



Industry Report on Logistics in India

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Prepared for

Neptune Logitek Pvt Ltd

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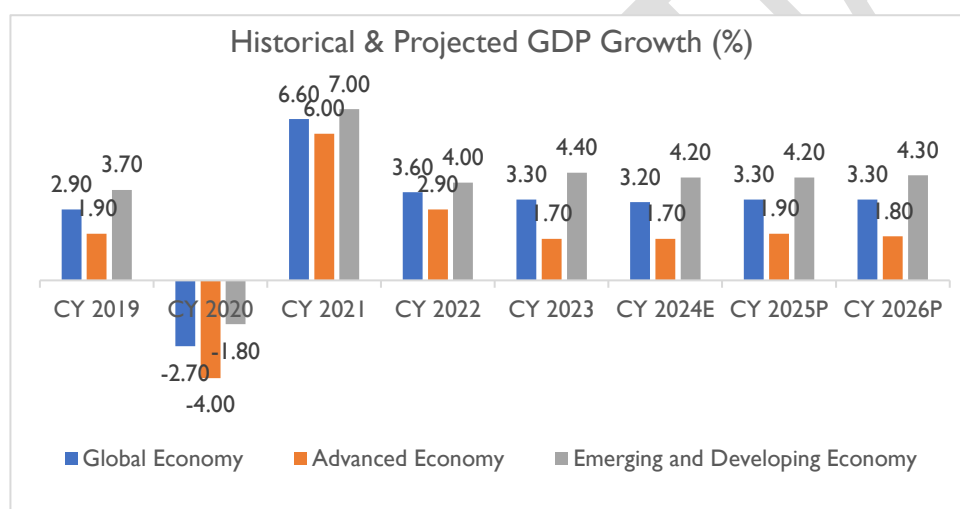
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Global Macroeconomic Scenario

Global Economic Overview

The global economy, which grew by 3.30% in CY 2023, is expected to record a sluggish growth of 3.20% in 2024 before rising modestly to 3.30% in 2025. The year 2024 continued to remain a challenging year marked by uncertainties and transformative shifts. Numerous factors such as high inflation in many economies despite central bank effort to curb inflation, continuing energy market volatility driven by geopolitical tensions particularly in Ukraine and Middle East, and the re-election of Donald Trump as US President extended uncertainty around the trade policies as well as overall global economic growth. High inflation and rising borrowing costs affected the private consumption on one hand while fiscal consolidation impacted the government consumption on the other hand. As a result, global GDP growth is estimated to grow by 3.20% in CY 2024 as compared to 3.30% in CY 2023.



Source – IMF Global GDP Forecast Release January 2025

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

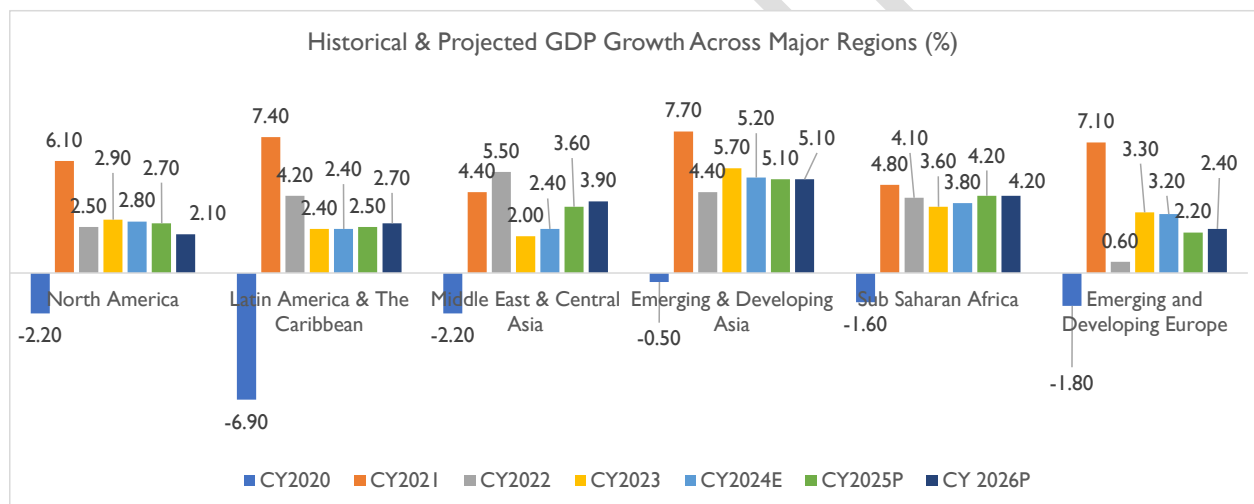
Global Economic Outlook

At broader level, the overall world GDP growth is expected to grow modestly by 3.30% in 2025 and 2026 up from 3.20% in 2024. The real GDP in advanced economies is projected to grow 1.90% in 2025, up from 1.70% in 2024 while the GDP growth in emerging economies is expected to continue growing at 4.20% as in 2024. Global inflation is expected to decline steadily, to 4.20% in 2025 and to 3.50% in 2026 still somewhat higher than the 3.10% pace in 2019. In advanced economies, where inflation surged to multidecade highs following the pandemic, price pressures are expected to moderate but remain uneven. Wage cost pressures, potential tariffs and limited innovation undermining global competitiveness in some sectors are likely to

persist across European economies and the UK. In the US, we expect the moderating trend in inflation will remain in place through early 2025, though it could then change as deregulation, potential immigration restrictions and tariffs lead to a renewed inflation impulse. In contrast to President-elect Trump's first term, these inflationary pressures would come in a new paradigm defined by fragile supply conditions, elevated geopolitical tensions and structural upside risks to inflation. Geopolitical tensions such as the wars in Ukraine and the Middle East could further exacerbate inflation volatility, particularly in energy and agricultural commodities.

Historical and Projected Regional GDP Growth

GDP growth across major regions exhibited a mixed trend between 2022-23, with GDP growth in many regions including North America, Emerging and Developing Asia, and Emerging and Developing Europe slowing further in 2024. In 2025, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia, etc.) is expected to decrease further from 5.20% in CY 2024 to 5.10%, while in the North America, it is expected to decrease from 2.80% in CY 2024 to 2.70% in CY 2025.



Source-IMF World Economic Outlook January 2025 update.

Except for Emerging and Developing Asia, Emerging and Developing Europe and North America, all other regions are expected to record an increase in GDP growth rate in CY 2025 as compared to CY 2024. Further, growth in the United States is expected to come down at 2.71% in CY 2025 from 2.80% in CY 2024 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand. India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively and expected to slow down due gradually in 2024 and in subsequent two years. Mainland China will face a different macroeconomic challenge: the risk of deflation due to subdued consumer spending trends, cautious business investment and ongoing deleveraging in the property sector. This has prompted authorities to announce stimulus measures to prevent exacerbating deflationary pressures. Indeed, deflation could slow the economic recovery by delaying consumer purchases, eroding corporate revenues and worsening real debt burdens, particularly if property

sector weakness and slowing exports continue to weigh on private sector confidence. Emerging markets will grapple with the challenge of curbing inflation while contending with fragile supply chains, volatile commodity prices and foreign exchange fluctuations. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.

India Macroeconomic Analysis

India emerged as one of the fastest growth economies amongst the leading advanced economies and emerging economies. India's economy showed resilience with GDP growing at 8.20% in CY 2023. The GDP growth in CY 2023 represents a return to pre pandemic era growth path. In CY 2024, even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world and is estimated to register a GDP growth of 6.60%.

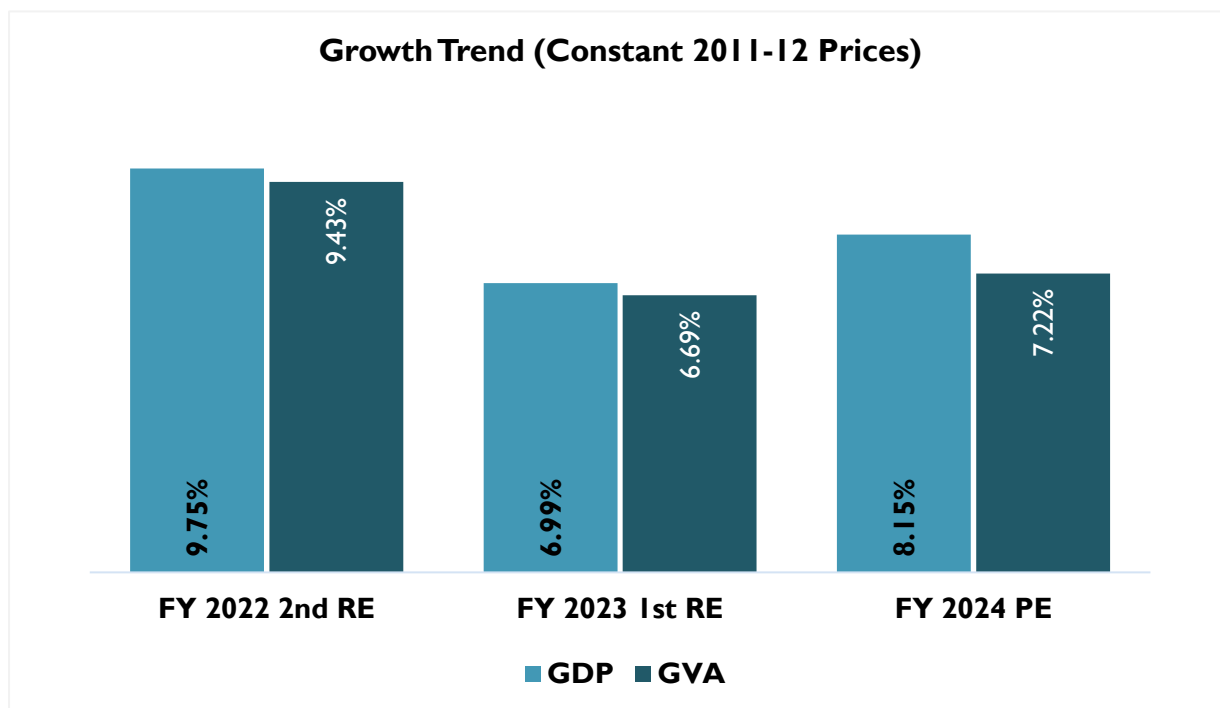
Country	CY 220	CY 2021	CY 2022	CY 2023	CY 2024 E	CY 2025 P	CY 2026 P
India	-7.30%	8.90%	7.20%	8.20%	6.50%	6.50%	6.50%
China	2.30%	8.10%	3.00%	5.20%	4.80%	4.60%	4.50%
United States	-3.40%	5.70%	2.10%	2.90%	2.80%	2.71%	2.10%
Japan	-4.60%	1.60%	1.00%	1.70%	-0.20%	1.10%	0.80%
United Kingdom	-9.80%	7.40%	4.10%	0.30%	0.90%	1.60%	1.50%
Russia	-3.00%	4.70%	-2.10%	3.60%	3.80%	1.40%	1.20%

Source: World Economic Outlook, January 2025

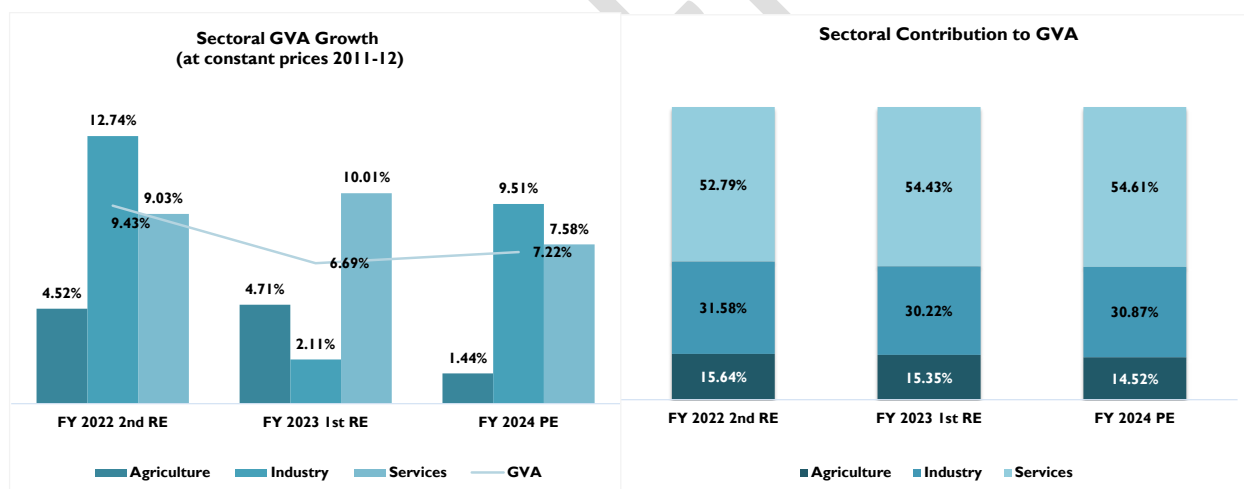
The Government stepped spending on infrastructure projects to boost the economic growth had a positive impact on economic growth. The capital expenditure of the central government increased by average 26.52% during FY 2023-FY 2024 which slowed to 7.27% in FY 2025 which is expected to translate in moderating GDP growth of 6.5% in 2024. In the Union Budget 2025-2026, the government announced INR 11.21 billion capex on infrastructure (10.12% higher than previous year revised estimates) coupled with INR 1.5 trillion in interest-free loans to states. This has provided much-needed confidence to the private sector, and in turn, expected to attract the private investment.

