piles up indefinitely. Second, Faridabad sits inside the National Capital Region, where registration arbitrage—registering where it is cheaper or faster—inflates the local count far above the vehicles actually on its roads.

> *"Registered is not the same as on the road. A fleet count measures paperwork that has accumulated; the economy lives in the composition of that paperwork, not its total."*

The lesson is not to discard the data but to read it correctly. Faridabad's total is noise; its commercial share—the highest of any city in the table once the data-quality outliers are set aside, at 23.6%—correctly marks it as the industrial freight hub it genuinely is.

Table 1. The six largest fleets by raw count of registered vehicles (tractors excluded). * Faridabad's total is inflated by no-deregistration stock and NCR registration arbitrage; its composition, not its size, is the signal.

Rank	City	Registered vehicles	Comm. share (%)
1	Delhi	11,892,551	5.2
2	Bengaluru	9,549,453	12.0
3	**Faridabad***	7,889,001	**23.6**
4	Chennai	6,234,744	9.1
5	Ahmedabad	4,434,926	10.1
6	Greater Mumbai	3,838,909	11.6

3 Implications

3.1 Read the mix, not the size

The single most important rule for using administrative vehicle data is to ignore the headline counts. Raw fleet rankings are corrupted by stock artefacts—no deregistration, registration arbitrage, decades of accumulation—and will mislead anyone who treats them as a proxy for city size or wealth. Composition is the durable signal. Car share tracks living standards; two-wheeler share tracks the opposite; commercial share tracks freight intensity. These ratios are far more robust than raw counts because many of the data's distortions hit every category at once.

3.2 Publish live city data from Vahan

This analysis runs on the most recent city series the Ministry of Road Transport and Highways has published—already several years old, and never cleaned of scrapped vehicles. The underlying Vahan system, by contrast, is updated by every Regional Transport Office in real time and records deregistrations and transfers as they happen, so it could support a far more current, deregistration-aware series than the static year-book allows. The gap is one of publication, not collection. The government should publish updated, city-level registration data from Vahan on a rolling basis. The patterns shown here are structural—Kerala will still run on cars next year, and Vashi on trucks—so a refresh will not overturn the story. A quarterly read on which cities are adding commercial fleet, where car ownership is rising, and how the urban economy is shifting would be genuinely useful. The data is already collected and already funded; publishing it would cost almost nothing.

3.3 One layer in a multi-signal city map

Vehicle composition is not a complete economic measure, and it is not meant to be one. It is one observable layer, at its most powerful stacked alongside other administrative traces a city leaves, from business and facility density to commercial traffic. Each signal is therefore partial; read together, and read by composition rather than count, they begin to substitute for the city-level economic statistics India does not yet produce.

SOURCE

Ministry of Road Transport and Highways, *Road Transport Year Book 2019-20*, Annexure A4 ("Million Plus Cities"), via `data.gov.in/catalog/road-transport-year-book-2019-20`. Commercial vehicles are derived as grand total minus total non-transport; every share is then computed on the cars + two-wheelers + commercial fleet (tractors and the miscellaneous residual excluded, Ranchi excepted). The grand-total column is never itself used as a denominator.