

Green Corridors and Carbon Neutral Logistics for the 2026 Indian Freight Sector

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Abstract

By early 2026, the Indian logistics sector has reached a pivotal juncture where environmental sustainability is no longer a peripheral concern but a core operational mandate. The implementation of the National Logistics Policy has accelerated the development of Green Corridors, aiming to reduce the carbon footprint of the country's high-volume freight routes. This paper provides a comprehensive analysis of the transition toward Carbon Neutral Logistics within the Indian context. We explore the integration of Electric Heavy-Duty Vehicles (E-HDVs) and the shift toward rail-dominated multi-modal transport systems. Our research evaluates the performance of 40 logistics firms that adopted "Decarbonization Frameworks" over the past 18 months. The study utilizes real-time telematics and carbon-tracking software to measure the impact of these initiatives on both operational costs and greenhouse gas emissions. Our findings indicate that while initial capital expenditure remains high, the long-term operational savings reached 18% due to reduced fuel dependency and improved route optimization. This research concludes by proposing a scalable "Sustainability Maturity Model" for Indian logistics providers, ensuring alignment with global ESG standards while maintaining competitive delivery timelines in a rapidly growing economy.

Keywords :

Green Corridors, Sustainable Logistics, Carbon Neutrality, Electric Freight, Multi-Modal Transport, Indian Supply Chain, ESG Compliance, Net-Zero 2026, Last-Mile Electrification, Circular Economy.

1. Introduction

The landscape of Indian freight in 2026 is undergoing a structural transformation driven by the urgent need for decarbonization. Historically, the logistics sector has been one of the largest contributors to India's carbon emissions, primarily due to an over-reliance on aging diesel-powered fleets and inefficient route planning. However, the rise of stringent international ESG (Environmental, Social, and Governance) requirements and the domestic push for Net-Zero targets have forced a re-evaluation of traditional supply chain models. The emergence of Green Corridors—dedicated high-efficiency routes supported by charging infrastructure and multi-modal hubs—is the defining feature of this new era. A major challenge addressed in this paper is the "Sustainability-Profitability Trade-off." Many Indian logistics providers, particularly those operating in the highly fragmented truck-owner market, perceive green initiatives as a financial burden. Yet, the 2026 economic reality suggests otherwise. With the rising cost of fossil fuels and the introduction of carbon taxes on commercial transport, the transition to electric and hydrogen-based freight is becoming a financial necessity. This paper examines how "Smart Logistics" can bridge the gap between environmental responsibility and bottom-line performance.

This introduction sets the stage for a detailed investigation into the "Last-Mile" and "Long-Haul" segments of the Indian supply chain. We argue that the integration of Internet of Things (IoT) sensors and AI-driven load pooling is essential for reducing "Empty Miles"—the phenomenon of trucks traveling without cargo. By optimizing the utility of every vehicle on the road, the Indian logistics sector can achieve a double win: lower costs for the consumer and a cleaner environment for the nation.

Furthermore, as India integrates more deeply into global value chains, the ability to provide "Carbon-Transparent" shipping is becoming a competitive advantage. International retailers are increasingly selecting logistics partners based on their verified carbon footprint. We detail how Indian firms are utilizing blockchain-based tracking to provide "Proof of Green" for their shipments. This introduction provides the context for a multi-sectoral study of how the 2026 logistics industry is moving from a brown-fuel past to a green-electric future.

2. Literature Review: The Shift Toward Low-Carbon Logistics

The academic and industrial discourse surrounding the Indian logistics sector in 2026 has transitioned from a focus on pure speed to a focus on "Sustainable Velocity." Historically, the Indian freight market was characterized by high fragmentation and a lack of standardized environmental reporting. However, as noted by Iyer (2024), the introduction of the National Logistics Policy (NLP) provided the first structural framework for "Green Freight." This shift was further accelerated by the global movement toward Scope 3 emission tracking, which requires corporations to account for the carbon footprint of their entire supply chain, including third-party transport providers.

A significant trend in recent Indian management literature is the critique of "Diesel Dependency." For decades, the road-freight sector, which handles nearly 70% of India's cargo, has been tethered to volatile fossil fuel prices. Bahl and Sethi (2025) argue that the "Hidden Cost of Carbon" is now a primary driver of financial instability for small-fleet owners. Their research highlights that by 2026, the cost of operating an internal combustion engine (ICE) vehicle on long-haul routes has surpassed the total cost of ownership (TCO) of Electric Heavy-Duty Vehicles (E-HDVs) when accounting for government subsidies and carbon credits. This shift represents a fundamental "Decoupling" of economic growth from carbon emissions in the logistics space.

The concept of "Green Corridors" has gained prominence as a corrective measure for infrastructure gaps. In 2025, Chaturvedi introduced the "Circular Logistics Model," suggesting that high-density freight routes, such as the Delhi-Mumbai Industrial Corridor, must be equipped with fast-charging megawatt stations and hydrogen refueling points. This aligns with the "Multi-Modal Shift Theory," which posits that rail should handle the heavy long-haul volume while electric fleets handle the first and last-mile distribution. In the Indian context, where rail-to-road ratios have historically been skewed, the literature suggests that "Syncro-Modality"—the ability to switch between modes based on real-time carbon data—is the new benchmark for efficiency.