Historical GDP and GVA Growth trend

As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.15% compared to 6.99% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics: FY2024
 Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

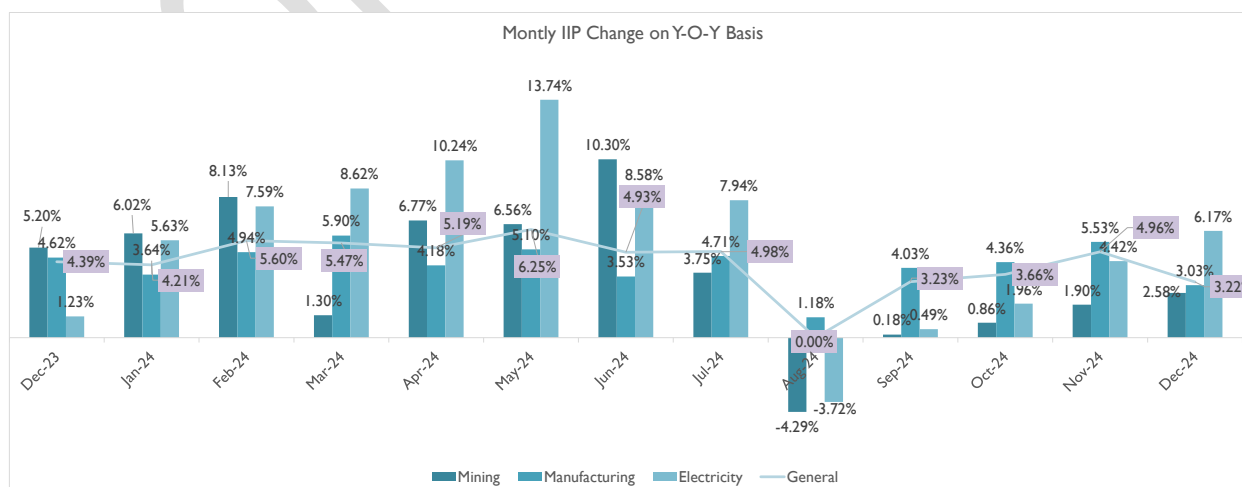
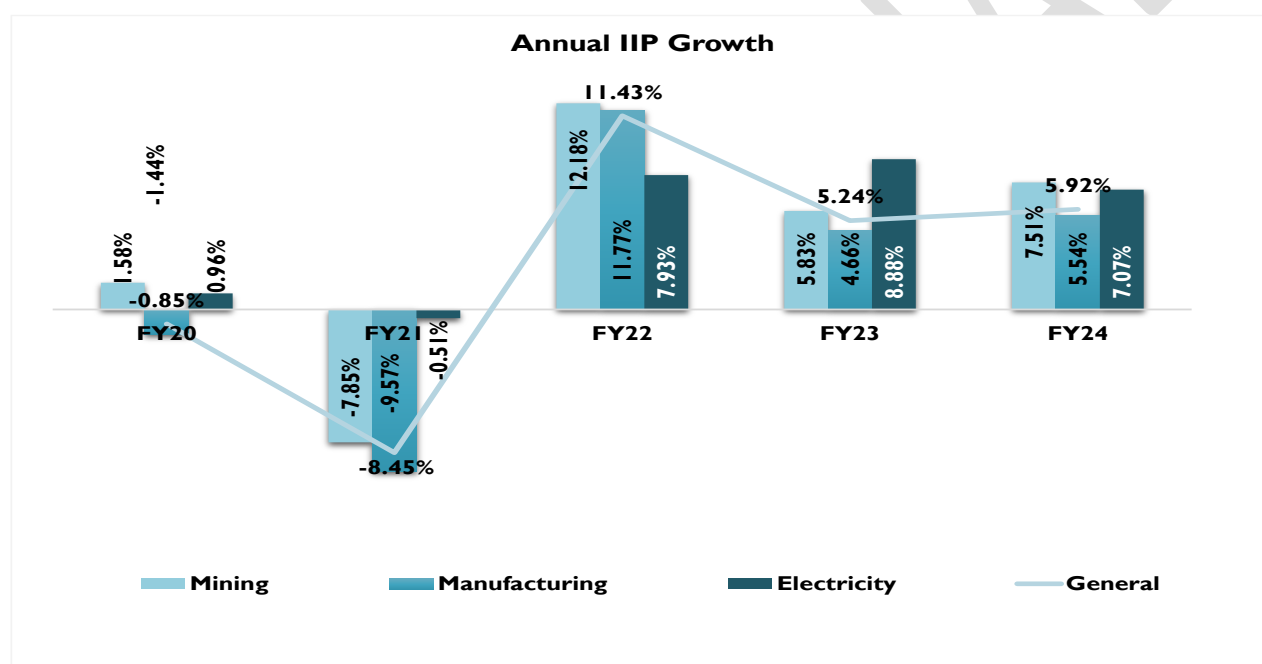
Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.51% year-on-year increase in FY 2024 against 2.11% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered a growth of 7.09%, 9.86% and 9.94% in FY 2024 against a year-on-year change of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in year-on-year growth to 7.53% against 9.44% in the previous years.

Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to

normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to the pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen in FY 2023 and grow in FY 2024, although the growth hasn't shown substantial increases. In FY 2024, services sector grew by 7.58% against 10.01% year-on-year growth in the previous year.

Annual & Monthly IIP Growth

Industrial sector performance as measured by IIP index grew by 5.92% in FY 2024 (against 5.24% in FY 2023) backed by the increased in Manufacturing index, which has 77.63% weightage in overall index. The manufacturing index grew by 5.54% in FY 2024 against 4.66% year-on-year growth in FY 2023. Mining sector index too grew by 7.51% in FY 2024 against 5.83% in the previous years while the Electricity sector Index, witnessed an improvement of 7.07% in FY 2024 against 8.88% in the previous year.

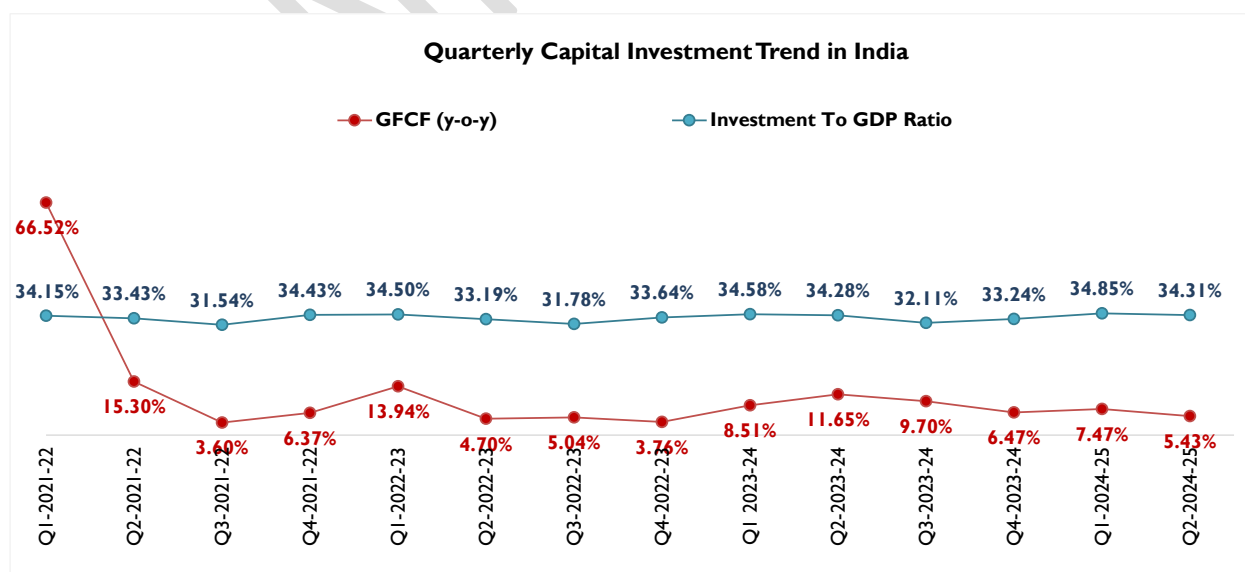
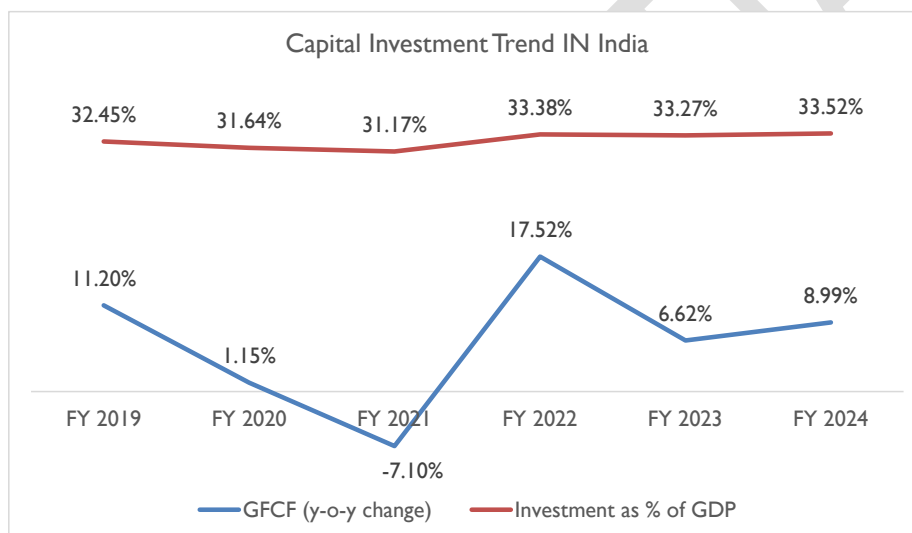


Source: Ministry of Statistics & Programme Implementation (MOSPI)

In the current fiscal FY 2025, the monthly IIP measured index has reported steady improvement over the last fiscal during the first quarter but in later month starting from July 2024 its year-on-year growth moderated due to the high base effect as month year-on-year growth between July 2023 to October 2023 ranged in between 6.18% -11.89% range. Overall month IIP index growth moderated to 3.22% in December 2024 against 4.96% growth in the November 2024 and 4.39% growth in December 2023. Both manufacturing and mining index indicated moderation in December 2024 over the previous month as well as against December 2023 while growth in electricity Index improved considerably against November 2024 and December 2023,

Annual and Quarterly: Investment & Consumption Scenario

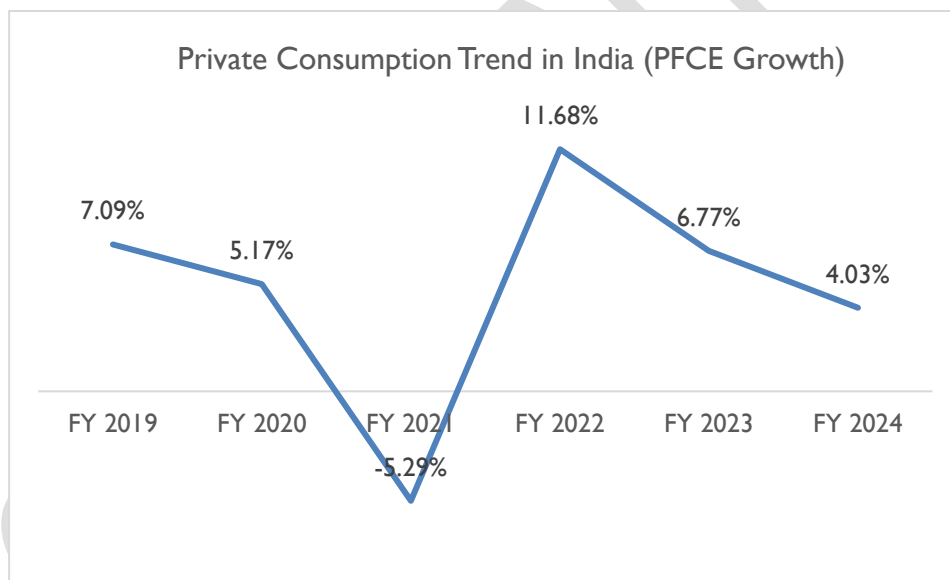
Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it registered 8.99% year-on-year growth against 6.62% yearly growth in FY 2023, taking the GFCF to GDP ratio measured to 33.52%, the highest in last six years.

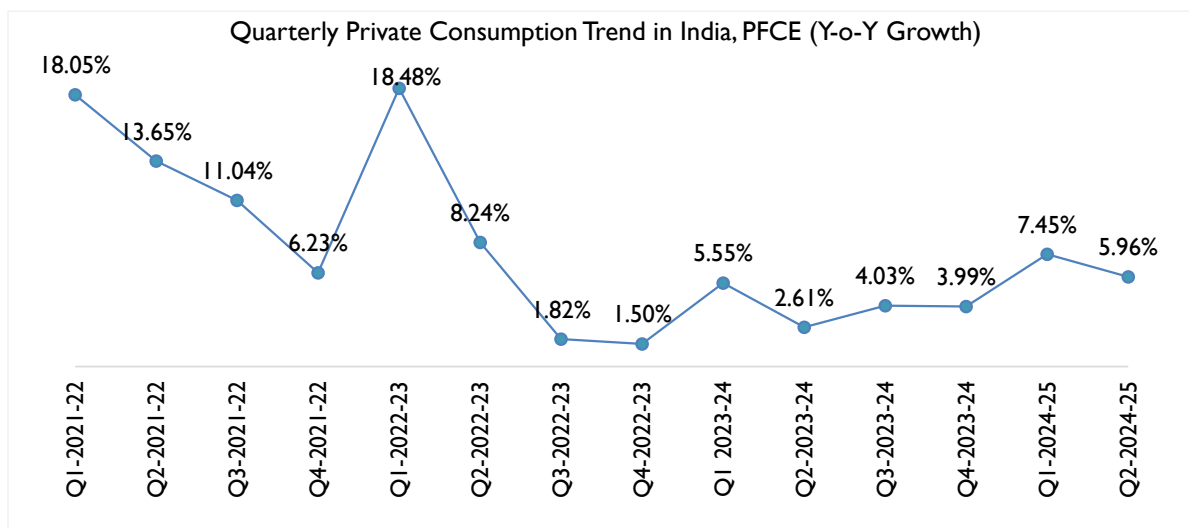


Source: Ministry of Statistics & Programme Implementation (MOSPI)

On quarterly basis, GFCF exhibited a fluctuating trend in quarterly growth over the previous year same quarter. In FY 2024, the growth rate moderated to 6.47% in March quarter against the previous two quarter as government went slow on capital spending amidst the 2024 general election while it observed an improvement in Q1 FY 2025 by growing at 7.47% against 6.47% in the previous quarter. Still, the growth rate remained lower compared to the same quarter in the previous year. The GFCF to GDP ratio measured 34.31% in Q2 FY 2025.

Private Consumption Scenario



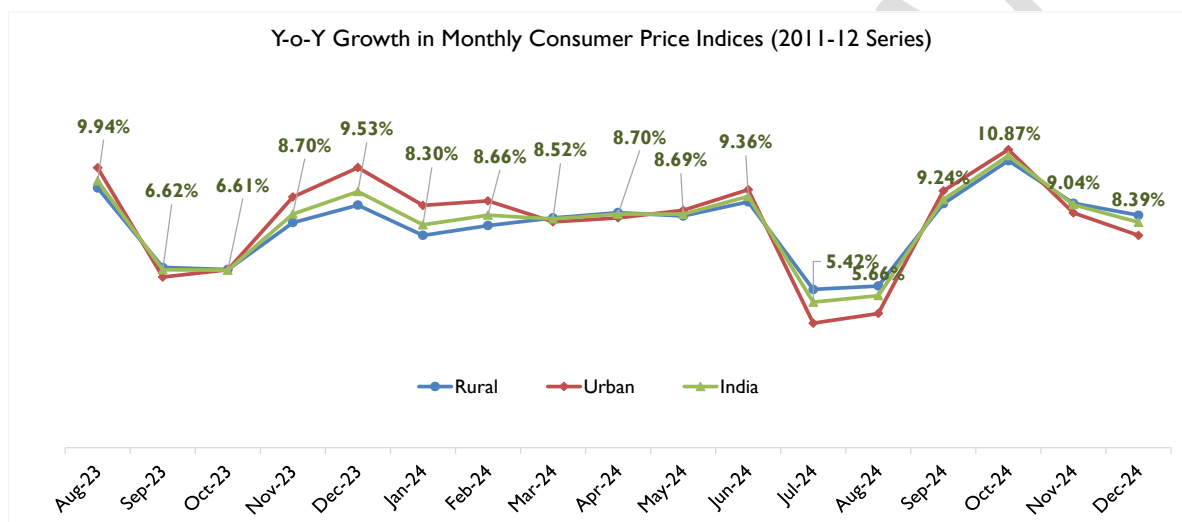
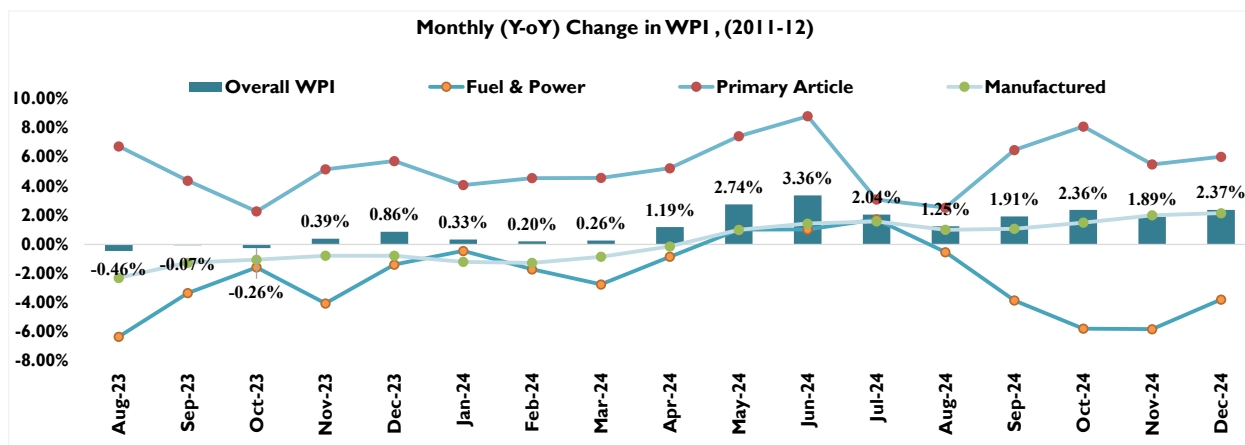


Sources: MOSPI

Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated in FY 2023 and FY 2024 amidst high inflation. However, quarterly data indicated some improvement in the current fiscal as the growth rate improved over the corresponding period in the last fiscal.

