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Material Handling Equipment ("MHE") Industry

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1. Global Economic Outlook

1.1 Global GDP Growth Scenario

As per the IMF's World Economic Outlook (WEO) Update published in July 2026, global growth is projected to slow to 3.0% in CY 2026, down from 3.5% in CY 2025, before recovering to 3.4% in CY 2027. This is broadly unchanged on a cumulative basis compared with the April 2026 WEO, though it conceals sharp divergence across countries. The moderation reflects the negative supply shock from the conflict in the Middle East and associated disruptions to energy flows through the Strait of Hormuz, which is being partly offset by an accelerating global technology cycle driven by artificial intelligence (AI)-related investment and adoption. Economies well integrated into the AI/technology value chain — including Taiwan, Korea, Thailand and Malaysia — have significantly outperformed expectations, while energy-importing economies with limited exposure to the technology upturn, including many low-income countries, continue to face a more pronounced drag.

Global headline inflation is projected to rise from 4.1% in CY 2025 to 4.7% in CY 2026, before easing to 3.9% in CY 2027, marking a stalling of the disinflation trend that had been in place since early 2024. The upward revision (0.3 percentage point higher than the April 2026 WEO for 2026) reflects higher energy and food prices, with crude oil prices projected to rise by approximately 32% and natural gas prices by about 22% in 2026 relative to 2025. World trade volume growth is projected to slow sharply from 5.0% in 2025 to 3.5% in 2026, before recovering to 4.3% in 2027, reflecting tariff-related drag and the gradual adjustment of global trade and production linkages.

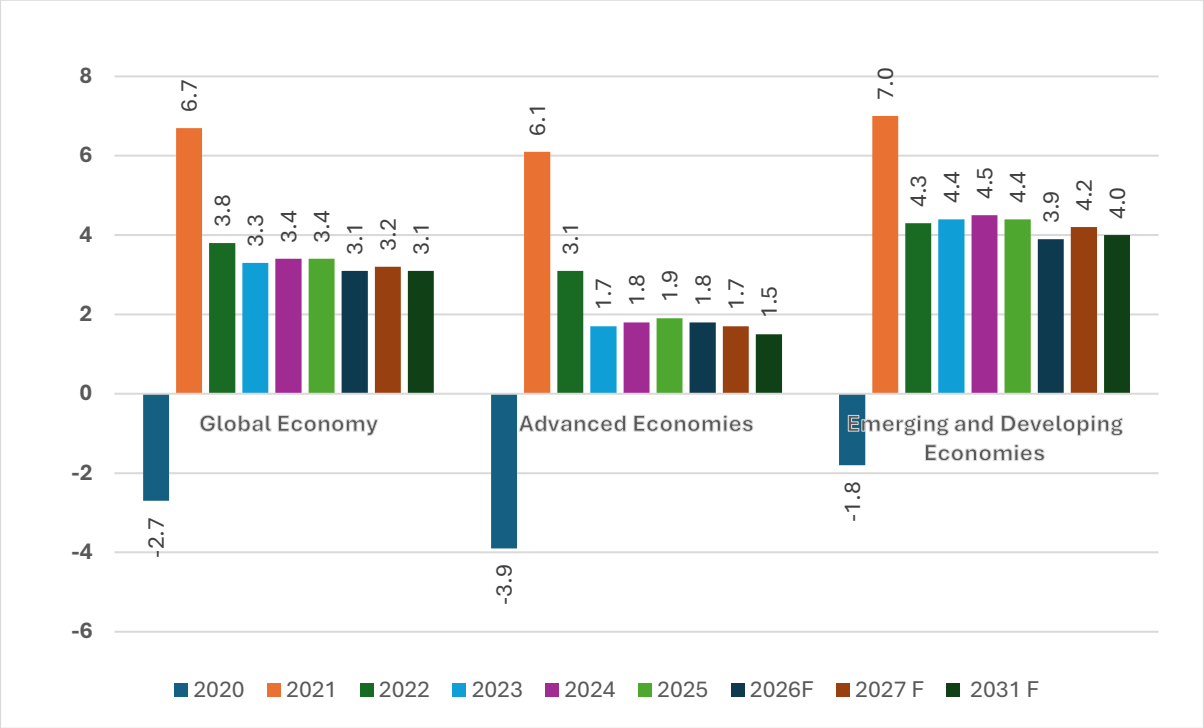
In China, growth is projected to slow to 4.6% in CY 2026 (down from 5.0% in CY 2025) and further to 4.1% in CY 2027, as elevated global oil prices, structural headwinds and continued property sector weakness weigh on activity, notwithstanding stronger-than-expected exports and high-tech manufacturing. In the Euro Area, growth is projected to slow to 0.9% in CY 2026 before improving to 1.2% in CY 2027, weighed down by higher energy prices, soft first-quarter momentum and weak consumer confidence; Germany's growth is projected at 0.7% in CY 2026, improving to 1.0% in CY 2027, supported by net exports and fiscal measures.

Meanwhile, India is expected to remain among the fastest-growing major economies despite an increasingly uncertain global environment. According to the IMF, real GDP growth is projected at 6.4% in FY2026–27, improving to 6.7% in FY2027–28, supported by resilient domestic demand, private consumption and services activity. On a calendar-year basis, the IMF projects India's economy to expand by 7.0% in 2026 and 6.4% in 2027. Consumer price inflation is expected to remain broadly contained, supporting macroeconomic stability even as global inflationary pressures persist.

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Overall, while global growth in CY 2025 remained resilient, the outlook for CY 2026 reflects a genuine crosscurrent — a war-driven supply shock pulling growth down, countered by an AI/technology-led investment boom pushing growth up in select economies. Risks to the outlook remain tilted to the downside, with renewed Middle East conflict, trade fragmentation, and a potential correction in AI-driven valuations as the key threats, while a swifter energy-market normalisation and stronger technology investment present the main upside. India's relative macroeconomic stability, resilient domestic demand, and continued investment momentum position it favourably amid these global crosscurrents.

1.2Historical GDP Growth Trends



F – Forecast, Source – IMF World Economic Outlook April 2026

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.)

The global economy began recovering from its lowest levels following the easing of pandemic-related lockdowns in CY 2020 and CY 2021. The pandemic-induced disruption severely affected economic activity, resulting in a contraction of -2.7% in global GDP in CY 2020, with

advanced economies contracting more sharply by -3.9%, while emerging and developing economies declined by -1.8%.

In CY 2021, global growth rebounded strongly to 6.7%, driven by reopening-led recovery, fiscal stimulus, and pent-up demand. Advanced economies grew by 6.1%, supported by policy stimulus and vaccination progress, while emerging and developing economies recorded stronger growth of 7.0%.

Global economic activity moderated in CY 2022, with growth slowing to 3.8%, as elevated inflation and monetary tightening weighed on demand. Advanced economies expanded by 3.1%, while emerging and developing economies grew by 4.3%.

Growth softened further to 3.3% in CY 2023, reflecting the lagged impact of tighter financial conditions and weaker trade momentum. Advanced economies recorded slower growth of 1.7%, while emerging and developing economies remained relatively resilient at 4.4%.

In CY 2024, global growth remained stable at 3.4%, supported by easing inflation and improved supply chain conditions. However, advanced economies slowed to 1.8%, while emerging and developing economies grew by 4.5%, highlighting continued divergence.

In CY 2025, global GDP growth stood at 3.4%, indicating relative stability compared to the previous year despite ongoing geopolitical tensions and structural challenges. Advanced economies expanded by 1.9%, while emerging and developing economies maintained stronger growth at 4.4%.

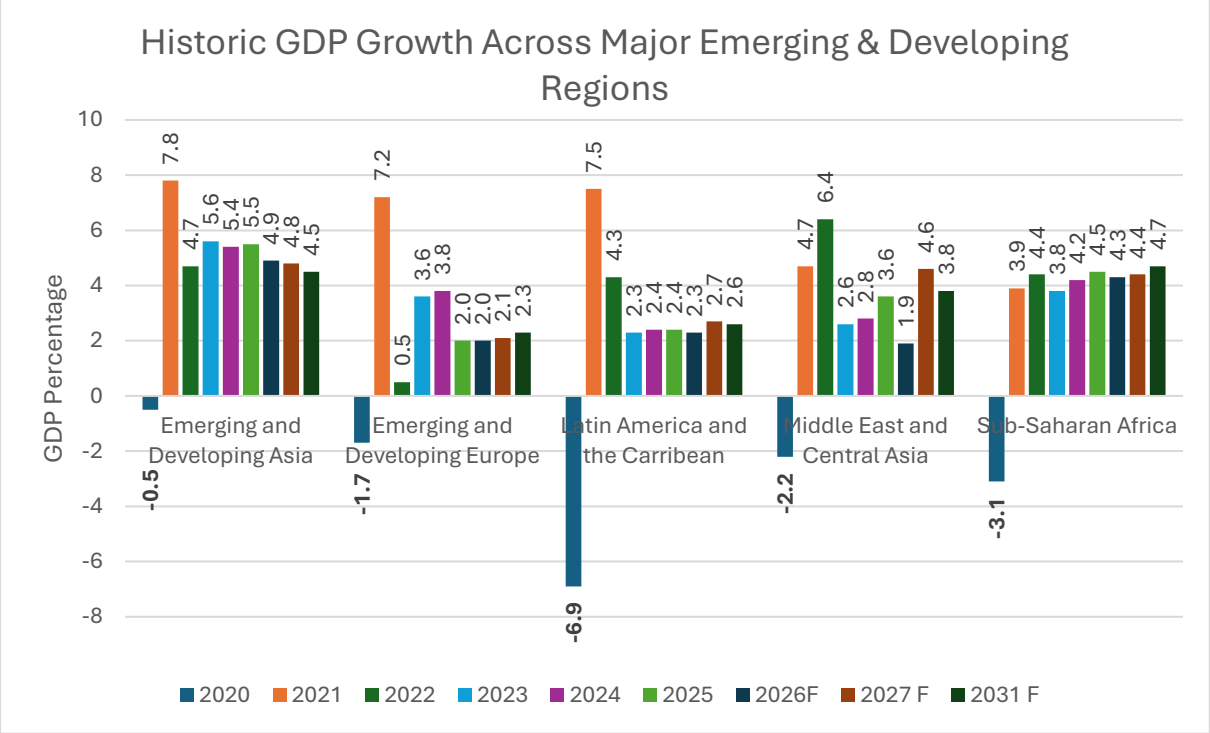
Global growth is projected to remain steady at 3.1% in CY 2026, supported by resilient demand and investment trends, although risks from geopolitical disruptions and commodity price volatility persist. Advanced economies are expected to grow at 1.8%, while emerging and developing economies are projected at 3.9%.

Over the medium term, global growth is expected to moderate slightly to 3.2% in CY 2027 and 3.1% by CY 2031. Advanced economies are forecast to grow at 1.7% in CY 2027 and 1.5% by CY 2031, while emerging and developing economies are projected at 4.2% and 4.0%, respectively, reflecting structural constraints alongside continued resilience in developing markets.

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1.3 GDP Growth Across Major Regions

GDP growth across major global regions—including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa—continues to display varied trajectories. While some regions are stabilizing post-pandemic, others remain challenged by structural and cyclical issues. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.



Source-IMF World Economic Outlook April 2026 update.

In Emerging and Developing Asia, growth stood at 5.5% in CY 2025 and is projected to moderate to 4.9% in CY 2026 and 4.8% in CY 2027, before easing further to 4.5% by CY 2031. The moderation reflects weaker external demand, trade-related uncertainty, and spillovers from slower growth in China, partly offset by resilience in domestic demand across major economies, with India continuing to act as a key growth driver.

Emerging and Developing Europe recorded growth of 2.0% in CY 2025 and CY 2026, improving marginally to 2.1% in CY 2027 and 2.3% by CY 2031. The region continues to face structural manufacturing weakness, geopolitical spillovers and subdued external demand, although gradual stabilization in trade and domestic demand is expected to support recovery.

For Latin America and the Caribbean, growth stood at 2.4% in CY 2025, moderating to 2.3% in CY 2026 and improving to 2.7% in CY 2027, before easing to 2.6% by CY 2031. The modest outlook reflects weak productivity trends, fiscal constraints, and subdued external demand, partially supported by improving macroeconomic stability and policy credibility.

In the Middle East and Central Asia, growth stood at 3.6% in CY 2025, declining sharply to 1.9% in CY 2026 before recovering to 4.6% in CY 2027 and moderating to 3.8% by CY 2031. This volatility reflects geopolitical disruptions, particularly conflicts affecting energy markets, alongside fluctuations in commodity prices and regional uncertainty.

Sub-Saharan Africa recorded growth at 4.5% in CY 2025 and is projected to moderate slightly to 4.3% in CY 2026 and improving to 4.4% in CY 2027, with further strengthening to 4.7% by CY 2031. Growth is supported by improving domestic demand and supply conditions, although structural constraints, high debt levels and commodity price volatility continue to pose risks.

Overall, while regional growth trajectories remain uneven, emerging and developing economies are expected to continue outperforming advanced economies, supported by relatively stronger domestic demand and favourable demographics. However, disparities persist due to structural challenges, geopolitical tensions, and commodity market volatility.

1.4 Global Economic Outlook

At the current juncture in CY 2026, the global economy continues to exhibit mixed performance, with divergence in outcomes across regions driven by differences in growth dynamics, inflation trends, geopolitical exposure, and policy responses. While the global economy had shown resilience through technology-led investment, accommodative financial conditions, and reduced tariff pressures, the broader outlook has weakened due to the outbreak of conflict in the Middle East, disruptions in energy markets, and elevated geopolitical risks. Structural headwinds, including tighter financial conditions, geoeconomic fragmentation, and subdued productivity growth, continue to keep global growth below historical averages.

The United States continues to demonstrate relative resilience among advanced economies, though growth is moderating as the economy absorbs the lagged effects of prior policy tightening and softer labour market conditions. Across advanced economies, growth is projected at 1.8% in CY 2026, constrained by weak industrial activity, lower productivity growth, and cautious business investment. In Europe, growth conditions remain subdued, with persistent manufacturing weakness, energy-related uncertainties, and weak external demand weighing on activity, although gradual monetary easing and fiscal support may provide some stabilization.

In China, growth prospects remain constrained by continued property sector stress, weak domestic demand, and changing trade dynamics, although export-oriented sectors and technology-linked investment continue to provide support. In contrast, India remains among the strongest-performing major economies, with GDP growth projected at 6.5% in CY 2026, supported by resilient domestic demand, sustained infrastructure investment, digitalisation,

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and structural reforms. Broader Emerging and Developing Asia continues to outperform other regions, although growth is moderating amid weaker global trade momentum.

In Latin America and the Caribbean, growth remains modest amid fiscal constraints, weak productivity trends, and subdued external demand, although improving macroeconomic management in some economies provides support. Sub-Saharan Africa is expected to see gradual strengthening supported by improving supply conditions and domestic demand recovery, while the Middle East and Central Asia face a more volatile outlook due to direct spillovers from conflict-related disruptions and uncertainty in commodity markets. The impact of energy supply risks, including disruptions related to the Strait of Hormuz, has increased downside risks for commodity-importing economies and vulnerable emerging markets.

Globally, inflation dynamics have become more challenging. Global headline inflation is projected to rise to 4.4% in CY 2026 from 4.1% in CY 2025, reflecting the inflationary effects of higher energy prices, supply-side disruptions, and second-round pressures. Central banks are therefore expected to remain vigilant, with policy responses remaining cautious and data dependent. While monetary easing had been expected to support demand, renewed inflation risks may delay or moderate the pace of policy normalization in several economies.

Looking ahead, the medium-term outlook remains one of slower but stable growth, with global GDP projected at 3.2% in CY 2027 and 3.1% by CY 2031, below the long-term historical average. Advanced economies are expected to remain on a structurally lower growth path, while emerging and developing economies continue to provide the primary engine of global growth. Future prospects will depend significantly on the evolution of geopolitical tensions, the normalization of energy markets, progress in restoring trade stability, and the extent to which productivity gains from technological innovation, including artificial intelligence, translate into broader economic growth. The IMF also highlights that structural reforms, multilateral coordination, and strengthened macroeconomic resilience will be critical to sustaining growth momentum over the medium term.

