

Report

India | December 2025

jll.com

Industry Report on India's Industrial & Logistics Sector

Prepared for Horizon Industrial Parks Limited

Contents

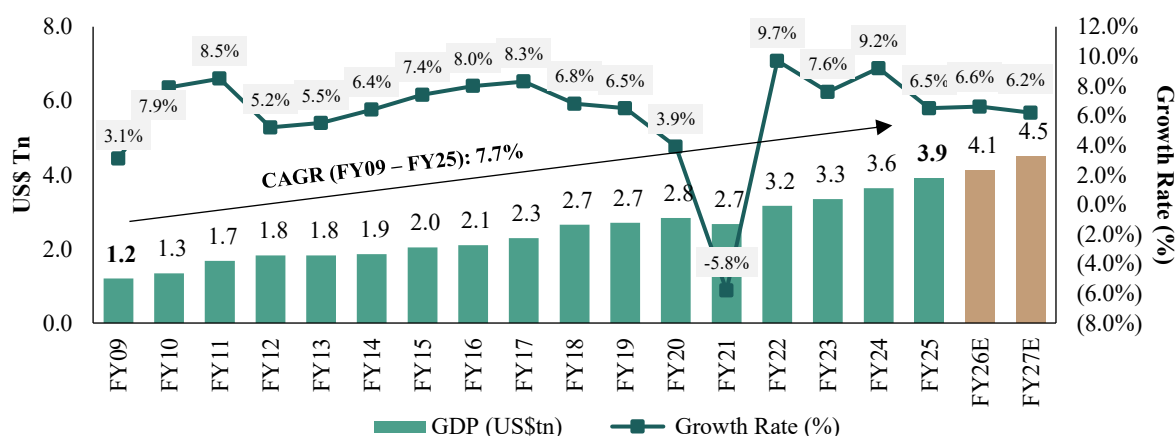
1. Overview of the Indian Economy: Strong Macroeconomic Fundamentals and Robust Outlook	3
2. India: Attractive and Competitive Global Manufacturing Hub	10
3. India's Consumption Megatrend	16
4. India: One of the Largest Global Opportunities for Grade A Warehousing and Industrial Parks	21
5. In-City Logistics: Emerging Segment in India's Logistics & Warehousing Market.....	29
6. Evolving Market of India Infrastructure Services and Solutions	33
7. Competitive Landscape	36
Annexure I: Prevailing land prices of select warehousing/ industrial micro-markets across India	39

1. Overview of the Indian Economy: Strong Macroeconomic Fundamentals and Robust Outlook

World's Fastest Growing Major Economy

India has emerged as the world's fastest-growing major economy¹ with real Gross Domestic Product ("GDP") growth of 6.5% in FY25 and holds the position of the fifth-largest economy globally with nominal GDP of US\$ 3.9 tn in FY25.² India's GDP growth has historically exhibited a CAGR of 7.7% between FY09 and FY25. The country's notable economic development has been underpinned by a strong manufacturing sector and a large domestic consumer base, which have been pivotal in driving its growth. Looking ahead, the International Monetary Fund ("IMF") has forecasted a 6.6% GDP growth rate for India in FY26, with an estimated value of US\$4.1 tn³ compared to the global growth rate of 3.2%⁴ for CY25, thereby indicating its potential for sustained economic expansion and development.

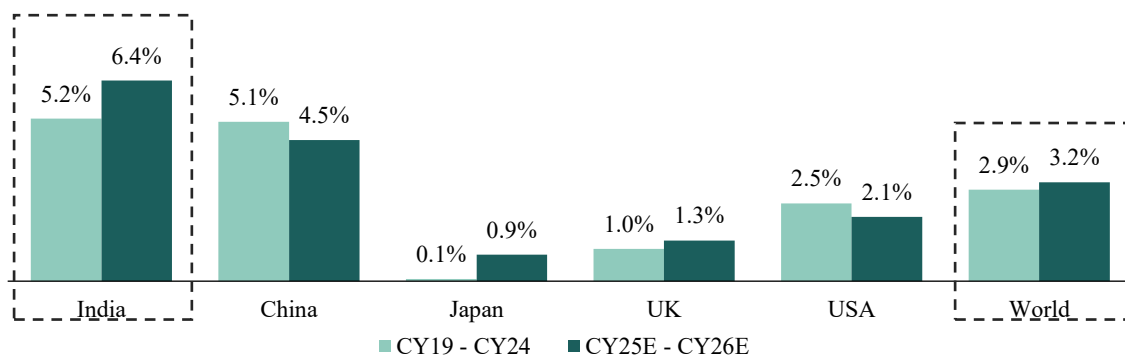
India GDP Size and Growth Rate (FY09-FY27E)



Source: IMF, World Economic Outlook Update October 2025

India is expected to grow at an average growth rate of 6.4% during FY26-27, outperforming other major economies, with China expected to grow at 4.5%, USA at 2.1% and Japan at 0.9% during CY25-26.

Major World Economies — Real GDP Growth Rates (CY19-24 & CY25-26E, %)



Source: IMF, October 2025; Note: For India, data and forecasts are presented on a fiscal year basis, 2019 refers to FY19-20 and so on

¹ IMF

² IMF, World Economic Outlook Update October 2025

³ IMF

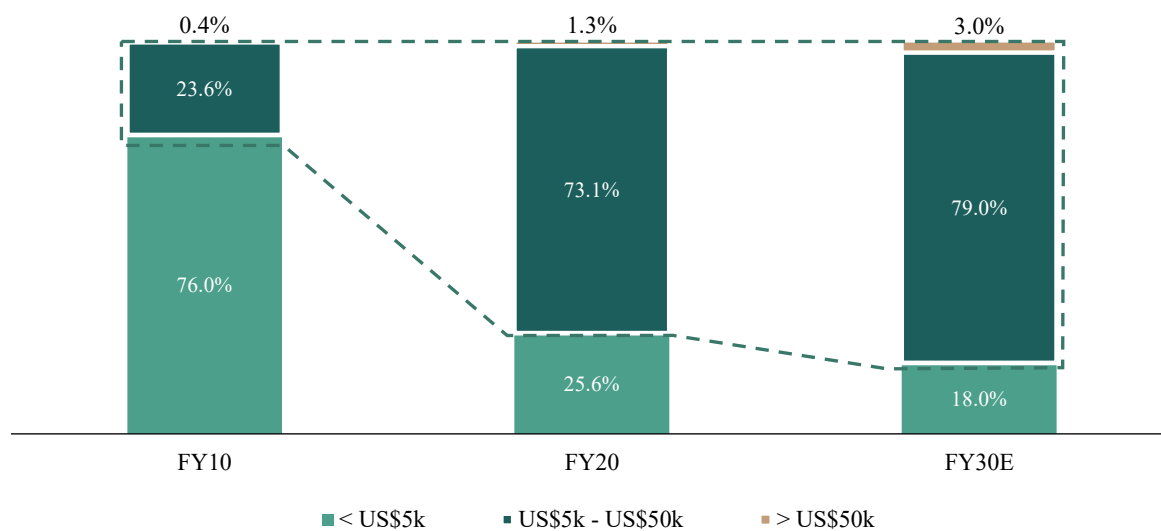
⁴ IMF

Growth Drivers: Shaping India's Economic Journey

Rising Middle Class

The middle class⁴ has emerged as the most rapidly expanding segment of India's population. The share of middle-income households in India has increased from 23.6% in FY10 to 73.1% in FY20 which is further projected to reach 79.0% in FY30. The expansion of the middle-class segment has boosted disposable income levels and discretionary spending, resulting in increased purchases from organized retail.

India's Rising Middle-Class Households share by annual income as a % of Total Income (FY10-FY30E)



Source: Technopak

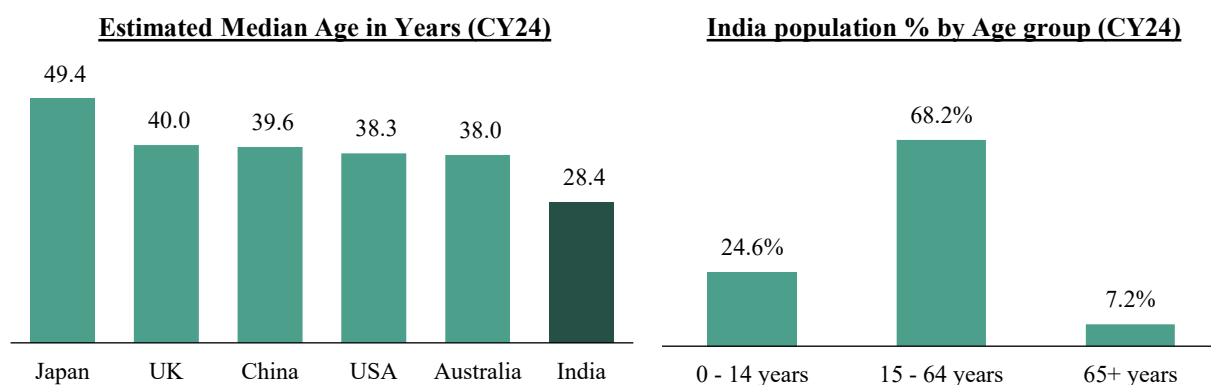
India has witnessed a significant improvement in living standards, as evidenced by the rise in per capita net national income (“NNI”) at current prices. From US\$ 1,325.4 in FY12, it climbed to US\$ 2,427.9 in FY25⁵. Rising disposable incomes have transformed consumer spending habits. Although essential expenses continue to rise, there's been a marked increase in non-essential purchases.

Largest Youth Population Globally

India maintains a substantial age advantage over other major economies, with a median population age of 28.4 years as of 2024, according to United Nations. This positions the country significantly ahead of its global counterparts, including China at 39.6 years, UK at 40.0 years, and the USA at 38.3 years. The younger populations demonstrate evolving spending behaviors characterized by higher consumption and adopting newer trends. India currently maintains 68.2% of its population within working-age (15-64 years), providing a significant competitive edge for labor-intensive industries.

⁴ Households earning annual income of US\$ 5k to US\$ 50k are classified as middle class

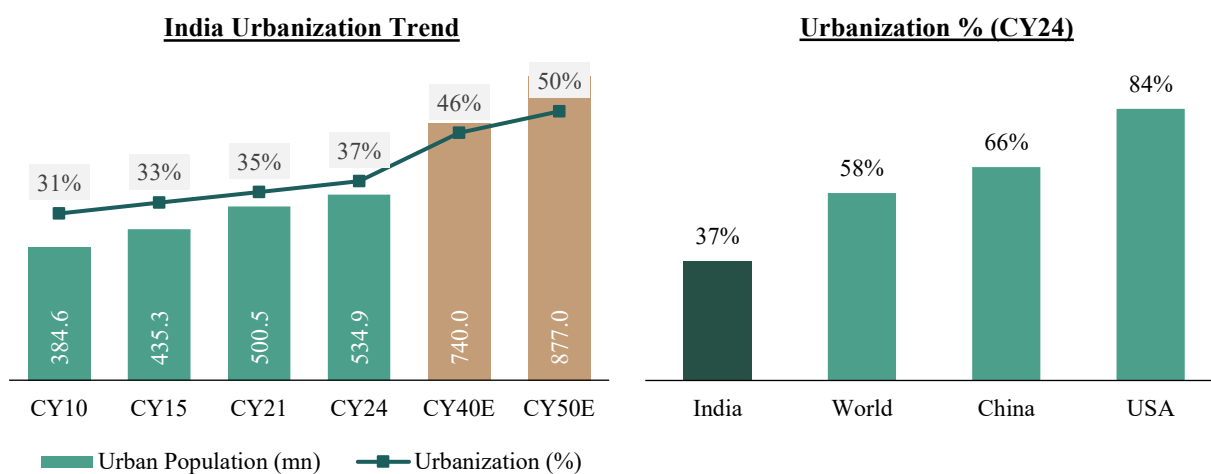
⁵ Ministry of Statistics and Programme Implementation, all data converted to corresponding year average exchange rates (FY12: 1 US\$ = INR 47.9 & FY25: 1 US\$ = INR 84.6); FY25 data is Provisional Estimates (PE), May 2025



Source: World Bank; United Nations, World Population Prospects 2024

Urbanization

India's urban landscape is experiencing substantial transformation, with several cities establishing themselves among the world's largest metropolitan areas. As of CY24, India's urban population constitutes 37% of the total population and is projected to reach 50% by CY50. While this represents significant growth, it remains below the global average of 58% recorded in CY24, indicating considerable urbanization potential. This accelerated urbanization trend correlates directly with rising income levels nationwide. The expansion of urban populations, coupled with increasing disposable incomes, is generating enhanced purchasing power across demographic segments. This economic evolution is anticipated to drive substantial growth in commodity consumption throughout India's domestic market.



Source: World Bank, IEA, MOHUA, PIB

Digitalization and Formalization of Economy

The evolving demographic landscape in India is driving increased consumer spending and a shift towards digital purchasing channels. As of September 2025, e-commerce fulfillment coverage has expanded to ~19,500 pin codes as per India Postal Pin code data, thus deepening e-commerce serviceability beyond tier 1 locations. This transformation enables consumer-centric technology platforms to interact with customers across multiple touchpoints, thereby enhancing their capacity to capture a greater proportion of consumer expenditure.

India's internet user base, at 810-840 mn in CY24, is forecasted to reach 1,018-1,190 mn by CY30. This growth is propelled by enhanced digital infrastructure, including 5G connectivity and Government of India's initiatives promoting digital inclusion. Concurrently, smartphone users have surged from 404-431mn in CY19 to 680-690 mn in CY24, driven by affordable devices and low-cost mobile data.