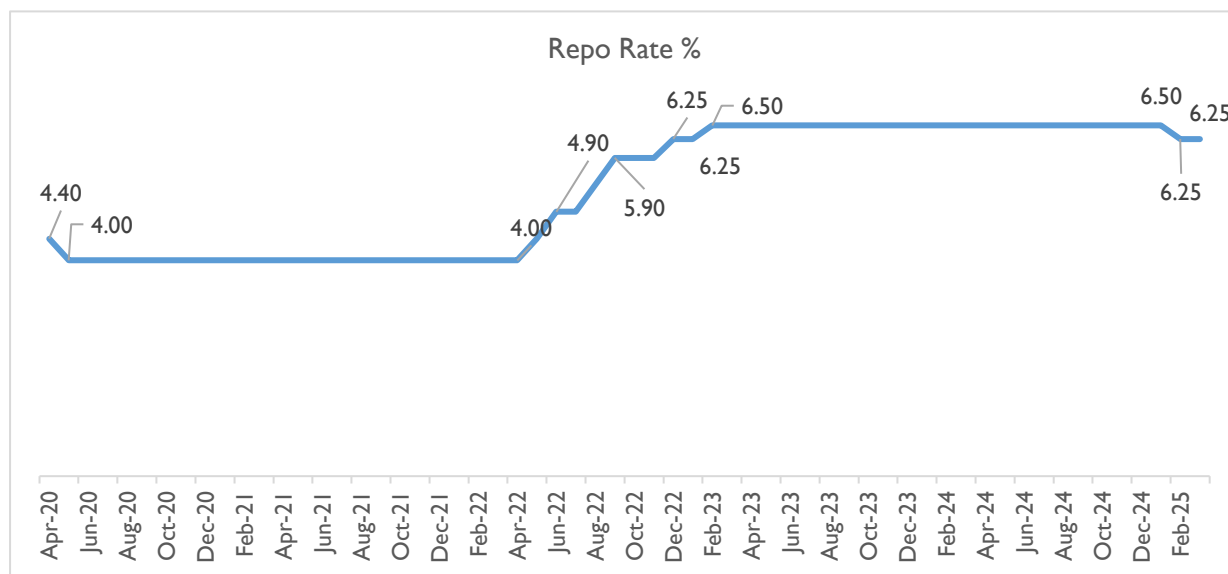
Inflation Scenario

The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from August 2023 to December 2024. Overall WPI number measured 2.37% higher in December 2024. Increasing inflation in December 2024 was primarily due to increase in prices of food articles, manufacture of food products, other manufacturing, manufacture of textiles and non-food articles etc. By December 2024, Primary Articles WPI inflation moderated compared to October prices level but increase marginally compared to the previous month and observed 6.02% year-on-year growth over the same month last year. The Price of food articles observed a decline of (-3.08%) and crude petroleum & natural gas (- 2.87%) in December 2024 compared to the previous month i.e. November 2024. However, the Price of non-food articles grew by 2.53% and minerals by 0.48% in December 2024 as compared to November 2024. Moreover, power & fuel, the index for this major group increased by 1.90% to 149.90 in December 2024 from 147.10 in the month of November 2024. Price of electricity (8.81%) and coal (0.07%) increased in December 2024. The price of mineral oils (-0.06%) decreased in December 2024 as compared to November 2024.



Source: MOSPI, Office of Economic Advisor

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between August 2023 and December 2024. Overall, the national CPI inflation rate increased to 9.94% in August 2023 but moderated to 8.39% by December 2024, indicating a gradual easing of inflationary pressures across both rural and urban areas. Rural CPI inflation peaked at 9.67% in August 2023, declining to 8.65 % in December 2024. Urban CPI inflation followed a similar trend, rising to 10.42% in August 2023 and then dropping to 7.90% in December 2024. CPI measured above 6.00% tolerance limit of the central bank since July 2023. As a part of an anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 and 8 Feb 2023 while it held the rate steady at 6.50 % till January 2025. In February, RBI reduced the repo rate for the first time in the last 5 year by 25 basis point to 6.25% from 6.50% previously.



Sources: CMIE Economic Outlook

Growth Outlook

India's H1 FY2024-25 GDP slowdown is cyclical, influenced by credit tightening and delayed fiscal spending, but strong fundamentals should drive growth in the latter half. The continuity of the NDA government supports ongoing reforms, including labour and land reforms, and efforts to control retail inflation by managing food prices. Inflation eased to 5.5% in November 2024, but risks from high food prices and geopolitical tensions remain. Rural demand has been resilient due to favourable monsoons and agricultural output, while urban demand faces pressure.

Externally, global geopolitical tensions, including the Gaza conflict, pose risks to global stability. The Indian rupee weakened in October 2024 but outperformed its peers, supported by RBI interventions and high FX reserves. Despite this, external pressures, including US monetary policy, will continue to strain the rupee in the near term.

India's projected GDP growth for CY 2025 is 6.50%, the fastest among major emerging markets, and is expected to maintain this growth rate through 2029. Inflation is expected to slow, with improvements in infrastructure, digital technology, and ease of doing business supporting long-term growth. The Union Budget 2025-26 also targets a reduced fiscal deficit of 4.4% (lower than the revised estimate of 4.8% of GDP in 2024-25), highlighting India's capacity to grow while adhering to fiscal goals. Capital expenditure has been significantly boosted, projected at 3.4% of GDP (INR 11.1 trillion) for FY2025-26, the highest in 21 years. Investments in port connectivity and commodity corridors aim to enhance manufacturing competitiveness and achieve export targets.

With a focus on stimulating demand, driving investment and ensuring inclusive development, the budget introduces measures such as tax relief, increased infrastructure spending and incentives for manufacturing and clean energy. These initiatives aim to accelerate growth while maintaining fiscal discipline, reinforcing

India's long-term economic resilience. The expansion of tax relief i.e. zero tax liability for individuals earning up to INR 12 lacs annually under the new tax regime is expected to strengthen household finances and, consequently, boost consumption.

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Logistics Industry in India

Overview

India's logistics industry is poised for significant growth over the coming years, driven by rapid industrial expansion, infrastructure development, policy reforms, and the booming e-commerce sector. The market, valued at USD 354.0 billion in FY 2024, is projected to reach approximately USD 450.0 billion by FY 2027, reflecting a robust compound annual growth rate (CAGR) of 8.3%. This growth trajectory underscores the sector's rising importance in facilitating domestic and international trade, while ongoing skill development initiatives and government support continue to enhance operational efficiency and workforce capabilities.

Analysis of Key Attributes of India's Logistics Industry

India's logistics sector now offers integrated, end-to-end solutions, combining transportation, warehousing, and last-mile delivery to optimize supply chain efficiency across industries. Key attributes include:

Technology-Driven Operations

Advanced technologies like AI, IoT, and blockchain are transforming logistics. AI optimizes routes, IoT enables real-time tracking, and blockchain secures documentation - all enhancing efficiency, transparency, and reliability across supply chains.

Regulatory Compliance Expertise

Logistics providers have developed specialized skills to navigate India's complex GST, customs, and trade regulations. Digital compliance systems and expert teams help businesses avoid delays and penalties while ensuring smooth cross-border transactions.

Scalability for Diverse Needs

The industry serves all business sizes, from SMEs to multinationals, through flexible models like 3PL and 4PL services. Shared resources and pay-per-use options make quality logistics accessible while maintaining service standards.

Resilience and Risk Mitigation

Companies have built robust systems to handle disruptions, using multi-modal transport, distributed warehousing, and alternative energy vehicles. Predictive analytics and contingency planning further strengthen supply chain reliability.

Features of Core Services:

- **Freight Forwarding:** Freight forwarding is the spine of India's logistics industry, managing multimodal transport (road, rail, air, and sea) to facilitate hassle-free cargo movement. Freight forwarders are experts in customs clearance, managing intricate documentation such as bills of lading, certificates of origin, and import/export permits. They minimize costs through cargo consolidation, uniting smaller shipments into full-container loads. Also, they handle specialized shipments, such as hazardous materials, perishables, and oversized freight, in accordance with safety regulations.
- **Warehousing & Distribution:** Indian warehousing today is more than just storage, with intelligent inventory management systems (WMS) and automation for efficiency. Warehouses now have temperature-controlled areas for pharmaceuticals and perishables, cross-docking to reduce storage time, and value-added services such as labelling, packaging, and kitting. Distribution networks are also linked with last-mile delivery, allowing for quicker order fulfilment for retail and e-commerce. Warehouse locations close to industrial clusters and ports also add to supply chain efficiency, lowering logistics cost and lead times for delivery.
- **Last-Mile Delivery:** Last-mile delivery is essential for retail and e-commerce, making products available to consumers in a timely manner. Hyperlocal delivery networks, real-time GPS, and AI-powered route optimization are utilized by companies to reduce delays. COD handling, contactless delivery, and smart locker solutions make it more convenient for customers. Reverse logistics is also implemented, enabling smooth returns and exchanges.
- **Cold Chain Logistics:** India's cold chain logistics for safe transportation of temperature-sensitive products, such as pharmaceuticals, vaccines, and perishable foods, depends on cold trucks (-25°C to $+25^{\circ}\text{C}$ range), IoT-based temperature monitoring, and pharma-compliant godowns. The industry is critical to India's food supply chain, saving wastage, and aiding agricultural exports. Government schemes such as Kisan Rails and cold storage subsidies are driving infrastructure development in this area.
- **Project Cargo Logistics:** Project cargo logistics manages oversized, heavy, and complex cargo shipments for sectors such as oil & gas, energy, and infrastructure. Route surveying, special permit procurement, and heavy-lift transportation via cranes and flatbed trailers are services offered. Providers facilitate safe transportation of machinery, wind turbines, and industrial equipment, which in many cases demands police escorts and tailored packaging. This segment is increasing with India's infrastructure development under programs such as PM Gati Shakti
- **Cross-Border Logistics:** Cross-border logistics enables global trade, managing EXIM paperwork, customs clearance, and duty optimization. Providers utilize free trade agreements (FTAs) to lower tariffs and provide warehousing under bond for payment of duty in arrears. Electronic platforms such as ICEGATE make customs smoother, whereas international alliances make cargo flow hassle-free. While India is eyeing \$2 trillion in exports by 2030, cross-border logistics is turning more efficient with blockchain-based documents and real-time tracking.



Major End-Use Industries and Customer Segments:



- **E-Commerce & Retail**

The e-commerce boom has transformed last-mile logistics in India, with companies developing sophisticated delivery networks to meet consumer expectations for speed and reliability. For instance, Flipkart's 'Hyperlocal' service delivers products from local stores within 2 hours in 70+ cities, leveraging a network of dark stores and optimized routing algorithms. Amazon India's fulfilment centres process over 5 million shipments monthly during peak seasons, using AI-powered sortation systems that can handle 10,000 packages per hour.

- **Manufacturing (Automotive, Electronics, Industrial Goods)**

Precision logistics forms the backbone of India's manufacturing sector, with specialized solutions for different verticals. Tata Motors' Pune plant receives 15,000+ auto components daily through a meticulously coordinated just-in-time system involving 300+ suppliers. In electronics, Samsung's Noida factory ships 120 million smartphones annually using shock-proof packaging and climate-controlled transport.

- **Pharmaceuticals & Healthcare**

India's status as the 'pharmacy of the world' depends on its advanced cold chain capabilities. During the pandemic, Serum Institute transported 200 million Covishield vaccine doses nationwide using 5,000+ cold chain vehicles equipped with real-time temperature monitoring. Biocon's insulin shipments maintain strict 2-

8°C conditions throughout transit, with GPS-tracked containers and emergency backup systems. Major hospital chains like Apollo use temperature-controlled logistics for organ transplants, where even minor deviations can render organs unusable.

- **Agriculture & Food Processing**

Modern logistics solutions are revolutionizing India's agricultural supply chains. Mother Dairy receives 3.5 million liters of milk daily from 100,000+ farmers across North India, using a cold chain network that maintains products at 4°C from farm to retail. In fruits, Kay Bee Exports ships 20,000 metric tons of bananas annually to Middle Eastern markets using controlled atmosphere containers that extend shelf life by 30 days. The Kisan Rail initiative has transported 400,000+ tons of perishables since 2020, including 1,300 tons of strawberries from Maharashtra to Bihar in a single shipment.

- **Oil & Gas / Heavy Industries**

The energy sector's complex logistics requirements are met through specialized solutions. Reliance Industries recently transported a 1,200-ton distillation column from Hazira to Jamnagar using 256-axle trailers in India's heaviest road movement. ONGC's offshore operations rely on supply vessels making 5,000+ trips annually to service rigs in the Arabian Sea.

- **Government & Défense**

Strategic logistics supports national security and infrastructure development. The Indian Army's recent induction of 100+ T-90 tanks involved rail transport from Avadi to Rajasthan using custom-built flatcars. For urban infrastructure, the Mumbai Coastal Road Project required transporting 2,000+ precast concrete segments weighing 2,500 tons each via barges. The National Disaster Response Force maintains a standby fleet of 100+ all-terrain vehicles for emergency relief operations across flood-prone regions.