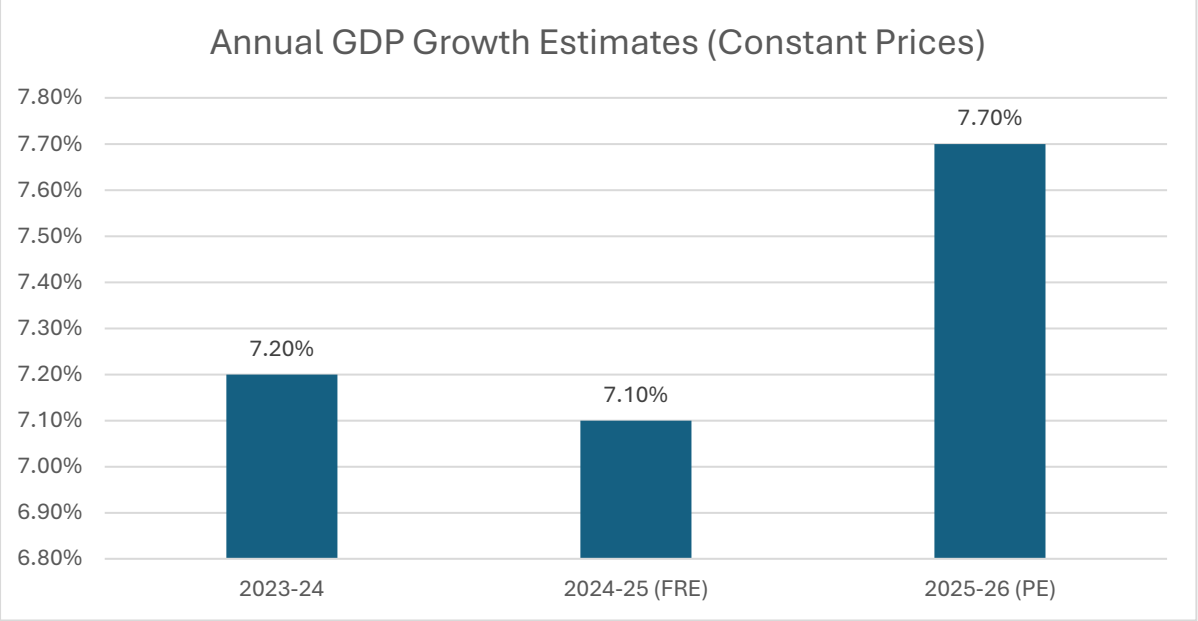
Overall, while the global economy remains resilient, the outlook has become more fragile amid elevated downside risks. Growth in CY 2026 and beyond is expected to remain below historical averages, shaped by geopolitical uncertainty, tighter financial conditions, and structural constraints, although emerging economies—particularly India and broader Asia—continue to provide relative support to global growth.

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2. India's Macroeconomic Scenario

2.1 Gross Domestic Product (GDP)

According to the latest Provisional Estimates by MOSPI, GOI (05 June 26), Real GDP has been estimated to grow by 7.7% in FY 2025-26. Nominal GDP has witnessed a growth of 8.9%. Real GDP or GDP at Constant Prices is estimated to attain a level of INR 323.12 lakh crore in the FY 2025-26, against the First Revised Estimate (FRE) of GDP for the year 2024-25 of INR 299.89 lakh crore.



Note: FRE - First Revised Estimates; PE – Provisional Estimate

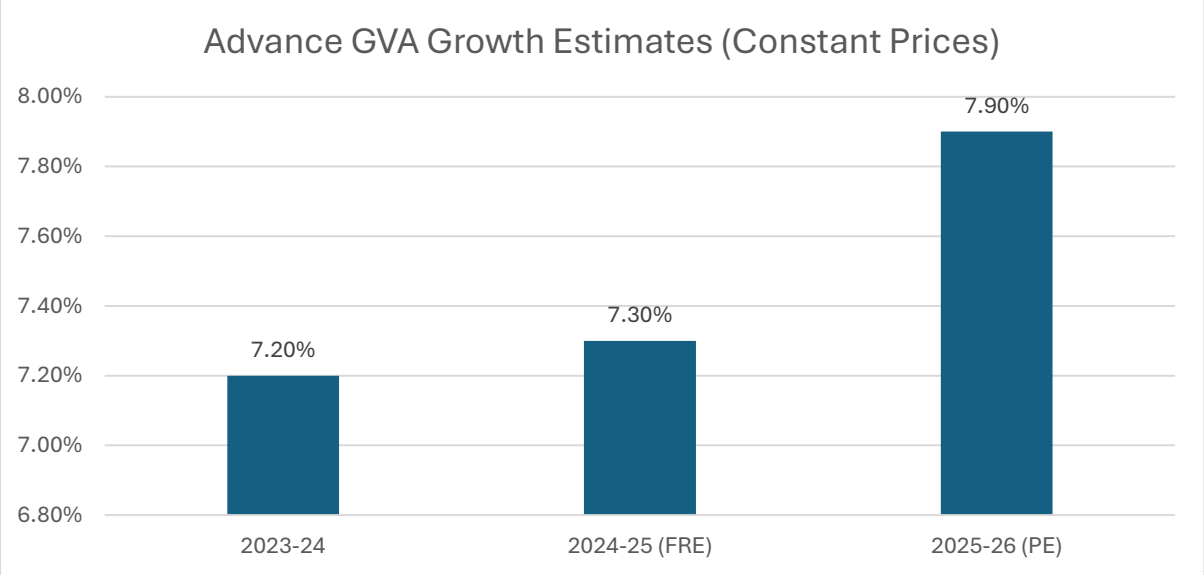
Source: New Series of Gross Domestic Product (GDP) Estimates with Base Year 2022-23 by MOSPI, PIB Press Release dated 05 June 2026).

According to the International Monetary Fund (IMF) World Economic Outlook Database (April 2026), India is estimated to be the sixth-largest economy in the world in 2026, with a Gross Domestic Product (GDP) of approximately USD 4.15 trillion at current prices. India's ranking reflects the latest national accounts data, including the revised GDP series released by the Government of India, which changed the base year from FY 2011-12 to FY 2022-23. India's position in the global ranking is influenced by the revised GDP estimates and the depreciation of the Indian Rupee against the U.S. Dollar.

The economies ranked ahead of India are the United States (USD 32.38 trillion), China (USD 20.85 trillion), Germany (USD 5.45 trillion), Japan (USD 4.38 trillion), and the United Kingdom (USD 4.26 trillion).

2.2 Gross Value Added (GVA)

According to the Provisional Estimate of GDP for 2025-26 by MOSPI, Govt. of India (GoI), Real GVA is estimated at INR 294.91 lakh crore in the year 2025-26, against INR 273.36 lakh crore in FY 2024-25, registering a growth rate of 7.9% as compared to 7.3% growth rate in 2024-25. Nominal GVA is estimated to attain a level of INR 314.87 lakh crore during FY 2025-26, against INR 288.54 lakh crore in 2024-25, showing a growth rate of 9.1%.



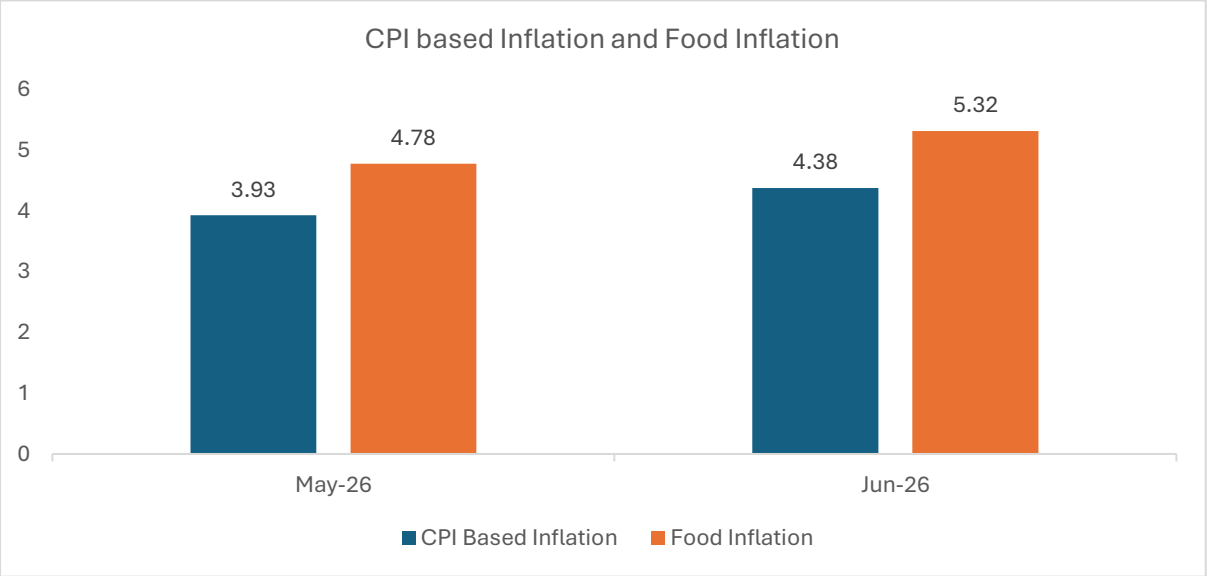
Note: FRE - First Revised Estimates; PE – Provisional Estimate

Source: New Series of Gross Domestic Product (GDP) Estimates with Base Year 2022-23 by MOSPI, PIB Press Release dated 05 June,2026)

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2.3 Consumer Price Index (CPI)

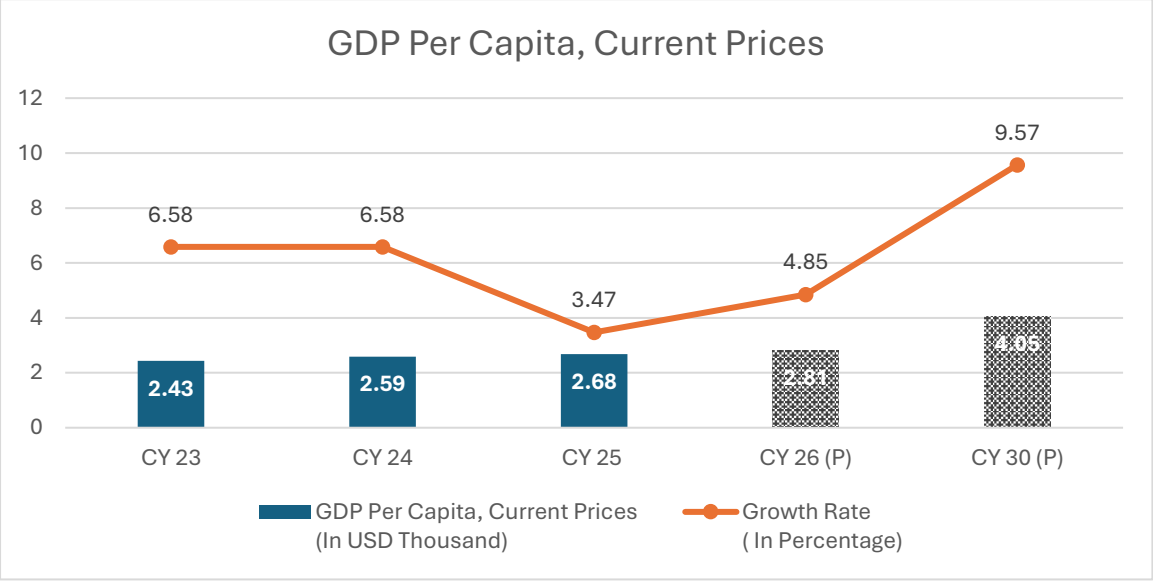
Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of June 2026 over June, 2025 is 4.38%(Provisional). Corresponding inflation rates for rural and urban are 4.74% and 3.92%, respectively.



Source: MOSPI, GOI, 13 July 2026

2.4 India Per Capita GDP Forecast

Per capita GDP growth for India is estimated at 9.57 % CAGR between FY 2026-FY 2030. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the sector.



Note: E = Estimated, P = Projected

Source: IMF Data Mapper, World Economic Outlook April 2026, India, GDP Per Capita

2.5 Private Final Consumption Expenditure (PFCE)

Private Final Consumption Expenditure (PFCE) represents the total spending by resident households on final consumption of goods and services, serving as a key indicator of consumer demand and overall economic well-being. It reflects the extent of household consumption and plays a crucial role in driving GDP growth. PFCE, at constant prices, accounted for 55.7% of GDP in FY2026 (same as FY2025). This marks a gradual moderation from 56.4% in FY2024 and 57.1% in FY2023, indicating a relative shift in the composition of economic growth. The decline is primarily attributable to higher changes in stocks (inventory build-up), which increased the share of investment components in GDP, even as household consumption continues to remain a key driver of the economy.

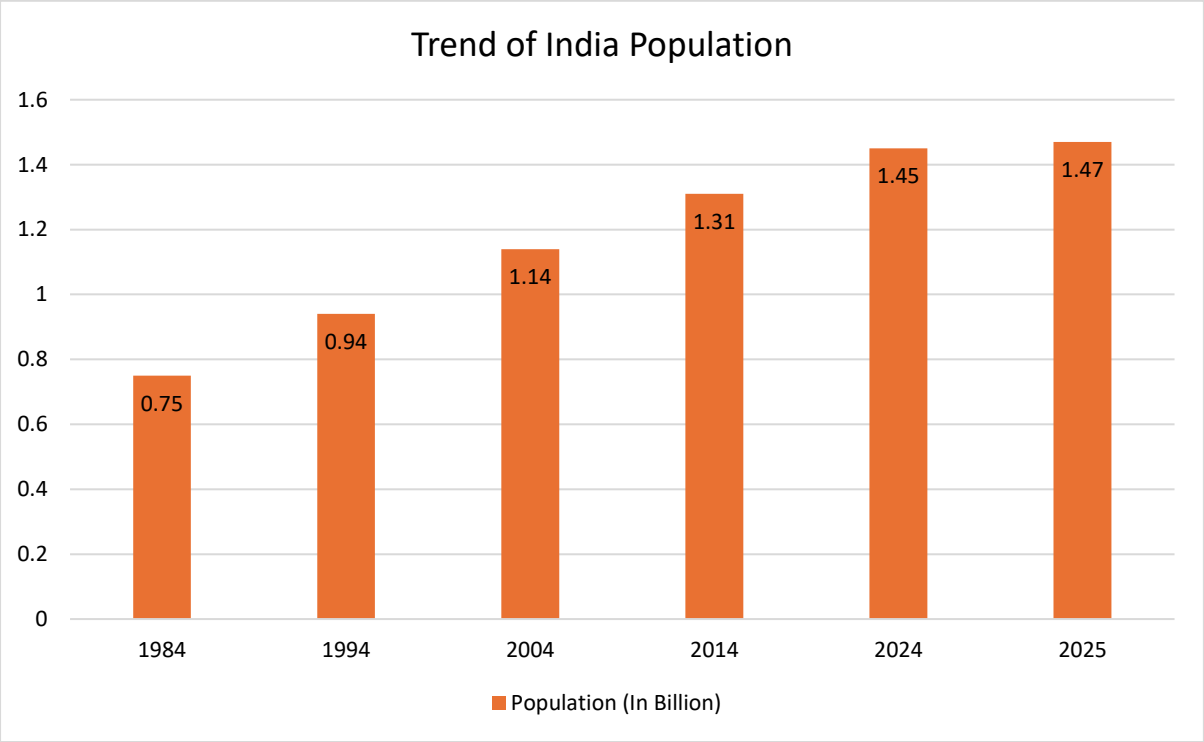
Source: - MOSPI, Press Note on New Series of GDP Estimates with Base Year 2022-23, Provisional Estimates of Annual Gross Domestic Product For 2025-26 released on June 05th, 2026.

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2.6 Overview on Key Demographic Parameters

2.6.1 Population growth

India's economic trajectory and consumption dynamics are closely tied to its demographic shifts. India's population expanded from approximately 0.75 billion in 1984 to 1.45 billion in 2024 and is further reached around 1.47 billion in 2025, consolidating its position as the world's most populous nation. This sustained growth underlines the emergence of a vast labour force and consumer base, which is essential for driving long-term economic growth, supporting rising consumption demand and strengthening the country's overall economic potential.