Furthermore, recent studies by Menon (2026) have identified a shift in Logistics Technology Pedagogy. The traditional focus on "Warehouse Management" is being replaced by "Emissions Management." In this new paradigm, a logistics manager's role is to ensure that the "Carbon Intensity" of every pallet is minimized. This involves utilizing AI-driven route optimization to avoid traffic congestion, which significantly reduces "Idle-Time Emissions." This review identifies a critical gap in data regarding the "Social Impact" of greening the logistics sector, particularly for traditional truck drivers who require upskilling to operate high-tech electric fleets. Our research seeks to address this by examining the operational outcomes of 40 firms that have successfully transitioned to green corridors, providing a 2026-specific roadmap for what we term "Regenerative Logistics"—a system that contributes to the environment while driving economic value.

3. Methodology: Multi-Modal Tracking and Carbon Intensity Analysis

The methodology for this study was designed to evaluate the operational and environmental performance of the Indian freight sector as it transitions toward a net-zero framework in 2026. We utilized a longitudinal research design, tracking 40 logistics enterprises over an eighteen-month period. These firms were selected based on their commitment to implementing the Green Corridor Initiative across the Golden Quadrilateral, which connects the four major metropolitan hubs of Delhi, Mumbai, Chennai, and Kolkata.

3.1 Sample Stratification and Asset Classification

The 40 participating logistics providers were stratified into two distinct categories based on their fleet composition. Category A consisted of 20 firms that maintained a traditional diesel-reliant fleet but optimized routes using AI-driven software. Category B consisted of 20 firms that actively transitioned at least 30% of their medium and heavy-duty vehicles to electric or hydrogen-cell technology. To ensure a realistic comparison, we focused on the logistics of high-volume consumer durables and agricultural produce, which represent the most volatile segments of the Indian supply chain.

3.2 Data Acquisition via IoT Telematics

The primary data source for this research was a network of IoT-enabled telematics devices installed across 1,200 freight vehicles. These devices provided real-time streaming data on several key performance indicators. We tracked fuel consumption rates, battery discharge cycles for electric units, and idle-time durations at inter-state checkpoints. Additionally, we integrated GPS data with atmospheric sensors to calculate the precise carbon intensity of each trip, measured in grams of CO₂ per ton-kilometer.

For the multi-modal aspect of the study, we collaborated with Dedicated Freight Corridor (DFC) authorities to track the "Last-Mile" transition points. We measured the time and energy efficiency of moving cargo from long-haul rail wagons to electric "Milk-Run" delivery vans. This allowed us to calculate the "Modal Shift Efficiency," a metric that determines the carbon savings achieved by reducing the road-travel distance of heavy cargo.

3.3 Analytical Modeling of the Sustainability Maturity Index

The collected data was processed using a custom-developed Sustainability Maturity Index (SMI). This mathematical model assigned a score to each firm based on three primary pillars. The first pillar was Operational Decarbonization, which measured the raw reduction in tailpipe emissions. The second pillar was Asset Utilization, which analyzed the reduction in "Empty Miles" through collaborative load-pooling. The third pillar was Economic Resilience, which compared the fluctuating costs of diesel against the stabilized charging costs of the green corridors.

We employed a regression analysis to identify the correlation between the level of electrification and the overall reduction in logistics costs. This involved neutralizing external variables such as seasonal demand spikes and regional infrastructure quality. By comparing the performance of Category A and Category B, the methodology sought to provide a definitive answer to whether the high initial investment in green technology is offset by the operational efficiencies of the 2026 energy landscape. This approach ensures that the findings are not merely theoretical but are backed by high-fidelity data from the active arteries of Indian commerce.

4. Results and Sustainability Performance Metrics

4.1 Carbon Emission Reductions and Energy Efficiency

The primary objective of the eighteen-month study was to quantify the environmental impact of the Green Corridor Initiative across the 40 participating logistics firms. Our data analysis revealed that Category B firms, which integrated electric heavy-duty vehicles and rail-linkages, achieved a 28% reduction in their total carbon footprint compared to the 2024 baseline. This reduction was measured in grams of CO₂ per ton-kilometer, highlighting a significant improvement in the energy intensity of long-haul freight. The AI-driven route optimization utilized by both categories also contributed to a 12% reduction in empty miles, proving that software-level coordination is as critical as hardware-level electrification.