	CY19	CY24	CY30F
Access to Internet <i>Total Population with access to Internet (mn)</i>	556 – 582 40.0% - 41.9%	810 – 840 55.8% - 57.9%	1,018 – 1,190 66.7% - 78.0%
Digital Transactors <i>Transactors of services and products through digital payments (mn)</i>	220 – 250 15.8% - 18.0%	430 – 450 29.6% - 31.0%	948 – 1,094 62.2% - 71.7%
Online commerce users <i>Users who have made at least one transaction on e-commerce in the last calendar year (mn)</i>	110 – 130 7.9% - 9.4%	230 – 250 15.9% - 17.2%	374 – 443 24.5% - 29.0%
Smartphone Users <i>Total population with access to smartphone or smart feature phone (mn)</i>	404 – 431 29.1% - 31.0%	680 – 690 46.9% - 47.6%	1,000 – 1,125 65.6% - 73.8%

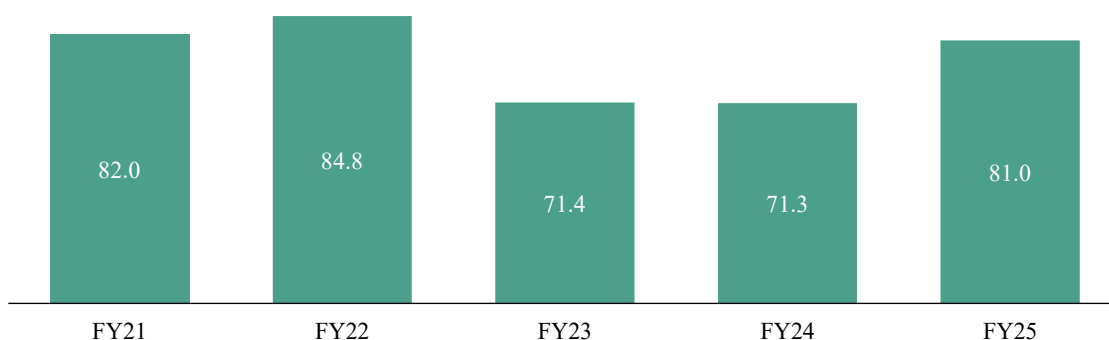
Source: IMF, Redseer

Note: Values in mn and as % of total population of the country

FDI Inflows

India received US\$ 81.0 bn in Foreign Direct Investment (“**FDI**”) during FY25⁶. The manufacturing sector captured a substantial 23.5% share of total FDI in FY25, representing significant growth from 14.7% in FY21.

Foreign Direct Investments (FDI) in US\$ Bn (FY21 – FY25)



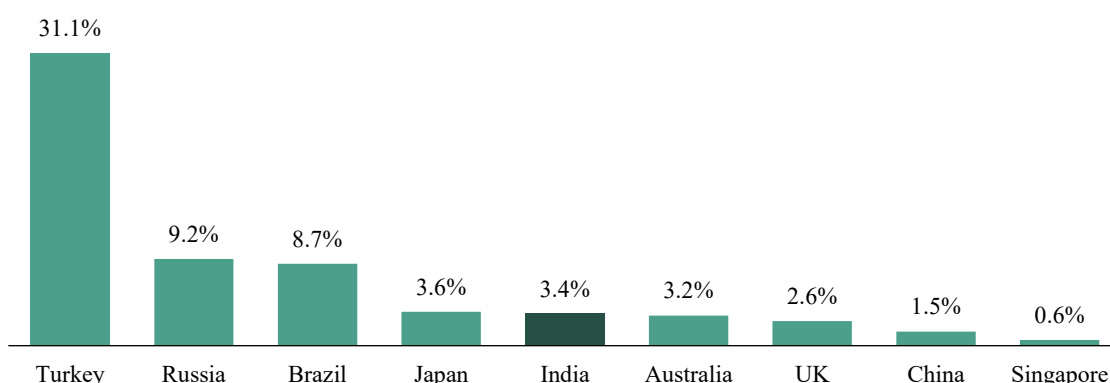
Source: DPIIT, PIB

Stable Currency

Over the past decade, the Indian Rupee has outperformed most of the select world economies, supported by robust foreign exchange reserves (US\$ 700.1 bn as of September 2025)⁷ and the proactive monetary policies implemented by the government.

⁶ DPIIT

⁷ RBI, 45th Half-Yearly Report on Management of Foreign Exchange Reserves: April - September 2025

CAGR Currency Depreciation against US\$ (CY14 – CY24)

Source: World Bank

Inflation Projected to Remain in the Range of 2.0-3.0% for FY26

In FY25, the average CPI inflation stood at approximately 4.6%, down from earlier peaks and is within RBI's target range of 4.0% (+/- 2.0%).

Looking ahead, inflation is expected to remain well-contained, forecasted at 2.8% in FY26. The inflation outlook stays favourable, underpinned by subdued oil prices and abundant crop yields.

Inflation Rates, average consumer prices in India (Avg. % p.a.)

Source: IMF, World Economic Outlook, October 2025

This price stability reduces input cost volatility for manufacturers while enabling accommodative monetary policy that lowers borrowing costs for businesses. The controlled inflation environment is expected to significantly boost industrial investment by making expansion projects more financially viable and equity financing more attractive.

Major Structural Reforms in India

- **GST Implementation Driving Market Integration and Logistics Efficiency:** Implementation of the Goods and Services Tax ("GST") in 2017 marked a major reform for Indian logistics industry, creating a unified national tax system that enhanced transparency, improved tax compliance, and boosted logistics efficiency. GST collections have shown impressive growth, consistently exceeding US\$ 20.0 bn for several months in FY25⁸, according to Ministry of Finance. The implementation of e-way bills and a unified tax structure have

⁸ GST Portal

significantly benefited the logistics sector by reducing interstate transit times by 25-30% as per the LEADS (Logistics Ease Across Different States) 2024 report⁹. GST 2.0, implemented in September 2025, reduced rates on essential goods and services to boost consumption and ease compliance.

- *Corporate Tax Cut:* Government reduced tax rates for non-resident corporate taxpayers from 40.0% to 35.0% in 2024¹⁰. India's CY19 corporate tax reforms reduced rates from 30% to 22% for existing domestic companies and from 25% to 15% for new manufacturing entities established after October 2019 and operational by CY24. At 17.2% including surcharge, this effective rate for new manufacturing units is lowest as compared to other key Asian economies like Philippines (30.0%), Indonesia (25.0%), China (25.0%) and Malaysia (24%).
- *Production Linked Incentive ("PLI"):* Launched in April 2021, the PLI scheme is an Indian government initiative aimed at boosting manufacturing in 14 sectors, including electronics, pharmaceuticals, medical devices, automobiles, specialty steel, telecom, food processing, drones, textiles, and white goods. It promotes domestic manufacturing, providing financial incentives to manufacturers thereby increasing production.
- *Easing of FDI norms across several sectors,* with most sectors being under automatic route i.e., not requiring any prior regulatory approval before investing. The Government of India has permitted 100% FDI under the automatic route in manufacturing as well as infrastructure (including logistics) sectors, signaling both economic confidence and strategic ambitions.
- *Institutional Confidence Boosting Real Estate Sector Expansion:* Institutional investments in India's real estate sector hit an unprecedented peak in CY24 totaling US\$ 8.9 bn, a 51% increase from CY23. Moreover, the market's prospects appear promising, with announcement of additional platform commitments of US\$ 2.4 bn, which is slated for deployment over the next 3-5 years. This indicates sustained investor confidence in India's real estate market and its long-term growth potential.¹¹
- *Infrastructure Push:* The government is complementing regulations with infrastructure modernization and new logistics networks to improve accessibility, increase capacity utilization, enable intermodal transfers, optimize transport costs, and enhance trade gateway capabilities for outbound and transshipment operations. Key projects and schemes include Dedicated freight corridors ("DFCs"), Industrial and Economic Corridors as well as development of 35 MMLPs under NICDC, Sagarmala Programme, Bharatmala Pariyojana, Logistics efficiency enhancement programme ("LEEP"), National waterways in maritime vision 2030, Unified logistics interface platform ("ULIP"), Fibre network, etc. Under the Bharatmala Pariyojana of Ministry of Road Transport and Highways, six Multi Modal Logistics Parks ("MMLPs") are to be developed in the port cities of Chennai, Mumbai, Kolkata, Cochin, Visakhapatnam and Kandla.
- *Growth Supported by Policy and Economic Transformation:* The Government of India has launched initiatives such as "Make in India 2.0", "Digital India", "Start-up India", "e-Governance", "Skill India", "PM Gati Shakti", etc. to position India's economy for the next phase of growth.

Logistics: Backbone of the Indian Economy

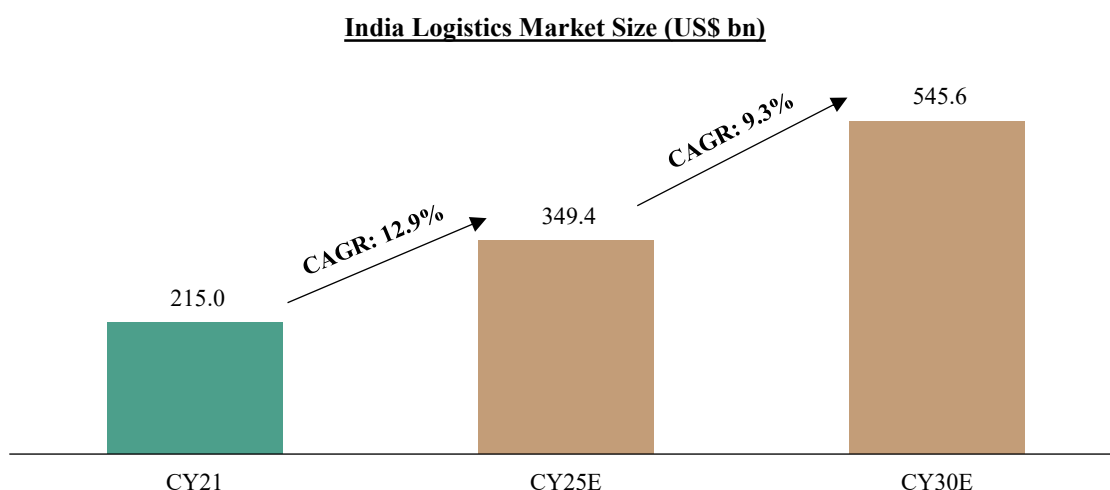
The logistics sector has emerged as a critical pillar supporting India's economic growth, and is estimated at US\$ 349.4 bn in CY25, contributing 8.5% to India's GDP¹². It is further expected to grow at 9.3% CAGR reaching a market size of US\$ 545.6 bn in CY30E.

⁹ LEADS Report, 2024

¹⁰ UNCTAD

¹¹ JLL

¹² India's GDP for FY26E, IMF, World Economic Outlook Update October 2025



Source: Historical data from PIB, Projections from Mordor Intelligence

The logistics sector represents a substantial portion of the infrastructure landscape generating considerable long-term economic benefits across multiple industries, including retail, manufacturing, services, and tourism. The RBI and the National Institute of Public Finance and Policy (“NIPFP”) estimates that each rupee invested in infrastructure development yields a GDP multiplier effect of INR 2.5 - 3.5¹³, demonstrating the significant economic leverage and productivity enhancement that infrastructure investments provide across the broader economy.

Comparison between India, USA and China Logistics Market

Parameters, CY25E	India	China	USA
GDP (US\$ tn)	4.1	19.4	30.6
Logistics Market Size (US\$ bn)	349.4	1,311.0	1,381.1
Total Logistics Market Size (% of GDP)	8.5%	6.8%	4.5%
Per Capita Logistics Market Size (US\$)	238.7	925.8	3,976.7

Source: Mordor Intelligence IMF, JLL Research & Analysis

Note: For India, forecasts are presented on a fiscal year basis, CY25E refers to FY26

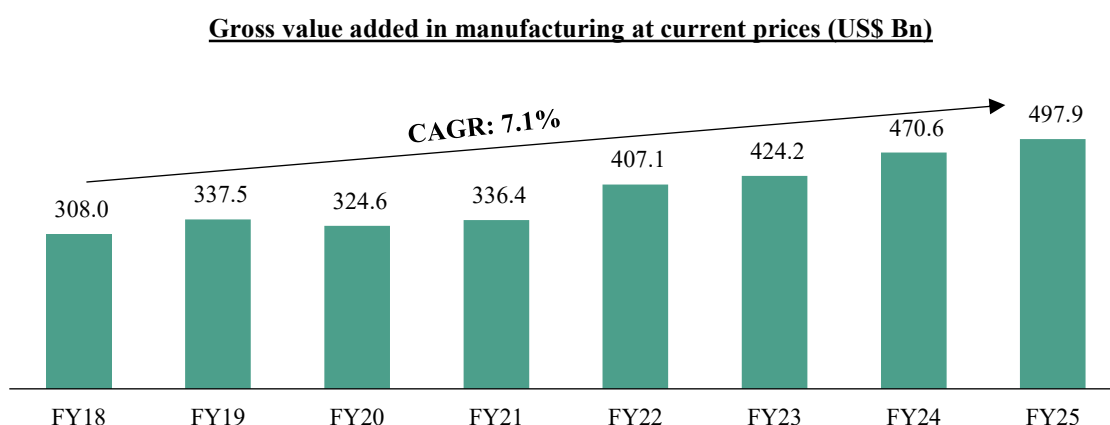
¹³ Invest India

2. India: Attractive and Competitive Global Manufacturing Hub

The emergence of India as a global manufacturing powerhouse signals a transformative shift in the world economy. Amid global supply chain restructuring driven by geopolitical tensions and technological evolution, India offers corporations seeking to reduce concentration risks, a compelling alternative with resilient, scalable and cost-effective solutions. This emergence is powered by proactive government policies, demographic advantages, transformative economic reforms, improving infrastructure, and expanding industrial capacity across multiple sectors. This positions India as one of the most sought-after manufacturing destinations and a "Factory of the World" for coming decades, with significant implications for industrial, logistics, and warehousing sectors nationwide.

Growing Contribution of Manufacturing to India's Overall GDP

The manufacturing sector in India is experiencing a profound transformation, evolving from its traditional labor-intensive foundations to becoming a sophisticated, technology-driven ecosystem. India's Manufacturing Gross Value Added ("GVA") is expected to double from US\$ 497.9 bn in FY25 to cross approximately US\$ 1 tn by FY30.¹⁴ This growth trajectory is being facilitated through strategic initiatives and structural reforms including Make in India and PLI schemes. India's projected manufacturing growth rate of 12-18%¹⁵ substantially exceeds that of established economies, with China and the United States expected to register more modest CAGRs of 2.5% and 2.2% respectively during the CY25-CY30 period¹⁶ This highlights India's accelerated industrialization momentum and its emerging position as a global manufacturing hub.



Source: Niti Aayog

India's Manufacturing Surge: Indicators of Sustained Industrial Growth

India's industrial sector has entered a phase of accelerated growth, with Purchasing Managers' Index ("PMI") and capacity utilisation in manufacturing surpassing historical levels. The manufacturing PMI has been maintained above 55.0 for 18 consecutive months, reaching 58.4 in June 2025.¹⁷ India's manufacturing sector has recorded capacity utilisation of 74.1% in Q1 FY26, and has maintained more than 70% since FY22, according to the RBI's OBICUS survey, indicating strong demand and efficient resource use. It also signals investment revival and a requirement of additional private investments in this sector.

These consistently strong indicators reflect comprehensive industrial expansion with increased output, new orders, and employment generation across the manufacturing sector. They also reinforce business confidence, encourage capacity expansion, investments and demonstrate India's successful recovery beyond pandemic-related disruptions, positioning the country for sustained economic growth and industrial stability.

