



VIDEC's

# India Ground Transportation Market Opportunity & OTA Benchmarking Study, FY22-FY27

Overview and analysis of Indian ground transportation market opportunity with a spotlight on rail and intercity bus market, along-with the India based OTA landscape.

Written by:  
Deepak Jain & Virendra Jain

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PARTNERS

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# India Ground Transportation Market Opportunity & OTA Benchmarking Study, FY22-FY27

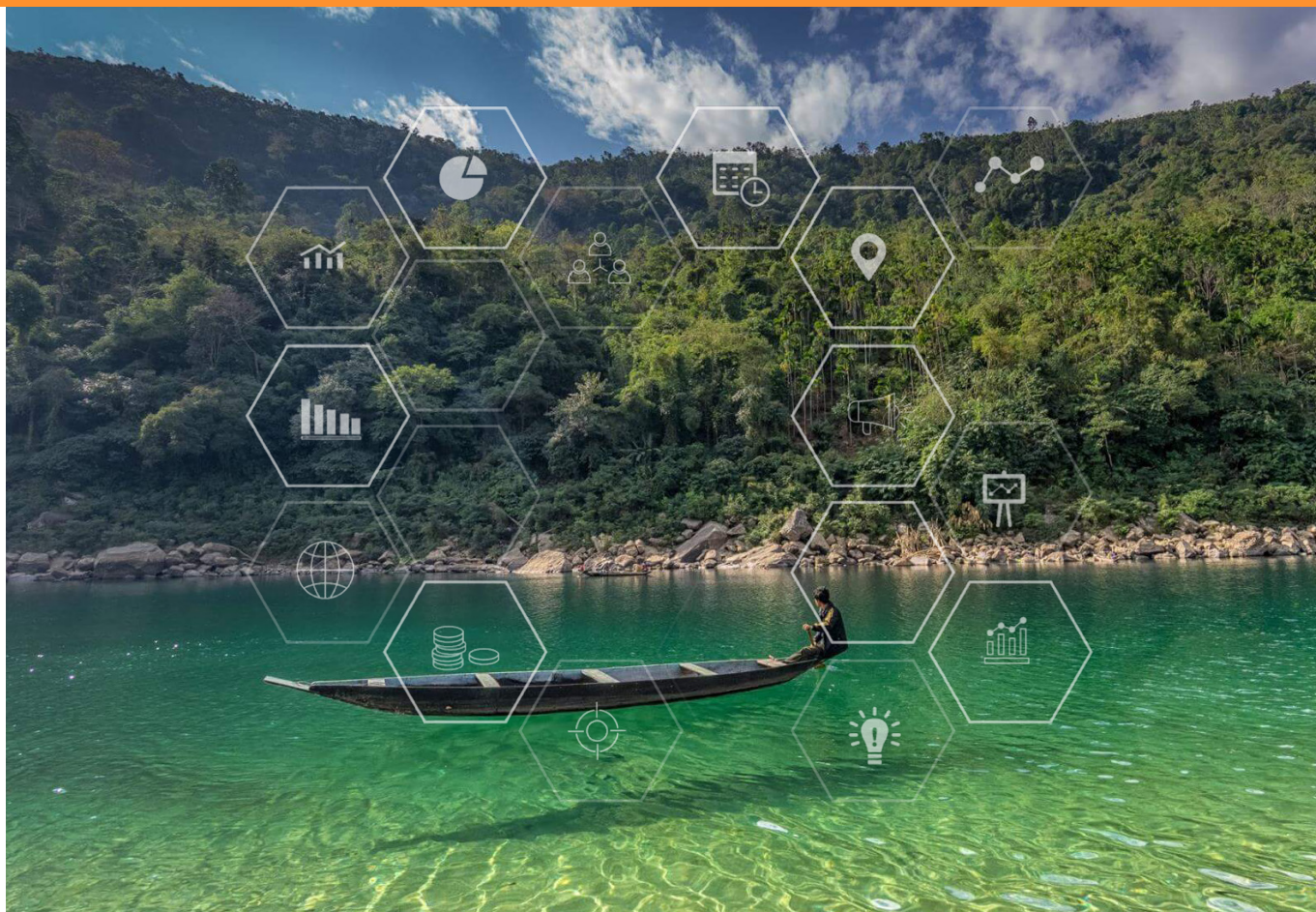
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VIDEC undertook an independent, rigorous, and unbiased, multi-client syndicated research on the India Travel Market, covering air, hotel, alternate accommodations, rail, and intercity bus categories with an emphasis on the role of online travel intermediaries.

VIDEC is thankful to its sponsor partners who agreed for the need of such an overarching research and for their sponsorship participation in this multi-client syndicated research study.







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## Key Findings

1. India's intercity bus market is highly fragmented with over 5,200 private bus operators and more than 25 state road transport corporations (SRTCs) servicing the demand.
2. The total intercity bus travel market was estimated at US\$5.7 billion (₹47,443 crores) in FY24, up 7.4% compared to FY23.
3. Looking ahead, the intercity bus market is projected to grow at a CAGR of 8% from FY24 to FY27 and is expected to reach \$7.2 billion (₹59,792 crores) by FY27.
4. The online intercity bus market was estimated at \$1.4 billion (₹11,523 crores) in FY24, marking a steady increase from \$1.2 billion (₹9,471 crores) in FY23.
5. OTAs accounted for 90% of the online intercity bus GBV in FY24, translating to \$1.3 billion (₹10,398 crores), a 22% increase year-over-year. They are expected to clock a GBV of \$2.1 billion (₹17,373 crores) by FY27.
6. In contrast, supply-direct channels remain nascent due to the enormous fragmentation. Most private bus operators lack incentive to digitize & offer direct bookings and prefer partnering with OTAs, given the operational ease and broader reach OTAs offer.
7. MakeMyTrip Group continues to dominate India's intercity online bus travel segment, commanding a 75% share of the OTA bus market. It's domestic GBV was estimated at \$945 million in FY24, marking a 19% increase from \$796 million in FY23.
8. ixigo Group holds a distant second position with a GBV of \$142 million in FY24, up 18% from \$121 million in FY23 and capturing a market share of 11.3%.
9. India's rail category recorded its highest-ever gross booking value (GBV) of US\$8.5 billion (₹70,368 crores) in FY24, up from \$6.7 billion in FY20. It is expected to climb to \$9.3 billion (₹77,140 crores) in FY25 and touch \$11.1 billion (₹91,860 crores) by FY27 at a CAGR of 9.3%.
10. Online rail market in FY24 was estimated at \$6.3 billion (₹52,291 crores), and is projected to grow to \$9.5 billion (₹78,131 crores) by FY27.
11. With 83% online reserved ticket booking, rail has the highest online penetration across all travel categories.
12. Rail and intercity buses are India's two main mass transport modes. While the rail category is deeply penetrated, intercity bus category remains underpenetrated, offering major digitization opportunities for bus operators.
13. Indian Railway Catering and Tourism Corporation (IRCTC) continued to dominate online rail ticketing landscape with a GBV of \$5.1 billion (₹41,731 crores) in FY24, projected to increase to \$7.4 billion (₹60,947 crores) by FY27.
14. While the share of supplier-direct online in rail is the highest across all travel categories, the OTA channel is gaining share. In FY24, OTAs contributed a GBV of \$1.3 billion (₹10,560 crores) and is projected to grow to \$2.1 billion (₹17,184 crores) by FY27.
15. ixigo Group continued to lead the OTA rail segment with a dominant GBV share of 53% in FY24. ixigo's GBV surged to \$674 million in FY24, up from \$559 million the previous year.
16. MakeMyTrip Group, the India OTA leader in air, hotel, and intercity bus categories, emerged as the second-largest player in the OTA rail segment. It's rail GBV was estimated at \$163 million in FY24, up from \$120 million in FY23.