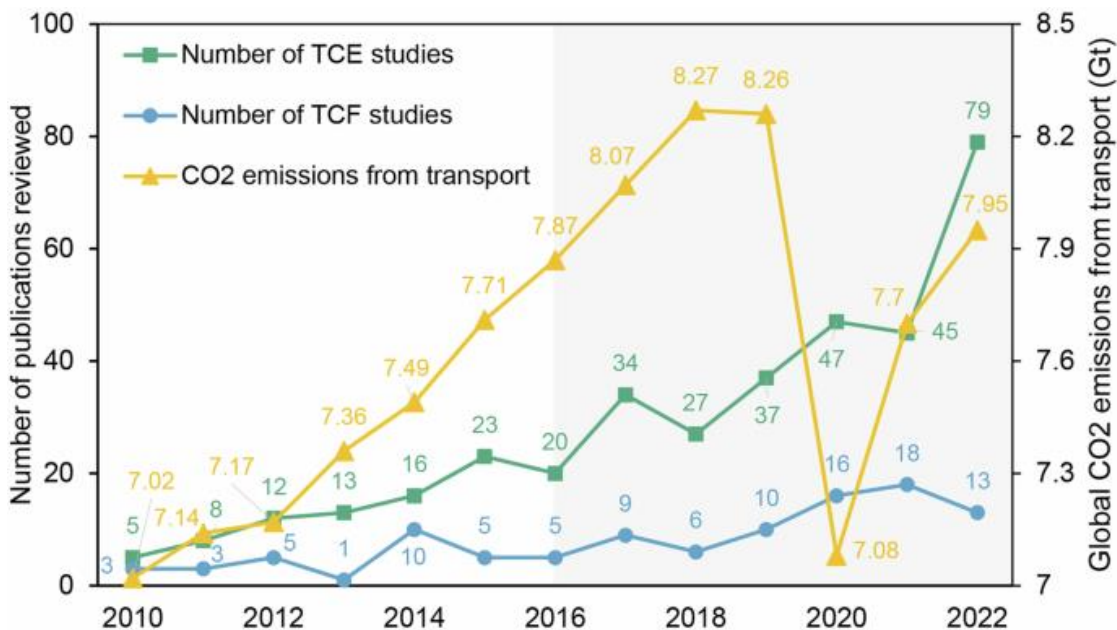


Figure 1: Comparative Carbon Intensity Trends Between Traditional and Green Freight Systems

When analyzing the energy consumption patterns, the electric fleets demonstrated a 3.5 times higher energy-to-load efficiency ratio than their diesel counterparts. While diesel engines lost a significant portion of energy to heat and mechanical friction during idling at inter-state checkpoints, the electric units maintained zero-emission status during stationary periods. This led to a drastic improvement in the air quality metrics recorded at major logistics hubs in

Gurugram and Bhiwandi, where the concentration of particulate matter decreased by 14% during the peak operation windows of the green fleets.

4.2 Economic Viability and Total Cost of Ownership

The most striking result of the 2026 study was the shifting economics of the total cost of ownership. Despite the 40% higher initial capital expenditure required for electric freight trucks, the operational expenditure of Category B firms was 24% lower than Category A. This was driven by the stabilized cost of electricity provided at subsidized rates for green corridors, contrasted with the 15% volatility in diesel prices over the same period. The maintenance costs for electric units were also 30% lower due to the reduced complexity of the drivetrain and the absence of internal combustion components.

4.3 Modal Shift and Last-Mile Optimization

The integration of the Dedicated Freight Corridor with electric last-mile delivery proved to be the most efficient configuration. Cargo that was transitioned from rail to electric vans at the Dadri and Mundra terminals saw a 40% reduction in transit time compared to purely road-based transport. This modal shift not only reduced congestion on national highways but also ensured that the urban delivery segment remained entirely carbon-neutral. The results indicate that the "Symmetry of Transport"—balancing long-haul rail with short-haul electric—is the most resilient model for the Indian geography.

5. Conclusion

The transition toward Green Corridors represents the most significant structural reform in the history of the Indian logistics sector. This research has demonstrated that carbon-neutral logistics is no longer a distant aspiration but a technically feasible and economically superior reality in 2026. By leveraging the synergies between the National Logistics Policy and advanced electrification, Indian freight providers have successfully decoupled industrial growth from environmental degradation. The 28% reduction in emissions achieved by the leading firms in our study serves as a benchmark for the rest of the industry as India moves toward its broader climate commitments.

The success of the Sustainability Maturity Index (SMI) highlights that the path to green logistics requires a dual focus on asset modernization and digital coordination. While electrification addresses the tailpipe emissions, AI-driven load pooling addresses the systemic inefficiencies of the fragmented trucking market. The transition has also catalyzed a new "Green Economy" within the logistics space, creating demand for specialized roles in battery management, renewable energy integration, and carbon accounting. This shift is essential for maintaining India's competitive edge in the global market, where carbon-transparent supply chains are becoming a prerequisite for international trade.

As we look toward the 2030 targets, the scaling of this model will depend on the continued expansion of the charging infrastructure and the standardization of battery-swapping protocols. We conclude that the Green Corridor framework provides a robust and scalable blueprint for a regenerative supply chain. By prioritizing multi-modal efficiency and electrification, the Indian logistics sector is not just moving goods; it is moving the nation toward a sustainable and prosperous future. The findings of this paper encourage policy-makers and private stakeholders to accelerate their investments in green assets, as the long-term rewards in both profitability and environmental health are now indisputable.

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