¹⁴ Accel Advanced Manufacturing Report

¹⁵ Accel Advanced Manufacturing Report

¹⁶ Oxford Economics

¹⁷ Ministry of statistics and programme implementation

India Positioned as a Major Export Hub

India has achieved remarkable export growth, with total exports reaching US\$ 824.9 bn in FY25, up from US\$ 466.2 bn in FY14. This significant expansion reflects India's growing influence in global trade markets, supported by strong performance across both merchandise and services sectors. In FY25, merchandise exports contributed US\$ 437.4 bn, while services exports reached US\$ 387.5 bn.¹⁸

Export growth has been driven by multiple reasons including India's remarkable progress in port efficiency, where average turnaround time improved by 48%, reducing from 96 hours in FY 2014-15 to 50 hours in FY 2024-25¹⁹. Export procedures have been similarly enhanced through the implementation of electronic self-sealing containers at manufacturing facilities and the e-Sanchit platform, which enables traders to submit all required documentation electronically.

India's export ecosystem has gained resilience and deeper integration into the global economy through strategic policy implementation, enhanced competitiveness, and expanded market access opportunities. Looking forward, the Government of India is implementing a comprehensive initiative to modernize export infrastructure with the aim of achieving US\$ 1 tn²⁰ in merchandise exports by FY30. This target is supported by ongoing infrastructure enhancements at ports and multi-modal transportation hubs, which are expected to drive continued growth in India's warehousing and logistics sectors.

Core sectors at the forefront of India's production and export surge

- **Automotive:** India is the world's fourth largest automotive market and projected to reach US\$ 300 bn²¹ by FY26, with significant growth attributable to rise of Electric Vehicle adoption in the country. Automotive exports are also experiencing significant growth with a 19% y-o-y increase to over 5.3 mn units in FY25.²²
- **Electronics Manufacturing:** India's electronics manufacturing industry has grown from US\$ 29 bn in FY15 to US\$ 101 bn in FY23²³ at a CAGR of 16.9%. The industry is transitioning from import dependency to domestic production; mobile phone manufacturing increased from 60 mn units in FY15 to 310 mn in FY24²⁴.
- **Pharmaceutical Sector:** India has gained international recognition as the "Pharmacy of the World", particularly for its role in supplying vaccines, essential medicines, and medical supplies during the COVID-19 pandemic and beyond.²⁵ India is the world's third-largest producer of drugs and pharmaceuticals by volume with the exports reaching US\$ 27.8 bn in FY24 from US\$ 16.8 bn in FY17²⁶.

Company	Manufacturing/ Infrastructure	Investment Value	Future Plans
Apple	<ul style="list-style-type: none"> 20% of global iPhone production in India with 14 mn units with a production value of US\$17 bn in CY23-CY24 Production via Foxconn, Wistron, Pegatron 	<ul style="list-style-type: none"> Foxconn's new plant set up at an investment of US\$ 2.8 bn near Bangalore 	<ul style="list-style-type: none"> Foxconn to set up a manufacturing facility for EV components
Samsung	<ul style="list-style-type: none"> World's largest mobile manufacturing unit in Noida with capacity 	<ul style="list-style-type: none"> \$3 bn+ cumulative investment with US\$ 120 mn received in PLI incentives 	<ul style="list-style-type: none"> Potential relocation from Vietnam amid US trade tensions

¹⁸ Ministry of Commerce & Industry, PIB

¹⁹ Ministry of Ports, Shipping and Waterways, PIB

²⁰ Ministry of external affairs

²¹ Invest India

²² Society of Indian Automobile Manufacturers (SIAM)

²³ IBEF

²⁴ India Cellular and Electronics Association

²⁵ PIB

²⁶ Pharmaceuticals Export Promotion Council of India

Company	Manufacturing/ Infrastructure	Investment Value	Future Plans
	<ul style="list-style-type: none"> increased recently to 120 mn units annually Semiconductor packaging unit in Noida. 		<ul style="list-style-type: none"> Partnership with Dixon Technologies
Philips	<ul style="list-style-type: none"> Philips operates a Healthcare innovation centre in Pune. The company also has a 650,000 sf R&D centre in Bangalore that houses 5000 employees 	<ul style="list-style-type: none"> It recently expanded its Healthcare Innovation operations in Pune with an additional 300,000 sf office space that is expected to house 1,900 employees at a combined investment of US\$ 75-90 mn in Pune and Bangalore. 	<ul style="list-style-type: none"> Plans to invest approximately US\$ 90 mn towards expansion of innovation and manufacturing in the country
Tata Electronics	<ul style="list-style-type: none"> Tata Electronics in partnership with Powerchip Semiconductor Manufacturing Corporation is setting up a semiconductor plant in Gujarat with a total capacity of 50,000 wafers per month. 	<ul style="list-style-type: none"> Investment value of approximately US\$ 11 bn for the manufacturing facility 	<ul style="list-style-type: none"> Plans to setup a 2nd plant in collaboration with OSAT in Assam which is expected to attract an investment of US\$ 300 mn
Schneider Electric	<ul style="list-style-type: none"> Schneider Electric currently operates 31 manufacturing plants in India Leverages AI and digitization to support India's energy sector, with a goal of manufacturing 90% of what it sells locally 	<ul style="list-style-type: none"> Announced investments of US\$ 365 mn to expand its industrial footprint 	<ul style="list-style-type: none"> Plans to open three more manufacturing plants to add 1.2 msf by CY26 in Kolkata, Hyderabad and Ahmednagar
Titagarh Rail Systems	<ul style="list-style-type: none"> The company operates 2 plants in West Bengal for steel foundry, wagon and ship building, spread over a 50-acre campus and 500 m waterfront. 	<ul style="list-style-type: none"> It has taken a 40-acre land on a long term lease to expand its wagon & rail system manufacturing capacity 	<ul style="list-style-type: none"> Plans to invest approximately US\$ 100 mn over next 2-3 years.
Tesla	<ul style="list-style-type: none"> Secured 4k sf and 51k sf commercial space in Mumbai and Gurgaon respectively 	<ul style="list-style-type: none"> Exploring US\$ 500mn+ manufacturing investment 	<ul style="list-style-type: none"> Retail expansion to other major cities & evaluating local manufacturing options
VinFast	<ul style="list-style-type: none"> VinFast inaugurated first phase of its 400-acre EV manufacturing plant in Chennai with a capacity to produce 50,000 units p.a. 	<ul style="list-style-type: none"> \$2.0 bn in India manufacturing operations 	<ul style="list-style-type: none"> Plans to scale up production in Chennai Plant to 150,000 units p.a.

Source: Various press releases and JLL Research & Analysis

Advantages of plug & play facilities for manufacturing companies

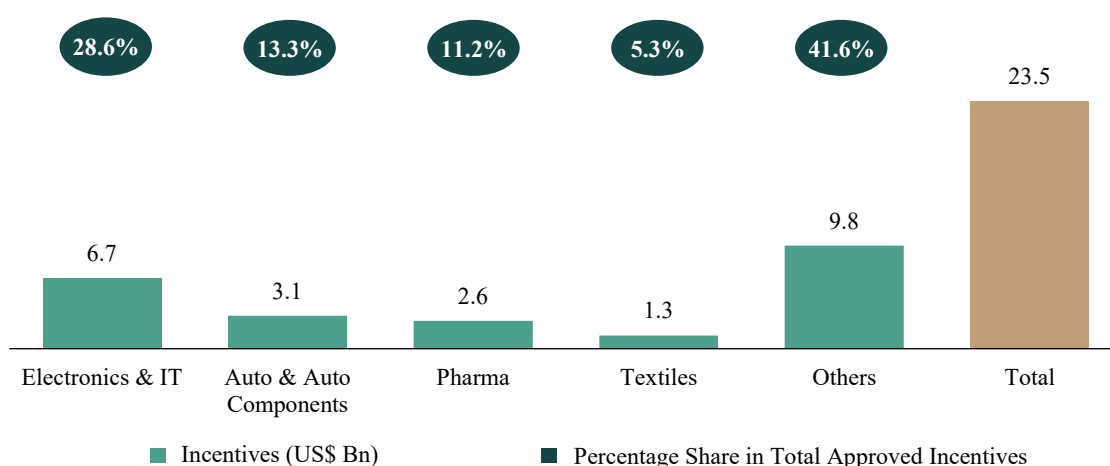
Manufacturing companies are increasingly opting for fully integrated plug-and-play facilities to streamline operations. Leasing such spaces minimizes upfront capital, offers deferred rent structures, full tax deductibility, and predictable costs, enabling even capital-constrained firms to operate with lower financial risk. It delivers relocation flexibility, access to premium locations, and frees companies to focus on core manufacturing without the burden of development or asset management. By adopting plug-and-play leasing, manufacturers can cut capital expenditure by up to 42% and operating expenditure by up to 20%, while maintaining operational agility²⁷.

Drivers of India's Manufacturing Momentum

1. Strategic Policies & Initiatives Driving Manufacturing Growth

The Government of India has launched several policy initiatives and structural reforms to boost the manufacturing sector in the country. Make in India 2.0 targets 27 sectors with focus on significant ramp-up of manufacturing and exports. Regulatory streamlining has cut the number of regulatory approvals for new manufacturing setups from more than 100 to under 25 in many states. The government has announced more than US\$ 26 bn in Production Linked Incentives spanning 14 key sectors with an approved outlay of US\$ 23.5 bn in incentives, already generating US\$ 19.3 bn in investments²⁸. India now ranks among the top three manufacturing destinations in Asia for new project announcements according to UNCTAD 2024.

Sector Wise Product Linked Incentives Approved - CY24 (US\$ Bn)



Source: PIB

Note: Electronics & IT includes Large-Scale Electronics Manufacturing and IT Hardware & Pharma includes pharmaceutical manufacturing & Bulk Drugs

The **Design-Linked Incentive scheme** supports semiconductor innovation across 100+ companies, leveraging India's extensive network of over 1,800 Engineering R&D centers (40-50% of Global In-house Centers)²⁹.

2. Global Supply Chain Diversification Fostering Manufacturing Resilience

The COVID-19 pandemic, ongoing geopolitical tensions, and regional conflicts have fundamentally reshaped global supply chain strategies, making supply chain diversification an imperative rather than an option for companies. The pandemic exposed critical vulnerabilities in concentrated supply chains, with companies experiencing severe disruptions when single-source dependencies failed. Apple faced significant production delays and revenue losses when COVID-19 lockdowns shuttered key supplier facilities in China, while automotive companies including General Motors and Ford experienced losses due to semiconductor shortages originating

²⁷ JLL analysis

²⁸ Ministry of Commerce

²⁹ Zinnov

from concentrated supply chains. Similarly, consumer goods companies such as Nike and Adidas reported substantial inventory shortfalls and missed revenue targets. The Russia-Ukraine conflict further highlighted geopolitical risks creating additional uncertainty for businesses heavily reliant on concentrated supply chains.

As business and continuity plans evolved post-pandemic, organizations are focused on diversification of their supply chains to mitigate concentration risks and enhance operational resilience.

India represents a natural choice for supply chain diversification due to its compelling combination of cost-competitive labor markets, a substantial domestic consumer base exceeding 1.4 billion people, and improving manufacturing & supply chain infrastructure. The government's business-friendly policies, including streamlined regulatory frameworks, tax incentives through PLI schemes, and simplified approval processes, further enhance India's investment attractiveness. This dual advantage of production cost optimization and market access, supported by favorable policy initiatives, makes India an increasingly strategic location for manufacturers seeking to balance operational efficiency with supply chain resilience and market proximity.

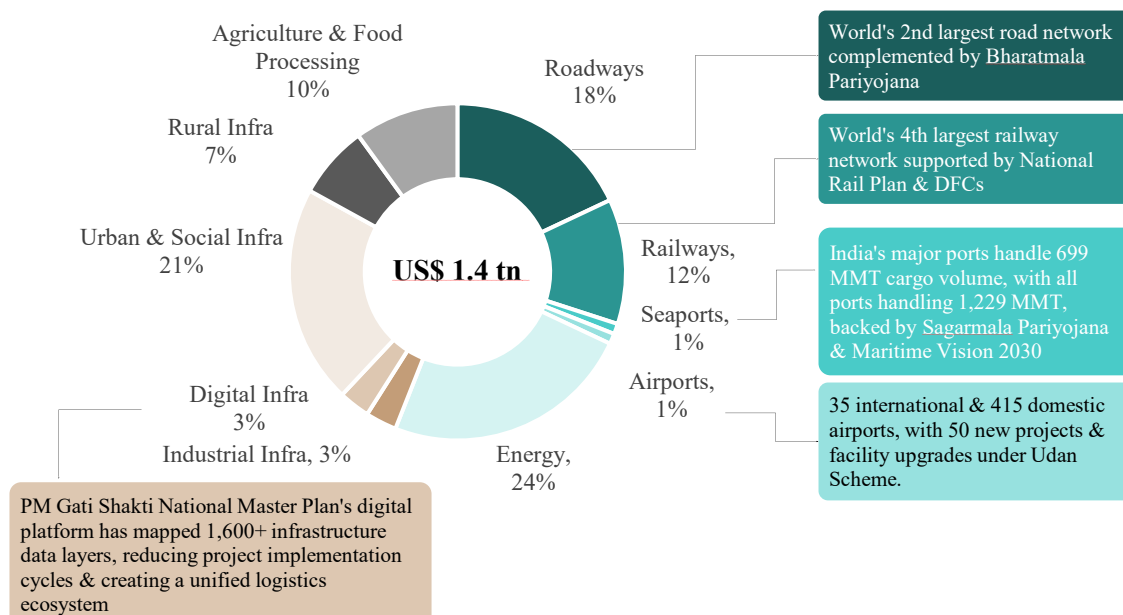
3. Leveraging Free Trade Agreements (“FTAs”) and Regional Trade Agreements (“RTAs”) with major global economies to Enhance Market Access

Trade liberalization and strengthening regional integration driven by strategic FTAs and RTAs with major global economies and trading blocs have positioned India as an increasingly important player in the global manufacturing & logistics landscape. India has established comprehensive FTAs and RTAs with key Asian economies, including ASEAN, Singapore, Malaysia, Japan and South Korea as well as with UK recently with FTA negotiations in advanced stages with the US and the European Union. These agreements create preferential trading relationships that substantially enhance export competitiveness and provide Indian manufacturers with preferential market access across the regional and high-value economies.

