

Indian Railways Transports 20% of Cars in India: A Green Logistics Revolution

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Car Transportation by Rail Latest News

- In a major step towards reducing carbon emissions, Indian Railways increased its share of passenger vehicle (PV) dispatches to over 20% of total car production in 2024-25, a sharp rise from just 1.7% in 2014-15.
- In 2024-25, Indian Railways transported 10.41 lakh cars, with total car loading expected to reach 15 lakh annually soon. This shift supports India's net zero emissions target by 2070 and presents a new revenue stream for the Railways.
- Railway Minister Ashwini Vaishnaw inaugurated India's largest automobile Gati Shakti Multi-Modal Cargo Terminal (MMCT) at the Maruti Suzuki plant in Manesar, Haryana, capable of dispatching up to 4.5 lakh vehicles annually.

How the 'Rail Coefficient' for Car Transport Increased

- **Liberalisation of AFTO Policy**

- The Automobile Freight Train Operator (AFTO) scheme has been made more flexible to encourage car manufacturers to use Indian Railways for transporting passenger vehicles:
 - Registration fee of ₹5 crore removed
 - Minimum rake requirement reduced from 3 to 1
 - Auto ancillaries and spares now allowed in both directions
 - Net worth criteria for applicants eliminated
 - Spare wagon maintenance requirement eased from 4% per rake to 4% of total holdings
- **Industry Engagement and Feedback**
 - Regular consultations are held with key stakeholders like SIAM (Society for Indian Automobile Manufacturers) to continuously improve the policy based on industry needs.
- **Infrastructure Expansion**
 - To support increased volumes, Indian Railways has added multiple automobile loading terminals across the country. New terminals include:
 - Eastern Region: Chitpur
 - Southern Region: Penukonda
 - Northern Region: Nasrula
 - North Eastern Region: Nautanwa, Bakshi ka Talab
 - East Central Region: Mesra
 - East Coast Region: Hirakud
 - Western Region: Champaner, Chharodi
 - North East Frontier Region: Baihata, Salchapra, Furkating, New Tinsukia, Jirania, Agthori
 - Central Region: Loni, Khadki, AJNI, Vilad
- These reforms and infrastructure additions have significantly contributed to the rise in the 'rail coefficient'—the share of cars transported by rail.

Wagons Used by Indian Railways to Transport Cars

- **Evolution of Automobile Transport by Rail**
 - Initially, Parcel Vans (VPs) were used, attached to passenger or mail/express trains.
 - Later, Bogie Open Military (BOM) wagons were introduced but were limited to military equipment.
- **Introduction of NMG Coaches**
 - In 1995–96, New Modified Goods (NMG) coaches revolutionized car transport.
 - A single rake of 25 NMG coaches can carry:
 - 100–125 cars
 - 125–175 tractors
 - 1,500–1,675 two-wheelers
 - Indian Railways is continuously expanding its fleet of NMG rakes.
- **Modern Wagons for Larger Vehicles**
 - To meet the growing demand for transporting larger passenger vehicles like SUVs, the Railways introduced three new types of double-decker auto wagons.
 - These modern rakes have significantly enhanced the capacity and efficiency of automobile transportation via rail.

India's Top Car Transporters by Rail

- **Maruti Suzuki Leads the Pack**

- Maruti Suzuki accounts for nearly 50% of all car transport via Indian Railways.
- Maruti uses 17 railway hubs, which serve 380 cities across India.

- **Other Major Players**

- Hyundai ranks second in car transport by rail.
- Tata Motors holds third position.
- Mahindra Group is in fourth place.

- **Domestic Sales Dominate**

- Approximately 80% of cars transported by rail are meant for domestic markets.

- **Expansive Rail Infrastructure**

- India currently has 133 railway sidings where cars are loaded and unloaded, supporting the growing shift to rail logistics in the automobile sector.

Growth in Car Dispatches by Indian Railways

- **Steady Rise in Car Dispatches**

- Indian Railways has witnessed a sharp increase in car dispatches over the past decade:
 - 2024–25 (FY25): 10.41 lakh cars
 - 2023–24 (FY24): 9.69 lakh cars
 - 2022–23 (FY23): 7.70 lakh cars
 - 2021–22 (FY22): 4.91 lakh cars
 - 2020–21 (FY21): 3.98 lakh cars
 - 2019–20 (FY20): 3.09 lakh cars

- **20-Fold Growth Since 2014–15**

- From just 54,219 cars in 2014–15, car loading has grown nearly 20 times—a testament to Indian Railways' enhanced role in green and efficient logistics.

- **Contributing Factors**

- This growth is attributed to:
 - Policy reforms like liberalising the AFTO scheme
 - Introduction of modern auto-wagons
 - Expansion of dedicated automobile terminals and sidings across the country.

Source: IE

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