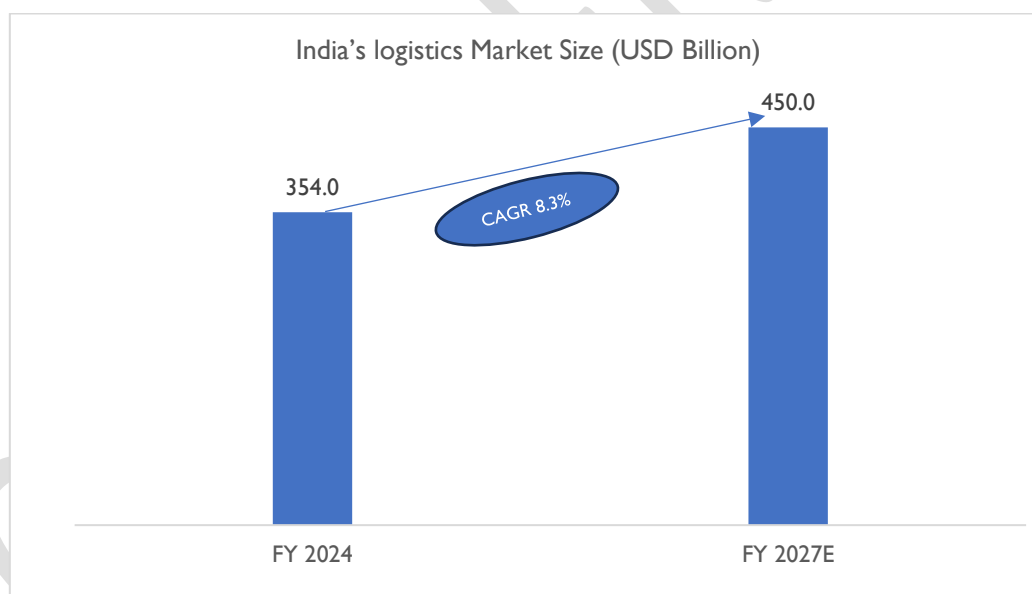
Hence, the Indian logistics industry is evolving into a technology-driven, highly specialized, and resilient ecosystem supporting a diverse range of industries. With strong growth prospects, continued infrastructure development, and digital innovation, the sector is positioned as a critical enabler of India's economic expansion.

Market Size

The logistics industry in India stands as a cornerstone of the nation's economic framework, valued at a substantial **USD 354 billion and contributing approximately 18.4% to the country's Gross Domestic Product (GDP)**. As India continues to emerge as a global economic powerhouse, the logistics sector plays a pivotal role in facilitating trade, supporting supply chains, and enabling the seamless movement of goods across the nation and beyond.

In recent years, the logistics sector has witnessed a significant transformation, driven by favorable policy changes and strategic government initiatives. The easing of Foreign Direct Investment (FDI) norms has opened up the sector to international players, bringing in advanced technologies, better practices, and increased competition. Furthermore, the proposed implementation of the Goods and Services Tax (GST) has the potential to create a unified national market, eliminating the complexities of inter-state taxation and enhancing the efficiency of logistics operations.

Also, India has been making notable improvements in its global logistics performance. As per the **World Bank's Logistics Performance Index**, India ranked **38th in 2023-2024**, signaling enhanced logistics capabilities, better infrastructure, and improved regulatory environments.



Source: Logistic Skill Council

Key Takeaways:

- ❖ **Valuation & Contribution:** The logistics sector is valued at USD 354 billion, contributing 18.4% to India's GDP.
- ❖ **Unorganized Dominance:** The sector remains 99% unorganized, highlighting the need for formalization.
- ❖ **Cost Optimization Potential:** Reducing logistics cost from 14% to 9% of GDP can result in USD 50 billion savings, improving global competitiveness.

- ❖ **Global Ranking:** India ranks 38th in the World Bank's Logistics Performance Index (2023–24).
- ❖ **Employment & Export Growth:** A robust logistics ecosystem can create jobs and support export expansion.

India's growing integration with the global economy and the rapid expansion of the e-commerce sector have also catalysed the growth of logistics services. With more consumers shopping online, the demand for timely and efficient delivery systems has surged, prompting investments in warehousing, transportation, and last-mile connectivity.

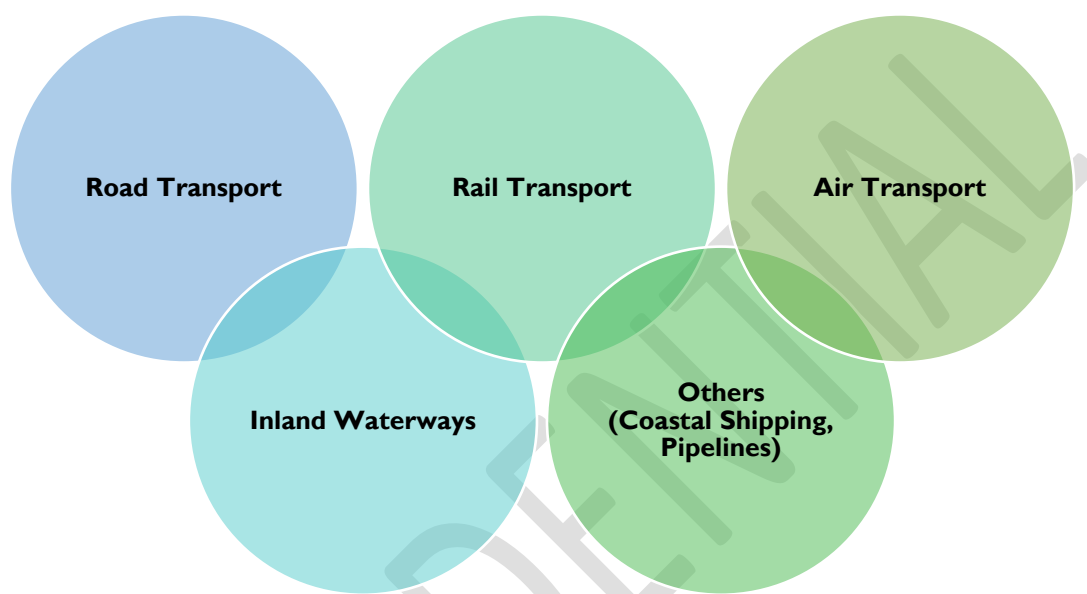
Despite this progress, **the sector remains largely unorganized, with nearly 99% of the USD 150 billion logistics cost accounted for by small-scale operators.** These include truck owners with fleets of fewer than five vehicles, small warehouse providers, customs brokers, and local freight forwarders who often operate under informal arrangements or in affiliation with larger brokers or transport firms. **The organized sector, by contrast, contributes just over 1%, amounting to approximately USD 1.5 billion.**

This fragmentation presents both a challenge and an opportunity. The unorganized nature of the sector often leads to inefficiencies, higher costs, and inconsistencies in service delivery. However, it also signals immense potential for formalization, digitization, and consolidation—steps that can drive productivity, transparency, and scalability. Overall, India's logistics industry is evolving rapidly, supported by government initiatives, infrastructure development, and technological advancements. The sector is poised to achieve greater efficiency and global competitiveness in the coming years, making it a vital pillar of India's economic growth.

In conclusion, the Indian logistics industry is at the cusp of transformation. With the right mix of policy support, infrastructure development, technology adoption, and organizational restructuring, it holds the potential to become a world-class system that drives economic growth, enhances trade competitiveness, and supports India's aspiration to become a global manufacturing and distribution hub.

Segments:

India's freight transportation industry is undergoing a dynamic transformation, characterized by multi-modal expansion and sector-specific growth. The segmentation of this industry is critical for understanding the movement of goods across the country and optimizing logistics infrastructure and investments. Below is an overview of key segments based on the mode of transport and recent performance indicators:



I. Road Transport:

Roads continue to be the backbone of India's freight logistics network, facilitating last-mile delivery and intercity movement of goods. The government has set a target to construct 10,000 km of national highways in 2025-26, marking the lowest expansion target in the last seven years. However, a major focus remains on high-speed corridors, with 5,800 km planned for the upcoming year. This shift indicates a strategic pivot towards optimizing freight movement through express corridors. The monetization of highway projects and private investment initiatives are expected to play a pivotal role in funding and accelerating road freight infrastructure.

- **Key Factors for Dominance:**

- Versatility: Road transport supports diverse cargo types, including perishable goods, consumer products, and industrial materials.
- Last-Mile Connectivity: It provides seamless door-to-door delivery, making it the preferred choice for businesses.

- Expanding Infrastructure: Government initiatives like the Bharatmala Project are enhancing highway networks to improve efficiency.

- **Challenges:**

- High fuel costs and dependency on fossil fuels contribute to rising logistics expenses.
- Traffic congestion and inadequate road maintenance slow down freight movement.

2. Rail Freight Transportation

Indian Railways remains a dominant player in the bulk freight segment due to its cost efficiency and capacity. In a noteworthy development, **total freight loading reached 1,465.371 million tonnes (MT)** in the first 11 months of FY 2024-25, surpassing the **full-year figure of 1,443.166 MT in 2023-24**. This indicates **robust demand for rail freight**, particularly for commodities like coal, cement, and foodgrains, and reflects Indian Railways' ongoing focus on capacity expansion and operational efficiency.

- **Advantages:**

- Cost Efficiency: Rail transport is cheaper for long-distance bulk shipments like coal, cement, and food grains.
- Sustainability: Lower carbon emissions compared to road transport make it an eco-friendly alternative.

- **Challenges:**

- Limited Availability: Rail networks are often congested due to shared usage with passenger trains.
- Loading and Unloading Delays: Time-consuming processes at terminals reduce efficiency.

- **Government Initiatives:**

- The Dedicated Freight Corridors (DFCs) aim to improve speed and capacity, increasing the railway's freight share.
- Investments in private freight terminals (PFTs) will enhance cargo handling capabilities.

3. Air Freight Transportation

The air cargo segment is witnessing strong momentum, driven by the need for fast and secure delivery, especially in high-value and time-sensitive goods. Between **April 2024 and October 2024**, India recorded a **15% increase in total air cargo tonnage**, with **international air cargo growing by 19.9%** and **domestic cargo by 7.8%** year-on-year. A unique instance of integrated logistics was recorded on **10 October 2024**, when **AAICLAS Kolkata** facilitated the trans-shipment of an imported helicopter for the **Doha-Delhi-Kolkata-Bhutan** route using bonded trucks, showcasing the sector's growing capability in handling complex, multimodal consignments.

- **Advantages:**

- Fastest mode of transport, reducing lead times for urgent shipments.
- High security and minimal damage risk for delicate cargo.

- **Challenges:**

- High operational costs make air freight impractical for bulk commodities.
- Limited cargo capacity compared to other modes.

4. Waterways Freight Transportation

India's inland waterway system is gaining traction as a cost-effective and eco-friendly alternative. In FY 2024-25, **cargo traffic on National Waterways touched a record high of 145.5 million tonnes**, achieving a **9.34% year-on-year growth**. This uptick is complemented by the **expansion in operational waterways**, which increased from 24 to 29 during the year. The growing reliance on waterways signals a broader commitment to diversifying freight channels and reducing pressure on road and rail networks.

- **Advantages:**

- Lower Costs: Waterways offer a cost-effective alternative for bulk transportation over long distances.
- Energy Efficient: Fuel consumption is significantly lower than road and rail transport.

- **Challenges:**

- Infrastructure Limitations: Inadequate port facilities and limited navigability hinder the sector's growth.
- Seasonal Restrictions: Low water levels in some rivers can disrupt freight operations.

- **Government Support:**

- The Sagarmala Programme focuses on developing inland waterways and coastal shipping to increase their freight share.

5. Others (Coastal Shipping, Pipelines)

The 'Others' segment includes coastal shipping and pipeline transportation, both crucial for niche logistics operations. Coastal shipping plays a pivotal role in transporting bulk goods like coal, cement, and petroleum products along India's extensive coastline. It offers a fuel-efficient and low-emission mode of transport, complementing road and rail logistics.

Pipelines, on the other hand, are indispensable for transporting liquids and gases such as crude oil, natural gas, and refined petroleum products. While this segment operates in the background of India's logistics network, its efficiency, cost-effectiveness, and safety make it essential for the country's energy and industrial supply chains.

- **Advantages:**
 - Cost-effective for long-distance freight movement along India's 7,500 km coastline.
 - Energy-efficient with lower carbon emissions compared to road and rail.
- **Challenges:**
 - Limited port infrastructure and hinterland connectivity.
 - Slow turnaround times at ports due to congestion.

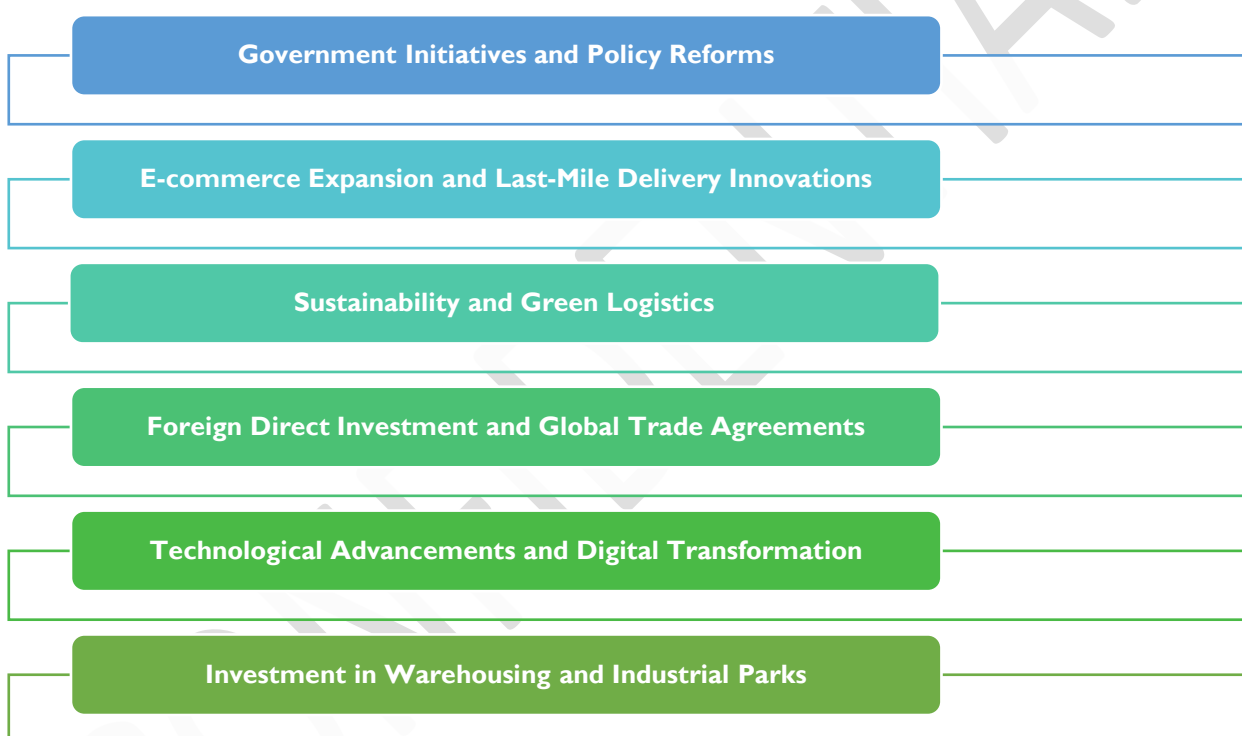
As Domestic cargo volumes are steadily increasing, reflecting strong internal trade dynamics. In **January 2025, freight volume stood at 113,662.9 tonnes**, up **6.9% from January 2024**. Cumulatively, from **April 2024 to January 2025**, domestic cargo recorded **1,168,600 tonnes**, a **6.5% rise** over the same period in the previous year. This segment supports intra-national distribution and showcases the growing demand from manufacturing, e-commerce, and FMCG sectors.