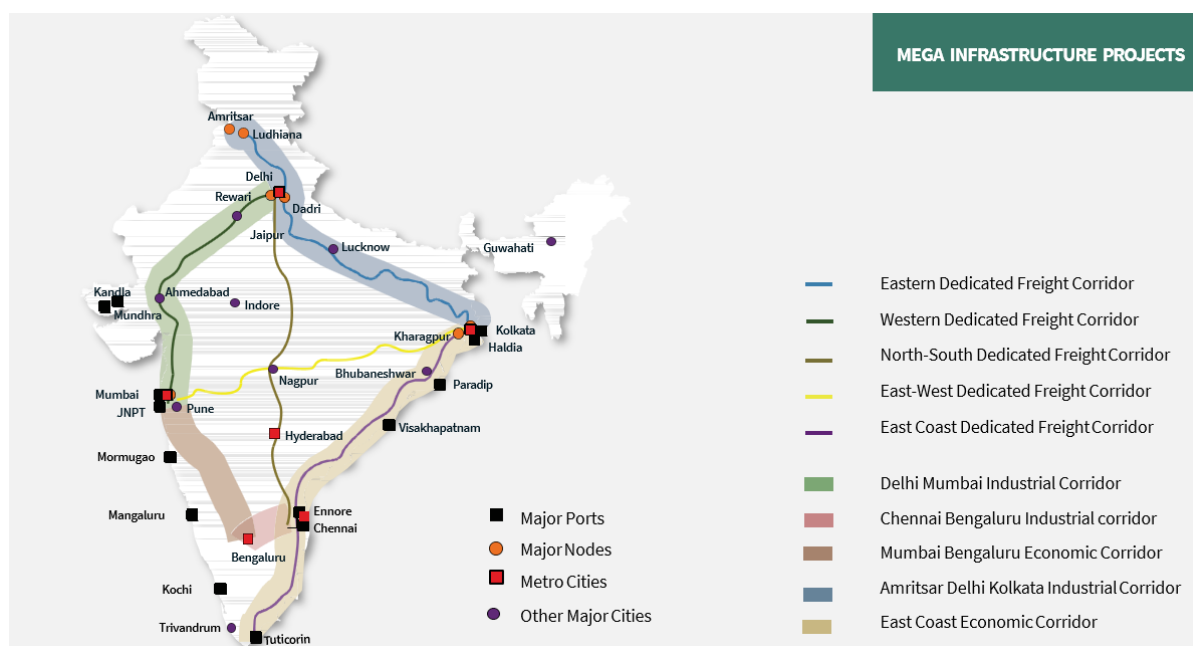
4. India's Infrastructure Surge: Catalyzing Industrial Transformation

India's National Infrastructure Pipeline is investing US\$ 1.4 tn during the period CY20 – CY25 in roads, ports, airports, and smart cities, with specific logistics infrastructure enhancements including 35 multimodal logistics parks.

Sector-wise break-up of Government's spending on Infrastructure including PPP (CY20-CY25E)



Source: Department of Economic Affairs (DEA)



Source: JLL Research

5. Tax Policy Transformation: Stimulating Demand and Strengthening Competitiveness

GST 2.0 was introduced in CY25, designed to reduce taxes and create a virtuous cycle of growth. Cheaper goods and services are expected to increase household savings and stimulate consumption. Reduced rates on raw materials such as cement, auto ancillaries, and handicrafts are expected to lower costs and make manufacturing more competitive. Simpler rates encourage compliance, expanding the tax base and improving revenues. Correcting inverted duty structures boosts domestic value addition and exports

Cost Efficient and Skilled Talent Pool

Manufacturing industry's growth trajectory is supported by India's exceptional human capital advantage. The country boasts a vast talent pool of 500 mn workers, with approximately 12 mn new entrants joining the workforce annually³⁰. According to the Ministry of Skill Development and Entrepreneurship, over 16 million candidates have been trained under the Pradhan Mantri Kaushal Vikas Yojana (Prime Minister's skill development scheme)³¹.

India's competitive labour cost advantage remains substantial, with average manufacturing wages at approximately US\$ 2-3 per hour compared to US\$ 5-6 per hour in China, US\$ 4-5 per hour in Malaysia, and US\$ 3-5 per hour in Thailand³². This competitive advantage has positioned India as an attractive alternative for global manufacturers seeking cost-efficient operations without compromising on quality or scale.

³⁰ Ministry of Labour and Employment, 2024

³¹ Ministry of Skill Development and Entrepreneurship, 2024-25 Annual report

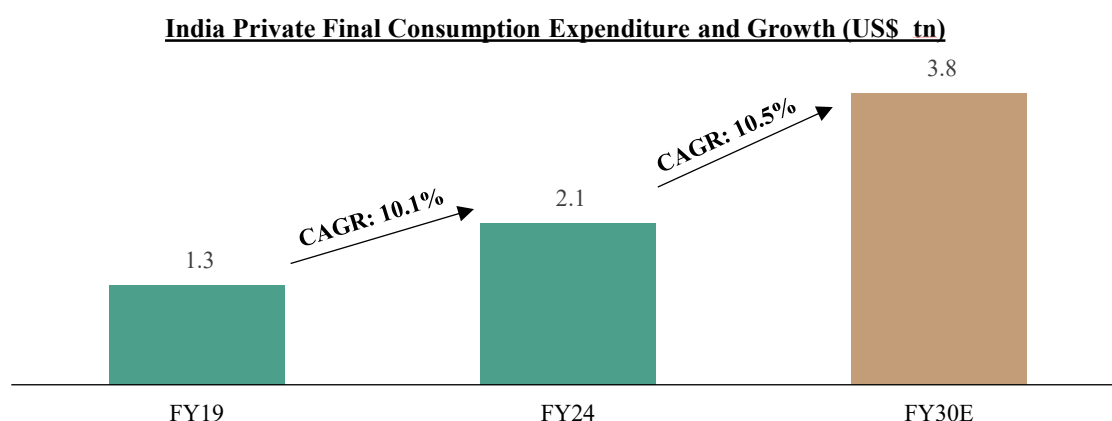
³² JLL Report on Beyond China: Asia's next manufacturing powerhouse.

3. India's Consumption Megatrend

Robust Consumption Growth

India maintains its position as a consumption-driven economy, with Private Final Consumption Expenditure (**"PFCE" or "Consumption"**) representing 60.2%³³ of the total GDP in FY24. High share of consumption in GDP relatively insulates India from volatility in the global economy. Consumption has grown at 9.7%³⁴ y-o-y in FY24 outpacing GDP growth of 9.2% during the same period³⁵.

India's consumption has demonstrated robust growth, expanding at a 10.1% CAGR from FY19 to FY24, outperforming major global economies including China (5.9%)³⁶, the US (6.2%)³⁷, and the UK (2.0%)³⁸. The consumption expenditure has reached US\$ 2.1 tn in FY24 and is expected to grow to ~ US\$ 3.8 tn by FY30³⁹ representing a 10.5% CAGR. The GDP per capita mark of US\$ 2,000 has been historically seen as an inflection point for economic growth in many large economies, characterized by increased consumer spending. For instance, when China exceeded the US\$2,000 GDP per capita threshold in 2006, it experienced ~20% CAGR growth in its Consumption expenditure over the following five years⁴⁰. India's GDP per capita stands at US\$ 2,777.1 in FY25⁴¹, indicating an opportunity for further consumption growth. This sustained consumption growth is a key driver of significant expansion within India's manufacturing and retail sectors.⁴²



Source: Technopak

Indian Retail Market to Expand at 10.5% CAGR in FY24 - FY30

India's retail market is on a high growth trajectory, expanding from US\$ 444.0 bn in FY14 to over US\$ 1.0 tn in FY24, representing an 8.9% CAGR. This expansion is underpinned by a consumption boom fuelled by rising disposable incomes, rapid urbanization, digitalization and a tech-savvy youth demographic. On the back of these demographic tailwinds, India's retail market size is projected to reach US\$ 1.9 tn by FY30, representing a 10.5% CAGR between FY24-30⁴³. This robust growth has catalysed an unprecedented expansion of retail footprints across the country, with both established and emerging brands aggressively scaling their physical presence to

³³ RBI, World Bank

³⁴ MoSPI, FY25 data is Provisional Estimates (PE), May 2025

³⁵ World Bank

³⁶ Technopak (CY 2018 – CY 2023)

³⁷ Technopak (CY 2018 – CY 2023)

³⁸ Technopak (CY 2018 – CY 2023)

³⁹ Technopak

⁴⁰ World Bank

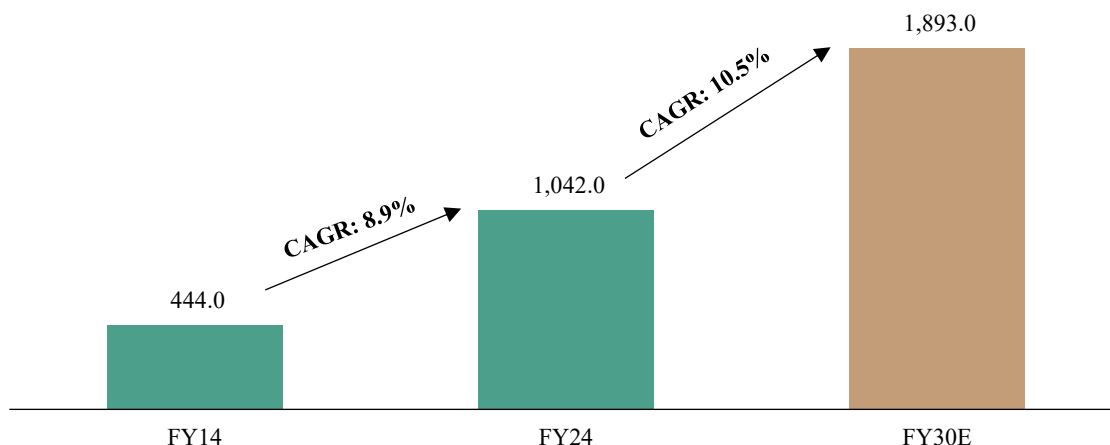
⁴¹ MoSPI, average exchange rates for FY25: 1 US\$ = INR 84.6; Provisional Estimates (PE), May 2025

⁴² Ministry of statistics and programme implementation

⁴³ PWC report

capture market opportunities. During CY24, 8.1 msf of retail area was leased by retailers in shopping malls and prominent high streets across major cities in India⁴⁴.

India Retail Market Size (US\$ bn)



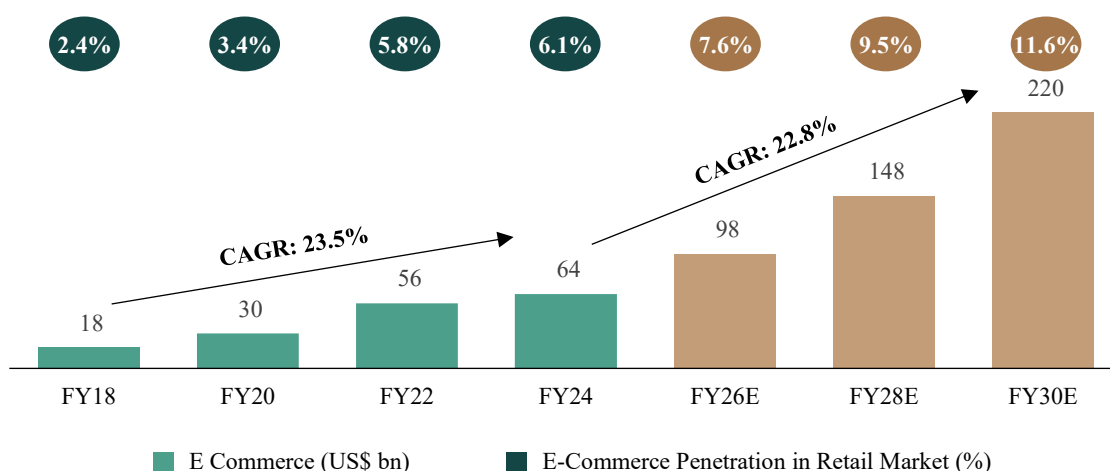
Source: PWC report

Explosive E-Commerce and Quick Commerce Growth in India

E-commerce market in India to grow at a 22.8% CAGR between FY24-30

E-commerce has become an integral part of modern retail, ushering in a new era of consumer convenience and revolutionizing how businesses and consumers interact in the digital age. The e-commerce sector in India has experienced remarkable growth, expanding from US\$ 18 bn in FY18 to US\$ 64 bn in FY24, demonstrating a CAGR of 23.5% and is projected to grow by a 22.8% CAGR to reach US\$ 220 bn in FY30. E-commerce penetration constituted about 6.1% in FY24 and is expected to almost double to 11.6% by FY30. The E-Commerce penetration for India remains significantly below compared to other developing and matured economies like China (37%), US, (16%) and Japan (10%) indicating a substantial growth potential for India's logistics sector.

