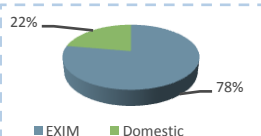
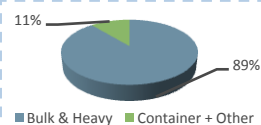
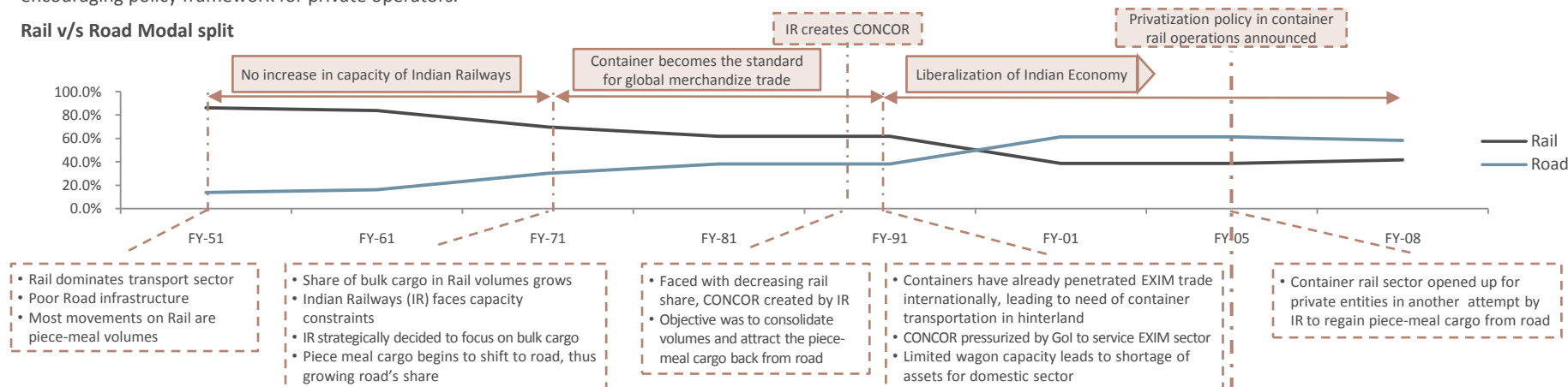


Rail's failure in capturing domestic freight

India's large freight transportation market has seen radical shift in the preference towards transportation mode in the last half century. Rail transportation, the dominant mode in the post-independence decade, has consistently lost market to road. Today road is the preferred mode even for long lead (>700 km) transportation, which is typically found to be economical on rail. As per a conservative estimate, containerisable cargo to the tune of seven million TEUs p.a. moving over more than 700 km lead in the domestic market is served by road today in absence of an appropriate rail based solution. This could be attributed to Indian Railway's (IR) failure in recognizing latent potential in domestic market, scaling up rail capacity and establishing an encouraging policy framework for private operators.

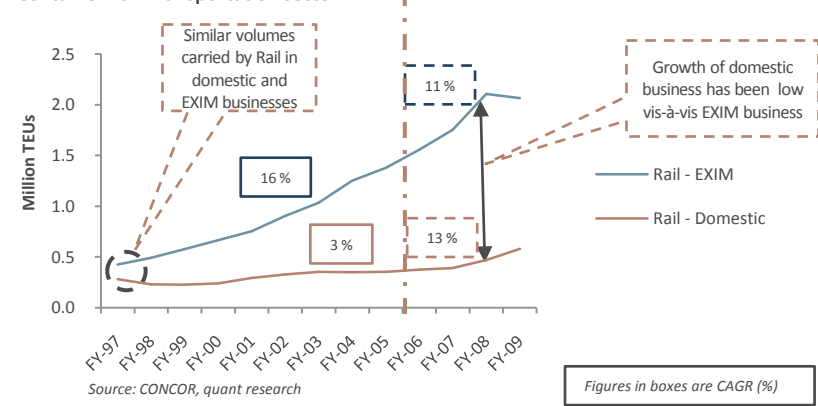
Rail v/s Road Modal split



Private CTOs..

- competed with CONCOR in EXIM on established routes without significantly expanding the market
- identified untapped domestic cargo flows and contributed to the expansion of domestic market
- because of lack of terminals, Rail pricing distortions and short sighted strategization created a distortion in the nature of domestic operations (e.g., chassis based handling hijacked the "multi-modal" agenda)

Container Rail Transportation sector



Domestic market for rail constitutes more than seven million TEUs, which could be attracted using the "right" strategy and pricing mix