Source: World Bank Database. Population Data 2025 - Worldometer, Infomerics Analytics & Research

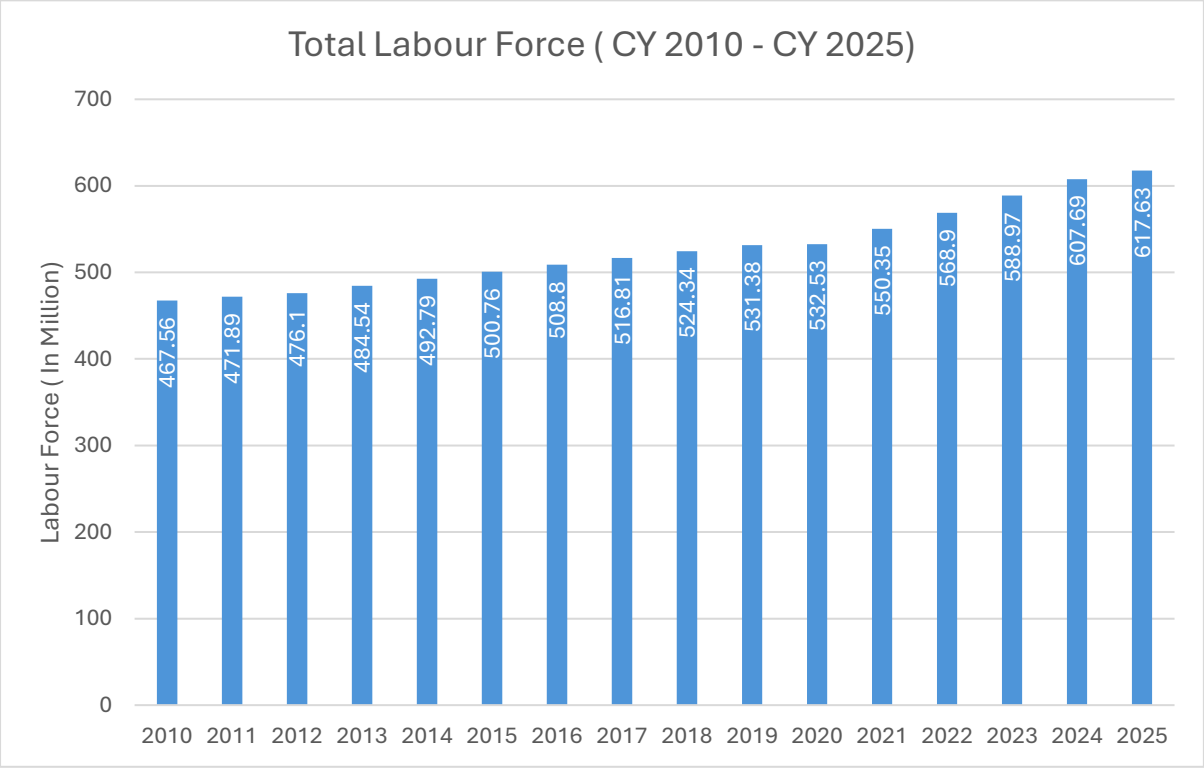
2.6.2 Labour Force in India

India's labour force has experienced steady growth over the past decade. In 2010, the total labour force was approximately 467.56 million. By 2025, this number had increased to 617.63 million.

This upward trend underscores the expanding working-age population, improving labour force participation and gradual recovery in employment post the pandemic period. The sharp increase observed after 2020 highlights the rebound in economic activity and rising workforce engagement across sectors. However, it also emphasizes the need for sustained job creation to effectively absorb the growing labour pool.

The labour force participation rate (LFPR) has also witnessed variations over time due to changing socio-economic conditions, including urbanization, education levels and sectoral employment shifts.

These trends highlight the importance of implementing policies that not only generate employment opportunities but also improve job quality, productivity and inclusivity across key sectors of the economy.



Source: World Bank Database

2.6.3 Labour Laws in India

Labour is a subject under the Concurrent List of the Indian Constitution, enabling both the Central and State Governments to frame relevant legislation. In a major reform initiative, the Government of India has consolidated 29 existing central labour laws into four comprehensive Labour Codes to simplify compliance, reduce multiplicity of definitions, and promote transparency. These include:

- The Code on Wages, 2019
- The Industrial Relations Code, 2020
- The Code on Social Security, 2020
- The Occupational Safety, Health and Working Conditions Code, 2020

As of 31st December 2024, the Central Government and most States/Union Territories had pre-published draft rules under all four Labour Codes. Regional consultations were held to align state-level rules with the central framework. Once fully implemented, these Codes are expected to harmonize the needs of workers and industry, facilitate ease of doing business, and support employment generation.

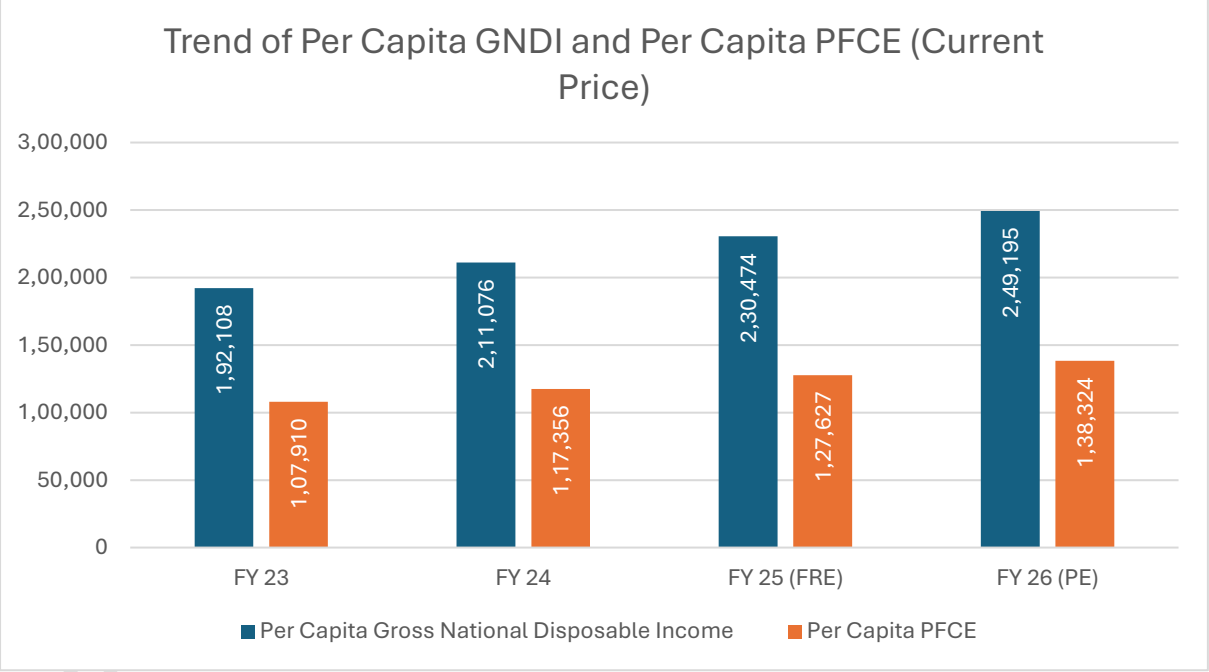
Additionally, the Ministry of Labour & Employment is revamping the Shram Suvidha Portal to improve regulatory compliance and has launched the e-Shram Portal to register workers from the unorganised sector. Over 30 crore registrations have been completed, and the portal has been integrated with 12 key social welfare schemes, enabling targeted delivery of benefits.

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2.6.4 Disposable Income and Consumer Spending

Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. Per Capita GNDI has exhibited a steady upward trend over the recent years, increasing from approximately INR1,92,108 in FY23 to INR 2,11,076 in FY24 and further to INR 2,49,195 in FY26 (PE). It reflects the continued growth in income available to households and businesses, supporting consumption and savings activities within the economy.

The rise in disposable income has been accompanied by higher consumer spending, as reflected in the growth of Private Final Consumption Expenditure (PFCE), which measures the total value of goods and services consumed by households. Per Capita PFCE increased from approximately INR 1,07,910 in FY23 to INR 1,38,324 in FY26 (PE). The growth of approximately 8.0% in FY26 over FY25 indicates sustained consumer demand and continued expansion in household consumption expenditure, supported by rising income levels and economic activity.



Note: Data mentioned is in INR, FRE – First Revised Estimates, PE – Provisional Estimates.
Source: PIB, New Series of Gross Domestic Product (GDP) release date on 5th June 2026. Estimates with Base Year 2022-23

2.7 Union Budget FY26-27 Highlights

The Union Budget FY 2026–27, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**
  In FY2026-27, the Union Budget has increased the public capex towards to INR 12.2 lakh crore from the previous INR 11.21 lakh crore (3.1% of GDP) which was earmarked in FY 2025–26. To strengthen the confidence of private developers regarding risks during infrastructure development and construction phase, the budget proposed to set up an Infrastructure Risk Guarantee Fund to provide prudently calibrated partial credit guarantees to lenders.
- **Support for MSMEs**
  Recognizing the pivotal role of Micro, Small and Medium Enterprises (MSMEs) in India's economic landscape, the budget introduced a three-pronged approach to support the sector. The budget introduced a dedicated INR 10,000 crore SME Growth Fund as well as proposed to top up the Self-Reliant India Fund set up in 2021, with INR 2,000 crore to continue support to micro enterprises and maintain their access to risk capital. With TReDS, more than INR 7 lakh crore has been made available to MSMEs. To leverage its full potential, the budget further proposed four measures: (i) mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates; (ii) introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on TReDS platform; (iii) link GeM with TReDS for sharing information with financiers about government purchases from MSMEs, encouraging cheaper and quicker financing; (iv) introduce TReDS receivables as asset-backed securities, helping develop a secondary market, enhancing liquidity and settlement of transactions. Moreover, Government will facilitate Professional Institutions such as ICAI, ICSI, ICMAI to design short-term, modular courses and practical tools to develop a cadre of 'Corporate Mitras', especially in Tier-II and Tier-III towns, which will help MSMEs meet compliance requirements at affordable costs.
- **Establishment of dedicated Rare Earth Corridors**
  A Scheme for Rare Earth Permanent Magnets was launched in November 2025. In line with that, the budget proposed to support the mineral-rich States of Odisha, Kerala andhra Pradesh and Tamil Nadu to establish dedicated Rare Earth Corridors to promote mining, processing, research and manufacturing.

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- **Integrated Programme for the Textile Sector**
  The following Schemes have been announced:
  (a) The National Fibre Scheme for self-reliance in natural fibres such as silk, wool and jute, man-made fibres and new-age fibres.
  (b) Textile Expansion and Employment Scheme to modernise traditional clusters with capital support for machinery, technology upgradation and common testing and certification centres.
  (c) A National Handloom and Handicraft programme to integrate and strengthen existing schemes and ensure targeted support for weavers and artisans.
  (d) Tex-Eco Initiative to promote globally competitive and sustainable textiles and apparels.
  (e) Samarth 2.0 to modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions.
- **Carbon Capture Utilization and Storage (CCUS)**
  Aligning with the roadmap launched in December 2025, CCUS technologies at scale will achieve higher readiness levels in end-use applications across five industrial sectors, including, power, steel, cement, refineries and chemicals. An outlay of INR 20,000 crore is proposed over the next 5 years.
- **Municipal Bonds**
  To encourage the issuance of municipal bonds of higher value by large cities, the budget proposed an incentive of INR 100 crore for a single bond issuance 10 of more than INR 1000 crore. The current scheme under AMRUT which incentivises issuances up to INR 200 crore, will also continue to support smaller and medium towns.
- **Ease of Doing Business**
  Individual Persons Resident Outside India (PROI) will be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme. It is also proposed to increase the investment limit for an individual PROI under this scheme from 5% to 10%, with an overall investment limit for all individual PROIs to 24%, from the current 10%.
- **Hubs for Medical Value Tourism**
  To promote India as a hub for medical tourism services, the budget proposed to launch a Scheme to support States in establishing five Regional Medical Hubs, in partnership with the private sector. These Hubs will serve as integrated healthcare complexes that combine medical, educational and research facilities. They will have AYUSH Centres, Medical Value Tourism Facilitation Centres and infrastructure for diagnostics, post-care and rehabilitation. These Hubs will provide diverse job opportunities for health professionals including doctors and AHPs.

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- **Agriculture Related Schemes**

  To diversify farm outputs, increase productivity, enhance farmers' incomes and create new employment opportunities, the budget announced support schemes related to high value crops such as coconut, sandalwood, cocoa and cashew in coastal areas. Agar trees in Northeast and nuts such as, almonds, walnuts and pine nuts in hilly regions will also be supported. India is the world's largest producer of coconuts.

  About 30 million people, including nearly 10 million farmers, depend on coconuts for their livelihood. To further enhance competitiveness in coconut production, the Budget proposed a Coconut Promotion Scheme to increase production and enhance productivity through various interventions including replacing old and non-productive trees with new saplings/plants/varieties in major coconut growing States. A dedicated programme is proposed for Indian cashew and cocoa to make India self-reliant in raw cashew and cocoa production and processing, enhance export competitiveness and transform Indian Cashew and Indian Cocoa into premium global brands by 2030.

  Further, the Central Government will partner with State Governments to promote focused cultivation and post-harvest processing to restore the glory of the Indian Sandalwood ecosystem. To rejuvenate old, low-yielding orchards and expand high-density cultivation of walnuts, almonds and pine nuts, the budget announced to support a dedicated programme to enhance farmer incomes and in bringing value addition by engaging youth.

The Union Budget FY 2026–27 presents a balanced approach to economic growth by addressing immediate consumption needs and laying the foundation for long-term sustainability. Through targeted investments in infrastructure, support for MSMEs and sector-specific initiatives, the budget aims to foster an inclusive and resilient economy. These measures are expected to create new opportunities for financial institutions, as the growing demand for investment products will provide avenues for expansion and innovation in the financial services sector.

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2.8 Concluding Remarks about Macroeconomic Scenario

The major headwinds to global economic growth remain significant, including escalating geopolitical tensions, volatility in global energy and commodity markets, persistent inflationary pressures, tighter financial conditions, geoeconomic fragmentation, rising public debt, climate-related disruptions, and uncertainty surrounding the pace and impact of technological transformation. In particular, the ongoing Middle East conflict and associated risks to energy supply chains have heightened downside risks to the global outlook, while weaker trade momentum and structural productivity challenges continue to weigh on medium-term growth prospects.

Despite these challenges, India's economy remains relatively well-positioned compared to other major emerging markets. According to the IMF's April 2026 WEO, India's GDP growth is projected at 6.5% in CY 2026, maintaining its position as one of the fastest-growing major economies globally and significantly above the global growth projection of 3.1%. Key positive factors supporting India's growth include resilient domestic demand, sustained public infrastructure spending, a strengthening investment cycle, expanding digital infrastructure, and continued progress in structural reforms. Inflation, as measured by the Consumer Price Index (CPI), remained contained at 3.4% in March 2026 under the revised base year, supporting household purchasing power, although rising global oil prices and supply disruptions may pose upside risks.

India's strategic position as a manufacturing and investment destination continues to strengthen, supported by government initiatives, supply chain diversification trends, a skilled labour force, and a dynamic innovation ecosystem. Public investment is expected to remain a critical growth driver, with the Union Budget FY 2026–27 increasing capital expenditure to INR 12.21 lakh crore from INR 11.21 lakh crore in the previous year, reinforcing the government's investment-led growth strategy. In addition, the proposed Infrastructure Risk Guarantee Fund is aimed at improving private sector participation in infrastructure by mitigating project-related risks, which is expected to crowd in private investment, enhance infrastructure capacity, and support long-term productivity growth.

Private sector investment intentions are also expected to strengthen alongside public capex, while rising disposable incomes, improving rural demand, and continued policy support are likely to reinforce consumption momentum. Strengthening supply chains, expanding infrastructure capacity, and sustaining inflation stability will be critical in supporting resilience against external shocks. These factors are expected to support India's medium-term growth momentum and strengthen its ability to navigate global uncertainties.

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3. Industry Definition and Scope

The Material Handling Equipment ("MHE") industry forms an integral part of India's Capital Goods and Industrial Machinery sector and serves as a critical enabler of the country's manufacturing, warehousing, logistics and industrial ecosystem. Material handling refers to the movement, storage, control and protection of materials and goods throughout the supply chain, supporting efficient material flow from production facilities to storage locations and final distribution. As such, the industry serves as a vital link between production, storage and dispatch, facilitating safe, reliable and cost-effective movement of raw materials, work-in-progress inventory and finished goods across industrial and commercial operations.

The industry comprises a broad range of equipment and solutions, including storage and handling equipment, bulk material handling equipment, industrial trucks and engineered systems, together with associated rental, leasing, maintenance, refurbishment, spare parts and lifecycle support services. Material handling solutions range from manually operated equipment to semi-automated and fully automated systems, enabling businesses to improve operational efficiency, inventory management, workplace safety and overall supply chain performance.

