

# Indian Road Logistics Sector

---

**Impact of Dedicated Freight Corridor  
on Indian Road Logistics Sector**

**MARCH 2022**



The Dedicated Freight Corridor (DFC) project was conceptualized as a solution to the increasing saturation of India's railway network and increasing congestion on its road network while keeping pace with its growing freight requirement.

The shift from road to DFC is expected to remain modest in the near term as the construction of DFC is majorly expected to shift the existing freight from the present rail network to DFC. However, the shift would be material in the long term with the stabilisation of operations and optimum utilization of capacity.



The DFC is expected to be a game-changer in the Indian logistics industry. Not only would these corridors add incremental capacity to the railway network, but it would also have a positive multiplier effect on the logistics industry in India.



The setting up of a dedicated freight corridor would enable de-congestion of the saturated rail and road network and encourage shifting of freight traffic from the existing road and rail networks to the more efficient DFC. This would also free up capacities on the existing rail network, enabling it to cater to passenger trains largely, along with freight demand of additional commodities.



The proposed DFC network would carry "Faster-Longer-Heavier" trains, which would operate at significantly higher operating efficiencies as compared to the existing rail network. Larger dimensions, double stacking of the wagons would improve the load carrying capacity of each train. Given the fact that DFC are dedicated corridors, freight trains will be able to achieve faster turnaround time, a factor that has constrained the efficiency of freight trains in India.



Shift of a minor portion of the heavy bulk from road to rail is expected in near term, specifically goods like mineral ores, foodgrains and coal, which are transported over long distances. The container movement for textile, auto components, car carriers can be shifted to DFC from being currently transported through road. The estimated increase in load carrying capacity would be in the range of 9-38% on per wagon basis.



Road logistics is expected to continue to enjoy a major share (~60%) of the total goods movement in the near to medium term. In the longer term, the shift is expected to be material, especially in select cargo segments, aiding improvement in railway's share from present (~30%).



ICRA

## Business Development/Media Contact Details



**L. Shivakumar**

*Executive Vice-President*

**Jayanta Chatterjee**

*Executive Vice-President*

**Naznin Prodhani**

*Head Media & Communications*



shivakumar@icraindia.com

jayantac@icraindia.com

communications@icraindia.com



022- 6114 3406

080 – 4332 6401

0124 – 4545 860



# Analyst Contacts

Analysts	E-mail ID	Contact Number
<b>Gurgaon</b>		
Shamsher Dewan	shamsherd@icraindia.com	0124 – 4545 328
<b>Mumbai</b>		
Suprio Banerjee	supriob@icraindia.com	022-6114 3443
Karan Gupta	karan.gupta@icraindia.com	022-6114 3421
<b>Chennai</b>		
K Srikumar	ksrikumar@icraindia.com	044 – 4596 4318
Naresh Kumar	nareshkumar.n@icraindia.com	044 – 4297 4316



***© Copyright, 2022 ICRA Limited. All Rights Reserved.***

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

**Thank You!**