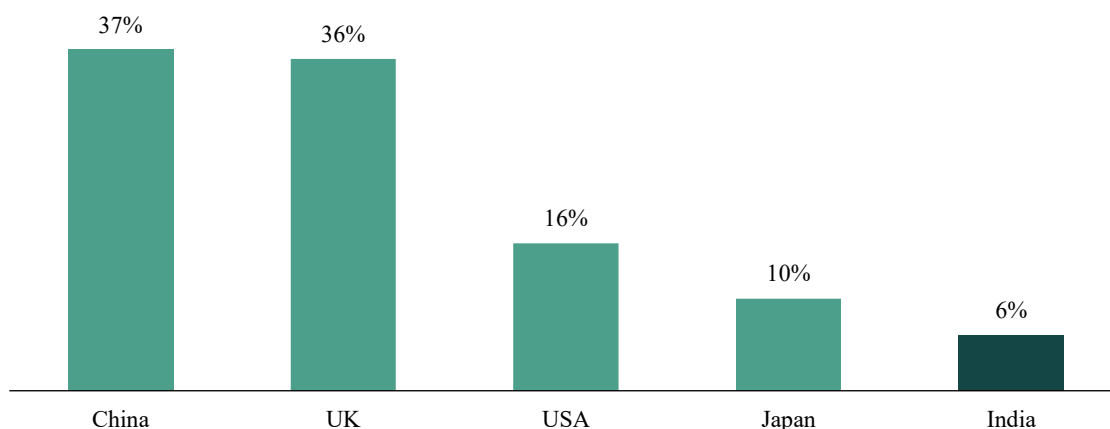
India E Commerce Market Size (US\$ Bn)



⁴⁴ JLL

Source: The retail reinvention paradigm - How brands could up their game, 2025, Retailers Association of India

E Commerce Penetration in Retail Spending in Major Economies (CY24)



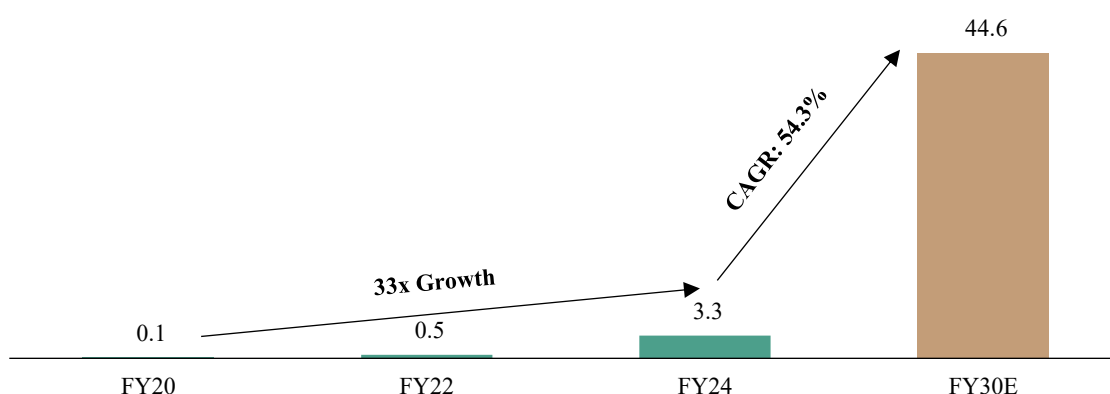
Source: International Trade Administration, US Census Bureau, UK Parliament, Statista. For India, information is as of FY2024

India's Quick Commerce Take-off

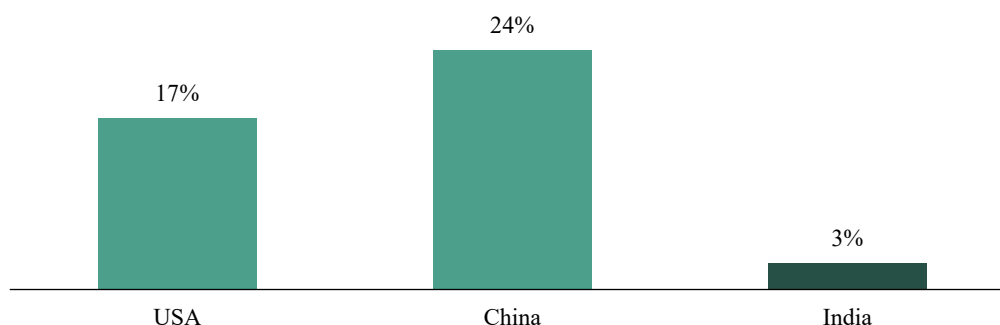
Quick Commerce is a type of e-commerce focused on extremely fast deliveries, often targeting small orders of everyday items such as groceries or essentials. It has rapidly transformed from an innovative concept into a vital component of urban living. As India's urban population grows and disposable incomes rise, the need for convenient, on-demand shopping solutions has reached unprecedented levels. Quick commerce platforms have capitalized on this trend, consistently executing rapid product deliveries in as low as 10 minutes.

Quick commerce has emerged as the fastest-growing digital retail segment, particularly accelerating during the pandemic. The quick commerce sector boasts a GMV of US\$ 3.3 bn in FY24 and has grown 33x since FY20. The quick commerce sector is projected to reach a value of US\$ 44.6 bn, growing at a CAGR of 54.3% from FY24 to FY30. India's quick commerce user penetration stands at only 3%, compared with 24% in China and 17% in the US, underscoring both its early stage and vast growth potential. Availability of manpower at affordable cost and the scale of business lays a strong foundation for quick commerce business in India.

Quick Commerce Gross Market Value (US\$ Bn)



Source: Financial Reports of Zomato, Swiggy, Zepto, JLL Analysis

Quick Commerce User Penetration Rate (CY25)

Source: International Trade Administration, US Census Bureau, Statista

India's Quick commerce sector is dominated by several major global and domestic players, including Amazon Now, Zepto, Blinkit, Swiggy Instamart, BigBasket Now, Flipkart Minutes, Dunzo Daily, M-Now (Myntra), Slikk, and FreshToHome.

Quick commerce players must stock high-velocity products in quantities that can meet immediate demand while maintaining service levels, driving substantial warehouse space requirements at both macro and micro distribution levels.

- **Traditional Warehouses:** The quick commerce sector is demonstrating significant leasing momentum in tier I and II cities for high-quality and compliant warehouses, highlighting sector's requirement for substantial storage and distribution capacity to support their operations. These large-format warehouses serve as primary inventory hubs, enabling bulk storage and replenishment of fast-moving consumer goods that feed the network of smaller fulfillment centers.
- **In-City Fulfillment Centers:** Surge in demand for strategic urban facilities positioned within 2-3 km of target consumer base. These micro-fulfillment centers are essential for the 10-30 minute delivery and serve as the final staging points before goods reach consumers. As businesses increasingly move closer to end-customers, these in-city centers offer unparalleled access, speed, and convenience, unlocking embedded growth potential.

Key Factors Driving Growth of E-Commerce & Quick Commerce in India

India's e-commerce sector, encompassing quick commerce segment, has attracted US\$ 12.3 bn of PE/VC investments in CY21-CY24. Several factors are propelling the sector's growth trajectory.

- **Digital Penetration:** India's demographic shifts are driving increased consumer spending and digital purchasing, with e-commerce platforms now reaching over 950 cities with populations exceeding 50,000. The country's internet user base of 810-840 mn in CY24 is projected to reach 1,018-1,190 mn by CY30, supported by improved digital infrastructure including 5G and government digital inclusion initiatives. Smartphone users have increased from ~404-431 mn in CY19 to 680-690 mn in CY24 and projected to increase to 1,000-1,125 mn in CY30. India's digital transformation is creating unprecedented momentum for e-commerce & quick commerce growth driven by affordable devices and low-cost data, and retail digitalization.
- **Sectoral Growth:** The growth of e-commerce and quick commerce is primarily driven by expansion in fashion & apparel, FMCG, electronics, and home decor sectors, stimulating both increased consumer spending and product diversity.

Sector	CAGR (CY24-CY30)	Projected Market Size in CY30 (\$ bn)
Fashion Retail	12.9%	124.3

Sector	CAGR (CY24-CY30)	Projected Market Size in CY30 (\$ bn)
FMCG	22.0%	778.0
Home Décor	7.8%	27.0

Source: Research & Markets, Rubix Industry Insights, IBEF, Grand View Research, World Economic Forum

- *Payment Ecosystem Evolution:* Government initiatives for financial inclusion and digital transaction infrastructure, combined with private sector innovation, have established digital payment methods such as UPI, virtual cards, and net banking that reduce friction and enable real-time mobile payments. UPI has grown by 42 times between CY18 and CY24 to become India's leading digital payment platform. Digital transactions currently account for more than 40% of Indian household payments and are projected to reach 55 - 60% by FY28, with UPI transactions exceeding INR 18-20 bn per month in FY25⁴⁵.
- *Rising Middle Class and Credit Card Penetration:* India's middle class, now encompassing over 73.1% of households with rising disposable incomes, has created a massive consumer base eager for convenient shopping experiences and quality products previously accessible only in metropolitan areas. This demographic shift coincides with rapidly improving financial infrastructure, where credit card penetration has reached ~6% in CY24⁴⁶, and digital payment solutions further amplifying purchasing power through EMI options and buy-now-pay-later schemes.
- *Youth Demographics:* India boasts a uniquely young demographic, with a median age of 28.4 years in CY24 which is significantly lower than that of China, the UK, and the US—and ~44% of its population under the age of 25. The country hosts the world's largest concentration of Gen Z and Millennials with 762 mn people, representing 53% of the population as of CY24⁴⁷. This younger population show less price sensitivity than previous generations and strongly prefer online shopping as digital natives. By CY34, significant share of the workforce will comprise Millennials, Gen Z and the first Gen Alphas to become adults, representing significant purchasing power and potential for increased consumer spending⁴⁸.
- *Improved Logistics and Delivery Infrastructure:* E-commerce retailers are outsourcing logistics operations to ensure precise, timely order fulfillment and meet consumer demands for both rapid deliveries and streamlined returns. A seamless supply chain with robust logistics infrastructure is essential for e-commerce success. Significantly, 60-65% of new e-commerce customers now originate from Tier-2 and smaller towns⁴⁹, driving substantial demand for logistics and warehousing infrastructure in these previously underserved regions to enable deeper access and hyperlocal distribution models.
- *Advancement in Technology:* Technology optimizes e-commerce operations through data analytics and machine learning, providing insights into demand patterns, stock levels, and order volumes. This enables efficient inventory allocation, reduces stockout risks, and helps businesses understand local preferences to ensure the right products are available, enhancing the speed and convenience of the e-commerce experience.
- *Platform evolution* has become a cornerstone of India's e-commerce growth, with leading platforms now offering over 100 mn Stock Keeping Units (“SKUs”) and sophisticated delivery networks reaching nearly 100% of India's 20,000+ pin codes nationwide. The transformation from basic online stores to comprehensive digital marketplaces includes same-day delivery capabilities, robust quality assurance mechanisms, real-time tracking systems, and hassle-free return policies that often exceed traditional retail standards.

India's e-commerce and quick commerce sectors stand at the cusp of transformative growth, evolving from a predominantly unorganized market to a dynamic ecosystem blending traditional and digital channels.

⁴⁵ NPCI and PIB

⁴⁶ World Bank

⁴⁷ United Nations, World Population Prospects 2024 (Age bracket of 13-44 years)

⁴⁸ World Economic Forum

⁴⁹ SARC Associates

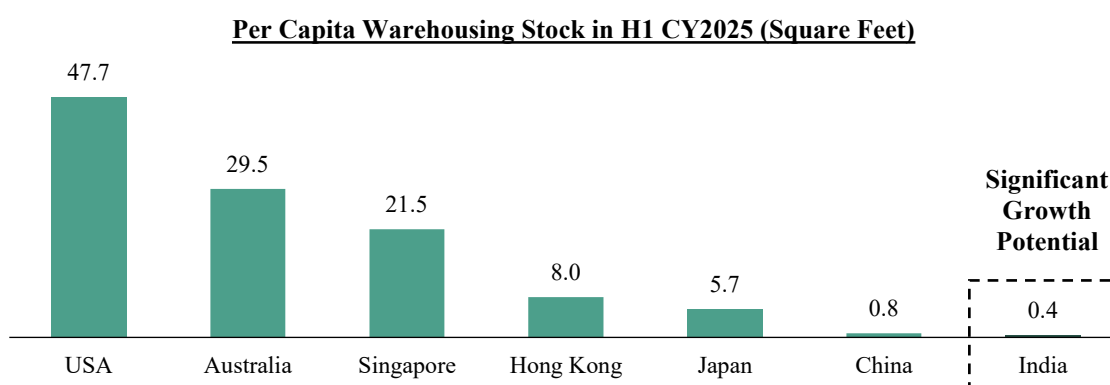
4. India: One of the Largest Global Opportunities for Grade A Warehousing and Industrial Parks

India has emerged as the fastest-growing manufacturing and consumer market in the world, driven by a powerful combination of industrial expansion and rising consumption. Warehousing and logistics in India are direct beneficiaries of these trends, amplifying the demand for fulfillment facilities, industrial warehouses and last-mile delivery infrastructure to support the rapid scale-up of e-commerce & quick commerce sectors and fuel India's manufacturing boom

Warehousing Stock & Rentals: India vs Other Economies

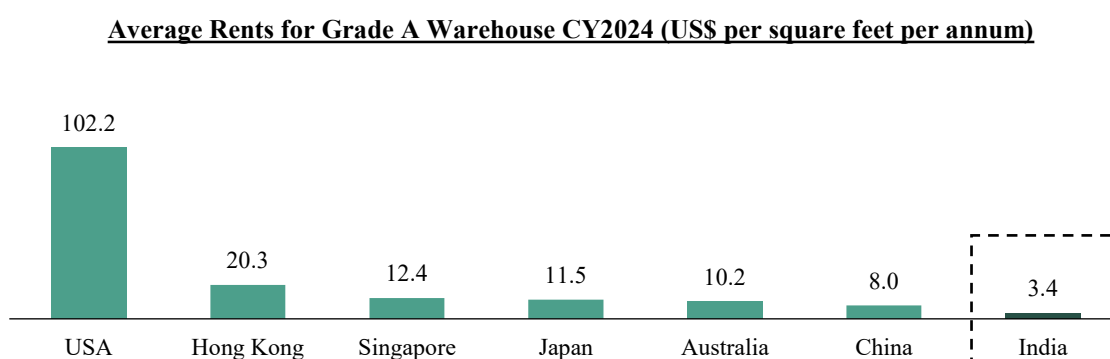
As of June 2025, India's Grade-A & B warehousing and Industrial stock stood at 494.3 msf, which remains almost one-third of Chicago's 1.3 bn sf⁵⁰. India's industrial and logistics sector remains significantly under penetrated relative to global benchmarks across developed and emerging economies, indicating substantial growth potential for the industrial and logistics sector. The under-penetration is even more pronounced for Grade A space in India.

India's per capita warehousing stock at 0.4 sf per person is half of China (0.8 sf per person), and less than 1% of the USA (47.7 sf per person), highlighting a large structural headroom for expansion. Assuming a similar per-capita stock as Japan and Hong Kong, India's warehousing stock has a potential to be 14.3x and 20.0x respectively within the next decade.



Note: USA: includes 57 cities across the country; Japan: includes Tokyo & Osaka cities; China: includes 24 cities across the country; Australia: includes Sydney, Melbourne, Brisbane and Perth; India: includes top 100 cities across the country.

India also remains underpenetrated in terms of rental values. Current average rentals for Grade A warehouses in India are US\$ 3.4 per sf per annum, which is substantially lower than global benchmarks like China, USA and Japan.



Note: These rents are for Prime grade (Grade A) warehouses. For Australia, only for Grade A supply of more than 50,000 sf boxes.

⁵⁰ JLL, Includes Grade A & Grade B stock

Warehousing Overview and Flight to Quality

Indian warehousing and industrial sector is witnessing an evolution from Grade B & C to Grade A spaces as demand is now shifting towards high-quality facilities with better specifications. Grade A warehouses are primarily being developed by institutional investors as well as key regional developers who possess the capital and expertise to implement global standards and premium construction technologies. Institutional investors and developers are now developing integrated industrial and logistics spaces, creating comprehensive supply chain solutions for modern businesses which require flexible storage requirements and operational needs that prioritize optimization and premium specifications. Grade B and C warehouses have been developed through local developers, high-net individuals (HNIs), and regional players who focus on cost effective solutions catering to cost-conscious occupiers requiring less stringent storage conditions. ~80% of the total warehousing stock in India is concentrated in the top 8 tier 1 cities⁵¹ of the country.