## Overview

India has made remarkable strides over the past decade, revolutionizing its physical and digital transport infrastructure through unprecedented investments from both public and private sectors.

Strategic government reforms have dramatically reshaped the ground transportation landscape, underlined by a capex allocation of over US\$150 billion (₹11.2 lakh crores) in the Union Budget 2025–26<sup>1</sup>. This commitment underscores India's ambition to enhance the capacity, quality, and efficiency of its transport networks, vital for achieving the nation's goal of becoming a \$5 trillion economy by 2028.

Moreover, the rapid adoption and scaling of digital payments have significantly strengthened India's ground transport ecosystem. Digital payment modes such as UPI (Unified Payments Interface) and FASTag have fundamentally transformed the way consumers transact, enabling seamless and instant ticketing experiences, toll collections, and overall operational efficiencies. The ubiquity of these digital payment platforms has not only simplified the passenger journey but has also accelerated market penetration, fueling growth across the transportation industry.



1. Press Information Bureau (2025, Feb 1)

At the heart of India's transportation advancement lies the Indian Railways, the backbone of intercity connectivity, undergoing extensive modernization efforts. Driven by ambitious targets, the Indian Railways has achieved 98% electrification of the broad-gauge network till March 2025<sup>2</sup>, significantly reducing operational costs and environmental impacts. Complementing this electrification effort are key infrastructure developments, including the deployment of semi-high-speed trains like the Vande Bharat Express and the construction of Dedicated Freight Corridors—initiatives designed to improve efficiency, accelerate travel, and boost economic productivity.

Parallel to infrastructure growth, passenger-centric enhancements are actively reshaping consumer experience through advanced safety systems like 'Kavach'—India's indigenously developed Automatic Train Protection system designed to mitigate accidents—and improvements in customer convenience, including better coach quality, improved cleanliness, robust grievance management systems, and real-time train tracking technologies. Additionally, Indian Railways has achieved an on-time performance of over 90%<sup>3</sup> through the adoption of advanced signaling systems, real-time monitoring, AI-driven scheduling, and predictive maintenance.

India's road network has seen remarkable infrastructure advancements alongside rail-sector improvements, particularly in the National Highway (NH) network. Expanding from 65,000 km in 2004 to 146,000 km in 2024<sup>4</sup>, the NH network now features significantly more four-lane and multi-lane highways, enhancing connectivity, travel comfort, and reliability.

This highway expansion has been supported by a 21% jump in capital expenditure in 2024-25<sup>5</sup>, reaching an all-time high of over \$30 billion (₹250,000 crores). Complementing infrastructure investment, the government's proactive push towards sustainable transport solutions is evident through initiatives such as the National Electric Bus Programme (NEBP), which seeks to introduce and mainstream green buses, further strengthening India's commitment to environmental sustainability.

Concurrent improvements in bus fleet quality, including GPS-based live tracking systems, onboard Wi-Fi connectivity, and enhanced comfort features, signify a clear elevation in passenger service standards and user experience. Private operators and state transport undertakings are increasingly investing in modern fleets and technology to enhance passenger experience.

Collectively, these transformative advancements across both rail and road sectors present substantial opportunities for continued innovation, investment, and growth in India's evolving ground transportation landscape.

2. Press Information Bureau (2025, Feb 1)

3. Press Information Bureau (2025, Mar 18)

4. Press Information Bureau (2025, Feb 1)

5. Press Information Bureau (2025, April 2)



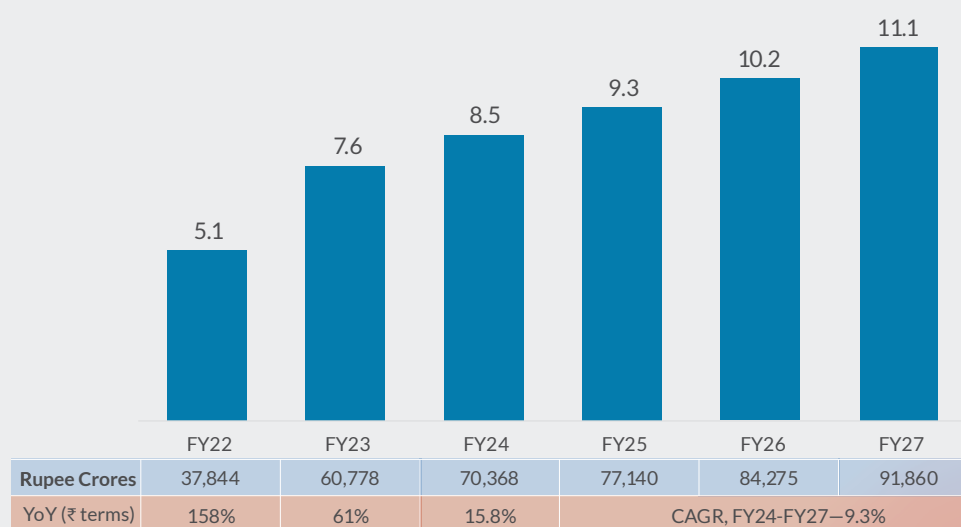
## Rail Market

India operates the fourth largest railway network in the world that serves as the fundamental backbone of its ground transportation ecosystem. With over 1.4 billion citizens relying on the railways for both intercity mobility and commerce, the Indian Railways is not merely a transport utility but a national lifeline. From the movement of people to the facilitation of economic activity, its strategic importance remains unparalleled. The scale of this sector is reflected in its financial footprint.

### Total Rail Market

India's rail market recorded its highest-ever gross booking value (GBV) of US\$8.5 billion (₹70,368 crores) in FY24, up from \$6.7 billion in FY20. Projections indicate further expansion, with revenues expected to climb to \$9.3 billion (₹77,140 crores) in FY25 and touch \$11.1 billion (₹91,860 crores) by FY27, growing at a CAGR of 9.3%. This growth trajectory is closely tied to government-led initiatives aimed at enhancing track utilization and expanding premium train services across new routes.