Within the industrial value chain, material handling equipment supports material movement, loading, unloading, storage, retrieval, picking and transportation across manufacturing facilities, warehouses, distribution centres, ports, terminals and industrial yards. The industry caters to a diverse range of end-use sectors, including manufacturing, automotive, engineering, pharmaceuticals, food and beverage, fast-moving consumer goods (FMCG), retail, e-commerce, third-party logistics (3PL), construction, infrastructure, mining and other industrial applications.

The industry has progressively evolved from conventional manually operated equipment towards electrically powered, digitally connected and automated material handling systems. Advancements in battery technologies, warehouse automation, fleet telematics, Internet of Things (IoT)-enabled asset monitoring, robotics, artificial intelligence (AI), automated guided vehicles (AGVs), autonomous mobile robots (AMRs), automated storage and retrieval systems (AS/RS) and warehouse management systems (WMS) are enhancing equipment productivity, operational visibility, inventory accuracy, energy efficiency and workplace safety. Concurrently, customers are increasingly adopting rental, pooling and managed-service models to improve fleet flexibility, optimise capital allocation and access specialised equipment supported by maintenance and lifecycle services.

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Material handling equipment is engineered to operate across diverse industrial environments, including manufacturing facilities, warehouses, logistics parks, distribution centres, ports and outdoor material handling applications, while supporting varying load capacities and high-duty operating cycles. Increasing adoption of electric equipment, lithium-ion battery technologies, connected fleet management solutions and warehouse automation further reflects the industry's transition towards energy-efficient, sustainable and technology-enabled material handling operations.

As industrial production, organised warehousing, logistics infrastructure and supply chain modernisation continue to expand, material handling equipment has become an essential component of industrial and logistics ecosystems. Organised industry participants are increasingly differentiating themselves through equipment availability, service reliability, lifecycle support and technology-enabled fleet management, reflecting the industry's evolution from equipment-centric offerings towards integrated material handling solutions. Together, these developments continue to strengthen the industry's role in improving productivity, operational efficiency and competitiveness across India's manufacturing and supply chain sectors.

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4. Market Segmentation

The Material Handling Equipment ("MHE") industry comprises a broad range of equipment and solutions designed to facilitate the movement, storage, retrieval, protection and control of materials across manufacturing facilities, warehouses, logistics centres, distribution hubs, ports and project sites. The market is commonly segmented based on equipment category, ownership model, level of mechanisation, power source, end-use industry and geography, reflecting the diverse operational requirements of industrial and commercial users.

Category	Sub-Category / Segment	Description / Insights
By Equipment Category	**Industrial Trucks**	Includes forklifts, reach trucks, pallet trucks, pallet stackers, order pickers, tow tractors, side loaders and hand pallet trucks used for lifting, transporting, loading, unloading and stacking materials within warehouses, manufacturing facilities and logistics operations.
	Storage & Racking Equipment	Comprises pallet racking systems, shelving units, mezzanines, bins, drawers and stacking frames designed to optimise storage capacity, improve inventory accessibility and maximise warehouse space utilisation.
	Continuous Handling Equipment	Includes conveyors, sortation systems and other continuous material movement solutions used for transporting packaged goods and production materials across warehouses, distribution centres and manufacturing facilities.
	Bulk Material Handling Equipment	Comprises stackers, reclaimers, bucket elevators, hoppers and other specialised equipment designed for storing, transporting and handling bulk materials such as minerals, aggregates, cement, grains and chemicals.
	Engineered & Automated Systems	Covers automated storage and retrieval systems (AS/RS), automated guided vehicles (AGVs), autonomous mobile robots (AMRs), robotic

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		material handling solutions and warehouse automation systems that enhance operational efficiency, inventory accuracy and labour productivity.
	Cranes & Heavy Lifting Equipment	Includes mobile cranes, crawler cranes, truck-mounted cranes, overhead cranes, gantry cranes and specialised lifting equipment used for heavy-duty material handling across infrastructure, construction, ports, mining and industrial projects.
By Ownership Model	**Purchase**	Conventional ownership model adopted by businesses with long-term equipment utilisation requirements and dedicated fleet management capabilities.
	Rental & Leasing	Flexible equipment access model enabling customers to reduce upfront capital expenditure while benefiting from maintenance, servicing and lifecycle support under short-term or long-term rental arrangements.
	Pooling / Shared Asset Model	Shared utilisation model under which equipment or logistics assets are deployed across multiple users to improve asset utilisation, operational flexibility and cost efficiency.
	Refurbished / Pre-owned Equipment	Secondary market comprising refurbished and pre-owned equipment catering to replacement fleet requirements and cost-conscious users.
By Technology / Mechanisation	**Manual Equipment**	Hand-operated equipment primarily used for low-volume material movement and storage applications requiring minimal mechanisation.
	Semi-Automated Equipment	Powered material handling equipment combining manual operation with mechanised lifting or movement functions to improve productivity and reduce manual effort.
	Automated Equipment	Digitally integrated material handling systems incorporating robotics, warehouse management software, sensors and intelligent controls for

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		high-throughput industrial and warehouse operations.
By Power Source	**Internal Combustion Engine (ICE) Equipment**	Diesel, LPG and CNG-powered equipment generally deployed for outdoor operations, heavy-duty applications and higher load-handling requirements.
	Electric Equipment	Battery-powered forklifts, warehouse trucks and other material handling equipment designed for indoor operations, offering lower emissions, reduced noise and improved energy efficiency.
	Lithium-ion Powered Equipment	Advanced electric material handling equipment utilising lithium-ion battery technology to provide faster charging, longer operating life, higher energy efficiency and lower maintenance requirements.
By End-use Industry	**Warehousing & Logistics**	Major application segment driven by inventory storage, order fulfilment, distribution, cross-docking and warehouse optimisation activities.
	Manufacturing	Material handling solutions supporting production processes, assembly operations, internal logistics and inventory movement across industrial facilities.
	E-commerce & Retail	Equipment supporting fulfilment centres, high-volume order processing, warehouse automation and efficient inventory handling.
	Automotive & Auto Components	Material handling equipment used for production-line logistics, component movement, warehouse operations and just-in-time inventory management.
	Food & Beverage, Pharmaceuticals & FMCG	Solutions supporting hygienic storage, regulated manufacturing environments, cold-chain logistics and efficient product distribution.
	Infrastructure, Construction, Mining & Ports	Heavy-duty lifting, bulk material handling and specialised equipment deployed across infrastructure projects, industrial facilities, mining operations and port logistics.

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By Geography	**North India**	Supported by manufacturing clusters, industrial corridors, warehousing parks and logistics infrastructure across Delhi NCR, Haryana, Punjab, Rajasthan and adjoining regions.
	West India	Strong demand driven by manufacturing, engineering, automotive industries, ports and logistics hubs across Maharashtra, Gujarat and Goa.
	South India	Significant adoption across automotive, electronics, engineering and industrial manufacturing clusters in Karnataka, Tamil Nadu, Telangana, Andhra Pradesh and Kerala.
	East & Central India	Emerging demand supported by mining, metals, industrialisation, infrastructure development and expanding logistics networks.

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Value Chain Analysis

The Indian Material Handling Equipment ("MHE") industry operates through an integrated value chain encompassing raw material and component sourcing, equipment design and manufacturing, system integration, distribution, deployment and lifecycle support. Value addition progressively increases from component manufacturing to engineered solutions, equipment customization, rental and fleet management, and long-term after-sales services. As warehousing, logistics and manufacturing operations become increasingly automated and service-oriented, factors such as equipment reliability, operational uptime, technology integration and lifecycle support have become key differentiators across the value chain.



1. Raw Material and Component Sourcing

The value chain begins with the procurement of steel, fabricated structures, castings, hydraulic systems, motors, transmissions, batteries, tyres, chains, bearings, electronic controls and other critical components. For electric and automated equipment, manufacturers increasingly source lithium-ion batteries, sensors, controllers, telematics modules, automation hardware and software-enabled systems. The availability of quality components, supplier reliability and compliance with applicable technical and safety standards significantly influence production efficiency, product quality and equipment performance.

2. Equipment Design, Engineering and Manufacturing

Original Equipment Manufacturers ("OEMs") undertake product design, engineering, fabrication, machining, welding, assembly and testing to manufacture a broad range of material handling equipment, including forklifts, pallet trucks, reach trucks, stackers, cranes, conveyors, storage systems and automated handling solutions. Product design focuses on load capacity, energy efficiency, ergonomics, durability, safety and operational reliability while accommodating varying industrial applications. Manufacturing capability, process

standardisation and quality assurance directly influence product consistency, customisation capability and time-to-market.

3. System Integration and Solution Customisation

Following manufacturing, equipment is configured to suit customer-specific operational requirements, including warehouse layouts, aisle widths, load characteristics, duty cycles and material flow patterns. This stage may involve the integration of specialised attachments, storage and racking systems, charging infrastructure, fleet management software, telematics, warehouse management systems ("WMS") and automation technologies such as Automated Guided Vehicles ("AGVs"), Autonomous Mobile Robots ("AMRs") and Automated Storage and Retrieval Systems ("AS/RS"). The ability to deliver integrated and application-specific solutions represents an important source of value addition within the industry.

4. Sales, Distribution, Rental and Fleet Deployment

Material handling equipment reaches end users through OEM sales channels, authorised dealers, distributors, rental operators and system integrators. Alongside conventional equipment sales, rental, leasing and asset-pooling models have gained increasing acceptance as customers seek greater operational flexibility, lower upfront capital expenditure and improved fleet utilisation. Effective inventory management, logistics coordination, financing support and multi-location service capabilities are important factors influencing equipment availability and customer acquisition.

5. Installation, Commissioning and Operational Deployment

Following delivery, equipment is installed, commissioned and deployed at customer facilities. For integrated warehouse solutions, this stage may include site surveys, layout implementation, racking installation, electrical integration, system testing, operator training and safety validation prior to commercial operation. Proper installation and commissioning ensure equipment operates in accordance with design specifications, maximise operational efficiency and support safe material handling across warehouses, manufacturing facilities, logistics centres and industrial sites.

6. After-Sales Service and Lifecycle Management

The final stage of the value chain comprises preventive and corrective maintenance, Annual Maintenance Contracts ("AMC"), Comprehensive Maintenance Contracts ("CMC"), repairs, refurbishment, spare parts supply, battery management, inspections, operator training and fleet monitoring services. Organised industry participants increasingly provide digital fleet management, predictive maintenance and equipment performance monitoring to improve asset utilisation, minimise downtime and extend equipment life. Since material handling equipment directly influences warehouse productivity and operational continuity, lifecycle

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services represent a significant source of recurring revenue, customer retention and long-term value creation.

The Indian Material Handling Equipment industry therefore creates value through the integration of engineering, manufacturing, system customisation, equipment deployment and lifecycle support. Companies with strong product capabilities, extensive service networks, rental and fleet management expertise, technology-enabled solutions and long-term customer relationships are generally better positioned to capture value across multiple stages of the equipment lifecycle while benefiting from the continued expansion of India's warehousing, logistics, manufacturing and infrastructure sectors.

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Various Material Handling Equipment and Their Function: -

MHE Type	Function / Use	Rental Rates
Forklift 	Suitable for applications including narrow aisles and tight spaces. An ideal warehouse asset for lifting, shifting and stacking materials. Diesel forklifts are suitable for outdoor applications with higher load capacities.	Approximately ₹3,500 to ₹5,500 per day for forklifts; diesel forklifts around ₹4,000 to ₹6,000 per day.
Electric Walkie Pallet 	Used for moving products through a warehouse efficiently and conveniently.	Typically ranges from ₹1,000 to ₹2,000 per day.
Reach Truck 	Used in narrow-aisle warehouse applications. Designed with two outer legs and a single rear wheel set to distribute load and create a tighter turn radius, enabling access to smaller spaces and higher racking.	Generally between ₹3,500 and ₹5,500 per day.
Pallet Stacker 	A multi-purpose lift used for a variety of operations.	Approximately ₹1,500 to ₹3,000 per day.

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Order Picker 	Used as a safer and more efficient replacement for ladders and scissor lifts when retrieving stock by hand. Technically, it is a type of forklift, classified as Class II: Electric Motor Narrow Aisle Trucks.	Typically ranges from ₹3,000 to ₹5,000 per day.
Core Tow Tractor 	Ideal for transporting material and pulling carts through a facility when no vertical lift is required.	Around ₹2,500 to ₹4,500 per day.
Hand Pallet Jack 	Hydraulic pallet jacks used for pulling products through warehouses or distribution centers with ease and convenience. Low noise and low rolling resistance make them suitable for quick material handling jobs.	Typically between ₹500 and ₹1,000 per day.

Factors Influencing Rental Rates

- **Rental duration:** Long-term rental arrangements may attract lower effective daily or monthly rental rates than short-term rentals, subject to the agreed contractual terms, minimum rental period and rental commitment.
- **Equipment type, specifications, age and condition:** Rental rates vary depending on the equipment category, lifting capacity, specifications, technology, brand, age, operating condition and maintenance history. Specialised or higher-capacity equipment may command higher rental rates.

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- **Equipment availability and market demand:** Rental rates may fluctuate based on equipment availability, prevailing market demand, seasonal requirements and supply-demand conditions within a particular region or industry.
- **Location, mobilisation and logistics:** Transportation, mobilisation, demobilisation and site-specific logistical requirements may influence the overall rental cost, particularly where equipment is deployed over long distances or across multiple project locations.
- **Contractual scope and value-added services:** Rental charges may vary depending on the scope of services included under the agreement, such as the deployment of trained operators, preventive maintenance, breakdown support, repairs, batteries, chargers, attachments, spare parts, consumables, technical support and other operational services. The allocation of insurance responsibilities and associated costs may also influence the total rental expense.
- **Equipment utilisation and operating hours:** Rental pricing may also depend on expected equipment utilisation, permitted operating hours, number of operating shifts and usage beyond the contractual limits. Where the agreement specifies operating-hour or usage limits, higher utilisation or multi-shift operations may result in additional charges.

Rental Utilisation Considerations

Commercial and operational terms generally influence the effective cost of equipment rental. These may include the minimum rental period, billing frequency, permitted operating hours, excess usage charges, mobilisation and transportation costs, maintenance responsibilities, equipment replacement provisions, insurance obligations, downtime provisions and payment terms. The treatment of public holidays, scheduled shutdowns and other non-operating days is governed by the terms of the individual rental agreement and may vary across contracts.

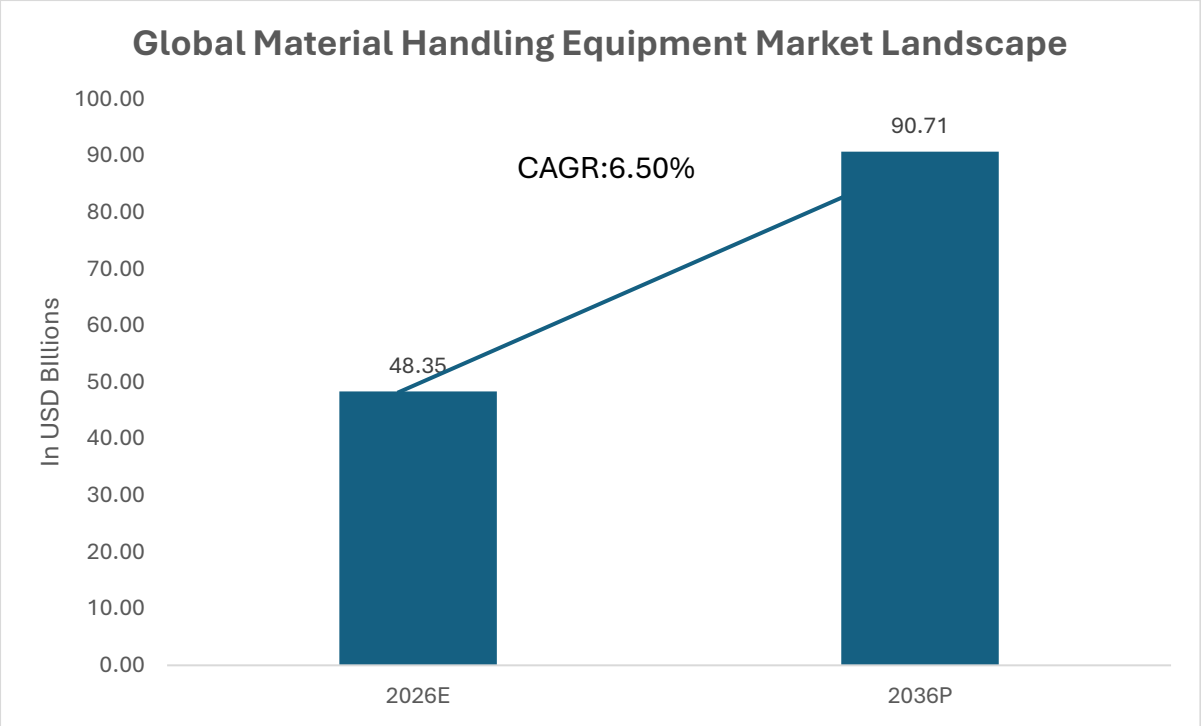
Monitoring equipment utilisation against the contracted rental period and operating-hour limits can help optimise equipment deployment, improve fleet utilisation and manage overall rental costs. Fleet-management or rental-management software may be used to monitor equipment availability, operating hours, preventive maintenance schedules and service requirements, thereby supporting operational efficiency and asset utilisation.