Institutionally backed projects are increasingly incorporating specifications that exceed traditional Grade A standards, effectively creating a Grade A+ category. These premium facilities feature advanced building management systems, superior energy efficiency measures, and integrated technology platforms that support sophisticated logistics operations. The institutional backing ensures adherence to international construction and operational standards while providing the financial resources necessary for cutting-edge infrastructure development.

The table below highlights common characteristics for Grades A, B and C warehouses in India:

Specifications	Grade A	Grade B	Grade C
			
Structure	PEB, pre-cast concrete walls up to 3.64 m, and metal panels up to the roof with insulation capabilities	Local manufactured PEB/ RCC Structure	Basic RCC/ Steel Structure
Clear Height	11 – 12 m	6 – 9 m	Less than 6 m
Skylight	3% - 5% of roof area with polycarbonate transparent sheet	1% - 2% of roof area	Minimal or no skylight provision
Floor Load	5 - 10 tons/ sqm	1 - 3 tons/ sqm	Less than 1 ton/ sqm
Fire Safety	Global NFPA/FM/NBC standard firefighting and suppression systems	NA (Fire Extinguishers & hose reels present)	NA (No dedicated fire safety equipment)
Office Space	Dedicated Office Floor	Temporary setup	No dedicated office space
Roof	Standing Seam premium roof system with bare galvalume/High SRI (Sun Reflexive Index)	Galvanized Iron sheets	Basic galvanized iron or asbestos sheets
Lighting System	LED lights provided (150 – 300 Lux)	Normal (Sodium vapour) Lighting (<100 Lux)	Basic Lighting (<50 Lux)
Plinth	1.2 – 1.3 m from ground	300 – 600 mm	At ground or below ground level
Ventilation	Passive Ventilation Systems: 4-6 air changes, with roof monitor and wall louvers	Louver Ventilation Systems: 3-4 air changes	Natural ventilation only
Docking System	1.3 m above Ground level, docking platforms with 4 – 5 m Canopy, Automated Dock levelers, motorized rolling/ panel shutter doors, etc.	RCC / Steel docking platforms have Manual shutters with a very minimal area of setbacks on the docking side	Ground level loading with basic ramps
Flooring	FM II Compliance Laser Creed Floors with curing compound/	VDF/ Concrete Flooring	Basic concrete Flooring

⁵¹ Top 8 tier 1 cities of India include Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, NCR Delhi and Pune

Specifications	Grade A	Grade B	Grade C
	hardener/ Slip resistant flooring / Densification		
Loading/ Unloading	Mechanized loading, dock levelers, conveyors	Loading platform, forklifts, dock levelers	Manual loading/ unloading
Average Floor Plate	>200,000 sf	<100,000 sf	<50,000 sf
Truck Apron	16.5 m concrete truck apron with 12 m wide roads allowing multi-docking operations with 40 ft trailers	No dedicated or structured truck apron area	Limited or no truck maneuvering space
Infrastructure	Natural (Sky) Lighting, Insulation Capability, Water harvesting, ESFR sprinkler system, automated gate rollers, forklifts, high dock door ratios, dedicated truck parking, etc.	Water harvesting facility, manual gate rollers, etc.	Basic utilities with minimal or no amenities

Disclaimer: The above-mentioned specifications are the standard market specifications in India for the Grades mentioned above. However, they may vary occupier to occupier based on their specific requirements. The on-ground specifications might deviate from the above-mentioned standard market specifications.

Features of Grade – A and Grade A+ Industrial and Logistics Parks



Location & Positioning: Positioned near major consumption and production centres, transportation hubs (ports, airports, multi-modal logistics hubs, commercial centres) with excellent connectivity to key routes, optimizing cost efficiency and reducing time-to-market.



Integrated Services: Offering warehousing, distribution, cold storage, container terminals, customs facilities, and specialized solutions including e-commerce fulfillment and temperature-controlled storage.



Advanced Specifications and Ancillary Services: The features include spacious warehouses, multi-storey designs, high load-bearing capacities, multiple loading docks, innovative rooftop parking, and cross-docking capabilities. These facilities are also equipped with fire protection systems including state-of-the-art K160 and K115 sprinklers, on-site conveniences (cafes, ATMs), ample parking, shuttle services, and specialized facilities such as End-of-Trip (“EOT”) facilities.



Technological Integration: Incorporates smart warehouse management systems, computerized traffic monitoring, auto-registration systems, and advanced inventory control technologies.



Flexibility & Customization: Highly customizable facilities accommodating diverse industries with flexible configurations from compact office spaces to expansive warehouse areas.



Sustainability: Implements sustainable features including solar power generation, EV infrastructure, energy-efficient lighting, water conservation measures and waste management.

Indian Warehousing and Industrial Grade A & Grade B Stock to cross 1.0 bn sf by CY29 with increasing share of Grade A

India's warehousing and industrial sector demonstrates robust expansion, with combined Grade A and B stock reaching 467.8 msf as of CY24, having expanded at a 15.5% CAGR between CY19-CY24. The market trajectory indicates continued acceleration, with projections showing a 17.3% CAGR from CY24 to CY29, potentially crossing 1.0 bn sf by CY29.

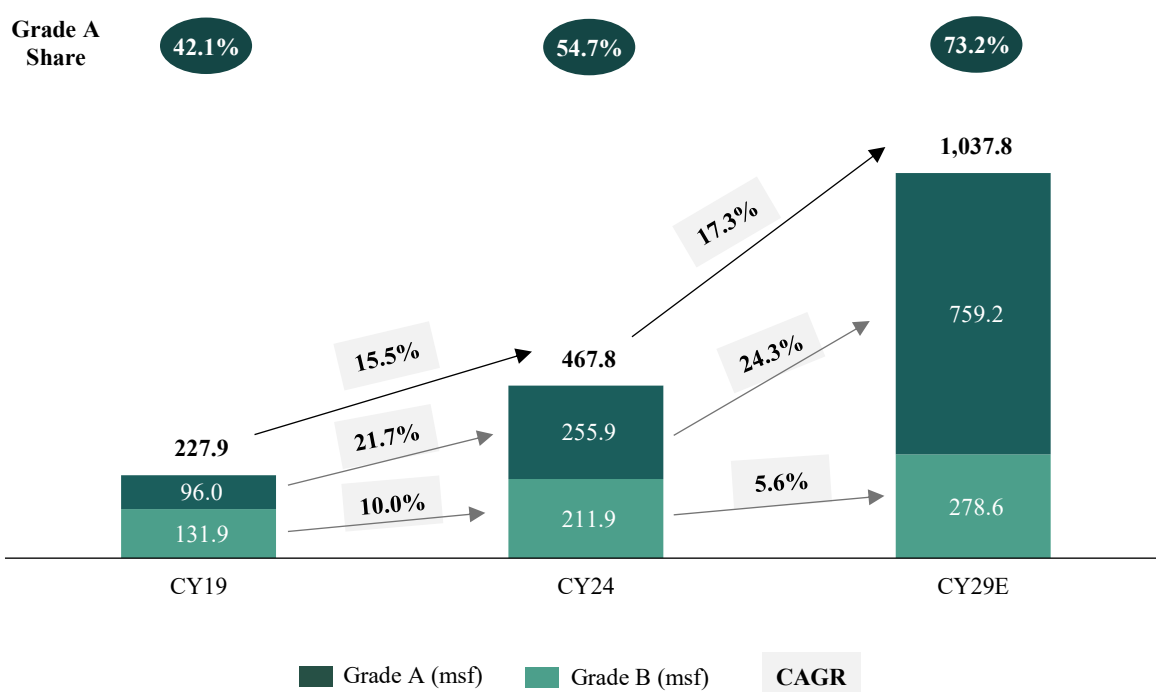
Driven by the need for high-quality and modern warehousing solutions, companies have brought in the need for best-in-class supply chain solutions in India. With shifting occupier preference for Grade A spaces, the stock of

Grade A has increased from 96.0 msf (42.1%) in CY19 to 255.9 msf in CY24, contributing 54.7% of the total stock.

It is further expected to increase substantially to 73.2% of total stock by CY29. Grade A stock is projected to expand at a 24.3% CAGR from CY24 to CY29, significantly outpacing Grade B facilities, which are expected to grow at a CAGR of 5.6% during the same period.

This flight-to-quality signals a clear market preference for high-quality and compliant warehouses. The sector is witnessing unprecedented consolidation as companies migrate from fragmented, sub-standard facilities to large-scale Grade A warehousing parks. This consolidation creates expansion opportunities within large premium parks, enabling occupiers to scale through adjacent facilities or in-situ growth. Premium Grade A facilities deliver reduced costs through optimized layouts and higher capacity utilization. Moreover, large warehousing parks provide shared infrastructure, centralized management, and integrated connectivity, supporting phased expansion strategies without operational disruption.

Segment wise Split of Historical and Projected Warehouse Stock in India (msf)

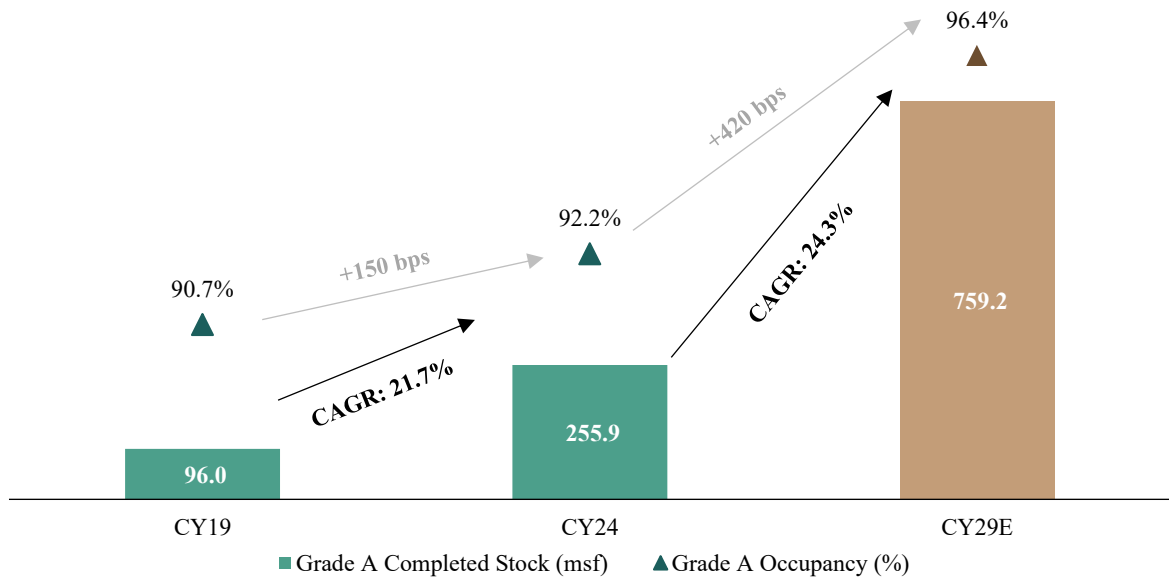


Source: JLL Research

Strong Demand for Grade A Warehousing and Industrial Facilities in India

Grade A occupancy has increased consistently from 90.7% in CY19 to 92.2% in CY24 and is expected to further expand by +420 bps to 96.4%, demonstrating sustained demand for premium warehouse facilities.

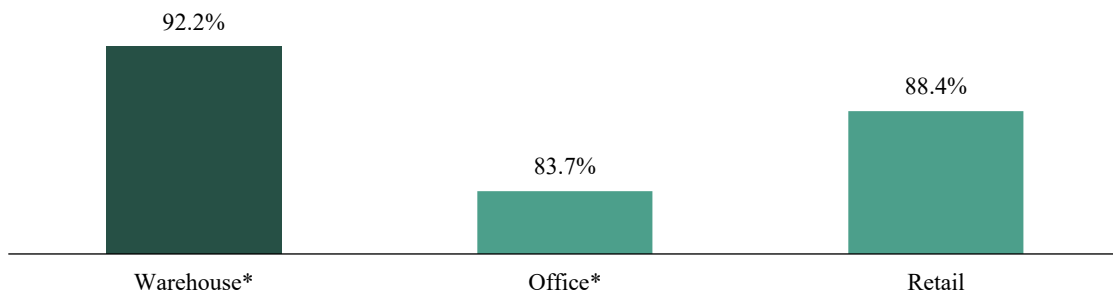
India: Historical and Projected Grade A Completed Warehouse Stock (msf) and Occupancy (%)



Source: JLL Research; Note: Data for top 8 cities in India

While Grade A warehousing entered India's commercial real estate market later than office and retail segments, it has outperformed both with higher occupancy levels, reflecting strong sector fundamentals and rapid evolution.

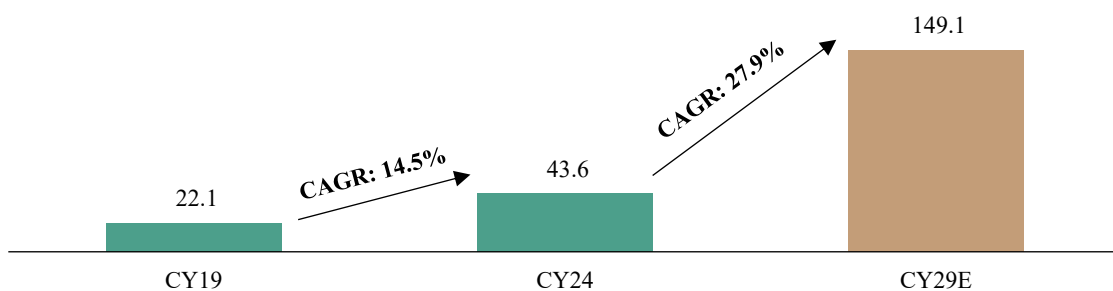
Occupancy Rates (%) across various annuity sectors in India (CY 24)



Source: JLL Research; *Grade A

Annual absorption of Grade A facilities reached a record 43.6 msf in CY24, compared to 22.1 msf in CY19, representing a robust 14.5% CAGR over the five-year period with a forecast to grow at a 27.9% CAGR through CY29.