**Figure 1: India Rail Market (\$Bn), FY22-FY27**

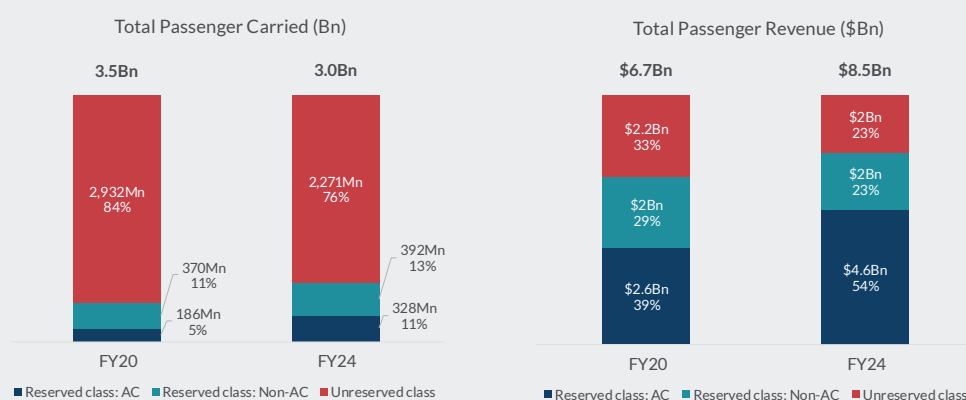


Source: VIDEA's India Travel Market Opportunity Study, FY22-FY27

A key growth driver has been the surge in reserved AC class travel. Passenger volumes in this high-yield segment rose sharply from 186 million in FY20 to 328 million in FY24. Although AC reserved travelers accounted for only 11% of total rail passengers, they contributed a significant 54% of overall rail GBV in FY24. This sharp revenue concentration highlights a notable vertical shift in passenger preferences and underscores the premiumization underway in Indian rail travel.

In contrast, the reserved non-AC category witnessed only a marginal increase in passenger share, moving from 11% in FY20 to 13% in FY24, with GBV contributions holding steady at \$2 billion. The absence of GBV growth, despite increased volumes, can be attributed to over 15% depreciation of the Indian rupee during this period, masking the real gains in GBV.

**Figure 2: India Rail Passenger and Passenger Revenue, Share by Seat Class, FY20 vs. FY24**



**NOTE** Provisional estimates as per Indian Rail Budget, 2024-25. Total may not add up due to rounding. Refer methodology for more details.

Source: VIDEA's India Travel Market Opportunity Study, FY22-FY27

To meet the needs of last-minute travelers seeking reserved tickets, Indian Railways introduced the Tatkal quota, which accounts for around 20% of total seat inventory<sup>6</sup>. This segment aimed to facilitate last-minute travelers who are willing to pay a premium for urgency and flexibility. To monetize this demand, dynamic fares were also introduced. Compared to normal fares, the dynamic fares include a capped premium so as to ensure rail travel remains affordable for the public.

Meanwhile, the unreserved category experienced a decline in passenger traffic, falling from 2.9 billion in FY20 to 2.3 billion in FY24. This contraction reflects a shift in commuter preference, partly due to improved road infrastructure and bus connectivity, which might have prompted many unreserved rail passengers to switch to bus travel. This modal shift and depreciating Indian rupee has led to revenue from the unreserved rail category to hover at around \$2 billion in FY20 and FY24.

These trends illustrate a clear market bifurcation: strong momentum in premium travel segments versus stagnation or decline in lower-fare categories. This dynamic is reshaping how stakeholders—from policymakers to private OTAs—must approach the rail travel market.

6. Mint (2022, Oct 4)

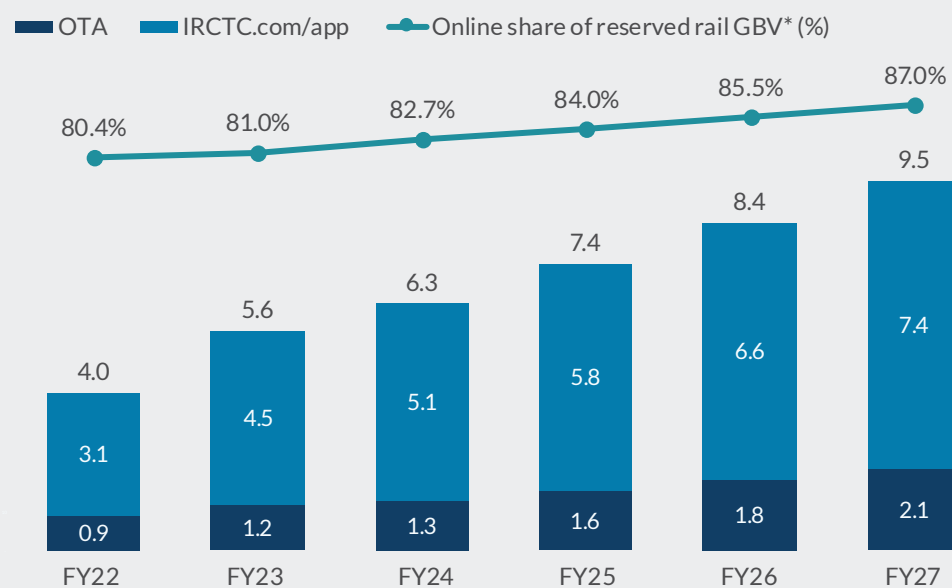


## Online Rail Market

Online rail ticket booking in India began in 2002 with Indian Railway Catering and Tourism Corporation (IRCTC), a public sector undertaking, serving as the primary platform for reserved rail ticketing. Over time, IRCTC opened the reserved category's ticket inventory to online intermediaries, creating new revenue channels.

As of FY24, the total online rail market was estimated at \$6.3 billion (₹52,291 crores), and is projected to grow to \$9.5 billion (₹78,131 crores) by FY27. With 83% of reserved rail bookings already taking place online—the highest penetration across all ground transportation modes—this figure is expected to further rise to 87% by FY27, underscoring the vital role of digital platforms in shaping rail travel.

**Figure 3: India Online Rail Market\* (\$Bn), and Online as a Share of Reserved Rail Bookings (%), FY22-FY27**



**NOTE** \*Online rail sizing covers only reserved tickets sold via IRCTC, directly through its app/web or ticketing counters and IRCTC authorized distribution partners, including OTAs. It does not include online sales of unreserved tickets by Indian Railways  
Source: VIDEA's India Travel Market Opportunity Study, FY22-FY27

The Indian Railways has strategically maintained control over seat inventory, covering both reserved and unreserved categories. Recently, even unreserved ticket bookings have been made available online through the Indian Railways platform. Despite being a relatively recent initiative—introduced just two years ago—the share of online unreserved ticket bookings has surpassed 25% and is on an upward trajectory. This reflects strong digital adoption even among budget-conscious travelers and marks a turning point in how unreserved travel is being accessed.

IRCTC continues to dominate the digital ticketing landscape with a GBV of \$5.1 billion (₹41,731 crores) in FY24, projected to increase to \$7.4 billion (₹60,947 crores) by FY27. Notably, this figure includes cancelled bookings as well. Of the 803 million passengers booked on IRCTC in FY24, only 667 million passengers actually traveled, reflecting a cancellation rate of approximately 17%.