India's freight transportation industry is segmented across diverse modes, each demonstrating distinct growth patterns and operational strengths. While rail and waterways are becoming increasingly important for heavy and bulk freight, road and air segments continue to dominate in terms of speed and reach. With government backing, infrastructure push, and strategic investment in high-efficiency corridors, India's freight ecosystem is evolving toward an integrated, multimodal future.

Demand Scenario

The Indian logistics industry is undergoing a transformative phase, driven by a confluence of factors including government-led reforms, technological advancements, infrastructural developments, and evolving market dynamics. Government initiatives such as the PM Gati Shakti National Master Plan and the National Logistics Policy are aimed at enhancing multimodal connectivity and reducing logistics costs. Technological innovations, including automation and digitalization, are improving operational efficiencies. Additionally, the expansion of e-commerce and shifts towards sustainable practices, such as the adoption of LNG-fuelled trucks, are reshaping demand patterns within the industry. These elements collectively contribute to the sector's robust growth trajectory and its increasing significance in the national economy.

Analysis of key factors that are shaping the demand in the industry



➤ Government Initiatives and Policy Reforms:

- **Infrastructure Development:** The Indian government has prioritized infrastructure enhancement through initiatives like the National Highway Development Programme and the Bharatmala Pariyojana, aiming to construct a comprehensive network of economic corridors, border and coastal roads, and expressways. This substantial investment is set to improve connectivity and reduce transportation costs, thereby stimulating demand for logistics services.
- **National Logistics Policy (NLP):** Introduced to create a streamlined and integrated logistics ecosystem, the NLP focuses on reducing logistics costs and enhancing supply chain efficiency. It emphasizes the development of multimodal transport hubs and the integration of technology in logistics operations, fostering a conducive environment for industry growth.

- **E-commerce Expansion and Last-Mile Delivery Innovations:** The rapid growth of India's e-commerce sector has significantly increased the demand for efficient logistics and last-mile delivery services. Companies are investing in localized distribution centres and exploring innovative solutions like autonomous delivery vehicles to meet consumer expectations for swift deliveries.
- **Sustainability and Green Logistics:** Environmental concerns and regulatory pressures are propelling the adoption of sustainable practices within the logistics industry. The shift towards electric and hybrid vehicles, as well as the use of alternative fuels like Liquefied Natural Gas (LNG), is gaining momentum. For instance, India plans to convert about one-third of its heavy truck fleet to LNG over the next five to seven years, aiming to reduce emissions and operational costs.
- **Foreign Direct Investment and Global Trade Agreements:** India's strategic trade agreements, such as the Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA), are attracting increased foreign direct investment. Swiss companies, for example, are expanding their operations in India, leading to heightened demand for logistics services to support manufacturing and distribution activities.
- **Technological Advancements and Digital Transformation:** The integration of digital technologies, including automation, artificial intelligence (AI), and the Internet of Things (IoT), is revolutionizing logistics operations. These advancements enable real-time tracking, predictive analytics, and enhanced supply chain visibility, leading to improved efficiency and customer satisfaction.
- **Investment in Warehousing and Industrial Parks:** The surge in manufacturing activities and supply chain diversification is driving investments in warehousing and industrial parks. Companies like IndoSpace are significantly increasing their investments to meet the growing demand for modern warehousing solutions, which are essential for efficient logistics operations.

Regulatory Landscape

The Indian logistics industry is governed by a comprehensive regulatory framework designed to streamline operations, enhance efficiency, and ensure compliance across different modes of transport. Various ministries oversee key legislations that regulate road, rail, maritime, warehousing, and multimodal transport operations, ensuring seamless logistics services across the country.

Analysis of key regulatory policies / programs that has an impact on the functioning of the industry:

- **The Carriage by Road Act, 2007:** This Act is a cornerstone legislation for regulating road freight transportation in India. It mandates that all transport operators must register with the government to legally carry goods by road. This ensures a standardized system of operation, increasing accountability and helping eliminate fly-by-night operators. The Act also requires proper documentation (such as consignment notes), which is crucial for tracking shipments, determining liability in case of damages or loss, and facilitating dispute resolution. Overall, it aims to safeguard the interests of both consignors (senders) and consignees (receivers).
- **The Motor Vehicles Act, 1988 (Amended in 2019):** This comprehensive law governs all aspects of road transport in India, including driver licensing, vehicle registration, permits, roadworthiness, and traffic safety. The 2019 amendment introduced stricter penalties for traffic violations, enforced electronic monitoring, and emphasized road safety and accountability. For the logistics industry, these changes have encouraged better fleet management, driver discipline, and compliance with safety regulations, which is vital for reducing accidents and ensuring timely delivery of goods.
- **The Multi-Modal Transportation of Goods Act, 1993:** This Act facilitates the seamless transportation of goods using a combination of two or more modes like road, rail, air, or sea under a single contract. This concept of multi-modal transport operators (MTOs) allows for streamlined operations, reduced paperwork, and faster movement of goods, especially for international shipments. The Act is pivotal in reducing logistical delays, ensuring connectivity between various modes, and optimizing supply chain efficiency, which is increasingly critical in today's integrated logistics ecosystem.
- **The Major Port Authorities Act, 2021:** Replacing the outdated Major Port Trusts Act of 1963, this new Act aims to modernize port governance in India. It provides greater autonomy to the Boards of Major Ports, enabling them to make independent decisions regarding investments, operations, and tariff setting. Importantly, it promotes private sector participation, encouraging infrastructure development and technological upgrades in ports. This directly benefits the logistics sector by improving port efficiency,

reducing dwell times, and enhancing cargo handling capacity critical factors in supporting international trade and container logistics.

- **The Railways Act, 1989:** This Act governs all freight movement by Indian Railways, one of the largest logistics carriers in the country. It lays down regulations for tariff structures, freight scheduling, and liability for goods lost or damaged during transit. The Railways Act ensures that the movement of goods via rail remains regulated and transparent, supporting bulk commodity logistics (like coal, cement, and food grains) and encouraging modal shift from road to rail important for reducing costs and environmental impact.
- **The Indian Contract Act, 1872:** A foundational piece of legislation, this Act governs all commercial agreements, including those in the logistics sector. It provides a legal framework for contracts between logistics service providers and their clients, defining their rights, duties, and liabilities. The Act ensures that service failures, disputes over delivery timelines, loss of goods, or payment defaults can be addressed through enforceable legal mechanisms. It underpins the trust and accountability essential for business continuity in the logistics value chain.

Insight on policies that has been implemented with the aim of developing the industry further in the country:

The Indian government has undertaken several strategic initiatives to modernize and expand the logistics industry, recognizing its critical role in economic growth, trade facilitation, and supply chain efficiency. These policies aim to enhance multimodal connectivity, streamline regulatory frameworks, reduce logistics costs, and integrate digital solutions to improve overall efficiency. By focusing on infrastructure development, policy reforms, and technology adoption, these initiatives are set to make India's logistics sector more competitive and globally aligned. Notable policies driving this transformation include:

- **PM GatiShakti National Master Plan (NMP), 2021:** Launched on October 13, 2021, the PM GatiShakti National Master Plan is a transformative initiative aimed at revolutionizing India's infrastructure landscape. It focuses on integrated planning and coordinated implementation of infrastructure projects across various sectors, including logistics. By bringing together 36 ministries and departments under a unified framework, the plan seeks to enhance multimodal connectivity, reduce logistics costs, and improve efficiency. The NMP has significantly enhanced multimodal connectivity, driving faster and more efficient development across sectors.
- **National Logistics Policy (NLP), 2022:** Complementing the PM GatiShakti initiative, the National Logistics Policy was launched on September 17, 2022. This comprehensive policy aims to address issues of high logistics costs and inefficiencies by providing an overarching interdisciplinary, cross-sectoral, and multi-jurisdictional framework for the development of the entire logistics ecosystem. The NLP focuses

on process re-engineering, digitization, and multi-modal transport to improve logistics efficiency. It also aims to reduce logistics costs, enhance economic growth, and increase employment opportunities.

- **Unified Logistics Interface Platform (ULIP), 2021:** As part of the efforts to digitize and streamline the logistics sector, the Unified Logistics Interface Platform was launched in 2021. ULIP serves as a digital gateway, enabling industry stakeholders to access logistics-related datasets from various government systems through API-based integration. This initiative promotes supply chain digitization and aims to enhance efficiency in the logistics sector.
- In cargo movement, affecting the efficiency of supply chains.
 - Compliance with International Standards: Ensuring adherence to global aviation and security standards requires continuous updates to policies and procedures, posing a challenge for regulatory bodies and industry players.

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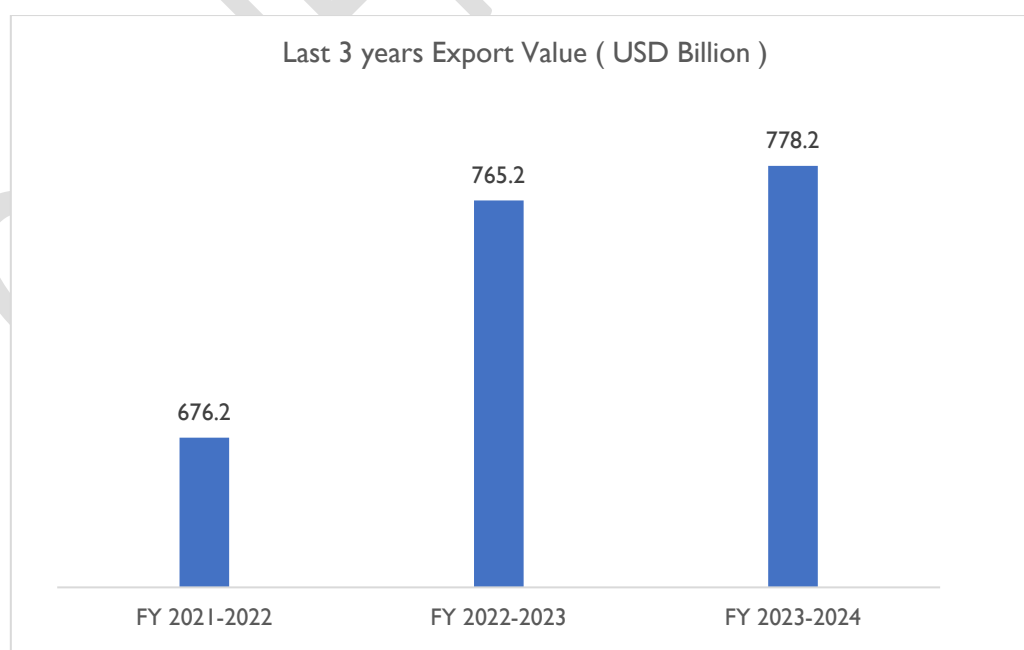
Trade Details

Export Trends: Annual exports from India & historical trend (last 3 years)

India's export sector has witnessed a remarkable surge, reaching a record USD 778.21 billion in 2023-24 a 67% jump from USD 466.22 billion in 2013-14. This growth reflects India's expanding influence in global trade, underpinned by strong performances across both merchandise and services exports.

In 2023-24, merchandise exports were valued at USD 437.10 billion, while services exports contributed USD 341.11 billion, indicating a healthy and balanced expansion. Key industries such as electronics, pharmaceuticals, engineering goods, iron ore, and textiles were major drivers behind this growth. Supported by strategic policy initiatives, enhanced competitiveness, and improved market access, India's logistics and export infrastructure has evolved significantly, becoming more resilient and seamlessly integrated with the global supply chain.

The momentum continues in FY 2024-25, with cumulative exports during April-December 2024 reaching USD 602.64 billion a 6.03% rise compared to USD 568.36 billion during the same period in 2023. This sustained growth underscores the effectiveness of logistics modernization and policy reforms in boosting export efficiency. From a regional perspective, India's export logistics network has broadened significantly over the years. In 2004-05, key export destinations included North America, the European Union, North-East Asia, West Asia-Gulf Cooperation Council (GCC), and ASEAN. By 2013-14, these regions had seen notable increases in trade volumes. In 2023-24, North America stands as the leading export destination, followed closely by the EU, West Asia, and ASEAN countries highlighting India's strengthened and diversified global trade relationships driven by efficient logistics and connectivity enhancements.



Source- Ministry of Commerce and Industry

India's total exports (merchandise + services) have shown a steady upward trend over the last three years:

- 2021-2022: \$676.2 billion
- 2022-2023: \$765.1 billion (13.2% growth)
- 2023-2024: \$778.2 billion (1.7% growth)

Key Observations:

1. **Strong Growth in 2022-23 (13.2% increase):** The sharp rise in exports from **2021-22 to 2022-23** was driven by:
 - Strong demand for IT and business services in global markets.
 - A surge in manufactured goods, particularly electronics and engineering products.
 - Favourable trade agreements and government incentives like PLI (Production-Linked Incentive) schemes.
2. **Slower Growth in 2023-24 (1.7% increase):** The much slower growth rate in **2023-24** can be attributed to:
 - Global economic slowdown, reducing demand for Indian goods.
 - Higher tariffs from key partners like the US (e.g., on gems and jewellery).
 - A decline in some agricultural and textile exports due to changing global trade policies.
 - Supply chain disruptions affecting key export industries.
3. **Merchandise vs. Services Export Trend**
 - Merchandise exports faced stagnation or decline due to external trade barriers.
 - Services exports, particularly IT and business services, saw robust growth, helping sustain overall export numbers.

Demand Trends:

- **Merchandise Exports:** India's merchandise exports faced challenges due to evolving international trade policies and shifting global demand. For instance, the U.S. imposed a 26% tariff on Indian gems and jewellery, significantly impacting this \$32 billion industry, which relies heavily on the U.S. market for over 30% of its exports.
- **Services Exports:** Conversely, services exports demonstrated resilience and growth. By 2023, India became the seventh-largest exporter of commercial services globally, accounting for 4.6% of the world's trade in services. This growth was driven by sectors such as business, computer, transportation, and travel services.

Growth Patterns:

- **Merchandise Exports:** The growth trajectory of merchandise exports was hindered by external pressures, including increased tariffs from key trading partners like the U.S. and the European Union.

These policies affected sectors such as automobiles and agriculture, leading to an estimated potential loss of \$7 billion annually.

- **Services Exports:** In contrast, services exports experienced a significant uptick, growing by 27% in 2023. This surge was attributed to robust demand in business and technology services, reflecting India's strengthening position in the global services market.

Key Influencing Factors:

- **Trade Policies:** Aggressive trade measures by major partners, including heightened tariffs and protective policies, posed challenges for Indian exports.
- **Global Demand Shifts:** Fluctuations in global demand, particularly from significant markets like China and the U.S., influenced export volumes, especially in sectors like gems and jewellery.
- **Domestic Competitiveness:** India's competitiveness in labour-intensive manufacturing sectors was affected by regulatory and infrastructural challenges. Comparatively, countries like Bangladesh and Vietnam capitalized on streamlined regulations and favourable trade agreements to enhance their export performance.