Historical and Projected Grade A Annual Absorption (msf) in India



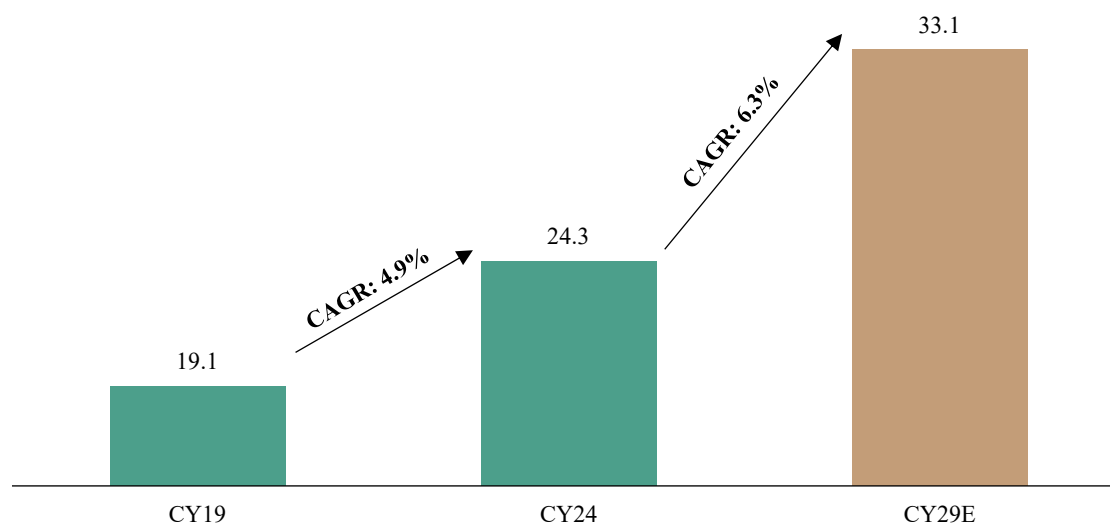
Source: JLL research; Note: Data for top 8 cities in India

Increasing Rents fuelled by Higher Demand & Increasing Occupancy

Grade A rents have demonstrated consistent appreciation, growing at 4.9% CAGR from CY19 to CY24, and is expected to grow at a CAGR of 6.3% between CY24-29. This rental appreciation reflects the fundamental shift in market dynamics driven by increasing occupancy rates and sustained occupier demand for quality facilities.

The convergence of limited Grade A availability, occupier migration toward premium facilities, and expanding requirements from technology-dependent sectors positions the market for continued rental appreciation.

Historical and Projected Grade A Rentals (INR per square feet per month)

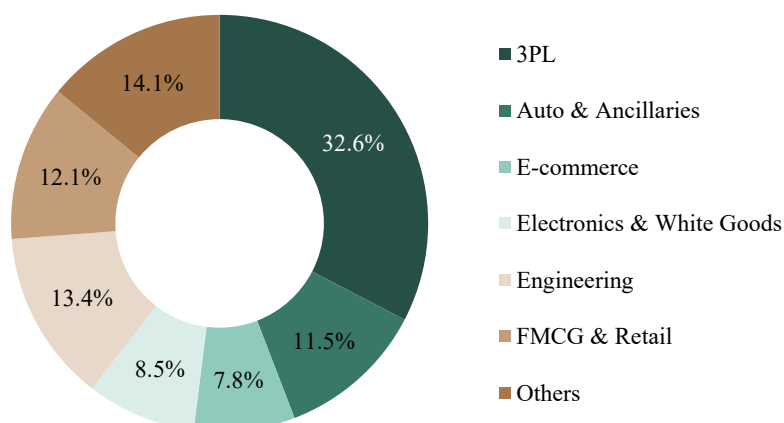


Source: JLL Research; Note: Data for top 8 cities in India

3PL and Manufacturing Lead Demand Expansion as E-Commerce Resurges

Acceleration in rental growth coupled with increasing occupancy in Grade A warehouses is supported by demand from multiple sectors. Specialized manufacturing operations, 3PL, e-commerce, and retail companies are increasingly seeking to expand their facilities that can accommodate their evolving supply chain needs

Sectorwise split of Annual Grade A Absorption (CY24) (%)



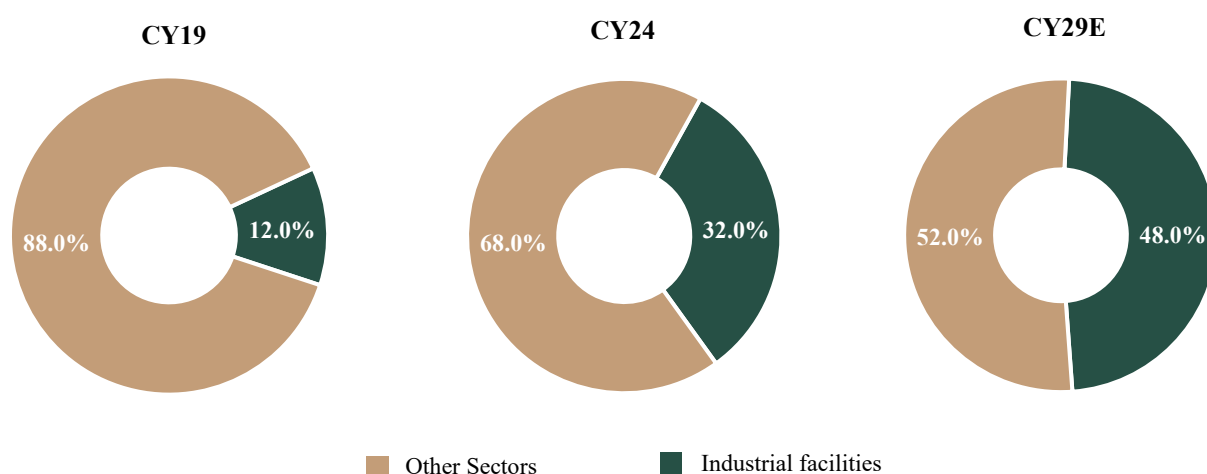
Source: JLL Research

1. **Manufacturing:** Manufacturing and logistics industries are inextricably linked, with producers relying on robust and efficient supply chains to receive raw materials and ship finished products to customers. With an emphasis on domestic manufacturing from both the government and companies seeking to diversify global supply chains, manufacturing gross value added is expected to double from US\$ 497.9 bn in FY25 to over US\$ 1 trillion by FY30. Sectors such as auto & ancillaries, engineering, electronics & white goods, among others have leased ready built as well as built to suit space over the years.

Industrial manufacturing has seen significant growth post-pandemic, benefiting from Indian government policies, increased consumption, and the China+1 strategy. Industries such as auto and ancillary, electronics, white goods, FMCG, and engineering have substantially increased their space requirements between CY21-24.

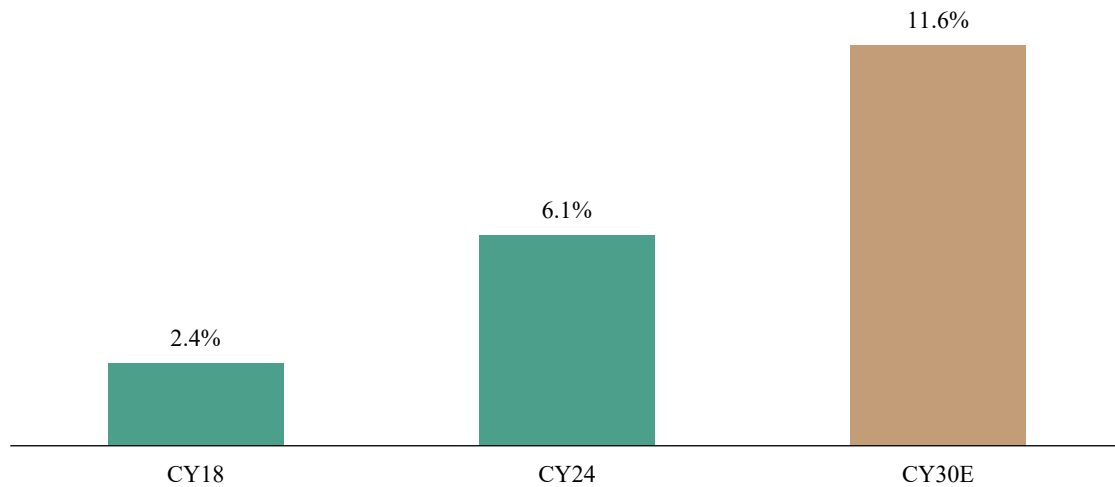
The share of leasing by industrial companies to total leasing has increased from 12% in CY19 to 32.0% in CY24. It is further anticipated to reach 48.0% by CY29.

Year – on – Year Share of Annual Absorption of Industrial facilities in Overall Warehousing (%)



Source: JLL Research

2. **3PL:** 3PL has been the fastest growing segment, contributing more than 30% of absorption since CY19, highest among all the sectors. 3PL providers are gaining prominence as businesses outsource logistics operations for efficiency. India's 3PL market is projected to rapidly grow with providers offering industry-specific solutions in automotive, pharmaceuticals, and e-commerce sectors.
3. **E-commerce:** The e-commerce sector in India has experienced remarkable growth, expanding from US\$ 18 bn in FY18 to US\$ 64 bn in FY24, demonstrating a CAGR of 23.5% during this period and is projected to grow by a 22.8% CAGR to reach US\$ 220 bn in FY30. After remaining largely inactive in leasing for two years (CY23-CY24) following their COVID-19 expansion (CY20-CY22), have started increasing their warehousing footprint in CY25. The demand from e-commerce companies is expected to rise in the short to medium term due to their plans for expansion to newer markets, growth of quick commerce platforms, and the saturation of their pre-occupied spaces.

E-commerce Penetration in Retail (%)

Source: Retailers Association of India

Rising Focus on Sustainability Practices in Warehousing Sector

The warehousing and industrial sector's growing sustainability focus stems from occupier compliance requirements, need for integrated and human-centric spaces and institutional investor priorities, positioning developments as sustainable long-term investments. Key practices include:

- **Solar Energy Integration:** Rooftop solar systems, supported by government policies, reduce grid dependency, allow energy feedback, lower costs, and align with sustainability goals.
- **Energy Efficient Design and Management:** Strategic warehouse orientation maximizes natural light and ventilation, reducing artificial lighting needs, controlling temperatures, minimizing cooling requirements, and lowering energy costs. Energy management systems optimize operations in high-consumption warehouses and manufacturing units, reducing both operational costs and carbon footprint.
- **Water Conservation:** Rainwater harvesting systems replenish groundwater and store excess for on-site use, reducing municipal water dependence. On-site wastewater treatment produces recycled water for non-potable uses.
- **Green Landscaping:** Planting native species, improving campus aesthetics while enhancing air quality and reducing noise pollution.
- **Workforce Welfare and Community Engagement:** Implementing CSR initiatives through education, jobs, and welfare programs, creating socio-economic impact and strengthening local relationships.
- **Green Building Certification:** Green building certifications that validate sustainability commitment, enhance developer reputation, and command premium rents.

5. In-City Logistics: Emerging Segment in India's Logistics & Warehousing Market

In-city logistics serves as the “last-mile” link in the supply chain infrastructure where goods are transported from a local warehouse to the end customer. These facilities are located in city-center locations, in close proximity to dense residential catchments and are well-connected to key social infrastructure and range from micro fulfillment centres to automated warehouses, optimizing delivery, reducing costs, and increasing profits for e-commerce, quick commerce, grocery, retail, and omnichannel businesses. In dense clusters where delivery speed and accessibility drive competitiveness, in-city logistics has become a critical link in India's supply chain network. In-city logistics is categorized into different types based on function, city centre proximity, and scale: (i) Sort Centre (ii) Dark Store (iii) Micro-Fulfillment Centre (iv) Hybrid Retail Stores (v) Cloud Kitchen (vi) SME businesses or industrial units (vii) Service Centres (viii) Experience Centres (ix) R&D Centres (x) Path Labs (xi) Exclusive Fruits & Vegetables (F&V) Collection Centres (xii) Online Pharma (xiii) Direct-to-customer businesses (xiv) Airline catering (xv) Online laundry services (xvi) Large Format retail stores

Development of new in-city centers face high barriers to entry due to competing land use and elevated real estate costs. Freehold land in city limits would typically be best suited for the development of residential/commercial offices given better FSI utilization compared to logistics use. Consequently, there is limited availability of in-city logistics stock. Currently, most operators lease multiple small, scattered units across city fringes due to lack of integrated in-city logistics parks, signalling latent demand for consolidated in-city formats.

In-City Logistics Infrastructure: Scaling Solutions for Last-Mile Efficiency

In-city logistics centres are small, high-turnover facilities serving as the final supply chain stage. Last-mile delivery faces challenges including traffic, regulations, and point-to-point delivery costs, prompting companies to establish multiple in-city warehouses for operational efficiency.

Facility specifications are tailored to operational requirements, with e-commerce delivery centres optimized for minimal spatial footprint, and quick commerce dark stores prioritize efficient layouts and automated systems to minimize order fulfillment times. Traditional warehouses typically range from 50k-200k sf, whereas in-city facilities are significantly smaller at 1k-10k sf, with some urban locations reaching up to 50k sf when larger capacity is required.

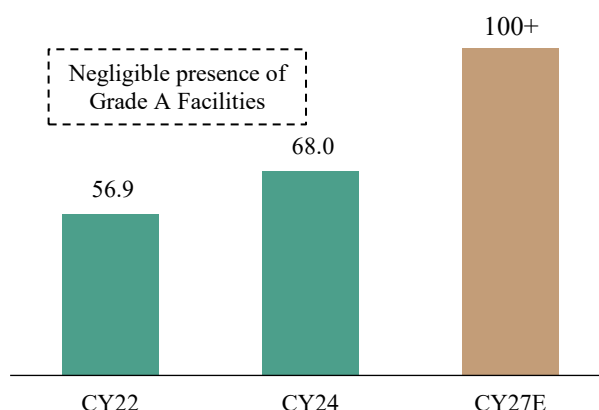
Traditional retail has rapidly evolved from brick-and-mortar stores to e-commerce multi-day deliveries, and now to quick commerce platforms delivering within 10-30 minutes. The supply chain has transformed from customer-facing stores to a three-segment logistics model (first, middle and last mile) featuring strategically located warehouses serving urban markets efficiently. As delivery speed expectations rise, demand for plug-and-play units with superior circulation, parking, and loading infrastructure will intensify, a gap not served by current stock.

Dark stores have emerged as dedicated fulfillment centres requiring larger spaces than traditional e-commerce facilities to maintain fresh inventory. Quick commerce platforms have expanded this network with highly localized facilities serving smaller geographic areas to enable 10-30 minutes deliveries. Quick commerce in market size in India reached US\$ 3.3 billion in FY24, almost 33x from FY20⁵².

In-City Warehousing Stock to reach 100+ msf by CY27 with Robust Demand Growth

India's in-city warehousing stock reached 68.0 msf in CY24, up from 56.9 msf in CY22, and is expected to grow to 100+ msf by CY27.

⁵² Annual reports of Zomato, Swiggy, JLL Analysis

In City Warehouse Stock – Grade A, B & C (msf)

Source: JLL Research

The majority of the existing in-city warehousing stock has a negligible presence of Grade A facilities with current stock being non-compliant with retrofitted spaces lacking essential infrastructure including proper dock facilities, ventilation systems, and adequate parking. Current operations predominantly utilize improvised spaces such as basements and repurposed abandoned buildings.