In FY24, IRCTC booked an average of 38 million transactions each month, processing over 28,000 tickets per minute<sup>7</sup>. This scale is made possible by its high-capacity digital backbone, the Next Generation e-Ticketing System (NGeT), which continues to be central to managing peak demand and ensuring platform stability. Crucially, IRCTC's sustained focus on enhancing user experience has resulted in tangible benefits not just in customer satisfaction, but also in reducing the prevalence of touting and fraudulent ticketing practices that once plagued physical counters. By opening its API to third-party OTAs, IRCTC has steadily shifted rail ticket bookings from traditional agents and counters to a more transparent, self-serve digital ecosystem.

## OTA Rail Market & Benchmarking

There has been a steady evolution in the online rail distribution, with OTAs progressively strengthening their foothold. In FY24, OTAs contributed a GBV of approximately \$1.3 billion (₹10,560 crores). It is projected to grow to \$2.1 billion (₹17,184 crores) by FY27, underscoring a shift in consumer behavior toward platforms offering superior digital experiences, integrated travel solutions, and robust loyalty frameworks. The trajectory reflects a market that is not only expanding but also maturing—one that increasingly prioritizes convenience, reliability, and value-added engagement.

At the forefront of this transformation is the ixigo Group, which continued to lead the OTA rail segment with a dominant GBV share of 53% in FY24. ixigo's GBV surged to \$674 million in FY24, up from \$559 million the previous year—a testament to its sustained focus on innovation and customer-centricity.

Originally established as a metasearch platform for flight bookings, ixigo pivoted effectively to the rail segment by launching a mobile app for live train tracking in 2014. Its partnership with IRCTC in 2017 marked an inflection point. Despite rail ticketing being a low-margin business, ixigo has successfully scaled its operations by leveraging a diversified suite of value-added services such as travel insurance, food delivery on trains, cab rentals, and travel guarantees. Notably, the company achieved a 29% attachment rate for ancillary services in FY25<sup>8</sup>—reflecting a clear alignment with consumer needs and an ability to monetize beyond the low-margin train ticket bookings.

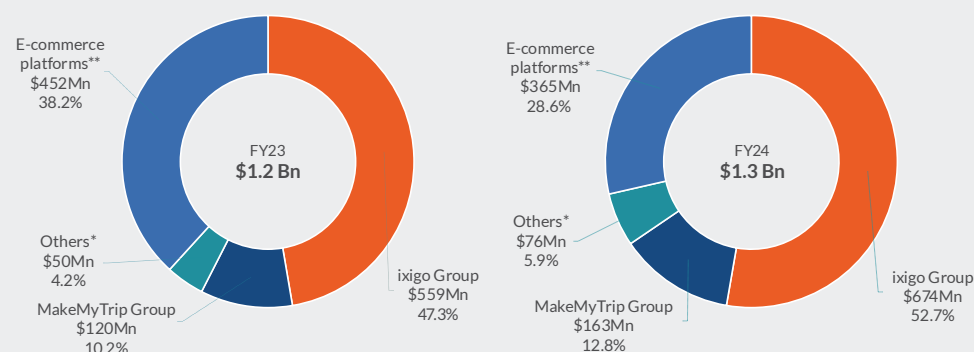


7. AGM of IRCTC (2024, August 30)

8. ixigo Earnings Report (2025, March 31)



**Figure 4: India OTA Rail Gross Bookings (GBV) (\$Mn), Share by India-based Intermediaries (%), FY23 & FY24**



**NOTE** OTA GBV is arrived using a demand side top-down approach. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers.  
 \*Others include leading B2C local and global OTA brands such as EaseMyTrip, Cleartrip, Yatra, RailYatri, and other points of sale classified as B2C by IRCTC (e.g., SBI YONO, HDFC SmartBuy et al). \*\*E-commerce platforms include marketplaces such as Amazon and Paytm. Total may not add up due to rounding. Refer methodology for more details.  
 Source: Company earnings and VIDEA's India Travel Market Opportunity Study, FY22-FY27

To deepen its presence in non-metro markets, ixigo made the strategic acquisition of Confirmtkt in 2021. Its consistent growth is underpinned by a combination of factors—resolving practical travel challenges such as real-time train information, deploying AI-driven tools to drive personalization and upselling, and an unwavering focus on expanding its footprint in underserved geographies.

MakeMyTrip, the dominant OTA across categories such as hotels, flights, and buses—and a pioneer in bringing online travel to India—emerged as the second-largest player in the OTA rail segment. Its GBV rose to \$163 million in FY24 from \$120 million in FY23, reflecting a healthy growth trajectory as it continues to leverage its brand strength and cross-platform synergies. The Group's multi-brand strategy further extends its reach across diverse user cohorts. This comprehensive approach aligns with MakeMyTrip's long-term vision of onboarding the next wave of digital travelers early in their journey. Importantly, the group's entire portfolio—including MakeMyTrip, Goibibo, redBus, and redRail—offers train ticketing, ensuring seamless customer access across multiple touchpoints.

While OTAs consolidated their position in the rail ticketing market, e-commerce platforms such as Paytm and Amazon witnessed a decline in their share of OTA rail GBV. Collectively, their GBV dropped from \$452 million in FY23 to \$365 million in FY24. This contraction reveals the shifting dynamics of consumer behavior, and pricing strategies within the segment.

Paytm, which entered the train ticketing space in the mid-2010s, initially scaled up its presence in the category. However, the platform faced significant headwinds in late 2023 when regulatory action from the Reserve Bank of India eroded customer confidence and adversely affected its rail ticketing volumes. Amazon, on the other hand, began offering train ticketing services in 2020 and saw rapid adoption, primarily due to its zero-convenience-fee model that stood in contrast to prevailing OTA practices. However, its momentum began to slow in 2022 following the introduction of processing fee. The shift in pricing, though minor, weakened its competitive positioning and diluted the value proposition that had initially attracted budget-conscious rail travelers.

While Amazon's entry disrupted traditional models, the broader OTA landscape has also witnessed renewed activity from niche players. Other OTAs such as Yatra and EaseMyTrip are gradually gaining traction, expanding their collective GBV share from 4.2% (\$50 million) in FY23 to nearly 6%, or approximately \$76 million in FY24.

RailYatri began as a utility-focused platform offering services like live train tracking and PNR status checks. Over time, it transitioned into a transactional model and today, it stands as the notable OTA rail player in the long-tail segment. This growth, though modest in absolute terms, signals increasing fragmentation in the market and reflects the rising relevance of specialized platforms in servicing specific traveler cohorts within the rail ecosystem.

### Total Rail Passengers

India's railway sector is on a robust growth trajectory and is poised to become the third-largest globally within the next five years. Indian Railways currently serves approximately 8 billion passengers annually, a figure that also encompasses metro rail and suburban train commuters. However, the market sizing presented in this report focuses solely on the 3 billion passengers traveling on inter-city, long-distance routes.