Export Analysis: Key Regulatory and Policy Factors Impacting India's Trade

India's export performance is not only shaped by market demand and global trends but also significantly influenced by various regulatory, policy, and geopolitical measures. Below is an analysis of major regulatory and policy-related factors that have impacted India's exports in recent years:

Anti-Dumping Duties (ADD)

Free Trade Agreements (FTAs) and Bilateral Trade Deals

Production-Linked Incentive (PLI) Schemes

Import Tariff Hikes by Trade Partners

Quality & Compliance Standards (Non-Tariff Barriers)

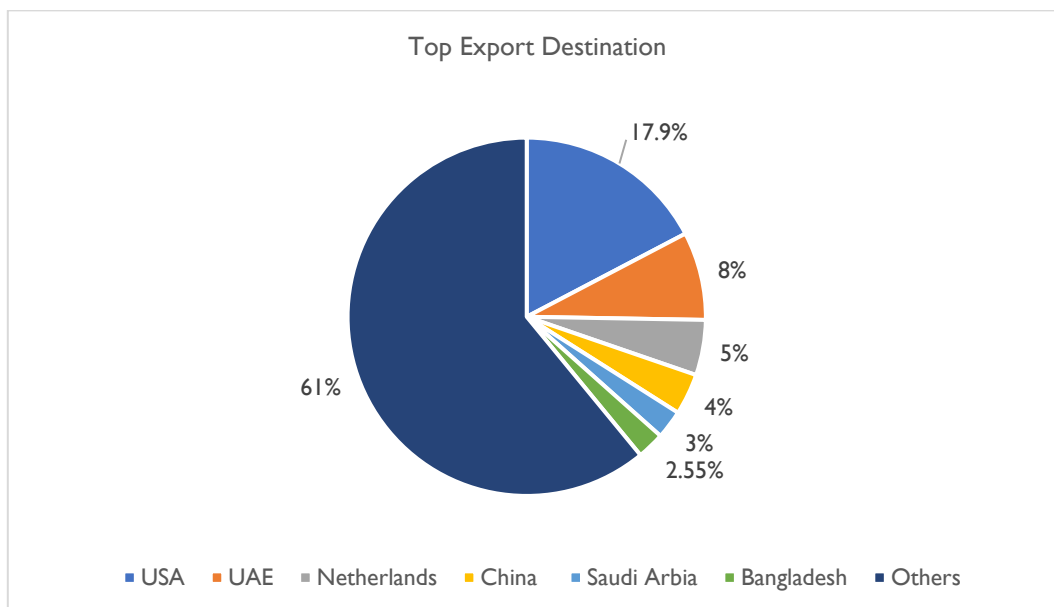
Export Restrictions & Licensing Requirements

Currency Volatility and Global Financial Trends

Top 5 export destination (countries)

Key Export Destinations in 2023-24

In 2023-24, the top merchandise export destinations for India included the USA (17.90%), UAE (8.23%), Netherlands (5.16%), China (3.85%), Singapore (3.33%), UK (3.00%), Saudi Arabia (2.67%), Bangladesh (2.55%), Germany (2.27%), and Italy (2.02%).



India's Top 5 Export Destinations (2023-24)

India's exports are diversified across various regions, with key trading partners in North America, the Middle East, Europe, and Asia. Here's a detailed look at the top five export destinations:

1. United States

- The largest export destination, accounting for 17.6% of India's total exports.
- Major exports include IT services, pharmaceuticals, gems & jewelry, textiles, and machinery.
- Growth driven by strong demand for software services and high-value manufactured goods like auto components.
- Challenges: Recent tariff increases on Indian jewelry exports and trade policy shifts.

2. United Arab Emirates (UAE)

- A key trading partner, with exports worth around \$31.6 billion in FY 2023-24.
- India's exports to the UAE include petroleum products, jewelry, machinery, and textiles.
- The Comprehensive Economic Partnership Agreement (CEPA) signed in 2022 has boosted trade.
- UAE serves as a re-export hub, helping Indian goods reach African and European markets.

3. Netherlands

- One of the fastest-growing export markets, with a share of 5.4% in India's total exports.
- Major exports include petroleum products, machinery, electronics, and chemicals.
- Growth driven by increased energy trade and India's refined petroleum exports.
- Key factor: The Netherlands serves as a gateway to the European Union (EU) market.

4. China

- Despite political tensions, China remains an important trade partner, with exports worth \$15.3 billion in FY 2023-24.
- Key exports include iron ore, chemicals, cotton, and petroleum products.
- Decline in exports due to China's economic slowdown and increased self-sufficiency in key sectors.
- Trade imbalance: India imports far more from China, especially in electronics and machinery.

5. Bangladesh

- A major South Asian trading partner, with exports reaching \$12.2 billion in FY 2023-24.
- India exports cotton, vehicles, food products, chemicals, and iron & steel.
- Strong trade ties due to geographical proximity and regional trade agreements.
- Growing demand for Indian pharmaceuticals and industrial goods.

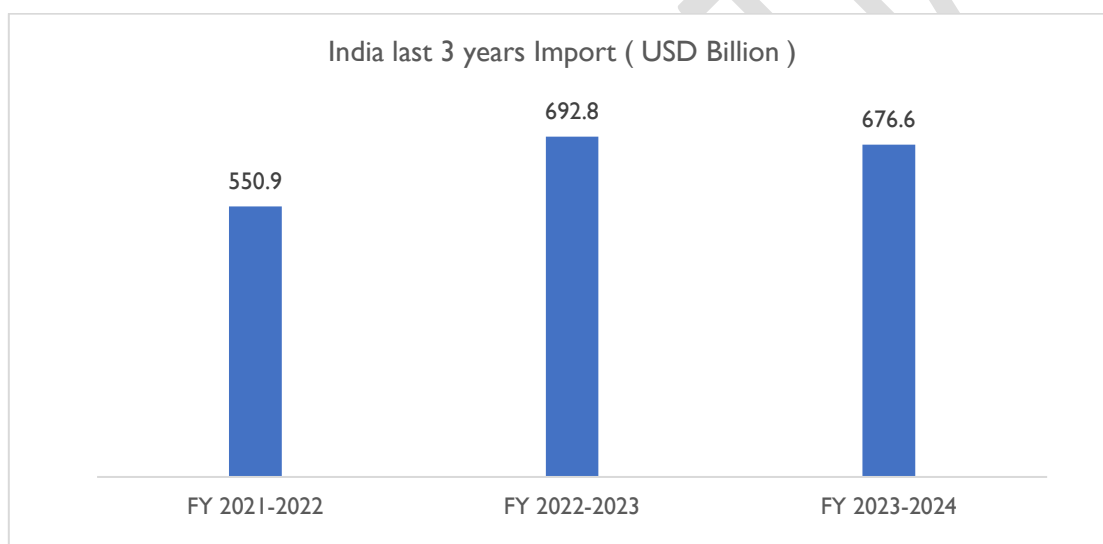
Import Trends

Annual imports to India & historical trend (last 3 years)

Imports in India decreased to **50.96 USD Billion in February** from **59.42 USD Billion in January of 2025**. Imports in India averaged 11.71 USD Billion from 1957 until 2025, reaching an all-time high of 69.95 USD Billion in November of 2024 and a record low of 0.12 USD Billion in August of 1958.

India main imports are: mineral fuels, oils and waxes and bituminous substances (27 percent of total imports); pearls, precious and semi-precious stones and jewelry (14 percent); electrical machinery and equipment (10 percent); nuclear reactors, boilers, machinery and mechanical appliances (8 percent); and organic chemicals (4 percent). India's major import partners are: China (16 percent of total imports), the United States (6 percent), United Arab Emirates (6 percent), Saudi Arabia (5 percent) and Switzerland (5 percent).

Last 3 years Import data:



Source- Ministry of Commerce and Industry

I. Sharp Increase in 2022-23 (+25.7%)

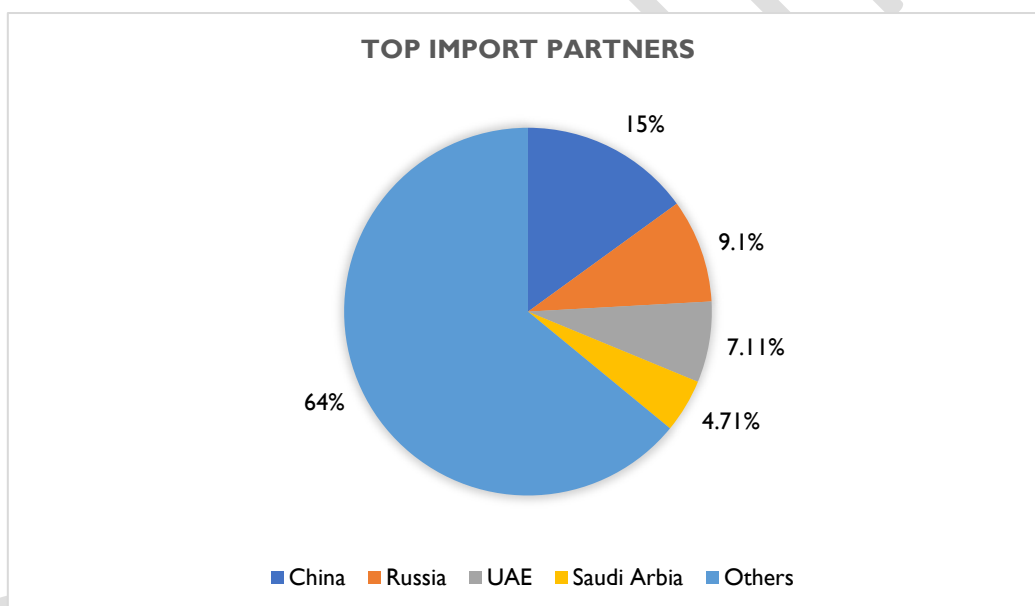
- High global commodity prices (especially crude oil, fertilizers, and coal) due to supply chain disruptions and geopolitical tensions (Russia-Ukraine war).
- Increased demand for electronics, machinery, and raw materials as industries recovered post-pandemic.
- Rising domestic consumption boosted imports of gold, automobiles, and industrial goods.

2. Decline in 2023-24 (-2.3%)

- Softening global commodity prices, leading to lower oil and raw material import costs.
- Government measures to curb non-essential imports, such as gold and luxury items, to reduce the trade deficit.
- Weak demand in manufacturing and infrastructure sectors, slowing import growth of capital goods.
- Efforts to boost domestic production under “Atmanirbhar Bharat” (Self-Reliant India) reduced reliance on certain imports, like mobile components and defence equipment.

Top 5 import partners (countries)

India imports a variety of goods from multiple countries to meet its energy needs, industrial demand, and consumer market requirements. The top five import partners highlight the country's dependency on key trade relationships for raw materials, energy, and technological products.



Source- Ministry of Commerce and Industry

1. China CN – \$101.75 Billion (15.06% of Total Imports)

Primary Import Categories:

- **Electronics & Machinery:** China is the leading source of India's imports in this category, supplying critical components such as smartphones, semiconductors, telecom equipment, and industrial machinery.
- **Pharmaceutical Ingredients (API):** India's pharmaceutical sector is heavily reliant on Chinese raw materials for drug production.

- **Chemicals & Fertilizers:** Imports from China play a vital role in supporting India's agricultural and chemical industries.
- **Trade Imbalance:** India maintains a significant trade deficit with China, importing substantially more than it exports, leading to an ongoing trade imbalance.

2. Russia RU – \$61.43 Billion (9.10% of Total Imports)

Primary Import Categories:

- **Crude Oil & Energy:** Russia has become one of India's major suppliers of crude oil, particularly following Western sanctions on Russian energy exports post-Ukraine conflict.
- **Défense Equipment:** India continues to rely on Russian military hardware, including advanced systems such as aircraft, submarines, and missiles.
- **Fertilizers:** Russia plays a significant role in supplying fertilizers essential for India's agricultural sector.

3. United Arab Emirates (UAE) AE – \$48.02 Billion (7.11% of Total Imports)

Primary Import Categories:

- **Crude Oil & Petroleum:** The UAE ranks as India's second-largest supplier of crude oil, after Russia.
- **Gold & Jewellery:** The UAE is a major exporter of gold to India, supporting the country's vast jewellery industry.
- **Machinery & Electronics:** The UAE functions as a re-export hub for a wide range of global goods, including consumer electronics.

4. United States us – \$40.77 Billion (6.04% of Total Imports)

Primary Import Categories:

- **Oil & Gas:** The U.S. has emerged as a significant supplier of crude oil and liquefied natural gas (LNG) to India.
- **Aircraft & Défense Equipment:** India imports high-value products such as Boeing aircraft and advanced military hardware, including helicopters and missile systems.
- **Technology & Machinery:** Key imports from the U.S. include semiconductors, artificial intelligence technologies, and medical equipment.
- **Edible Oils & Agricultural Products:** The U.S. exports a variety of agricultural products to India, such as soybeans, almonds, and pulses.

5. Saudi Arabia SA – \$31.81 Billion (4.71% of Total Imports)

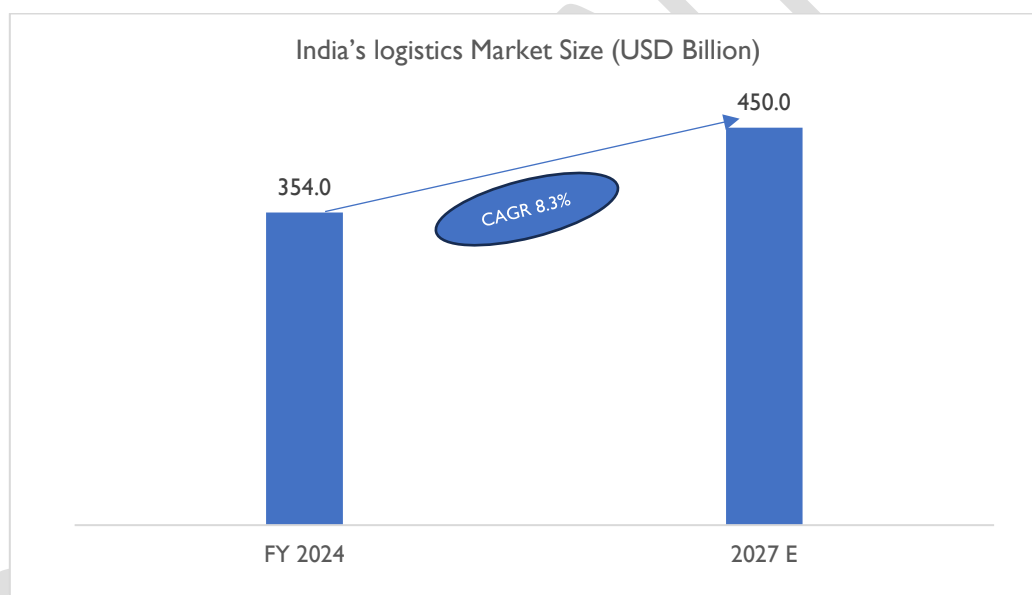
Primary Import Categories:

- Crude Oil & Petrochemicals: Saudi Arabia remains a long-standing key supplier of crude oil to India.
- Plastics & Chemicals: These materials are crucial for India's manufacturing and packaging industries.
- Fertilizers: Saudi Arabia is a major source of fertilizers, essential for India's agricultural needs.

Growth Forecast

Expected growth in the industry (over the next 5 years)

India's logistics industry is poised for significant growth over the coming years, driven by rapid industrial expansion, infrastructure development, policy reforms, and the booming e-commerce sector. As illustrated in the chart, the market size is projected to grow from **USD 354.0 billion in FY 2024** to approximately **USD 450.0 billion by FY 2027**, reflecting a **compound annual growth rate (CAGR) of 8.3%**.



Source: Logistic Skill Council

Key Growth Drivers:

➤ Infrastructure Modernization:

One of the primary catalysts for growth in the logistics sector is the ongoing modernization of India's infrastructure. The central government has introduced ambitious programs such as the PM Gati Shakti National Master Plan, which aims to integrate and coordinate infrastructure development across multiple ministries. This initiative is streamlining the planning and execution of projects, promoting multimodal connectivity, and eliminating redundancies.