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5. Global and Indian Industry Outlook

5.1. Global Material Handling Equipment Market Landscape

The global Material Handling Equipment (MHE) market is projected to grow from USD 48.35 billion in 2026E to USD 90.71 billion by 2036P, registering a compound annual growth rate (CAGR) of 6.50% during the forecast period. Growth is being driven by increasing warehouse automation, expansion of e-commerce and third-party logistics (3PL), rising manufacturing activity, and continued investment in logistics infrastructure. The shift toward electric and automated material handling solutions, coupled with greater adoption of digital fleet management and intelligent warehouse technologies, is further supporting long-term market expansion.

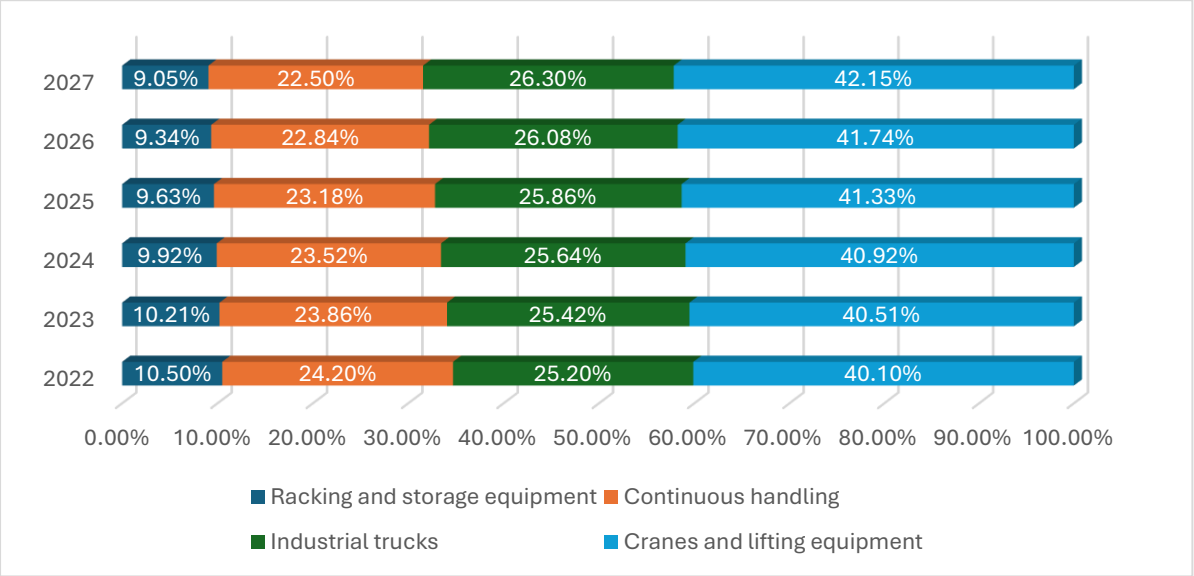


Source: Infomerics Analytics & Research; Note: E-Estimated, P-Projected.

The industry is transitioning from conventional equipment toward connected, software-enabled and automation-ready solutions, including electric forklifts, automated guided vehicles (AGVs), autonomous mobile robots (AMRs), automated storage and retrieval systems (AS/RS), telematics and warehouse management system (WMS)-integrated platforms. These technologies improve equipment utilisation, inventory visibility, workplace safety and operational efficiency, while supporting the digital transformation of warehouses and manufacturing facilities.

Among product categories, cranes and lifting equipment remain the largest segment of the global MHE market and are expected to continue leading through 2027. The segment is

projected to expand at a CAGR of 7.56% between 2022 and 2027, outpacing the overall market growth, and is expected to contribute 47.69% of the incremental market growth during the period. In contrast, industrial trucks continue to increase their market share steadily, reflecting growing demand for forklifts and warehouse vehicles, while continuous handling systems and racking & storage equipment remain integral components of increasingly automated logistics and warehousing operations.



The industry continues to benefit from rising investments in manufacturing capacity, warehousing infrastructure and integrated supply chains, together with increasing emphasis on labour productivity, logistics cost optimisation and workplace safety. Demand is supported across manufacturing, logistics, e-commerce, food & beverages, automotive, pharmaceuticals, retail, ports and airports, while growing adoption of electric equipment, lithium-ion battery technology and lifecycle service offerings is further strengthening the long-term outlook for the global MHE market.

Regional Analysis

- **Asia-Pacific:** Asia-Pacific is the largest and fastest-growing regional market, supported by rapid industrialisation, expanding manufacturing capacity, strong growth in e-commerce, and continued investment in warehousing and logistics infrastructure. China remains the largest market, while India and Southeast Asia are witnessing strong incremental demand driven by industrial expansion and supply chain modernisation.
- **Europe:** Europe is characterised by high penetration of electric material handling equipment, warehouse automation and sustainable logistics solutions. Demand is supported by advanced manufacturing, stringent workplace safety standards and continued investment in automated distribution centres.

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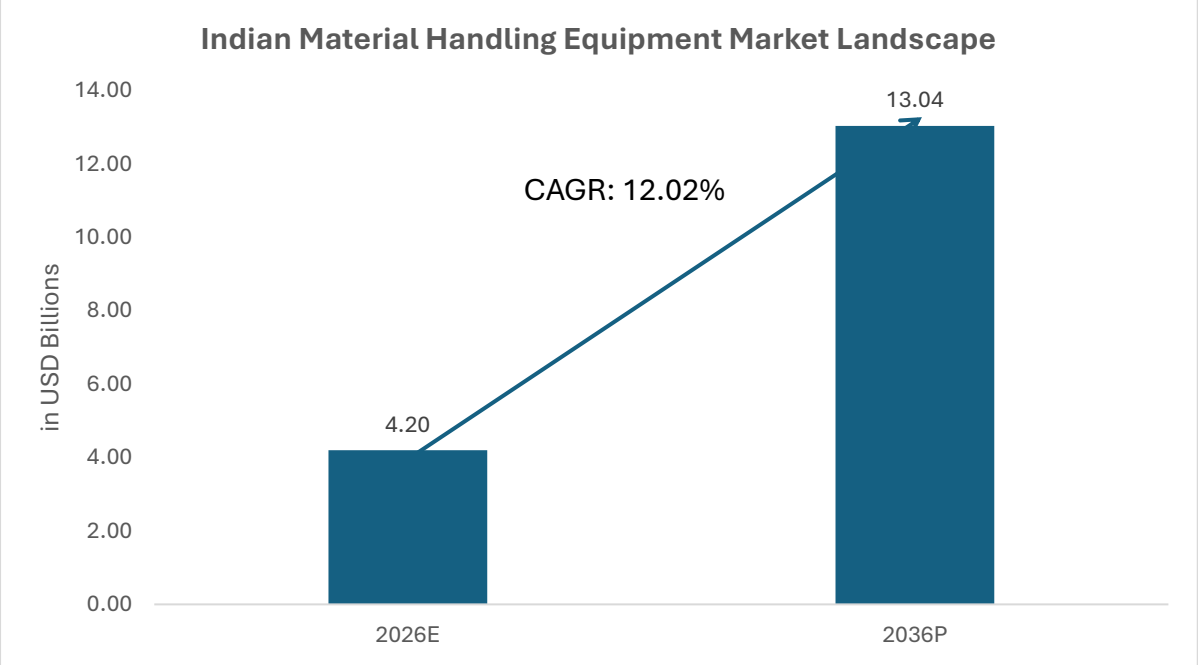
- **North America:** The market is driven by warehouse automation, reshoring of manufacturing activities, expansion of fulfilment centres and increasing adoption of smart logistics technologies. Investments in connected fleet management and digital warehouse solutions continue to support market growth.
- **Latin America:** Market growth is supported by gradual industrial development, expansion of logistics infrastructure and increasing mechanisation across manufacturing and distribution operations. Demand remains influenced by broader economic conditions and capital investment cycles.
- **Middle East & Africa:** The region is witnessing increasing adoption of material handling equipment, supported by investments in ports, logistics hubs, industrial parks, warehousing and infrastructure development. Economic diversification initiatives are expected to create additional demand for mechanised material handling solutions beyond the traditional energy sector.

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5.2. Indian Material Handling Equipment Market Landscape

The Indian Material Handling Equipment ("MHE") market is expanding steadily, supported by rising industrialisation, logistics modernisation, infrastructure development and the increasing need for safe, efficient and cost-effective movement of goods across manufacturing, warehousing and distribution networks. Growing investment in organised warehousing, industrial corridors, logistics parks and manufacturing facilities, together with the increasing adoption of mechanised and automated material handling solutions, continues to strengthen the industry's long-term growth outlook.

The Indian MHE market is projected to grow from USD 4.20 billion in 2026E to USD 13.04 billion by 2036P, registering a CAGR of 12.02% during the forecast period. In parallel, According to IBEF, the Indian Automated Material Handling (AMH) market, a key segment of the broader MHE industry, was estimated at USD 1.47 billion in 2024 and is projected to reach USD 2.66 billion by 2029, growing at a CAGR of 12.70% during the forecast period, reflecting increasing investment in warehouse automation, operational efficiency and safe material handling practices.



Source: Infomerics Analytics & Research; Note: E-Estimated, P-Projected.

Material handling equipment in India is broadly classified into four major categories—storage and handling equipment, engineered systems, industrial trucks, and bulk material handling equipment. Among these, industrial trucks and automation-enabled solutions are witnessing stronger adoption as warehouses, manufacturing facilities and distribution centres increasingly focus on improving internal logistics efficiency, reducing manual intervention and enhancing throughput.

The industry is also witnessing increasing adoption of electric forklifts, lithium-ion battery-powered equipment, warehouse management systems (WMS), telematics, automated guided

vehicles (AGVs), autonomous mobile robots (AMRs), and automated storage and retrieval systems (AS/RS), reflecting the gradual transition toward connected, intelligent and automation-ready material handling operations. Government initiatives such as the National Logistics Policy, PM Gati Shakti and Make in India are further supporting investments in logistics infrastructure, manufacturing expansion and supply chain modernisation, creating a favourable environment for sustained MHE demand.

Driven by continued growth in manufacturing, organised retail, e-commerce, third-party logistics (3PL), infrastructure development and warehouse automation, the Indian Material Handling Equipment market is expected to remain among the fastest-growing MHE markets globally over the medium to long term. Increasing mechanisation, digitalisation and the formalisation of India's supply chain ecosystem are expected to continue supporting demand for technologically advanced, efficient and lifecycle-oriented material handling solutions.

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6. Market Dynamics

6.1 Key Growth Drivers

The Indian Material Handling Equipment ("MHE") industry is positioned for sustained growth, supported by the expansion of warehousing, logistics, manufacturing and infrastructure activities across the country. Demand is increasingly driven by the transition from manual material movement to mechanised, electric and automated equipment, together with a growing emphasis on operational efficiency, workplace safety, asset utilisation and lifecycle support.

Market Drivers and Impact Assessment

(All values represent directional impact based on verified industry trends and qualitative assessment.)

Drivers	1–2 Years	3–4 Years	5–7 Years
Growth in warehousing and logistics infrastructure	**High**	**High**	**High**
Expansion in manufacturing and industrial production	**High**	**High**	**High**
Growth of e-commerce and organised retail	**High**	**High**	**High**
Adoption of warehouse automation, electrification and digital fleet management	**Medium**	**High**	**High**
Government policy support and logistics modernisation	**High**	**High**	**High**
Increasing adoption of rental, leasing and managed-service models	**Medium**	**High**	**High**

Detailed Commentary on Key Growth Drivers

1. **Growth in Warehousing and Logistics Infrastructure**
   India's organised warehousing and logistics infrastructure continues to expand, supported by increasing consumption, supply chain formalisation, integrated logistics parks and the development of Grade A warehouse facilities. As warehousing capacity grows, operators require forklifts, reach trucks, pallet trucks, stackers, conveyors, racking systems and automation-enabled handling solutions to improve storage density, operational efficiency and inventory movement.

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2. **Expansion in Manufacturing and Industrial Production**

   Growth in domestic manufacturing and industrial production, supported by initiatives such as Make in India and the Production Linked Incentive (PLI) schemes, is increasing demand for material handling equipment across manufacturing plants, assembly lines, raw material warehouses and finished goods distribution centres. This is particularly relevant across sectors such as automotive, engineering, electronics, pharmaceuticals, FMCG, metals and other industrial manufacturing segments where efficient internal logistics is essential.

3. **Growth of E-commerce and Organised Retail**

   The continued expansion of e-commerce and organised retail is increasing the need for efficient warehousing, order fulfilment and inventory management. Higher order volumes and faster delivery expectations are driving the adoption of forklifts, order pickers, pallet trucks, warehouse racking, sortation systems and automated material handling solutions capable of supporting high-throughput warehouse operations.

4. **Adoption of Warehouse Automation, Electrification and Digital Fleet Management**

   Industrial and logistics operators are increasingly investing in electric material handling equipment, lithium-ion battery technology, telematics and digital fleet management systems to improve productivity, reduce operating costs and minimise equipment downtime. Growing adoption of automated guided vehicles (AGVs), autonomous mobile robots (AMRs), automated storage and retrieval systems (AS/RS) and warehouse management technologies is further accelerating the shift towards automated warehouse operations.

5. **Government Policy Support and Logistics Modernisation**

   Government initiatives such as the National Logistics Policy, PM Gati Shakti National Master Plan, Make in India and the Production Linked Incentive (PLI) schemes are encouraging investments in manufacturing, logistics infrastructure and supply chain modernisation. These initiatives support warehouse development, industrial expansion and logistics efficiency, thereby strengthening long-term demand for material handling equipment across industrial and commercial applications.

6. **Increasing Adoption of Rental, Leasing and Managed-Service Models**

   Businesses are increasingly adopting rental, leasing and managed-service models to improve capital efficiency, enhance fleet flexibility and access specialised equipment without significant upfront investment. Organised service providers are expanding preventive maintenance, annual maintenance contracts (AMC), comprehensive maintenance contracts (CMC), refurbishment and fleet management services, creating recurring revenue opportunities while enabling customers to optimise equipment utilisation throughout the asset lifecycle.

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6.2 Market Restraints

The Indian Material Handling Equipment ("MHE") industry faces several structural and operational constraints that may moderate the pace of mechanisation and technology adoption, particularly among small and medium enterprises and less organised users. Key restraints include high capital investment requirements, fragmented market structure, skilled workforce shortages, and cost pressures arising from raw materials, imported components and evolving regulatory requirements.

Market Restraints and Impact Assessment

(All values represent directional impact based on verified industry trends and qualitative assessment.)

Restraints	1–2 Years	3–4 Years	5–7 Years
High capital investment and financing sensitivity	**High**	**Medium**	**Medium**
Fragmented market structure and uneven standardisation	**Medium**	**High**	**High**
Skilled operator and service engineer shortages	**Medium**	**High**	**High**
Input cost volatility, import dependence and regulatory compliance requirements	**High**	**High**	**Medium**

Source: Infomerics Analytics and Research

Detailed Commentary on Market Restraints

1. **High Capital Investment and Financing Sensitivity**
   Advanced material handling equipment, including electric forklifts, lithium-ion powered fleets, automated storage and retrieval systems (AS/RS), automated guided vehicles (AGVs) and autonomous mobile robots (AMRs), requires significant upfront investment. Although rental, leasing and managed-service models are improving equipment accessibility, capital expenditure remains a key consideration for SMEs and cost-sensitive users, which may moderate the pace of fleet modernisation and technology adoption.
2. **Fragmented Market Structure and Uneven Standardisation**
   The Indian MHE market continues to comprise a large number of small warehouses, manufacturing units and logistics operators with varying levels of mechanisation. Differences in pallet specifications, warehouse layouts, operating practices and equipment standardisation may limit interoperability and slow the adoption of automation and organised material handling solutions across the broader market.