To accommodate the growing passenger load and enhance inter-city travel capacity, the Ministry of Railways has announced plans to introduce 3,000 new trains over the next five years. This initiative aligns with the government's broader objective of scaling total passenger capacity from the current 8 billion to 10 billion<sup>9</sup> by 2030.

Despite significant budgetary allocations towards enhancing high-speed and premium services, the Indian Railways network today remains predominantly driven by mass transport operations. Of the entire fleet, there are only 450 premium trains such as Rajdhani, Duronto, Shatabdi, Vande Bharat etc. As of December 2024, 136 Vande Bharat Express trains were operational<sup>10</sup>, signaling promising progress in this space. A marquee initiative in this space is the Mumbai-Ahmedabad High-Speed Rail corridor, currently under development with assistance from Japan. Alongside, India is investing in the indigenous production of high-speed train sets designed to achieve speeds up to 280 km/hour.

Complementing the addition of high-speed services is a parallel emphasis on infrastructure modernization. Indian Railways is undertaking large-scale electrification, construction of new railway lines, and the redevelopment of aging stations. In the near term, an additional 2,339 km of track is expected to be integrated into the network<sup>11</sup>.

At present, the Indian Railways network is operating under significant capacity stress, with track utilization levels exceeding 100%. This overutilization has created a bottleneck, leading to train delays, and ultimately limiting the deployment of new capacity. To resolve this, expansion of the railway network is critical, particularly for decongesting high-density corridors. A major step in this direction is the development of the Dedicated Freight Corridors (DFCs), which are expected to create headroom for passenger trains. As of March 2025, over 2,700 kilometers of DFC track had been commissioned<sup>12</sup>. Once operational, these corridors will divert freight traffic from the main passenger lines, thereby freeing up capacity for new and faster trains.



9. Indian Brand Equity Foundation (2025, Apr)

10. Press Information Bureau (2024, Sep)

11. Indian Brand Equity Foundation (2025, Apr)

12. Ministry of Railways (2025, Mar)

## Intercity Bus Market

### Overview

India boasts of the world's second-largest road network<sup>13</sup>, spanning 6.7 million kilometers. The National Highway (NH) network has grown from 91,000 kilometers in 2014 to a little over 146,000 kms in 2024, recording a staggering 60% growth. To continue its growth momentum, NHAI has allocated over \$21.2 billion (₹170,000 crores) for 2025-26<sup>14</sup>, which will allow for the maintenance and construction of expressways and multi-lane highways.

The intercity bus segment plays a vital role in ground transportation, linking cities and smaller towns to provide passengers with last-mile connectivity. India's intercity bus market is highly fragmented with about 5,200 private bus operators and more than 25 state road transport corporations (SRTCs) servicing the demand. Amid this expansion, both public and private operators are enhancing service quality to meet evolving passenger expectations. Modern intercity buses now feature amenities such as real-time GPS tracking, onboard restrooms, charging ports, and Wi-Fi connectivity. Simultaneously, investments in terminal infrastructure are elevating the overall travel experience, with upgraded facilities including food courts, air-conditioned waiting areas, and seamless digital interfaces. Collectively, these advancements are redefining intercity bus travel in India, positioning it as a more sustainable and passenger-centric mode of transportation.

### Total Intercity Bus Market

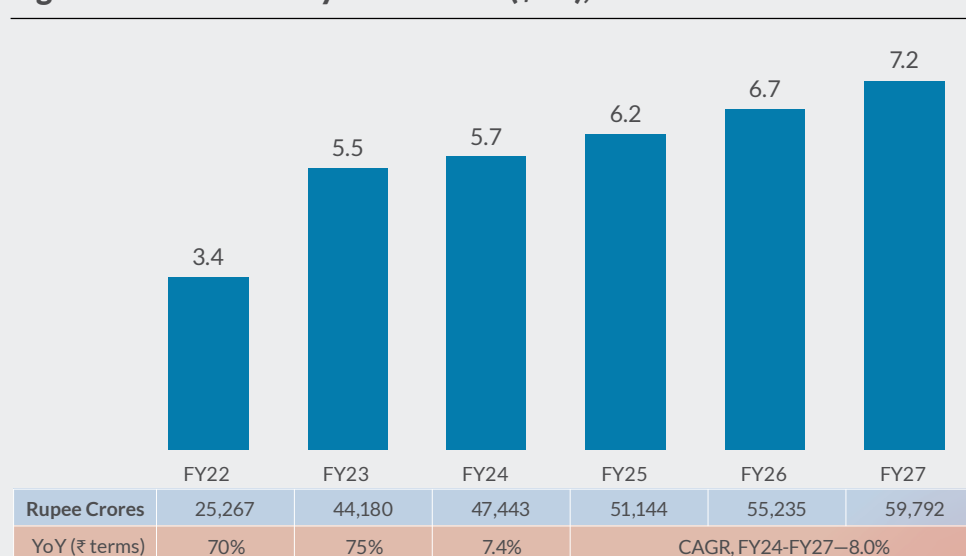
The total intercity bus travel market in India was estimated at US\$5.7 billion (₹47,443 crores) in FY24, marking a year-on-year growth of 7.4% over FY23. This market size encompasses services operated by both private bus operators and State Road Transport Corporations (SRTCs), connecting key cities and towns typically separated by distances exceeding 150 kilometers. These routes are broadly accessible via online discovery platforms, reflecting the growing digitalization of the sector.

This measured growth follows a phase of strong recovery in FY22 and FY23, during which the intercity bus segment expanded by 70–75% annually. The surge was driven by the rebound in travel activity post-pandemic, as operators resumed services after a prolonged suspension through 2021 and early 2022. FY23 marked a turning point, with a significant proportion of bus fleet returning to active operations and consumer demand steadily normalizing.



13. Road Infrastructure in India (2025, April)

14. PRS Legislative Research (2025, Feb 20)

**Figure 5: India Intercity Bus Market (\$Bn), FY22-FY27**

**NOTE** Intercity bus market sizing is based on services operated by both private bus operators and state road transport corporations (SRTC), connecting major cities/towns that are typically 150+ kilometers apart, and are discoverable online. FY25-FY27 projected. Total may not add up due to rounding. Refer methodology for more details.  
Source: VIDECON's India Travel Market Opportunity Study, FY22-FY27

Regional dynamics have played a pivotal role in shaping the demand landscape. The South and West regions dominate long-distance intercity travel, collectively accounting for approximately 75% of the total market. Traditionally a high-demand market, South India witnessed a marked dip in commuter traffic during the pandemic, particularly from working professionals who had shifted to remote work. This cohort, which historically accounted for a substantial share of weekend intercity travel, temporarily exited the market. However, the recent push by corporates toward a return-to-office model has revived travel demand in this segment, signaling a stabilizing trend in commuter-driven bus traffic.

Looking ahead, the intercity bus market is projected to grow at a CAGR of 8% from FY24 to FY27. At this pace, the category is expected to reach \$7.2 billion (₹59,792 crores) by FY27, driven by rising consumer mobility and enhanced service offerings.