In addition, major investments in highway development through the Bharatmala Pariyojana, expansion of dedicated freight corridors (DFCs), port infrastructure upgrades under Sagarmala, and airport development through UDAN are significantly improving the efficiency of goods movement across the country. As a result, logistics costs are expected to decline, and delivery timelines are becoming more predictable, making Indian logistics more globally competitive.

➤ **Digital Transformation:**

The logistics industry in India is undergoing a digital revolution. The increasing adoption of advanced technologies such as the Internet of Things (IoT), Artificial Intelligence (AI), blockchain, and cloud-based platforms is transforming traditional logistics operations. These digital tools are enabling real-time tracking of shipments, predictive maintenance of fleets, smart inventory management, and enhanced transparency across the supply chain. For instance, blockchain technology is helping reduce paperwork and fraud in logistics transactions, while AI-powered route optimization is minimizing fuel consumption and delivery time. Furthermore, the government's efforts to digitize documentation, such as the e-Way bill system, have improved regulatory compliance and reduced administrative delays. Overall, digital transformation is improving service quality and responsiveness, making logistics operations leaner and more agile.

➤ **Policy Reforms:**

The implementation of structural reforms has significantly altered the landscape of India's logistics industry. The introduction of the Goods and Services Tax (GST) was a landmark reform that replaced a complex web of indirect taxes, thereby eliminating inter-state checkpoints and facilitating seamless movement of goods across state borders. As a result, logistics companies can now design more efficient hub-and-spoke distribution networks and consolidate their warehousing infrastructure. In addition, the National Logistics Policy (NLP) launched in 2022 is aimed at improving logistics efficiency by reducing costs to global benchmarks, targeting 8%–10% of GDP from the current 13%–14%. It promotes integrated logistics, standardization, skill development, and performance benchmarking, thereby creating a more robust and efficient ecosystem for logistics service providers.

➤ **E-commerce Boom:**

The rapid rise of e-commerce in India has emerged as a game-changer for the logistics industry. Driven by increasing internet penetration, smartphone usage, and digital payments, e-commerce platforms are expanding their reach into tier-2 and tier-3 cities, resulting in a surge in demand for **last-mile delivery services, on-demand warehousing, and reverse logistics** solutions. Logistics companies are adapting to this shift by investing in micro-fulfillment centers, automated sortation hubs, and gig workforce models. In addition, consumer expectations for same-day and next-day delivery have raised the bar for speed, accuracy, and flexibility in logistics operations. This trend is also giving rise to innovative delivery models such as **dark**

stores, hyperlocal deliveries, and drone logistics, pushing the industry toward a more tech-driven and customer-centric future.

➤ **Rising Demand for 3PL and Cold Chain Services:**

Outsourcing logistics functions to third-party logistics (3PL) providers is gaining popularity among businesses seeking to focus on their core competencies. The 3PL segment in India is experiencing rapid growth, with providers offering integrated solutions that encompass transportation, warehousing, freight forwarding, and supply chain consulting. Moreover, the increasing need for temperature-sensitive transportation, especially in the pharmaceutical, food & beverage, and agricultural sectors, is driving growth in the cold chain logistics segment. The pandemic also highlighted the importance of efficient cold storage infrastructure, particularly for vaccine distribution, further accelerating investments in this space. With rising consumer awareness of product quality and safety, the cold chain sector is expected to witness increased demand and innovation in the coming years.

Looking ahead, the Indian logistics industry holds immense potential to become a global hub for efficient, tech-driven supply chain solutions. The sector's expansion is not only aligned with domestic economic growth but also with India's ambitions to enhance its global trade footprint. Key challenges such as high logistics costs, fragmented supply chains, and regulatory hurdles are being systematically addressed through collaborative efforts between the public and private sectors. With continued investment in infrastructure, digitization, and skill development, India is on track to significantly improve its Logistics Performance Index (LPI) ranking and overall competitiveness. Furthermore, the integration of sustainability practices, including the adoption of electric vehicles, green warehouses, and carbon-neutral logistics operations, will shape the future of the industry and ensure long-term resilience and environmental compliance.

SWOT Analysis of the Logistics Industry in India

Strengths:

- India's logistics industry is growing rapidly, driven by e-commerce expansion, strategic trade access, and infrastructure upgrades in highways and rail networks. Technology integration, including AI and IoT, is streamlining supply chains, while GST implementation has simplified taxation, ensuring smoother interstate goods movement. These factors collectively enhance efficiency and connectivity across the sector.

Weaknesses:

- India's logistics industry faces several challenges that impact its efficiency. High logistics costs, significantly above global averages, reduce economic competitiveness. Infrastructure gaps, particularly in rural areas, create hurdles for effective last-mile delivery. The industry is also highly fragmented, with a large number of unorganized players, leading to inefficiencies in operations. Additionally, regulatory and compliance complexities add to the burden, as multiple overlapping rules make it difficult for businesses to streamline logistics processes. Addressing these issues is crucial for improving overall sector performance.

Opportunities:

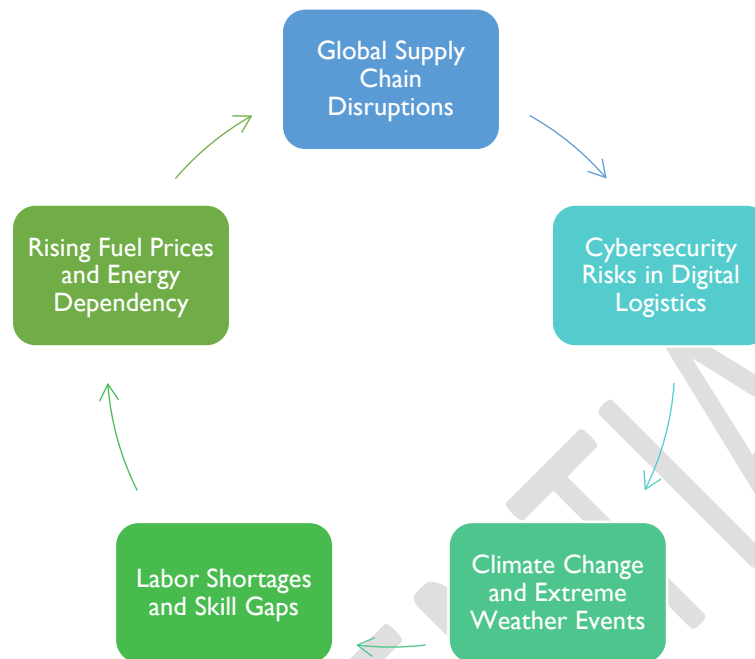
- India's logistics sector is witnessing significant opportunities driven by multiple factors. The rise of e-commerce and omni-channel retail has created a surge in demand for efficient logistics solutions. Additionally, the expansion of cold chain logistics is becoming essential, particularly for sectors like pharmaceuticals and perishables that require temperature-controlled transportation. The industry is also experiencing a shift towards 3PL and 4PL providers, as companies increasingly outsource logistics to enhance efficiency. Furthermore, India's growing export activities are driving the need for robust global trade logistics. To support this growth, the government is implementing policies and infrastructure investments, such as the National Logistics Policy, aimed at reducing costs and improving overall efficiency.

Threats:

- India's logistics sector faces several challenges, including rising fuel costs and inflation, which directly impact transportation expenses. Intense competition and price wars among numerous players put pressure on profit margins. Additionally, geopolitical risks and global supply chain disruptions, such as trade restrictions, can hinder operations. The slow adoption of new technologies by some industry segments further limits efficiency improvements. Meanwhile, growing environmental and sustainability concerns are leading to stricter regulations, requiring businesses to invest in greener logistics solutions.

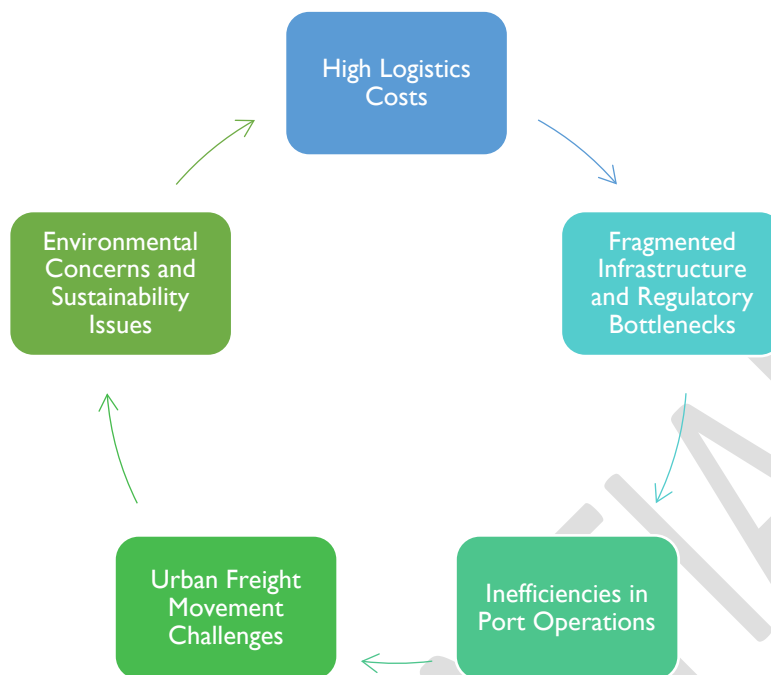
Key threats & challenges facing the industry

Threats:



- **Global Supply Chain Disruptions:** The Government of India acknowledges the importance of supply chains and effective logistics for improved resilience in domestic production and trade. Measures like the PM Gati Shakti National Master Plan have been launched to strengthen supply chains, but external factors such as geopolitical tensions and global trade dynamics continue to pose risks.
- **Cybersecurity Risks in Digital Logistics:** With the increasing digitization of the logistics sector, there is a heightened risk of cyber threats. The government has initiated various measures to enhance cybersecurity awareness and protect digital infrastructure.
- **Climate Change and Extreme Weather Events:** The Ministry of Environment, Forest and Climate Change's annual reports discuss the impact of climate change on various sectors, including logistics. Extreme weather events can disrupt transportation networks, affecting the timely delivery of goods.
- **Labor Shortages and Skill Gaps:** The logistics sector requires a skilled workforce to manage complex operations. Initiatives have been launched to address skill development, but gaps remain that could impact the efficiency of logistics services.
- **Rising Fuel Prices and Energy Dependency:** Fluctuations in fuel prices directly affect transportation costs within the logistics sector. While specific government reports on this issue are limited, the reliance on fossil fuels remains a concern for cost and environmental reasons.

Challenges:



- **High Logistics Costs:** Logistics costs in India are notably high, constituting approximately 13% to 14% of the country's GDP. This is higher compared to developed economies, where logistics costs range between 8% to 10% of GDP. The elevated costs diminish the competitiveness of Indian products in global markets.
- **Fragmented Infrastructure and Regulatory Bottlenecks:** The logistics sector in India is highly fragmented, involving over 20 government agencies, 40 Partner Government Agencies (PGAs), 37 export promotion councils, and numerous stakeholders. This complexity leads to inefficiencies and coordination challenges across the supply chain.
- **Inefficiencies in Port Operations:** A study titled 'Port Logistics: Issues & Challenges in India' highlighted several concerns, including non-standardized processes, unpredictable costs, and significant variations in operations across different ports. These issues contribute to delays and increased expenses in cargo handling.
- **Urban Freight Movement Challenges:** Final-mile freight movement within Indian cities accounts for a substantial portion of total logistics costs, particularly in the e-commerce sector. With urban freight demand projected to grow significantly over the next decade, addressing city logistics inefficiencies is crucial.
- **Environmental Concerns and Sustainability Issues:** Trucks, while comprising only 3% of the total vehicle fleet, are responsible for 53% of particulate matter emissions. This disproportionate contribution to pollution underscores the need for sustainable practices within the logistics sector.

Competitive Landscape

India's logistics industry is undergoing rapid transformation, driven by increasing trade volumes, rising e-commerce demand, and significant infrastructure developments. As businesses strive for efficiency and cost optimization, competition within the sector has intensified, with key players ranging from multinational logistics giants to domestic service providers and tech-driven startups.

Government policies, including the **National Logistics Policy (NLP)** and **PM Gati Shakti**, play a crucial role in shaping the industry's competitive environment. Measures such as **incentives for digitalization, multi-modal transport integration, and infrastructure development** have enabled logistics companies to adopt technology-driven solutions and improve efficiency. Additionally, the push for **green logistics** including the adoption of electric vehicles (EVs), alternative fuels, and sustainable warehousing has led to innovation among market participants.

Technological advancements such as **AI-driven fleet management, blockchain-enabled supply chains, and IoT-based tracking solutions** are becoming key differentiators. Companies investing in **end-to-end visibility, real-time shipment tracking, and predictive analytics** have a competitive edge in optimizing operational efficiency and customer satisfaction. As the industry continues to evolve, logistics firms that **prioritize automation, sustainability, and digital transformation** will have a stronger foothold in the market. The ability to provide **integrated solutions balancing speed, cost efficiency, and eco-friendly operations will be crucial in maintaining a competitive advantage** in this dynamic sector.

Key Factors Shaping Competition in the Indian logistics Industry:

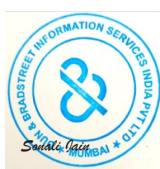
Competition in India's logistics industry is driven by several critical factors that influence market positioning, efficiency, and profitability. The key factors shaping competition include:

- **Infrastructure Development**

The expansion of roads, highways, rail networks, and ports under government initiatives like PM Gati Shakti has enhanced logistics efficiency. Companies with access to modern warehousing, multi-modal transport hubs, and integrated supply chains have a competitive edge.

- **Technology & Digitalization**

Adoption of AI, IoT, blockchain, and automation is transforming logistics operations. Real-time tracking, predictive analytics, and automated warehouses improve efficiency and customer experience. Firms investing in cloud-based logistics management systems and fleet optimization tools stand out in the competitive landscape.



- **E-commerce & Last-Mile Delivery**

The surge in e-commerce, quick commerce, and direct-to-consumer (D2C) brands has increased demand for fast and cost-effective last-mile delivery solutions. Logistics players focusing on hyperlocal deliveries, express shipping, and drone technology are gaining a market advantage.

- **Government Policies & Regulatory Compliance**

Implementation of GST and E-Way Bills has streamlined logistics, reducing transit times. Sustainability regulations promoting green logistics (EV fleets, alternative fuels, and carbon-neutral supply chains) are pushing companies to innovate.

- **Cost Efficiency & Pricing Strategies**

High fuel prices, toll charges, and warehousing costs impact logistics costs. Competitive pricing through route optimization, bulk transportation, and shared warehousing solutions is key for cost reduction.

- **Sustainability & Green Logistics**

Adoption of EV trucks, solar-powered warehouses, and recyclable packaging is gaining momentum. Companies implementing carbon footprint reduction strategies are attracting environmentally conscious customers and investors.

- **Supply Chain Resilience & Risk Management**

Global disruptions (e.g., COVID-19, geopolitical issues) have highlighted the need for resilient supply chains. Firms with strong supplier networks, alternative transport options, and contingency planning are more competitive.