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3. **Skilled Operator and Service Engineer Shortages**

   The increasing deployment of technologically advanced MHE has heightened the need for trained forklift operators, maintenance technicians and service engineers. Shortages of skilled personnel may affect equipment utilisation, maintenance quality, workplace safety and operational efficiency, particularly as electric and automation-enabled equipment become more prevalent.

4. **Input Cost Volatility, Import Dependence and Regulatory Compliance Requirements**

   The industry remains exposed to fluctuations in the prices and availability of steel, batteries, hydraulic systems, electronic components and other critical inputs, many of which have varying degrees of import dependence. In addition, compliance with evolving occupational safety, emissions and equipment performance standards may increase ownership and operating costs, influencing procurement decisions and replacement cycles, particularly among price-sensitive customers.

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7. Government Initiatives and Policy Support

The Indian Material Handling Equipment ("MHE") industry operates within a policy framework that promotes logistics efficiency, manufacturing competitiveness, infrastructure development and workplace safety. Government initiatives aimed at strengthening multimodal logistics, expanding domestic manufacturing, modernising warehousing infrastructure and enhancing workforce capabilities are supporting the adoption of mechanised and automated material handling solutions. The industry is also governed by product quality standards, machinery safety requirements and occupational safety regulations that influence equipment design, manufacturing, installation and operation.

Key Government Initiatives and Policy Support

Policy / Initiative	Policy Details	Industry Impact
National Logistics Policy (2022)	Introduced by the Government of India to improve logistics efficiency, reduce logistics costs and strengthen integrated logistics through digitalisation, standardisation and multimodal connectivity.	Supports warehouse modernisation, logistics infrastructure development and wider adoption of organised material handling equipment across warehousing, transportation and distribution networks.
PM Gati Shakti National Master Plan	National GIS-based infrastructure planning initiative integrating multiple ministries to improve multimodal connectivity across roads, railways, ports, airports and logistics infrastructure.	Drives investment in logistics parks, industrial corridors, freight terminals and warehousing facilities, increasing demand for cranes, forklifts, conveyors, racking systems and warehouse automation solutions.
Make in India and Manufacturing-Led Policy Support	Government initiatives promoting domestic manufacturing, industrial capacity expansion and localisation across multiple sectors, supported by Production Linked Incentive	Expansion of manufacturing facilities and industrial infrastructure indirectly supports demand for industrial trucks, storage systems, cranes, conveyors and other internal material handling solutions used across

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	(PLI) schemes for selected industries.	production and warehousing operations.
Warehousing Modernisation and Standardisation Initiatives	Government initiatives under the National Logistics Policy encourage development of modern warehousing infrastructure, multimodal logistics parks and standardisation of logistics assets and warehouse practices.	Promotes greater adoption of organised warehousing, palletisation, racking systems and compatible material handling equipment, improving operational efficiency across supply chains.
Skill India Mission and Logistics Skill Development	National skill development programmes support workforce training across manufacturing, warehousing and logistics operations through industry-oriented skill development initiatives.	Strengthens the availability of trained equipment operators, warehouse personnel, technicians and maintenance professionals, supporting safer and more efficient deployment of material handling equipment.

Source: Ministry of Commerce & Industry (Logistics Division, DPIIT); PM Gati Shakti National Master Plan Portal; DPIIT; Ministry of Skill Development & Entrepreneurship.

Regulatory and Compliance Framework

Regulation / Standard	Regulatory Requirement	Industry Impact
BIS Standards for Cranes, Lifting Equipment, Hoists and Related Equipment	The Bureau of Indian Standards (BIS) prescribes Indian Standards governing the design, testing and safety requirements for cranes, hoists, lifting equipment, lifting chains and related material handling equipment.	Establishes product quality, safety and performance benchmarks, supporting standardisation and compliance for manufacturers, suppliers and end users.
Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024	Issued by the Ministry of Heavy Industries, the Order mandates compliance with applicable Indian Standards and BIS certification requirements for notified machinery and electrical equipment. Pursuant to subsequent	Strengthens conformity assessment, product safety and quality assurance for covered machinery, encouraging manufacturers and importers to align with applicable Indian

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	amendments, its enforcement has been deferred to 1 September 2026.	Standards before the revised implementation date.
Occupational Safety, Health and Working Conditions Code, 2020	Establishes workplace health and safety requirements governing the installation, operation, inspection and maintenance of industrial equipment across factories and other establishments.	Reinforces safe handling practices, operator competency and preventive maintenance, supporting wider adoption of compliant and safety-certified material handling equipment.

Source: Bureau of Indian Standards (BIS); Ministry of Heavy Industries; Ministry of Labour & Employment.

Policy Implications for the Industry

Government initiatives focused on logistics modernisation, infrastructure development, manufacturing expansion and warehouse standardisation are creating a favourable environment for the adoption of material handling equipment across industrial and logistics applications. Concurrently, evolving regulatory requirements relating to product quality, machinery safety and occupational health are encouraging greater adoption of compliant, technologically advanced and safety-certified equipment. Industry participants with established manufacturing capabilities, strong regulatory compliance, comprehensive after-sales service networks and integrated material handling solutions are expected to be better positioned to benefit from long-term investments in logistics, warehousing and industrial infrastructure.

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8. Technology & Digital Transformation

The Indian Material Handling Equipment ("MHE") industry is undergoing rapid technological transformation, driven by the increasing adoption of warehouse automation, digital supply chain management, electrification and Industry 4.0 technologies across manufacturing, logistics and warehousing operations. Equipment manufacturers and solution providers are increasingly integrating intelligent automation, Industrial Internet of Things (IIoT), artificial intelligence (AI), cloud connectivity and advanced analytics to improve operational efficiency, asset utilisation, workplace safety and lifecycle performance. These technological advancements are enabling end-users to optimise material flow, enhance inventory visibility, minimise downtime and improve overall supply chain productivity.

1. **Smart Warehousing and Connected Operations**

   The industry is witnessing growing integration of Warehouse Management Systems (WMS), Warehouse Control Systems (WCS), Enterprise Resource Planning (ERP) platforms, IIoT-enabled devices and cloud-based analytics to create connected warehouse ecosystems. Real-time monitoring of inventory, equipment and warehouse operations enables better coordination between material handling equipment and enterprise systems, improving operational planning, inventory accuracy and warehouse throughput. Digital connectivity is also enhancing data-driven decision-making and overall supply chain visibility.

2. **Warehouse Automation and Autonomous Material Handling**

   Automation is becoming an important growth area within the MHE industry, with increasing deployment of Automated Guided Vehicles (AGVs), Autonomous Mobile Robots (AMRs), Automated Storage and Retrieval Systems (AS/RS), robotic palletising systems and automated conveyor solutions. These technologies reduce manual intervention, improve order fulfilment accuracy and maximise warehouse space utilisation while supporting higher productivity and operational consistency across manufacturing facilities, distribution centres and logistics parks.

3. **Artificial Intelligence, Computer Vision and Predictive Analytics**

   Artificial intelligence, machine learning and computer vision technologies are increasingly being deployed to optimise warehouse operations and equipment performance. AI-enabled solutions support inventory tracking, pallet recognition, fleet scheduling, route optimisation, demand forecasting and predictive maintenance, while advanced analytics enable proactive identification of equipment issues before failures occur. These technologies improve asset utilisation, reduce maintenance costs and enhance operational efficiency throughout the warehouse and logistics network.

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4. **Connected Fleet Management and Intelligent Safety Systems**
   Modern material handling equipment is increasingly equipped with telematics, GPS tracking, IoT-enabled sensors, remote diagnostics and digital fleet management platforms that provide continuous visibility into equipment performance and utilisation. In addition, intelligent safety features such as operator authentication, collision avoidance systems, speed management and access control are improving workplace safety and ensuring compliance with industrial safety practices. These technologies help reduce equipment downtime, improve fleet productivity and optimise maintenance planning.
5. **Electrification and Advanced Energy Technologies**
   The industry is witnessing a gradual transition from internal combustion engine equipment to electric material handling solutions powered by lithium-ion batteries and advanced battery management systems. Fast-charging technologies, energy-efficient drive systems and regenerative braking are improving equipment productivity while reducing operating costs and emissions. Hydrogen fuel-cell powered forklifts are also emerging for select high-utilisation applications, reflecting the industry's broader shift towards cleaner and more sustainable material handling solutions.
6. **Digital Lifecycle Management and Remote Service Solutions**
   Manufacturers are increasingly leveraging digital platforms to provide remote diagnostics, predictive maintenance, cloud-based equipment monitoring, digital maintenance records and spare parts management throughout the equipment lifecycle. These technologies enable proactive servicing, improve equipment reliability, extend asset life and minimise operational disruptions. The growing emphasis on lifecycle management is also strengthening recurring revenue opportunities through annual maintenance contracts (AMCs), fleet management services and value-added after-sales support.

Technology Implications for the Industry

Technology is transforming the Indian Material Handling Equipment industry from a conventional equipment-driven market into an integrated solutions ecosystem focused on automation, connectivity, electrification and lifecycle asset management. As organised warehousing, manufacturing and logistics operations continue to modernise, demand for intelligent, energy-efficient and digitally connected material handling solutions is expected to increase. Companies with capabilities in warehouse automation, connected equipment, AI-enabled fleet management, electrification and integrated lifecycle services are expected to be better positioned to capitalise on the industry's long-term technology-driven growth.

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9. PESTLE Analysis of the Industry

PESTLE Analysis

The Indian Material Handling Equipment ("MHE") industry operates within a dynamic macroeconomic and regulatory environment shaped by infrastructure development, logistics modernisation, manufacturing expansion, technological innovation, workplace safety requirements and sustainability initiatives. These external factors collectively influence equipment demand, investment decisions, operational practices and long-term competitiveness across warehousing, manufacturing, logistics, ports, construction and distribution sectors.

Factor	Description	Impact on the Industry
Political	Government initiatives such as the National Logistics Policy (NLP), PM Gati Shakti National Master Plan, Make in India, and broader manufacturing support measures are promoting logistics efficiency, multimodal connectivity, warehouse development and industrial expansion. Together, these initiatives are strengthening the demand environment for mechanised material handling solutions across logistics, manufacturing and infrastructure sectors.	Supports long-term demand for forklifts, cranes, conveyors, storage systems and warehouse automation, while encouraging domestic manufacturing, organised logistics and capacity expansion.
Economic	Rising industrial production, manufacturing investments, warehousing expansion, e-commerce growth and public infrastructure spending continue to support demand for material handling equipment. However, fluctuations in steel prices, battery costs, imported component prices, freight charges and cyclical capital expenditure remain key cost considerations for manufacturers and end-users.	Expands market opportunities while requiring industry participants to effectively manage input cost volatility, working capital requirements and investment cycles to maintain operational efficiency and profitability.

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Social	Increasing emphasis on workplace safety, labour productivity and operational efficiency is accelerating the transition from manual material handling to mechanised equipment. Growth in organised retail, e-commerce and modern warehousing is also driving demand for faster, safer and more reliable material movement, alongside the need for skilled operators and maintenance personnel.	Encourages adoption of ergonomically designed and safety-compliant equipment while strengthening demand for operator training, technical services and productivity-enhancing material handling solutions.
Technological	The industry is witnessing increasing adoption of Industry 4.0 technologies, including IoT-enabled telematics, warehouse management system (WMS) integration, AI-based fleet management, predictive maintenance, automated guided vehicles (AGVs), autonomous mobile robots (AMRs), automated storage and retrieval systems (AS/RS) and lithium-ion battery-powered equipment. These technologies are improving fleet visibility, warehouse automation, equipment utilisation and overall operational efficiency.	Enhances productivity, warehouse throughput, asset utilisation and equipment uptime while accelerating the transition towards connected, automated and intelligent material handling solutions.
Legal	The industry operates under a regulatory framework comprising BIS standards for cranes, hoists, lifting equipment and related products, the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024 (as amended), and the Occupational Safety, Health and Working Conditions Code, 2020, which establish requirements relating to product quality, equipment safety, testing, certification and workplace operations.	Strengthens product quality, operational safety and regulatory compliance while increasing the importance of certified products, technical documentation, testing and quality assurance, thereby favouring organised manufacturers with established compliance systems.

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Environmental	Growing emphasis on energy efficiency, lower emissions and sustainable warehouse operations is encouraging the adoption of electric and lithium-ion powered equipment, energy-efficient warehouse technologies and environmentally responsible operating practices. Sustainability expectations from industrial users, logistics operators and warehouse developers are also influencing equipment procurement and replacement decisions.	Accelerates demand for cleaner and more energy-efficient material handling solutions, supports innovation in battery technologies and low-emission equipment, and encourages manufacturers to invest in sustainable product development and lifecycle efficiency.

The Indian Material Handling Equipment industry is supported by favourable government policies, expanding manufacturing activity, logistics modernisation and warehousing growth, providing a strong foundation for long-term demand. At the same time, rising compliance requirements, technological advancements, input cost volatility and sustainability expectations are reshaping competitive dynamics. Companies with strong manufacturing capabilities, digital and automation expertise, comprehensive after-sales service networks and robust regulatory compliance frameworks are expected to be better positioned to capitalise on the evolving requirements of India's industrial, warehousing and logistics ecosystem.

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10. Competitive Landscape

The Indian Material Handling Equipment ("MHE") industry caters to a diverse range of end-use sectors, including manufacturing, warehousing, logistics, e-commerce, ports, infrastructure, mining and construction. Competition is primarily influenced by product innovation, manufacturing efficiency, regulatory compliance, service capabilities and the ability to deliver integrated material handling solutions that enhance operational productivity, safety and equipment lifecycle performance. As warehouses and industrial facilities increasingly adopt mechanised and automated operations, manufacturers are strengthening their competitive positioning through technology integration, localisation, comprehensive after-sales support and wider market reach.

10.1 Key Factors Shaping Competition

- **Product Innovation and Technology Integration**
  Continuous product innovation has become one of the primary competitive differentiators within the MHE industry. Manufacturers are expanding their product portfolios with electric forklifts, lithium-ion powered equipment, IoT-enabled telematics, warehouse management system (WMS)-compatible solutions, automated guided vehicles (AGVs), autonomous mobile robots (AMRs), automated storage and retrieval systems (AS/RS) and other digitally connected material handling solutions. The integration of intelligent fleet management, predictive maintenance and warehouse automation technologies enables customers to improve equipment utilisation, operational efficiency and overall productivity while supporting the transition from conventional equipment towards integrated material handling solutions.
- **Manufacturing Efficiency and Supply Chain Localisation**
  Efficient manufacturing operations, localisation of components and reliable supplier networks play an important role in maintaining competitiveness. Companies are increasingly adopting lean manufacturing practices, modular product platforms and domestic sourcing strategies to reduce dependence on imported components, optimise production costs and improve delivery timelines. Strong manufacturing capabilities also enable faster product customisation and greater responsiveness to evolving customer requirements across industrial and logistics applications.
- **Quality, Safety and Regulatory Compliance**
  Compliance with applicable quality, safety and regulatory requirements has become an important factor influencing customer confidence and procurement decisions. Adherence to BIS standards for cranes, hoists, lifting equipment and related products, the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024 (as

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amended), and applicable workplace safety regulations supports product reliability, regulatory compliance and acceptance among organised industrial customers. Companies with robust quality management systems, product testing capabilities and compliance processes are generally better positioned to participate in large industrial, infrastructure and government projects.

- **After-sales Service and Lifecycle Support**
  After-sales capabilities have evolved into a key source of competitive differentiation as customers increasingly evaluate suppliers based on total cost of ownership rather than equipment acquisition cost alone. Manufacturers offering installation, commissioning, preventive maintenance, annual maintenance contracts (AMCs), spare parts availability, operator training, fleet monitoring, remote diagnostics and refurbishment services are better positioned to maximise equipment uptime, strengthen customer relationships and generate recurring service revenues throughout the equipment lifecycle.
- **Distribution Network, Rental Solutions and Regional Presence**
  A well-established distribution and service network enables manufacturers to improve market penetration and customer responsiveness across India's industrial clusters and logistics hubs. Companies continue to strengthen their presence through authorised dealers, regional service centres, rental fleets, leasing solutions and system integration capabilities to address the diverse operational and financial requirements of customers. A broader geographic footprint enhances service accessibility, shortens response times and supports long-term customer engagement across multiple end-use sectors.
- **Brand Reputation and Installed Base**
  Established brand reputation, proven equipment performance and an extensive installed equipment base remain significant competitive advantages in the organised MHE market. Manufacturers with strong technical expertise, reliable products, long-standing customer relationships and consistent after-sales support are generally better positioned to secure repeat business, expand lifecycle service opportunities and strengthen their competitive position across equipment sales, rental and integrated material handling solutions.