While demand fundamentals remain strong, the projected 8% CAGR through FY27 reflects a tempered growth trajectory, primarily constrained by supply-side limitations. The total intercity bus fleet is estimated between 65,000 and 70,000—a constraint that continues to cap growth. In FY24, India saw the sale of over 51,000 light commercial vehicle (LCV) passenger carriers<sup>15</sup>. However, the LCV segment reported a modest 3% year-on-year decline in the first nine months of FY25, signaling a slowdown in new capacity additions at the lower end of the segment. On a more positive note, the commercial bus segment is expected to gain momentum in FY25<sup>16</sup>, as SRTCs across states initiate fleet modernization programs by phasing out older government-owned buses and procuring new ones.

15. Statista (2024, Sep 26)

16. Express Mobility (2024, Jun)

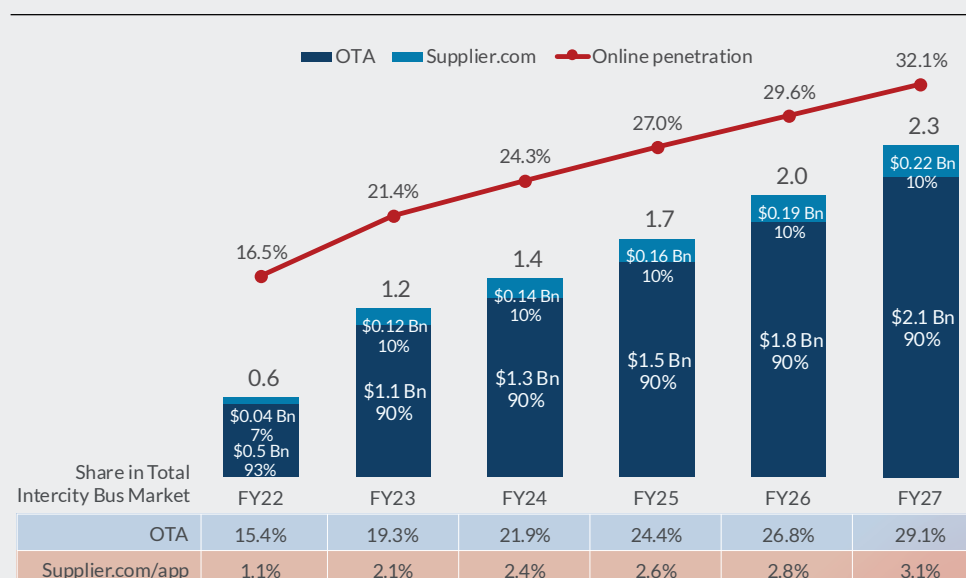


Within the private sector, the market remains highly fragmented. There are an estimated 5,200 private operators, the vast majority of whom manage fleet ranging from 2 to 10 buses. Only a small number of players operate at scale, with fleet size in triple digits. Both SRTC and private services are typically offered in four main configurations: AC and non-AC, as well as sleeper and non-sleeper variants. Long-haul routes predominantly feature sleeper coaches, and in recent years, a select few premium operators have begun to introduce lounges, onboard restrooms, live tracking, and SOS feature for women safety—enhancing the comfort proposition for long-distance travelers.

### Online Intercity Bus Market

India's online intercity bus market was estimated at \$1.4 billion (₹11,523 crores) in FY24, marking a steady increase from \$1.2 billion (₹9,471 crores) in FY23. This trajectory underscores the category's gradual shift toward digital channels, with GBV projected to grow to \$2.3 billion (₹19,206 crores) by FY27, raising the online penetration to 32.1%.

**Figure 6: India Online Intercity Bus Market (\$Bn), Share by Channel (%), FY22-FY27**



**NOTE** Intercity bus market sizing is based on services operated by both private bus operators and state road transport corporations (SRTCs), connecting major cities/towns that are typically 150+ kilometers apart, and are discoverable online. FY25-FY27 projected. Total may not add up due to rounding. Refer methodology for more details. Source: VIDEA's India Travel Market Opportunity Study, FY22-FY27

Despite this upward trend, the intercity bus sector remains one of the least digitized category of India's travel ecosystem, with online penetration still hovering around 25%. A majority of bookings continue to occur offline, largely due to entrenched consumer behavior, particularly last-minute ticket purchases made directly at private or SRTC bus operator counters. Moreover, the category's fragmentation, characterized by thousands of small, often informal operators, has impeded widespread digitization. Most of these players lack both the incentive and the infrastructure to adopt direct online booking systems.

In this fragmented and under-digitized environment, OTAs have emerged as the primary enablers of online adoption. They accounted for 90% of the online intercity bus GBV in FY24, translating to \$1.3 billion (₹10,398 crores), an 18% increase year-over-year. Leveraging scalable platforms, advanced tech integration, and deep customer reach, OTAs are projected to further consolidate their leadership, with expected GBV of \$2.1 billion (₹17,373 crores) by FY27.

In contrast, supply-direct channels, where bookings are made via online platforms operated by bus providers themselves, remain nascent. These channels collectively generated a GBV of \$140 million (₹1,125 crores) in FY24. While growth is anticipated, with GBV projected to reach \$222 million (₹1,833 crores) by FY27, their market share is expected to remain modest at around 10% of total online GBV. Most private bus operators continue to prefer partnerships with OTAs rather than investing in direct-to-consumer platforms, given the operational ease and broader reach OTAs offer. In addition to the reach, OTAs offer a full-stack tech suite to let them accept bookings online, collect money, manage cancellations as well as fleet & route management.

Many State Road Transport Corporations (SRTCs)—notably Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu, Telangana, and Uttar Pradesh—have made notable strides in enhancing their digital infrastructure, actively investing in their own digital platforms. This shift reflects a broader industry trend toward digitization, improving accessibility, customer convenience, and operational efficiency in public transport services. However, these efforts have yielded limited results due to suboptimal user experiences and weak customer acquisition strategies. The need for mandatory account creation, cumbersome booking flows, and limited personalization has led to friction in the booking process. In contrast, OTAs provide a streamlined, user-centric interface that leverages stored customer profile and past transaction history, making booking significantly faster and smoother.

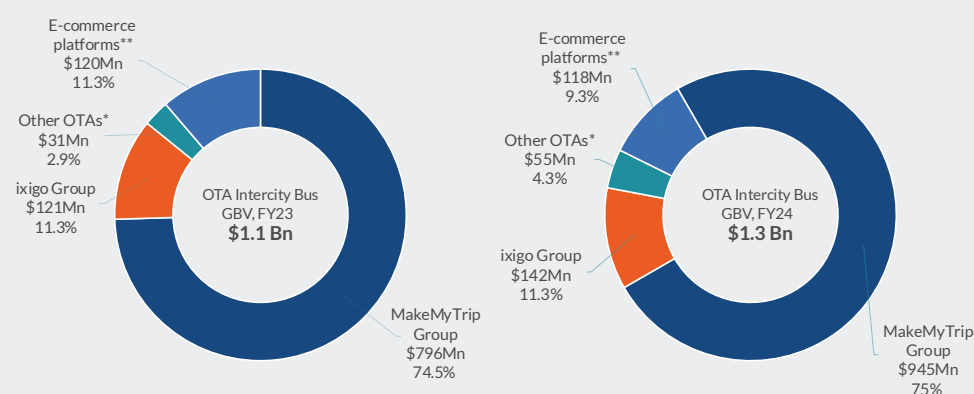
This frictionless experience, coupled with OTAs' strength in user acquisition and retention, ensures that they remain the dominant channel in the online intercity bus segment. As the market matures, their role in shaping the digitization of this category will only deepen.