Analysis of Entry Barriers in the Indian Logistic Industry:

- **High Capital Investment**

Setting up logistics operations requires significant capital for fleet acquisition, warehousing, technology integration, and manpower. Companies need to invest in transport vehicles, cold chain logistics, and multi-modal connectivity, making entry difficult for new players.

- **Infrastructure & Regulatory Challenges**

Despite government initiatives, infrastructure bottlenecks, such as congested roads, inefficient rail networks, and port delays, remain a challenge. Compliance with GST, E-Way bills, and environmental regulations adds complexity, requiring expertise and resources.

- **Established Market Players & Competition**

The market is dominated by large multinational logistics companies (DHL, Blue Dart, FedEx, Delivery) and strong domestic players, making it tough for new entrants to compete. Brand reputation, customer trust, and long-term contracts with businesses give established players an advantage.

- **Technology & Digitalization Requirements**

Modern logistics demands AI-driven tracking, IoT-based fleet management, warehouse automation, and data analytics for efficiency. New entrants must invest in digital logistics platforms to remain competitive, increasing initial costs.

- **Skilled Workforce & Operational Complexity**

Trained drivers, warehouse managers, and logistics experts are required to ensure smooth operations. Managing supply chain disruptions, fuel costs, and route optimization adds to the complexity of market entry.

- **Sustainability & Green Logistics Compliance**

Increasing focus on eco-friendly logistics solutions (EV fleets, carbon-neutral warehouses) requires additional investment. Companies failing to adopt sustainable logistics practices may struggle with compliance and consumer preference.

- **Other Competitive Factors Affecting Market Entry**

- Customer Expectations: Demand for faster, cost-effective, and transparent logistics services makes it essential for new entrants to provide high service quality.
- Network & Partnerships: Strong supplier relationships, warehouse partnerships, and transportation networks give existing players a competitive edge.
- Risk Management: Global supply chain disruptions, fuel price volatility, and regulatory changes pose risks that new entrants must navigate effectively.

Company Profiling:

Neptune Logitek Private Limited

Company Overview:

Neptune Logitek Private Limited (NLPL), established in 2012, is a logistics and supply chain services provider based in Gandhidham, Gujarat, India. The company offers a range of transportation and logistics services that include road, sea, air, and rail freight. Its operations are designed to support the movement of goods for various industry sectors through integrated and structured logistics planning.

NLPL operates with a focus on flexibility and customization, aligning its services with the operational requirements of different clients. The company manages a fleet of over 190 trailers across locations such as Gujarat, Chennai, and Tuticorin, enabling the movement of goods across key routes. This fleet supports its transportation and logistics services within India.

In addition to freight movement, the company offers related services such as cargo documentation, tracking, intermodal coordination, and handling of specific cargo types, including hazardous materials. These services aim to support clients in managing logistics with better control and efficiency.

NLPL works through a network of partners and service agents across domestic and international locations. Its approach emphasizes regulatory compliance, coordination across transport modes, and steady service delivery. The company adopts a process-oriented approach, supported by operational systems that help manage logistics needs in a structured and organized manner.

Product Profile: NLPL offers a comprehensive range of logistics services, including:

- **Road Freight:** Services encompass Less than Truck Load (LTL), intermodal chassis for both light and heavy loads, trailers, heavy-duty trucks, liquid bulk trucks, refrigeration trucks, dangerous goods handling, GPS services, and documentation support.
- **Sea Freight:** The company provides door-to-door services, less than Container Load (LCL), Full Container Load (FCL), ISO tanks and flexi tanks, dangerous goods handling, and reefer cargo solutions.
- **Air Freight:** NLPL offers door-to-door services, first flight out options, consolidation, dangerous goods handling, and documentation assistance.
- **Rail Freight:** The company delivers rail freight services across India, managing documentation and cargo tracking to ensure timely and cost-effective deliveries.

Key Customer Segments Served: NLPL caters to a diverse clientele, offering scalable logistics solutions suitable for businesses of varying sizes. The company's services are designed to meet the unique requirements of different industries, ensuring efficient supply chain management

Key Strengths

- **Customized Logistics Solutions**

NLPL specializes in delivering tailored logistics strategies that align with the specific needs of clients across diverse sectors. With proven expertise in managing multimodal operations, the company ensures seamless integration across air, sea, and road transportation. This capability enables efficient movement of goods, even in scenarios that demand precision and time-sensitive handling.

- **Comprehensive Freight Forwarding**

The company offers end-to-end freight forwarding solutions, supporting global supply chain requirements from origin to destination. By overseeing every stage from cargo booking and documentation to customs clearance and final delivery NLPL acts as a single point of contact, simplifying logistics for clients operating internationally.

- **Scalable Service**

NLPL's service model is designed to be flexible and scalable, making it suitable for businesses ranging from small enterprises to large corporates. Whether clients require occasional shipments or complex, high-volume distribution, NLPL can scale its operations to match evolving business needs while maintaining consistency in service quality.

- **Expertise in International Trade Regulations**

With a deep understanding of customs regulations, international trade laws, and compliance requirements, NLPL facilitates smoother cross-border transactions. The team's proficiency in navigating regulatory environments helps reduce delays and ensures that shipments meet all legal and procedural obligations.

- **Strong Global Network**

NLPL has cultivated a wide-reaching network of reliable partners, agents, and associates across key trade routes and geographies. This global presence allows the company to offer timely, coordinated logistics services while maintaining transparency and reliability throughout the supply chain.

Key players: Profiling of 3 major players

I. Blue Dart Express Ltd.

Company Overview

Blue Dart Express Ltd., established in 1983 and headquartered in Mumbai, India, is a logistics and air cargo company. The company operates a broad domestic network, providing services to over 55,400 locations across the country. Blue Dart serves a range of industries including e-commerce, retail, pharmaceuticals, and financial services. As part of the DHL e-commerce network, Blue Dart expands its reach to international markets, offering services across more than 220 countries and territories. The company is committed to providing efficient logistics solutions to meet diverse business needs.

Product & Service Offerings

- Air Cargo Services
- Dedicated Air Fleet
- Ground Support
- Logistics Hubs & Warehouses
- Technology Integration

Key Strengths

- **Extensive Domestic Network:** Blue Dart services over 55,400 locations across India, supporting a wide range of industries.
- **International Connectivity:** Blue Dart offers seamless international shipping as part of the DHL Group's network, covering over 220 countries and territories.
- **Technological Integration:** The company employs technology like SMART and PackTrack for efficient shipment tracking and management.
- **Dedicated Air and Ground Fleet:** Blue Dart operates its own fleet of cargo aircraft and ground vehicles, ensuring operational control and flexibility.
- **Customer-Centric Approach:** The company emphasizes customer satisfaction through programs like 'Blue Way', involving all levels of staff in the delivery process.

2. Allcargo Gati Limited

Company Overview

Allcargo Gati Limited, headquartered in Hyderabad, Telangana, is a logistics and supply chain management company. Originally established as Gati Limited in 1989, it became part of Allcargo Logistics in 2020. The company was rebranded as Allcargo Gati Limited in 2023. Allcargo Gati provides integrated logistics and express distribution services, connecting urban and rural markets across India. With a focus on multimodal logistics, the company supports sectors like e-commerce, automotive, pharmaceuticals, electronics, and consumer goods, offering time-sensitive and reliable transportation solutions.

Product & Service Offerings

- **Express Distribution Services:** Time-definite delivery via road, rail, and air across 21,000+ pin codes in India.
- **Supply Chain Solutions:** Services include warehousing, inventory management, and last-mile delivery.
- **Technology Integration:** Cloud-based infrastructure and real-time tracking for seamless logistics operations.

Key Strengths

- **Network Coverage:** Operates across 21,000+ pin codes in India, providing widespread connectivity.
- **Technological Advancements:** Utilizes Oracle Cloud Infrastructure and real-time tracking for efficient operations.
- **Industry Expertise:** Leverages experience in logistics and supply chain management to offer tailored solutions for diverse sectors.
- **Handling of Sensitive Goods:** Implements security protocols for the safe handling of high-value and sensitive items.
- **Global Integration:** Benefits from the Allcargo Logistics network, enhancing service offerings and operational capabilities.

3. Safexpress Private Limited

Company Overview

Safexpress Private Limited, headquartered in Gurugram, Haryana, India, is a logistics and supply chain company established in 1997. The company provides transportation, warehousing, and logistics solutions across a variety of industries. It offers services in express distribution, third-party logistics (3PL), and supply chain consulting. Safexpress has developed an extensive logistics network across India, ensuring coverage in urban, rural, and underserved regions. The company focuses on improving supply chain efficiency through technology integration and specialized cargo handling for sectors such as e-commerce, pharmaceuticals, retail, electronics, and automotive.

Product & Service Offerings

- **Express Distribution Services:** Time-sensitive delivery solutions across India, handling general merchandise, high-value goods, and temperature-sensitive products.
- **Third-Party Logistics (3PL):** Integrated services including inventory management, order fulfilment, and distribution to optimize supply chain operations.
- **Warehousing & Logistics Support:** Facilities for inventory storage, cross-docking, and cargo consolidation, supporting efficient distribution across industries.

Key Strengths

- **Network Coverage:** Extensive logistics network across India, connecting various regions and facilitating nationwide distribution.
- **Diverse Service Offerings:** Services include express distribution, 3PL, and supply chain consulting, designed to cater to diverse industry requirements.
- **Technology Integration:** Implements technology for real-time shipment tracking and automated cargo management, enhancing operational efficiency.
- **Industry Knowledge:** With years of experience in the logistics sector, Safexpress applies its expertise to provide effective transportation and supply chain solutions.
- **Cold Chain Logistics:** Specialized solutions for temperature-sensitive products, such as pharmaceuticals and perishable goods, ensuring safe and compliant transit.
- **Secure Handling of Shipments:** Implements security protocols to safeguard high-value shipments during transit.

Financial Analysis:

Particular	Unit	Neptune Logitech Ltd.			Blue Dart Express Ltd.			SAFEXPRESS Private Limited			Allcargo Gati Ltd.		
		As at and for Fiscal			As at and for Fiscal			As at and for Fiscal			As at and for Fiscal		
		Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue From Operations	₹ in Crore	174.9	185.4	169.2	5,267.8	5,172.2	4,409.0	3,422.3	3,110.0	2,428.5	1,698.0	1,723.2	1,490.0
EBITDA	₹ in Crore	10.3	5.3	5.2	589.3	682.8	696.3	688.2	647.8	349.1	97.9	93.9	61.4
EBITDA Margin	in %	5.9	2.9	3.0	11.2	13.2	15.8	20.1	20.8	14.4	5.8	5.4	4.1
PAT	₹ in Crore	2.2	0.1	0.1	288.6	366.4	376.4	257.1	255.7	223.1	6.1	-10.9	3.9
PAT Margin	in %	1.3	0.0	0.1	5.5	7.1	8.5	7.5	8.2	9.2	0.4	-0.6	0.3
Operating Cash Flow	₹ in Crore	0.7	-3.5	-1.1	446.3	319.3	582.7	448.5	326.8	145.5	72.6	58.2	-6.5
Net Worth	₹ in Crore	13.3	11.1	11.0	1438.6	1260.4	954.9	2009.9	1753.2	1498.4	700.1	688.1	637.0
Debt Equity Ratio	Multiple	4.7	3.5	1.8	0.0	0.0	0.0	0.5	0.5	0.0	0.5	0.4	0.2
RoE	in %	16.8	0.7	0.9	20.1	29.1	39.4	12.8	14.6	14.9	0.9	-1.6	0.6
RoCE	in %	9.3	4.4	5.9	27.9	41.0	55.3	14.3	16.1	20.6	2.8	3.6	3.4
RoA	in %	2.3	0.1	0.2	11.2	15.7	18.5	7.5	8.7	12.2	0.5	-0.8	0.3
Interest Coverage Ratio	Multiple	1.8	1.1	1.1	20.9	29.6	21.9	4.7	4.8	35.8	1.0	1.2	1.0

Note: For All companies consolidated balance sheet is considered.

➤ Revenue and Growth

Neptune Logitek Ltd. reported a revenue of ₹174.9 crore in Fiscal 2024, registering a **notable growth of approximately 25%** compared to the previous year (₹140.2 crore estimated). This growth rate is higher than that of larger peers, despite Neptune's smaller scale. Blue Dart and SAFEXPRESS, both industry leaders, posted revenues of ₹5,267.8 crore and ₹3,422.3 crore respectively, with moderate growth rates of around 5% to 12%. Allcargo Gati Ltd., another peer, reported ₹1,698 crore in revenue, showing relatively slower expansion. Neptune's growth indicates **operational scaling or improved market traction**, even though its absolute size remains modest compared to industry giants.

➤ EBITDA and EBITDA Margin

Neptune's EBITDA improved to ₹10.3 crore in FY24 from ₹5.3 crore in FY23, reflecting **enhanced operational efficiency or better cost control**. The EBITDA margin also increased to 5.9%, nearly double

the previous year's 2.9%. While this margin remains behind SAFEXPRESS (20.1%) and Blue Dart (11.2%), it is **comparable to Allcargo Gati (5.8%)**, suggesting Neptune is closing in on mid-tier competitors in terms of operating performance.

➤ **PAT and PAT Margin**

Neptune posted a Profit After Tax (PAT) of ₹2.2 crore in FY24, marking a **significant turnaround** from its near-breakeven status in earlier years. Its PAT margin stood at 1.3%, which, although lower than those of Blue Dart (5.5%) and SAFEXPRESS (7.5%), reflects **positive profitability amidst scale expansion**. Notably, Neptune outperformed Allcargo Gati in this aspect, as the latter recorded a PAT margin of just 0.4%. This indicates a healthier bottom-line progression for Neptune, supported by increased operating leverage.

➤ **Debt-Equity Ratio**

Neptune's debt-equity ratio increased to **4.7x in FY24**, up from 3.5x in FY23, indicating a **heavily leveraged capital structure**. In contrast, Blue Dart maintains a zero-debt position, and both SAFEXPRESS and Allcargo Gati have kept their leverage at moderate levels (0.5x). Neptune's high reliance on debt raises concerns regarding **financial risk and long-term sustainability**, especially if revenue growth slows or cost pressures mount.

➤ **Interest Coverage Ratio**

Neptune's interest coverage ratio improved to **1.8x in FY24**, a slight enhancement from previous years. Although it indicates that the company is able to meet its interest obligations from earnings, the buffer remains **thin compared to Blue Dart (20.9x)** and SAFEXPRESS (4.7x). A ratio below 2x suggests **vulnerability to earnings volatility**, and Neptune may need to work on reducing finance costs or strengthening profitability further.

➤ **Return on Equity (RoE)**

Neptune's RoE jumped significantly to **16.8% in FY24**, from less than 1% in the previous two years. This sharp rise reflects the company's improved profitability and asset utilization on a relatively smaller equity base. Among peers, Blue Dart leads with 20.1%, while SAFEXPRESS posted 12.8%. Allcargo Gati lagged significantly at 0.9%. Neptune's RoE thus signals **efficient use of shareholder capital** and a step toward becoming a viable competitor.

➤ **Return on Assets (RoA)**

In terms of RoA, Neptune improved to **2.3%** in FY24, up from near-zero levels previously. Although still modest, this is ahead of Allcargo Gati (0.5%) and shows positive asset utilization. However, it remains behind Blue Dart (11.2%) and SAFEXPRESS (7.5%), implying that **further optimization of assets is necessary** for Neptune to match top-tier performance level.