

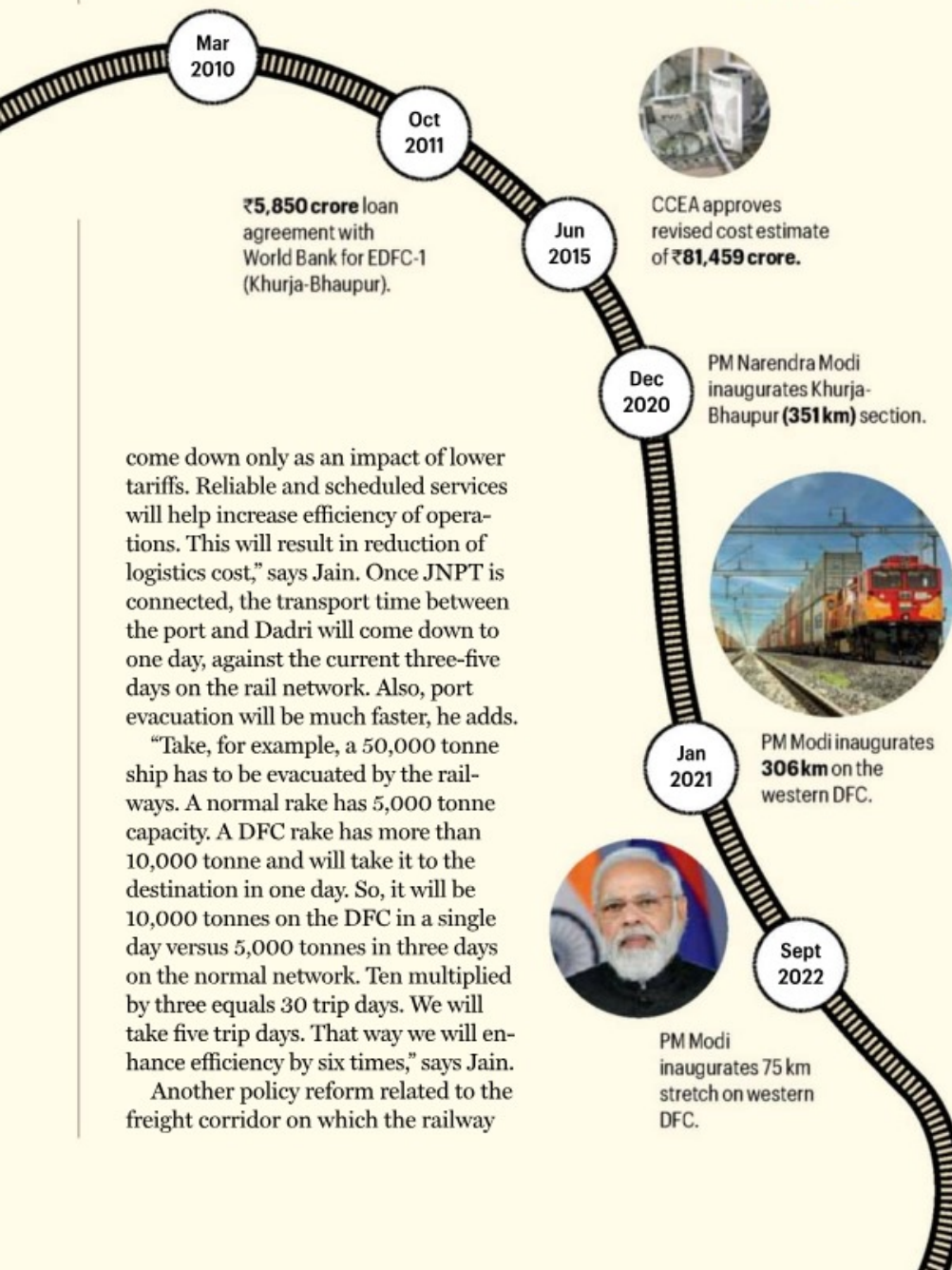


₹5,100 crore loan agreement with JICA for Western Corridor Phase-I.



DFC's success will depend on the tariff policy. The objective is to bring down logistics cost."

VINEET AGARWAL
MD, TRANSPORT CORPORATION OF INDIA



come down only as an impact of lower tariffs. Reliable and scheduled services will help increase efficiency of operations. This will result in reduction of logistics cost," says Jain. Once JNPT is connected, the transport time between the port and Dadri will come down to one day, against the current three-five days on the rail network. Also, port evacuation will be much faster, he adds.

"Take, for example, a 50,000 tonne ship has to be evacuated by the railways. A normal rake has 5,000 tonne capacity. A DFC rake has more than 10,000 tonne and will take it to the destination in one day. So, it will be 10,000 tonnes on the DFC in a single day versus 5,000 tonnes in three days on the normal network. Ten multiplied by three equals 30 trip days. We will take five trip days. That way we will enhance efficiency by six times," says Jain.

Another policy reform related to the freight corridor on which the railway

ministry needs to set the ball rolling is non-discriminatory access to the DFCCIL network. As of now, the Indian Railways is the only authorised user of the dedicated freight corridor. The concession agreement between the ministry and the DFCCIL allows for multiple authorised users on a "non-discriminatory basis" depending on qualification metrics and standards. But for competition to set in and optimum utilisation of the asset, kick-starting these follow-up reforms are essential. The time is right as a section of logistics players has already started coming forward to use the asset.

Logistics Industry Set To Benefit

Sections commissioned in the last couple of years have fulfilled the need for speedy movement of freight. Companies benefiting the most out of it are those that deal in container traffic for exports and imports. The DFCCIL is in talks with e-commerce players to transport freight and set up logistics parks. The talks are in preliminary stages though, says Jain.

"DFC is a game changer for container operators. Once it is fully commissioned, the actual benefits will