## OTA Intercity Bus Market & Benchmarking

MakeMyTrip Group continues to dominate India's intercity online bus travel segment, commanding an estimated 75% share of the OTA intercity bus market. MakeMyTrip's Indian online intercity bus ticketing business recorded an estimated GBV of \$945 million in FY24, marking a 19% increase from \$796 million in FY23. These figures pertain solely to domestic operations and exclude contributions from international markets. MakeMyTrip's leadership in the bus segment was significantly strengthened through its strategic consolidation with redBus, which it absorbed after merging with ibibo Group in late 2016.

**Figure 7: India OTA Intercity Bus Gross Bookings (GBV) (\$Mn), Share by India-based Intermediaries (%), FY23 & FY24**



NOTE

OTA GBV is arrived using a demand side top-down approach. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers.

\*Others include leading B2C local and global OTA brands and online aggregators such as EaseMyTrip, Cleartrip, Yatra, intrcity, zingbus etc. \*\*E-commerce platforms include marketplaces such as Amazon and Paytm. Intercity bus market sizing is based on services operated by both private bus operators and state road transport corporations (SRTC), connecting major cities/towns that are typically 150+ kilometers apart, and are discoverable online. Total may not add up due to rounding. Refer methodology for more details.

Source: Company earnings and VIDEA's India Travel Market Opportunity Study, FY22-FY27

redBus remains the backbone of India's private intercity bus ticketing ecosystem, hosting more than 50% of private bus operator inventory<sup>17</sup> and facilitating approximately 250,000 bookings daily. Together with ibibo and redBus, MakeMyTrip sold over 106 million bus tickets in FY25, underlining the group's unparalleled scale in the sector.

ixigo Group holds a distant second position with a GBV of \$142 million in FY24, up 18% from \$121 million in FY23, capturing a market share of 11.3%. While ixigo dominates the online rail segment, it is making concerted efforts to deepen its presence in intercity bus travel. The acquisition of AbhiBus in 2021 was a key strategic move aimed at expanding ixigo's reach beyond metro markets into Tier-2 and Tier-3 cities. Complementing this, ixigo also invested \$3.1 million in Fresh Bus, an intercity electric bus startup, signaling its long-term ambition to play a role in sustainable mobility solutions.

17. MakeMyTrip Investor Relations (2025, May)



Meanwhile, e-commerce players such as Paytm and Amazon saw a marginal drop in their combined GBV share—from \$120 million in FY23 to \$118 million in FY24. This decline can be attributed to two key factors. First, user preference shifted decisively toward OTA-first platforms like MakeMyTrip and ixigo, which offer deeper inventory and a more travel-centric user experience. Second, Paytm in particular has faced regulatory uncertainties that eroded user trust, driving customers to other travel platforms.

Air-heavy OTAs such as EaseMyTrip, Cleartrip, and Yatra along with young and agile players like Zingbus and IntrCity, collectively recorded a GBV of \$55 million in FY24, up from \$31 million in FY23. Much of this growth was fueled by customer migration from e-commerce platforms, attracted by aggressive acquisition strategies that bundled discounts and value-added offerings, effectively helping these challengers carve out a niche in an otherwise consolidated market.

### Supply-side Landscape

India's intercity bus ecosystem that is accessible through online platforms currently consists of an estimated 65,000 to 70,000 buses. This digital footprint serves as the core foundation for market sizing within the organized segment. In contrast, the broader commercial bus fleet in India stands at approximately 400,000 vehicles. However, over 80% of these buses are engaged in either intra-city transportation or operate on short-haul routes under 150 km, connecting cities with nearby towns or rural belts. These use-cases fall outside the scope of the intercity bus segment analyzed here.

Within the intercity bus fleet, the composition is distinctly split between AC and non-AC services. Roughly 40% of the online discoverable fleet belongs to the AC category primarily dominated by models such as Volvo and other premium coach configurations. The remaining 60% is made up of non-AC services. Pricing dynamics mirror this service differentiation: average ticket prices for AC buses range between ₹700 and ₹1,100, whereas non-AC services typically fall in the ₹450 to ₹700 band.

In terms of fleet ownership, the intercity bus landscape is nearly evenly divided between SRTCs and private operators, with a marginal tilt in favor of the SRTCs. Among the public sector players, five states—Andhra Pradesh, Karnataka, Maharashtra, Telangana, and Uttar Pradesh—stand out, jointly accounting for over half of the SRTC-driven intercity bus fleet.

Meanwhile, there has been a push for green buses to reduce carbon emissions and dependence on fossil fuels. SRTCs across India are accelerating their transition to greener fleets, aligning with both national sustainability goals and regional mandates. Karnataka has earmarked ₹500 crores to procure 1,200 electric buses, aiming to phase out diesel buses entirely by 2030<sup>18</sup>. Similarly, the Maharashtra State Road Transport Corporation is undertaking a ₹970 crores initiative to convert 5,000 diesel buses to Liquefied Natural Gas (LNG)<sup>19</sup> over four years. In addition to state road transport, there is an equal push for green buses from private players like NueGo, ixigo-owned Fresh Bus, and IntrCity, the parent company of RailYatri. While NueGo plans to scale its fleet of green buses<sup>20</sup> from 1,100 to 5,000 by 2027, Fresh Bus raised fresh capital in 2024<sup>21</sup> to expand its fleet size of e-buses from 20 to over 150.

18. Auto Car (2023, Feb 17)

19. Indian Express (2024, Aug 30)

20. The Hindu (2024, June 8)

21. Economic Times (2024, Aug 13)

## M&A in Ground Transportation

Mergers and acquisitions continue to be a defining strategy for growth and market penetration in India's ground transportation and travel-tech ecosystem.

In the urban mobility segment, consolidation has been instrumental in shaping market dynamics. Ola's acquisition of TaxiForSure in 2015 was a landmark deal that rapidly expanded its supply capabilities and city presence, setting the stage for its dominance in the ride-hailing market. This transaction continues to be regarded as a cornerstone in the evolution of India's mobility market.

The entry of Uber into India in 2013 introduced a competitive duopoly, with Ola leveraging its first-mover advantage to retain a leadership edge. More recently, however, this landscape has seen the rise of nimble and differentiated players such as Rapido, Vogo, BluSmart, and Namma Yatri. These players challenged the dominance of the two leading players and created a more diversified and innovation-driven mobility ecosystem.