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10.2 Competitive Strategies

The Indian Material Handling Equipment ("MHE") industry is becoming increasingly competitive as demand expands across manufacturing, warehousing, logistics, e-commerce, infrastructure and industrial services. Industry participants are differentiating themselves through product innovation, localisation, technology integration, service capabilities, compliance strength and wider market reach. As customers increasingly evaluate suppliers based on total cost of ownership, equipment reliability and lifecycle support, competition is gradually shifting from standalone equipment sales towards integrated material handling solutions.

- **Product Innovation and Automation-led Solutions**
  Manufacturers are expanding their product portfolios to include electric forklifts, lithium-ion battery-powered equipment, telematics-enabled fleets, automated guided vehicles (AGVs), autonomous mobile robots (AMRs), AS/RS-integrated systems, and digitally connected warehouse solutions. Increasing integration with warehouse management systems (WMS), fleet optimisation platforms, and predictive maintenance technologies enables suppliers to improve equipment productivity, operational safety and asset utilisation while addressing evolving customer requirements in organised warehousing and manufacturing.

- **Localisation and Cost Optimisation**
  Industry participants are strengthening domestic manufacturing, vendor development and localisation of components to reduce dependence on imported parts, minimise supply chain disruptions and improve cost competitiveness. Local sourcing, efficient manufacturing processes and product standardisation also help shorten delivery timelines, enhance responsiveness to the price-sensitive Indian market while supporting manufacturing localisation under the Make in India initiative.

- **Service-led Business Models and Lifecycle Support**
  After-sales capabilities have become an important competitive differentiator. Companies are expanding preventive maintenance services, Annual Maintenance Contracts (AMC), Comprehensive Maintenance Contracts (CMC), spare parts availability, refurbishment programmes, remote diagnostics and operator training to improve equipment uptime and customer satisfaction. Strong service networks also generate recurring revenue streams and strengthen long-term customer relationships.

- **Rental, Leasing and Fleet Management Solutions**
  To address customers seeking lower upfront capital expenditure and greater operational flexibility, organised players are increasingly offering rental, leasing and fleet management

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services alongside traditional equipment sales. These models are witnessing growing adoption among third-party logistics providers, warehouses, e-commerce operators and project-based industries, enabling broader market penetration while improving fleet utilisation and customer retention.

- **Compliance, Quality and Safety Standards**
  Manufacturers are investing in product testing, quality assurance systems and compliance with applicable BIS standards for cranes, hoists, lifting chains and related equipment, the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024 (as amended), and workplace safety regulations. Strong compliance capabilities enhance customer confidence, improve eligibility for large industrial and government procurement projects, and strengthen overall brand credibility.

- **Distribution Network Expansion and Brand Positioning**
  Companies continue to strengthen their competitive position by expanding dealer networks, service centres, rental fleets and regional distribution channels across key industrial clusters, logistics hubs and emerging warehousing markets. Established brands with a large installed equipment base, proven operational reliability and comprehensive customer support are generally better positioned to secure repeat business, strengthen aftermarket revenues and maintain long-term relationships with organised industrial customers.

Competition within the Indian MHE industry is increasingly centred on technological capability, localisation, lifecycle service support, regulatory compliance and distribution strength rather than equipment pricing alone. Companies that combine automation-ready product portfolios, cost-efficient manufacturing, robust after-sales networks, flexible ownership models and strong compliance systems are expected to be better positioned to benefit from the continued expansion of India's manufacturing, warehousing and logistics sectors.

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10.3 Barriers to Entry

The Indian Material Handling Equipment ("MHE") rental industry presents moderate barriers to entry, with entry requirements increasing with fleet size, geographic coverage, equipment diversity and service requirements. While smaller regional operators may enter with a limited fleet, establishing a sustainable rental business requires capital, reliable equipment, efficient fleet utilisation, maintenance capabilities, trained personnel, customer relationships and operational systems.

- **Fleet Investment and Access to Capital**
  Establishing an MHE rental business requires investment in forklifts, reach trucks, pallet trucks, stackers, order pickers, towing equipment and other MHE. Operators also incur costs relating to financing, insurance, transportation, deployment, refurbishment and fleet replacement, as applicable. Since equipment costs are incurred substantially before rental revenue is generated, access to capital and working capital is important for fleet expansion and replacement.
- **Fleet Utilisation and Asset Management**
  Rental economics depend on fleet utilisation, rental yields, equipment availability and asset lifecycle management. Idle equipment continues to incur depreciation, financing, insurance, storage and maintenance costs without generating rental income. Operators therefore require effective systems for fleet allocation, tracking, preventive maintenance, redeployment and utilisation monitoring. Achieving an appropriate balance between equipment availability and idle capacity requires operational experience.
- **Maintenance, Uptime and Technical Support**
  Equipment availability and uptime are important to customers using MHE in manufacturing, warehousing and logistics operations. Rental operators require preventive and corrective maintenance capabilities, spare-parts access and trained technical personnel, and may need to provide replacement equipment during breakdowns. Establishing an effective maintenance and service network requires investment, technical expertise and operational experience.
- **Geographic Coverage, Supplier Access and Customer Relationships**
  Serving customers across multiple industrial and logistics clusters requires capabilities for equipment transportation, deployment, maintenance and redeployment. Operators also require dependable supplier relationships where MHE is sourced from third-party suppliers to maintain equipment availability and fleet diversity. Established operators may benefit from wider geographic coverage, supplier relationships and recurring customer relationships, while new entrants may require time to build customer confidence and secure contracts.

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- **Safety, Technology and Operating Efficiency**
  MHE rental operations require appropriate equipment inspections, maintenance records, insurance, statutory documentation, trained personnel and compliance with customer safety and contractual requirements. Fleet-management and digital monitoring systems can support equipment tracking, utilisation and maintenance management. Larger operators may also benefit from economies of scale in procurement, maintenance, logistics and administration. New entrants may therefore face higher per-unit costs and limited pricing flexibility until sufficient fleet scale and utilisation are achieved.

Entry into the MHE rental industry is relatively more accessible than manufacturing-led entry, as rental operators can acquire or source equipment from established manufacturers and suppliers. However, achieving sustainable scale requires capital availability, effective fleet utilisation, maintenance and service capabilities, supplier and customer relationships, geographic reach and operational efficiency.

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10.4 Threats and Challenges

The Indian MHE rental industry is influenced by equipment utilisation, maintenance requirements, industrial and logistics activity, competitive pricing and the availability of skilled personnel and supporting infrastructure. For rental operators, the ability to maintain equipment availability and uptime while managing fleet-related costs and customer service requirements is critical to sustainable operations. The principal industry and Company-specific threats and challenges are set out below:

- **Capital Intensity, Fleet Utilisation and Asset Obsolescence**
  MHE rental is an asset-intensive business requiring investment in equipment or reliable access to equipment from third-party suppliers before rental income is generated. Idle equipment continues to incur depreciation, financing, insurance, storage and maintenance costs. Changes in customer requirements, equipment technology and powertrain preferences may also affect the economic life and resale value of older equipment. The Company's asset-backed model exposes it to fleet ownership, replacement and utilisation risks. Lower deployment or rental rates, extended idle periods or changes in equipment requirements may adversely affect fleet returns and operating margins. The Company's expansion into Aerial Work Platforms ("AWPs") also carries utilisation and demand-related risks as the segment develops.
- **Maintenance, Equipment Uptime and Safety Risks**
  Customers depend on MHE for material movement, loading, unloading, storage and other operational activities. Equipment breakdowns, delayed repairs, inadequate preventive maintenance or limited availability of spare parts may reduce equipment uptime and disrupt customer operations. Unsafe operation, inadequate inspections or use of inadequately trained operators may also result in accidents, equipment damage, liability and reputational risks. The Company may provide maintenance, technician support, operators and replacement equipment depending on customer contracts. Its performance therefore depends on timely servicing, availability of spare parts, trained personnel and effective safety controls. Failure in these areas may result in equipment downtime, additional repair costs, contractual claims, loss of customers or reputational impact.
- **Dependence on Manufacturing, Warehousing and Logistics Activity**
  Demand for MHE rental is influenced by manufacturing activity, warehousing expansion, logistics volumes, distribution requirements and customer operating plans. A slowdown in these activities, postponement of expansion plans, seasonality or changes in customer operations may reduce new rental requirements, contract renewals, rental rates and fleet utilisation. The Company serves customers across manufacturing, warehousing, logistics and other industrial applications. A slowdown in these sectors may result in lower equipment deployment, delayed contracts, reduced renewals or increased competitive

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pressure on rental rates. Diversification across customer industries may reduce, but not eliminate, this exposure.

- **Pricing Pressure, Fragmented Competition and Customer Bargaining Power**
  The MHE rental market comprises organised rental companies, OEM-led platforms, regional operators, equipment owners and smaller service providers. Competition may be based on rental rates, equipment availability, service response, operator deployment, maintenance support and contractual flexibility. Larger or OEM-backed participants may benefit from greater equipment availability, financing access, brand recognition and technical support, while smaller operators may compete through pricing and local service coverage. The Company may therefore face pressure on rental rates and margins, particularly where contracts include maintenance, operator, mobilisation, replacement or repair obligations. Competitive pricing and customer expectations regarding service levels may constrain its ability to increase rental rates in line with fleet-related and operating costs.
- **Availability of Skilled Personnel, Suppliers and Operating Infrastructure**
  MHE rental operations require trained operators, technicians, supervisors and service personnel, together with timely access to equipment, spare parts and supporting infrastructure. Expansion across locations can increase requirements for workforce deployment, equipment transportation, maintenance facilities and service coverage. Dependence on third-party suppliers may also expose operators to equipment availability, procurement and delivery risks. The Company's ability to deploy equipment and provide operator-assisted rental, maintenance and technician support depends on the availability and retention of suitably trained personnel and reliable suppliers. Shortages of skilled personnel, delays in spare-parts availability or disruption in third-party equipment access may delay deployment, reduce equipment uptime, increase operating costs and affect customer commitments.

Indian MHE rental industry provides customers with access to equipment and operational flexibility without the upfront expenditure associated with ownership. However, sustainable growth requires effective capital deployment, high fleet utilisation, reliable maintenance, trained personnel, safety controls, supplier access and competitive service capabilities. For Watrana Rentals Limited, the principal challenges relate to maintaining utilisation of its owned and third party-sourced fleet, managing maintenance and replacement costs, meeting contractual service and safety requirements, securing skilled personnel and sustaining demand across its customer industries. These factors may affect revenue growth, operating margins, cash flows and the pace at which the Company can expand its MHE and AWP rental offerings.

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10.5 Consolidation Trend

The Indian Material Handling Equipment ("MHE") industry is gradually consolidating as organised manufacturers strengthen their product portfolios, service capabilities and technology offerings. As customers increasingly prioritise equipment reliability, lifecycle support, rental flexibility and integrated solutions, larger players are gaining competitive advantages through manufacturing scale, wider distribution networks, stronger compliance capabilities and comprehensive after-sales support.

- **Portfolio Expansion and Broader Market Coverage**
  Leading manufacturers are expanding their product portfolios across forklifts, warehouse trucks, racking systems, conveyors, warehouse automation solutions and rental services to address diverse customer requirements across manufacturing, warehousing, logistics and infrastructure sectors. A broader product offering enables companies to improve cross-selling opportunities, strengthen customer relationships and diversify revenue streams across multiple application areas.
- **Technology Partnerships and Automation Capability**
  Companies are increasingly collaborating with global technology providers and automation specialists to strengthen capabilities in electric material handling equipment, lithium-ion battery systems, telematics, fleet optimisation platforms and automation solutions such as AGVs, AMRs and AS/RS-integrated systems. These partnerships support product innovation, accelerate technology adoption and enable suppliers to meet the growing demand for connected and automated material handling solutions.
- **Economies of Scale and Operational Efficiency**
  Larger manufacturers benefit from economies of scale across procurement, manufacturing, distribution and after-sales operations. Higher production volumes, stronger supplier relationships and wider service networks improve cost competitiveness, shorten delivery timelines and enhance the ability to manage input cost volatility compared with smaller regional participants.
- **Expansion of Service Networks and Customer Retention**
  Organised players continue to strengthen dealer networks, service centres, spare parts availability and rental fleets to improve customer support and generate recurring revenue. As equipment uptime and lifecycle performance become increasingly important purchasing considerations, comprehensive after-sales service has emerged as a key competitive differentiator within the Indian MHE industry.
- **Financial Strength and Investment Capacity**
  Companies with stronger balance sheets and greater access to capital are better positioned to invest in manufacturing capacity, product development, automation technologies, regulatory compliance and nationwide service infrastructure. Financial

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strength also enables participation in larger industrial, warehousing and logistics projects that require reliable execution, long-term service commitments and comprehensive customer support.

- **Shift Towards Integrated Material Handling Solutions**
  The market is progressively evolving from standalone equipment sales towards integrated material handling solutions combining equipment, software, automation, rental, fleet optimisation, maintenance and lifecycle management services. Companies capable of delivering comprehensive end-to-end solutions are better positioned to serve organised customers and strengthen their long-term competitive position.

The Indian MHE industry is expected to witness gradual consolidation as organised manufacturers continue to expand product portfolios, strengthen technology capabilities and enhance nationwide service networks. Companies that combine manufacturing scale, automation-ready solutions, strong regulatory compliance and dependable after-sales support are likely to benefit from the increasing mechanisation and modernisation of India's manufacturing, warehousing and logistics sectors, while smaller participants are expected to remain competitive through regional presence, specialised applications and niche market offerings.

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10.5 Key Industry Players

The material handling equipment ("MHE") industry comprises equipment manufacturers, rental and leasing companies, asset pooling providers, OEM-led rental platforms, warehouse solutions providers and specialised heavy lifting equipment operators supporting material movement, storage and logistics across industrial and commercial operations. Industry participants generally provide equipment sales, rental and leasing, trading, servicing, maintenance, refurbishment, spare parts and lifecycle support, serving sectors such as warehousing, logistics, manufacturing, automotive, engineering, e-commerce, construction, infrastructure, ports, mining and other industrial applications. Business models range from integrated rental and service platforms to technology-enabled asset pooling providers, OEM-led warehouse equipment suppliers and specialised heavy lifting solution providers.

While these companies operate under different business models, they collectively represent the organised material handling ecosystem comprising equipment rental, warehouse solutions, asset pooling, OEM-led material handling equipment supply and specialised heavy lifting services. Key industry participants operating in segments relevant to the Company include LEAP India, Seemax Resources, Sanghvi Movers Limited, Godrej RenTRUST, Toyota Material Handling India and Jungheinrich Lift Truck India. A brief profile of each company is set out below.

Seemax Resources Limited

Seemax Resources Limited ("Seemax Resources") is an India-based material handling equipment solutions provider engaged in the rental, sale, servicing and maintenance of MHE. Its rental offering includes electric and battery-operated forklifts, diesel forklifts, reach trucks, battery-operated pallet trucks and electric stackers, supported by operators, equipment maintenance, spare parts and preventive maintenance and breakdown services.

The Company provides MHE rental solutions supported by equipment operation, preventive maintenance and service support, enabling customers to access equipment without undertaking outright ownership. Seemax Resources deploys trained operators to support customers' material handling requirements and states that it operates and maintains equipment on a round-the-clock basis. Its services include complete equipment maintenance, spare-parts support and preventive maintenance and breakdown services intended to maintain equipment availability and support continuity of customer operations.

Seemax Resources serves customers across varied industries and provides material handling solutions for warehouse, cargo movement, storage and handling requirements. The Company also acts as an authorised dealer or channel partner of Hyundai Construction Equipment India Private Limited for material handling equipment, genuine spare parts and servicing in the Gujarat region.

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Accordingly, Seemax Resources Limited is positioned as an MHE rental, trading and service provider offering material handling equipment supported by operators, maintenance, spare parts and related service capabilities to industrial, warehousing, logistics and other commercial customers. Its combination of rental, equipment supply and lifecycle support makes it a relevant participant in the organised MHE rental and trading segment.