This focus on diversification and customer-centricity is reflected in MakeMyTrip's strategic push into last-mile and intercity connectivity. In 2023, the company made a decisive move into the intercity taxi market with the acquisition of Savaari<sup>22</sup>, a well-established operator in the segment. Given the fragmented nature of this market and the tailwinds from improved road infrastructure, this acquisition aligns with MakeMyTrip's broader objective to build a seamless, end-to-end ground transportation network. The company has quickly integrated Savaari's operational capabilities and regional market presence to offer its rail and air customers additional service and convenience of booking last-mile road transportation, that is cabs.



22. Skift (2023, Nov 1)

Parallel to this, ixigo has been steadily executing a consolidation strategy that reinforces its leadership in OTA-based rail and bus bookings. Its acquisition of Confirmtkt in 2021<sup>23</sup> was a pivotal move in this direction. The deal not only brought in a robust user base but also integrated Confirmtkt's proprietary machine learning algorithm for train ticket confirmation—a critical differentiator in India's competitive rail booking market. Building on this momentum, ixigo expanded into the bus travel segment through the acquisition of AbhiBus<sup>24</sup>, further broadening its multimodal travel portfolio. This acquisition has been instrumental in boosting ixigo's presence in tier 2 and tier 3 cities, where it now boasts an impressive 94% user penetration. This expansion into underserved geographies reflects a deliberate strategy to capture growth beyond metros. To further align with future mobility trends, ixigo invested US\$3.1 million in FreshBus<sup>25</sup>, an intercity electric bus startup, underscoring its long-term commitment to sustainable mobility solutions.

Similarly, EaseMyTrip has demonstrated strategic intent in the electric bus space. In 2021, the company acquired YoloBus, a premium intercity mobility platform focused on comfort, safety, and reliability. More recently, EaseMyTrip announced plans to scale YoloBus' electric fleet to 2,000 buses<sup>26</sup> over the next four years—positioning itself as a serious contender in the EV-based intercity travel segment.

The Adani Group's entry into travel-tech and surface mobility has added another layer of complexity and competitiveness to the space. Adani's purchase of 30% stakes in Trainman<sup>27</sup>, signals toward the conglomerate's groundwork for a comprehensive surface transport platform that aligns with its broader infrastructure and logistics ambitions.

Further extending the trend of strategic acquisitions, Chalo's purchase of Vogo in 2022 underscores the increasing convergence of bus and two-wheeler shared mobility solutions. Chalo's technology-driven approach to urban commuting is well complemented by Vogo's two-wheeler fleet, enhancing the company's multi-modal urban mobility offering and reinforcing its vision of redefining daily public transport.

Most of the deal information is sourced from [TheBank.Travel](#), an industry first pro-bono initiative by Cambon Partners in collaboration with VIDECON Consultants, to offer rich insights on funding, and on multiples, deal size and deal activity by country and categories in the global travel M&A.



23. Moneycontrol (2021, February 4)

24. The Hindu (2021, August 5)

25. VCCircle (2023, February 16)

26. CNBC TV18 (2024, Sep 18)

27. Mint (2023, July 8)



## Conclusion

India's ground transportation sector stands at a transformative juncture, powered by sustained infrastructure development and evolving passenger expectations. The government's consistent investment in expanding and modernizing both rail and road networks has created a solid foundation for long-term growth. Enhanced connectivity, particularly through the expansion of national highways and dedicated freight corridors, is not only easing movement across the country but also creating significant opportunities for organized travel service providers.

Concurrently, Indian Railways is witnessing a qualitative shift in service standards. Improvements such as better on-time performance, widespread availability of onboard Wi-Fi, upgraded sanitation facilities, and a strong emphasis on passenger safety are redefining train travel. The introduction of new-generation, high-speed trains like the Vande Bharat Express is also altering the value proposition for rail travelers, offering faster, more reliable, and premium experiences that are attracting a broader segment of users.

This wave of modernization extends to the road-based segment as well. The deployment of electric buses across state and intercity routes reflects a dual focus on sustainability and enhanced commuter experience. Bus terminals and fleets are seeing upgrades in terms of cleanliness, accessibility, and digital integration. The increasing consumer preference for booking bus travel through OTAs highlights the growing trust in digital platforms to provide transparency, convenience, and dynamic pricing. The addition of new buses—both by government and private operators—further supports this trend, allowing platforms to offer greater route density and choice to consumers.

Together, these developments signal a strong upward trajectory for ground transportation in India. As infrastructure matures and user experience improves the sector is poised for higher adoption and monetization through digital channels. For OTA leaders and mobility ecosystem stakeholders, this presents a compelling opportunity to align innovation, partnerships, and user-centric strategies with a market that is increasingly ready to embrace next-generation ground travel.



## Methodology

The report presents market sizing, projections, and industry trends for the Indian ground transportation market—the rail and intercity bus categories—for FY22-FY27.

The following methodology was used to assess the GBV for each category:

- **Rail:** Total rail market represents non-commuter passenger revenue of Indian railways, including all reserved and unreserved passenger classes. Online rail bookings include all online bookings made via IRCTC website/app as well as its B2C channel partners (OTAs, e-commerce marketplaces et al). For the purpose of this report, bookings made through B2C channel is referred to as OTA bookings.
- **Intercity Bus:** Estimates for Intercity bus market are based on routes/services operated by both private bus operators and SRTC, connecting cities/towns that are typically 150+ kilometers apart. These services have a fixed schedule and/or stops, and are discoverable online. All routes/services that ply on intra-city (within same city or suburbs) or connect cities/towns to adjoining towns/villages, usually have flexible schedules/stops, and are not discoverable online, are excluded from this sizing.

The total market is segmented into following channels:

- **Online Market:** GBV generated via consumer-facing websites and apps that sell directly to consumers, including supplier-direct online, online travel agencies (OTA) and e-commerce marketplaces.
- **OTA Market:** VIDECON has estimated OTA GBV using a demand side, top-down approach for each category. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers.
- **Offline:** GBV includes bookings made by consumers directly with the suppliers via phone, walk-ins and/or supplier reservation systems and indirect offline distribution channels including traditional travel agencies, authorized agents et al.

VIDECON conducted executive interviews with suppliers including rail and bus operators and travel distributors including traditional and online travel agencies, and travel technology providers operating in India, to better understand the evolution, current dynamics, and outlook for the market.

All financial information has been sourced from publicly available financial reports or company interviews. Estimates and projections are based on various third-party data sources, including tourism board visitor arrival/departure data, government statistics, MIDT data, executive interviews, economic indicators, market trends, and VIDECON analysis.

Data is actual for FY22-FY24 and projected for FY25-FY27. In selected cases for FY24, estimates are arrived at based on the first three-quarters of the reported gross bookings (April-December 2023), combined with projections for the final quarter (January-March 2024). Totals in charts and figures do not always equal 100% due to rounding.

Market sizing is presented in Indian rupee (₹) as well as US dollars (US\$), using applicable average currency exchange rates for respective years as noted below. None of the sizing data is adjusted for inflation.

	FY22	FY23	FY24	FY25-27
US\$1 = ₹	74.52	79.98	82.58	82.58





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