LEAP India

LEAP India is an integrated logistics asset pooling and supply chain solutions provider operating across India's organised logistics and warehousing sector. The Company's business model is centred on the pooling and shared utilisation of returnable logistics assets, enabling customers to access pallets, containers and other supply chain assets on a rental or pooling basis rather than through outright ownership, thereby improving asset utilisation and operational efficiency.

Through its subsidiary, TARON, the Company has expanded into forklift pooling and lithium-ion powered material handling equipment solutions, extending its presence within the organised material handling ecosystem. LEAP India primarily serves customers across the fast-moving consumer goods (FMCG), automotive, manufacturing, retail, e-commerce, logistics and other industrial sectors requiring efficient warehouse and supply chain asset management solutions.

Accordingly, LEAP India is positioned as an integrated logistics asset pooling and supply chain solutions provider with exposure to organised material handling equipment through forklift pooling and warehouse asset management solutions.

Sanghvi Movers Limited

Sanghvi Movers Limited (“Sanghvi Movers” or “SML”) is engaged in the rental of medium and heavy-duty cranes and the provision of specialised lifting solutions for industrial and infrastructure projects. The Company operates one of India's organised crane rental businesses, supporting heavy engineering, infrastructure and industrial activities requiring specialised lifting capabilities.

Its equipment portfolio comprises hydraulic telescopic cranes, lattice boom cranes, crawler cranes and other heavy lifting equipment ranging from medium-capacity hydraulic cranes to high-capacity crawler cranes deployed across large industrial and infrastructure projects. In addition to equipment rental, the Company provides project planning, equipment mobilisation, engineering support, operation and maintenance services and specialised lifting solutions for complex project execution.

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Sanghvi Movers serves customers across sectors including power, renewable energy, oil and gas, petrochemicals, steel, cement, mining, ports, infrastructure and heavy engineering, where specialised lifting equipment forms an integral part of project execution and industrial maintenance activities.

Accordingly, Sanghvi Movers Limited is positioned as a specialised heavy lifting equipment rental company serving infrastructure and industrial sectors through crane rental and engineered lifting solutions, representing a distinct segment of the broader material handling industry.

Godrej RenTRUST

Godrej RenTRUST is an OEM-led material handling equipment rental platform providing forklift and warehouse equipment rental solutions across major industrial centres in India. The Company offers flexible short-term and long-term rental arrangements supported by maintenance services and trained operators, enabling customers to access material handling equipment without significant capital investment.

Its rental portfolio includes diesel, electric and lithium-ion forklifts together with warehouse equipment and related fleet support services. In addition to rental solutions, the Company supports customers through fleet management, preventive maintenance and operator-assisted services, enabling outsourced material handling operations across manufacturing, warehousing and logistics facilities.

Accordingly, Godrej RenTRUST is positioned as an OEM-led forklift and warehouse equipment rental provider offering integrated fleet management and lifecycle support services within India's organised material handling equipment rental market.

Toyota Material Handling India

Toyota Material Handling India is an OEM-led material handling solutions provider engaged in the manufacture, sale, rental and servicing of forklifts, warehouse equipment and related material handling solutions. The Company offers short-term and long-term rental solutions designed to support seasonal demand, fleet optimisation and operational flexibility for industrial and logistics customers.

Its portfolio includes forklifts, warehouse trucks and related material handling equipment supported by nationwide sales, service and after-sales infrastructure. In addition to equipment supply, the Company provides preventive maintenance, spare parts and lifecycle support services across a wide range of warehouse and industrial applications.

Accordingly, Toyota Material Handling India is positioned as an OEM-led material handling equipment provider with integrated capabilities across equipment sales, rental and after-sales support for warehousing, manufacturing and logistics operations.

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Jungheinrich Lift Truck India

Jungheinrich Lift Truck India is an OEM-led material handling equipment provider offering forklifts, warehouse equipment and integrated warehouse solutions for industrial and logistics customers. The Company's portfolio includes electric forklifts, reach trucks, warehouse trucks, automated warehouse solutions, fleet management systems, racking solutions and related after-sales support.

In addition to equipment supply, the Company provides equipment rental, maintenance, financing and warehouse optimisation solutions designed to improve operational efficiency and material flow across manufacturing plants, warehouses and distribution centres. Its integrated offering combines material handling equipment with warehouse planning, automation and lifecycle support services.

Accordingly, Jungheinrich Lift Truck India is positioned as an OEM-led material handling equipment provider with integrated warehouse solutions, equipment rental and lifecycle support services serving warehousing, manufacturing and logistics sectors.

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Qualitative Comparison of Watrana Rentals Limited with Select Peers in the Material Handling Equipment (MHE) Rental Industry

Parameters	Watrana Rentals	LEAP India	Sanghvi Movers	Godrej RenTRUST	Seemax Resources	Toyota Material Handling India	Jungheinrich Lift Truck India
Dedicated MHE rental business	✓	◐	—	✓	✓	✓	✓
Owned rental fleet	✓	✓	✓	✓	✓	✓	✓
Short- and long-term rental solutions	✓	◐	✓	✓	✓	✓	✓
Operator-assisted rental	✓	◐	✓	✓	✓	◐	◐
Preventive maintenance and technical support	✓	◐	✓	✓	✓	✓	✓
MHE trading / equipment sales	✓	—	—	◐	✓	✓	✓
Battery / MHE consumables offering	✓	—	—	—	◐	◐	◐
Warehouse and logistics focus	✓	✓	—	✓	✓	✓	✓
Industrial project focus	◐	◐	✓	◐	◐	✓	✓
Pan-India operations	✓	✓	✓	✓	—	✓	✓
OEM-backed business model	—	—	—	✓	✓	✓	✓
Integrated lifecycle support	✓	◐	✓	✓	✓	✓	✓

Note: *The comparison is qualitative and based on publicly available information regarding the principal business activities and service offerings of the respective companies. It is intended to provide an indicative comparison of business capabilities and operating focus and should not be construed as a ranking of competitive strength, market share or operational performance.*

Legend: *✓ = Core capability | ◐ = Limited, ancillary or selective capability | — = Not a primary business focus or not publicly disclosed as a core offering.*

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10.6 Company Positioning – Watrana Rentals Limited

Watrana Rentals Limited (the "Company"), having its registered office at B-2, Third Floor, Derawal Nagar, Near Model Town Metro Station, Gujranwala Colony, Northwest Delhi, Delhi, India – 110009, was incorporated in 2019 as Watrana Rentals Private Limited. The Company is engaged in providing material handling equipment ("MHE") on a rental basis and trading in new and used MHE and batteries for use in MHE. The Company does not operate a manufacturing plant and focuses on MHE rental, trading and related operational support services.

The Company operates across India and caters to customers across industries, including automotive, tyres, beverages, glass, paper, logistics and warehousing, and food and beverages. Its MHE is deployed for applications including material movement, pallet handling, loading and unloading, warehouse storage and retrieval, order picking and intra-facility transportation.

The Company's business is organised into three operating verticals: rental solutions, trading in MHE and trading in batteries for use in MHE. Rental solutions constitute the Company's principal business, under which it provides MHE through short-term and long-term rental arrangements based on customer requirements. The tenure, number and category of MHE, deployment location, rental charges, maintenance obligations, operator requirements and other commercial terms are determined under the respective customer contracts. The rental model enables customers to access MHE without incurring the upfront capital expenditure associated with equipment ownership.

The Company follows an asset-backed rental model supported by its owned MHE fleet and supplements this with MHE obtained from third-party suppliers for onward deployment to customers. This enables the Company to meet customer requirements and provides flexibility in deploying different categories of MHE without immediately incurring capital expenditure for additional equipment.

The Company's rental fleet comprises diesel and electric forklifts, reach trucks, battery-operated stackers, pallet trucks, order pickers and towing trucks, among others, which are deployed for manufacturing, warehousing, logistics and industrial infrastructure applications. Depending on contractual requirements, the Company may also deploy operators and provide maintenance, technician support and replacement of MHE during periods of repair or maintenance.

As part of the expansion and diversification of its rental fleet, the Company has commenced the induction of aerial work platforms ("AWPs"). AWPs are access equipment used for

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undertaking work at elevated locations. Their addition expands the Company's equipment offering beyond conventional MHE and enables it to cater to customer requirements for both material handling and elevated-access equipment. The Company's AWP rental operations are at an initial stage.

Trading in MHE

The Company is engaged in trading in new and used MHE. New MHE is sourced from Zhejiang Hangcha IMP & EXP Co. Ltd. and sold to customers based on their requirements. The Company also offers used MHE as a cost-effective alternative to new equipment. Used MHE is sourced in operational condition and may undergo basic maintenance through third-party service providers and safety checks by the Company's safety team before being offered to customers.

Trading in Batteries for MHE

The Company trades in batteries for use in MHE, including batteries compatible with different categories and models of electric MHE. Batteries are supplied based on customer requirements and equipment compatibility. Through its rental and trading activities, the Company provides customers with access to MHE and related batteries based on their operational and budgetary requirements.

Operating Infrastructure and Support

The Company's operations are supported by personnel across strategy and planning, administration and human resources, finance, operations, procurement, stores, safety and service functions. These functions support equipment deployment, customer requirements, safety and service activities associated with the Company's rental and trading operations.

Certifications

The Company holds certifications under ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015. These certifications relate to quality management, occupational health and safety management, and environmental management systems, respectively.

Through its business model comprising MHE rental, trading in new and used MHE and trading in batteries for use in MHE, the Company participates in the MHE rental and trading segment. Rental solutions constitute its principal business, while trading activities provide complementary offerings. Its asset-backed rental model, supplemented by MHE sourced from third-party suppliers, provides flexibility in meeting customer requirements, while operator deployment and related maintenance and technician support, where contractually required, support rental operations. The Company's expansion into AWPs further broadens its equipment offering to include elevated-access applications alongside conventional material handling requirements.

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10.7 SWOT Analysis of Material Handling Equipment Industry:

Strengths	Weaknesses
Diversified application base: MHE rental serves manufacturing, warehousing, logistics, e-commerce, infrastructure and other industrial applications, enabling rental operators to cater to multiple customer segments and reduce dependence on a single end-use industry. **Asset-light solution for customers:** Renting enables customers to access MHE without significant upfront capital expenditure while avoiding ownership, maintenance and asset replacement responsibilities. **Recurring revenue potential:** Long-term rental contracts, contract renewals, repeat customer requirements and value-added services such as operator deployment, maintenance and technical support provide opportunities for recurring and more predictable revenue streams. **Flexible rental solutions:** Availability of short-term and long-term rental arrangements enables customers to meet temporary, seasonal and project-based material handling requirements with greater operational flexibility. **Integrated service offerings:** Depending on the provider and contractual scope, rental arrangements may include operator deployment, preventive maintenance, technical support, spare parts and fleet management services, enhancing customer convenience and supporting long-term customer relationships. **Scalable fleet deployment:** Rental operators can redeploy equipment across customers, locations and industries based on demand, improving fleet utilisation and operational flexibility.	**Capital-intensive business model:** Rental operators require significant capital investment to acquire, maintain and periodically replace equipment fleets, resulting in high depreciation, financing and working-capital requirements. **Dependence on fleet utilisation:** Profitability depends on maintaining high equipment utilisation, as idle equipment continues to incur depreciation, maintenance, insurance and financing costs without generating corresponding rental income. **Maintenance and skilled manpower requirements:** Rental operations require continuous preventive maintenance and depend on trained operators, technicians and service personnel to maintain equipment reliability, operational efficiency and service quality. **Fleet ageing and technology upgrades:** Rental operators must continuously modernise fleets to meet evolving customer requirements and increasing adoption of electric, automated and technology-enabled equipment.

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Opportunities	Threats
Growing demand from manufacturing and logistics: Expansion in manufacturing, warehousing, e-commerce, third-party logistics and infrastructure development is expected to support increasing demand for MHE rental solutions. **Expansion of warehousing and logistics infrastructure:** Growth in industrial warehousing, logistics parks, multimodal logistics hubs and supply-chain modernisation is expected to increase demand for rented forklifts, reach trucks, pallet trucks and other MHE. **Growth in electric and energy-efficient MHE:** Increasing adoption of electric forklifts, lithium-ion battery systems and lower-emission equipment presents opportunities for fleet modernisation and technology-led differentiation. **Expansion of integrated rental solutions**: Increasing demand for bundled offerings comprising equipment, operator deployment, maintenance, technical support and fleet management services provides opportunities to enhance customer retention and increase revenue per contract. **Digital fleet management and predictive maintenance:** Wider adoption of telematics, fleet monitoring, utilisation tracking and predictive maintenance solutions can improve equipment availability, optimise fleet utilisation and reduce operational downtime. **Expansion into emerging industrial clusters:** Industrial corridors, manufacturing clusters and Tier II and Tier III logistics hubs provide opportunities to expand rental networks and increase fleet deployment across new customer locations.	**Intense competition and pricing pressure:** Competition from organised rental operators, regional service providers, equipment dealers and OEM-backed rental businesses may exert pressure on rental rates and operating margins. **Macroeconomic and industrial cyclicality:** Demand for rented MHE is closely linked to manufacturing activity, logistics volumes, infrastructure investment and industrial capital expenditure, making the industry susceptible to economic slowdowns and project delays. **Rising operating and financing costs:** Increases in equipment acquisition costs, interest rates, labour, transportation, maintenance, batteries, spare parts and insurance may adversely affect profitability if additional costs cannot be recovered through rental pricing. **Technological obsolescence:** Rapid advancements in electric, automated, telematics-enabled and safety-enhanced MHE may require continuous fleet modernisation and additional capital investment to remain competitive.

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11. Future Outlook

The global and Indian Material Handling Equipment ("MHE") industry is expected to witness sustained long-term growth, supported by increasing industrialisation, logistics modernisation, warehouse automation and manufacturing expansion. The global MHE market is projected to grow from US$ 48.35 billion in 2026E to US$ 90.71 billion by 2036P, registering a CAGR of 6.50% during the forecast period. India is expected to outpace global growth, with the domestic MHE market projected to expand from US$ 4.20 billion in 2026E to US$ 13.04 billion by 2036P, reflecting a CAGR of 12.00% over the same period.

The industry's growth outlook is underpinned by continued investments in manufacturing, warehousing, logistics infrastructure, industrial corridors and organised supply chains. Government initiatives such as the National Logistics Policy, PM Gati Shakti National Master Plan and Make in India are expected to support logistics efficiency, domestic manufacturing and multimodal infrastructure development, creating sustained demand for forklifts, cranes, warehouse equipment, conveyors, storage systems and other material handling solutions.

Technology adoption is expected to remain one of the industry's principal growth drivers. Increasing deployment of Warehouse Management Systems (WMS), telematics, Automated Guided Vehicles (AGVs), Autonomous Mobile Robots (AMRs), Automated Storage and Retrieval Systems (AS/RS), fleet optimisation platforms, predictive maintenance and IoT-enabled equipment is transforming warehouse and factory operations. Simultaneously, the transition towards electric forklifts, lithium-ion battery-powered equipment and digitally connected fleets is expected to improve operational efficiency, safety, equipment utilisation and lifecycle management.

The industry is also expected to benefit from the continued expansion of organised warehousing, e-commerce, third-party logistics (3PL), retail distribution, manufacturing and infrastructure development. Growing preference for rental, leasing and managed fleet solutions is likely to broaden equipment accessibility, particularly among small and medium-sized enterprises seeking flexible and asset-light procurement models. Increasing emphasis on after-sales service, lifecycle support and digital fleet management is expected to strengthen recurring revenue opportunities across the value chain.

Despite its favourable outlook, the industry continues to face challenges including raw material price volatility, dependence on certain imported components, evolving regulatory and certification requirements, skilled workforce shortages and periodic fluctuations in

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industrial capital expenditure. Compliance with BIS standards, the Occupational Safety, Health and Working Conditions Code, 2020, and the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024 (as amended) is expected to remain an important consideration for manufacturers, importers and industrial users.

The Indian Material Handling Equipment industry is well positioned for long-term expansion, supported by favourable policy initiatives, increasing mechanisation, digital transformation and sustained investment across manufacturing and logistics. Companies that combine cost-efficient manufacturing, automation-ready product portfolios, strong service networks, regulatory compliance and integrated lifecycle solutions are expected to be better positioned to benefit from the industry's evolving growth opportunities while strengthening their competitive position in both domestic and international markets.

Yours Faithfully,



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