The demand for in-city warehousing facilities is projected to experience robust growth across cities in India. In Tier 1 cities with mature market penetration, the in-city warehousing absorption is anticipated to grow at a CAGR of 30-35% till CY30. Meanwhile, emerging Tier 1 markets and Tier 2 cities are expected to witness the absorption to expand at a CAGR of 35-40% over the same period.

In-city warehousing demand is soaring due to growth in e-commerce and quick commerce backed by an increase in penetration of internet and smartphone users, changing consumer preferences towards online modes of shopping and ease of digital transactions in the economy. Occupiers now require micro-fulfillment facilities near consumer base within 5-10 km of delivery radius, resulting in structural change in logistics.

The segment is attracting significant interest from institutional developers, to develop purpose-built facilities allowing occupiers access to compliant, grade-A warehousing solutions.

Multiple use-cases for In-City Warehousing

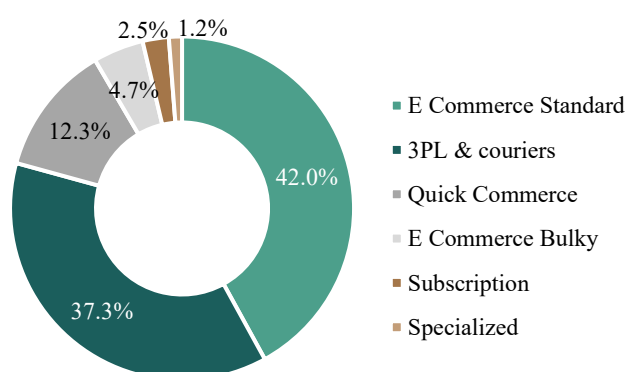
Key sectors that require in-city warehouses, primarily operating on B2C or D2C business models, fall into the following categories:

- **E-Commerce:** This category encompasses platforms providing online services including Amazon, Flipkart, Myntra and Nykaa require extensive warehousing infrastructure for efficient operations and timely order fulfillment.
- **Specialized/ Cold Storage:** This refers to facilities for perishable goods like meat, fish, pharmaceuticals, and FMCG products (e.g., ice cream, chocolates). Examples include Licious, Meatigo, 1mg, and Pharmeasy. They also include exclusive fruits & vegetables (“F&V”) collection centers including Safal, Prime Fresh Limited, Sahyadri Farms, etc.
- **Cloud Kitchen:** Commercial kitchen space offering facilities and services for food businesses and Quick Service Restaurants (“QSRs”) as centralized kitchens to prepare menu items, delivery and takeout.
- **Quick Commerce:** This sector focuses on the rapid fulfillment of daily essentials, pharmaceuticals and fast-moving grocery categories (e.g., BlinkIt, Swiggy Instamart, Zepto)
- **Subscription:** These platforms provide micro-delivery services for groceries and daily essentials, such as milk, bread, vegetables (Country Delight, Milk Basket, etc).

- **3PLs:** The strong growth in e-commerce and Direct-to-Consumer (“D2C”) businesses has led to the emergence of several new 3PL providers, including well-funded ventures like Delhivery, Shadowfax, and Ecom Express.
- **Courier services:** Time-sensitive parcel and document delivery operations that require in-city warehousing facilities to support rapid distribution networks.
- **Others:**
 - *Omni Channel Retailers* such as Bata, Van Heusen, Lenskart, etc. Retailers require local storage centers from where they can service stores or directly to customers.
 - *Service Centers* for electronics/ automotive spare parts catering to all service centres such as LG, Samsung, Maruti Suzuki Genuine parts (“MSGP”), Genuine Parts of Hyundai Motors, etc.
 - *Airline Catering Services* such as Taj Sats, Oberoi Flight Catering, Eats-on-board, etc. for storing in-flight supplies. These user groups prefer locations near airports.
 - *Online Laundry Services* platforms such as Laundrymate, FabricSpa, Tumble and Dry, etc.
 - *B2B Platforms* for restaurants such as Zomato Hyperpure
 - *Workshops for Textiles* (apparel and ready-made garments; furnishings), stationery, etc., such as Manyavar, Skipper Furnishings, d’Décor, Maspar, Welspun, Trident, Raymond House, Portico, Linc, etc.
 - *Interior Design Services* paint, and furniture tenants such as Homelane, Livspace, Asian Paints, Berger Paints, Homecenter, Homestop, etc.
 - *Car Resale Services* 4-Wheeler manufacturing companies including Maruti Suzuki, Hyundai as well as Companies like Cars 24, etc.
 - *IT Peripherals and Service Centers* Electronics manufacturing companies such as HP, Dell, internet service providers, etc.
 - *Experience Centers* of electronics, paint, furniture, bath fittings, tiles companies such as Havells, Philips smart lights, Asian Paints, Kohler, Cera Studios, etc.
 - *R&D centers & labs* for companies such as Henkel, Praj Industries, Godrej & Boyce, etc.
 - *Pathology Labs* such as Dr. Lal’s Path Labs, Metropolis Path Labs, SRL Path Labs/ Aglius Diagnostics, etc.

E-commerce currently commands the largest market share within the in-city warehousing segment, followed by 3PL providers and courier services. Emerging sectors, including quick commerce and subscription-based services, are progressively establishing market presence as consumer demand intensifies for accelerated delivery timelines of 10-30 minutes. These rapidly growing sectors are projected to require substantially increased in-city warehousing capacity in the coming years to support their operational expansion.

Sector wise split of Occupied in city stock in CY 24 (%)

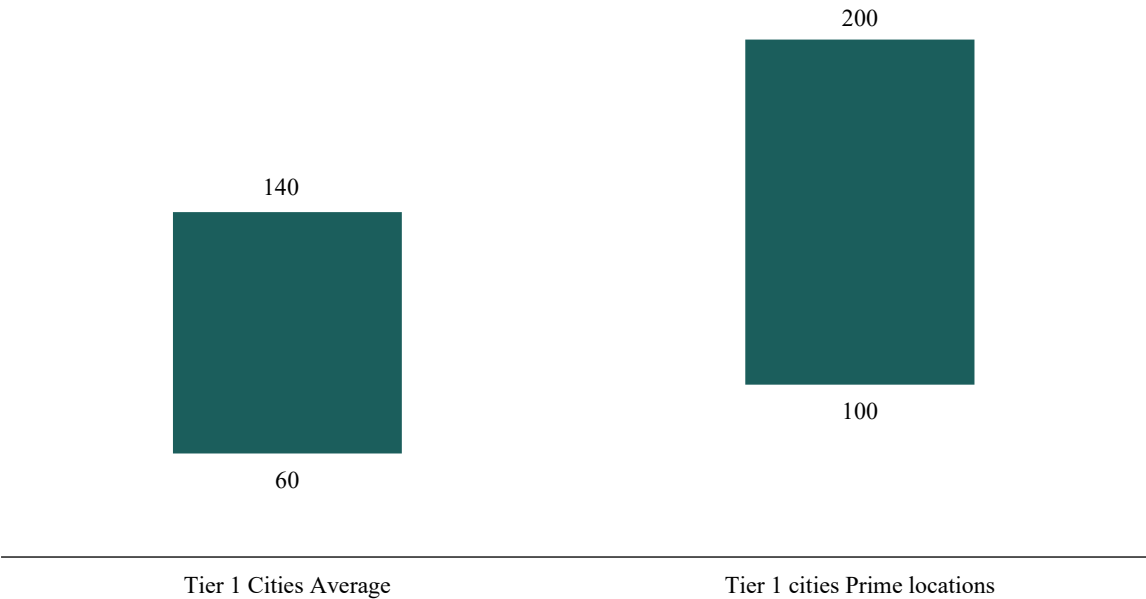


Source: JLL Research

In-City Warehouses Commanding Higher Rents

In-city warehouses command significantly higher rents driven by proximity to dense residential catchments in prime in-fill locations with severe land scarcity. While these facilities do not require street visibility, they are positioned within high-value real estate markets. Consequently, rents exceed traditional warehousing benchmarks and align more closely with retail mall and commercial real estate metrics. Strong demand for in-city warehousing facilities with limited supply has driven rental growth in recent years, with rates projected to increase by up to 10% annually in the near term. However, the rents and rent growth vary largely based on the location and quality of the facility.

Range of In-city Warehouse Rentals (INR per square feet per month)



Note: Prime locations refer to the Central Business District (CBD) areas and major commercial hubs in the city
Source: JLL Research

These converging market forces are driving unprecedented demand for specialized in-city logistics infrastructure. The cumulative impact of these trends is projected to result in significant expansion of in-city warehousing capacity, with the total in-city warehousing stock expected to reach 100+ msf by CY27, reflecting the sector's critical role in supporting India's evolving logistics ecosystem.

6. Evolving Market of India Infrastructure Services and Solutions

Integrated logistics and industrial parks represent a major infrastructure advancement that solves challenges faced in conventional setups. These facilities enhance efficiency, reduce costs, and support sustainable growth by addressing cost-effectiveness, time management, coordination, customization, operational efficiency, sustainability, and scalability. The integrated approach creates a dynamic ecosystem that streamlines tenant operations while enabling service providers to innovate, resulting in a mutually beneficial environment that drives industry progress and meet India's growing demand for specialized storage and logistics.

Specialised Solutions and Services enabling Future-Ready Warehouse Operations



Cold Storage: The demand for temperature-controlled facilities is surging due to e-commerce, pharmaceuticals, and agricultural supply chains, offering storage solutions across various temperature ranges. The Indian cold chain market is expected to grow from US\$ 25.9 bn in CY24 to US\$ 68.7 bn in CY33, recording a CAGR of 11.4%.⁵³



Fully Fitted Solutions: Fully fitted logistics and industrial real estate solutions provide pre-configured, plug-and-play spaces that have gained popularity among SMEs and companies needing rapid operational readiness in the evolving market. Key components of fully fitted solutions include pre-installed racking systems, essential utilities, security systems, material handling systems and office fitouts.



Turnkey Solutions as Built-to-Suit Parks: Customized solutions such as lab spaces, clean rooms, and heavy-duty floors cater to specific industry needs. The demand for specialized fitouts is particularly strong in the pharmaceutical, electronics, and advanced manufacturing sectors.



Energy Solutions: Energy-efficient solutions are now essential in modern logistics parks, featuring solar panels, smart energy management, rainwater harvesting, and carbon footprint reduction. Green warehousing combines cost savings with sustainability requirements and investor demands through rooftop solar installations, enhanced lighting and HVAC technology, and electric material handling equipment.



Inventory Management Systems: Advanced Warehouse Management Systems (“WMS”) and automation tools have revolutionized inventory management, enabling real-time tracking, predictive analytics, and optimized stock control. Its key benefits include inventory tracking in real time, management of receiving and put away processes, maximization of storage space, management of order fulfillment, interfacing with other important business systems, stock keeping and management of stock deliveries for manufacturing.



Pallets: Modular, reusable pallets are gaining popularity for their efficiency in handling and contribution to waste reduction. The global pallet market is expected to reach US\$ 124.0 bn by CY32 from US\$ 73.5 bn in CY19, with plastic pallets showing the fastest growth due to their durability and hygiene benefits.⁵⁴



Material Handling Equipment: The use of advanced material handling equipment, including forklifts, stackers, and Automated Guided Vehicles, is crucial for efficient warehouse operations. The material handling equipment market in India is projected to reach US\$ 4.2 bn by CY27, with cranes, lifting equipment and automated guided vehicles showing the highest growth rates.⁵⁵



Staff Accommodation: Integrated residential facilities within logistics parks provide dormitory-style housing, recreational amenities, and transportation services, enhancing workforce retention and operational efficiency.

⁵³ Source: IMARC Report on Indian Cold Chain Market Size, Share, Trends and Forecast by Segment, Product, Sector, Organized and Unorganized, and Region, 2025-2033

⁵⁴ Persistence Market Research

⁵⁵ Indexbtb Report on “Manufacturing of Material Handling Equipment (Heavy Engineering Sector)”

Benefits of integrated infrastructure and services for tenants and service providers

Parameter	Benefits for Tenants	Benefits for Service Providers
Cost Efficiency	<ul style="list-style-type: none"> Reduce upfront capital expenditure through shared infrastructure Saving operational expenses via consolidated utilities & maintenance 	<ul style="list-style-type: none"> Higher profit margins through centralized operations Reduce per-client service costs by pooling resources across multiple tenants
Time Savings	<ul style="list-style-type: none"> Move-in within 6-9 months versus 24-30 months for traditional facilities Begin operations immediately with pre-built infrastructure Faster market entry, reduced set-up periods, and streamlined regulatory processes 	<ul style="list-style-type: none"> Standardized onboarding procedures Reduce administration overhead by managing multiple clients under unified systems
Customizable Solutions	<ul style="list-style-type: none"> Configure spaces from 10,000 sf to 500,000+ sf based on actual needs Possibility of modification in layouts 	<ul style="list-style-type: none"> Generate additional revenue through integrated solutions such as turnkey solutions, energy solutions, on-site staff accommodation, etc. Retain clients for a longer period through flexible warehouse options
Enhanced Operational Efficiency	<ul style="list-style-type: none"> Access to advanced technologies, workflow optimization, data-driven decision-making, & reduced inefficiencies 	<ul style="list-style-type: none"> Offer premium technology solutions without individual client investment Increase service delivery speed through automated processes
Sustainability Benefits	<ul style="list-style-type: none"> Reduce carbon footprint by 30-40% through shared renewable energy & efficient building systems Enable meeting sustainability targets faster 	<ul style="list-style-type: none"> Access government incentives worth 10-15% of the investment Attract premium clients willing to pay 5-10% more for certified green facilities
Scalability	<ul style="list-style-type: none"> Flexibility to either expand or contract spaces Avoid long-term investment commitments 	<ul style="list-style-type: none"> Accommodate client growth without new facility investments Increase revenue per facility through optimized space utilization

Source: JLL Research

Primary Tenant Challenges and the Imperative Need for Integrated Infrastructure Services & Solutions

- Multi-Vendor Coordination Challenges:** Managing multiple vendors in modern warehouse operations creates significant complexity across various specialized services including utility infrastructure, electrical systems, security systems, HVAC systems, fire safety, equipment maintenance, compliance certification, and specialized storage solutions. This fragmentation results in communication inefficiencies, potential errors from multiple contact points, inconsistent service quality due to varying performance standards, and increased operational costs stemming from the lack of an integrated service approach, ultimately causing delays and inefficiencies in warehouse operations.
- Small and Fragmented Service Provider Base:** India's warehousing sector is dominated by small, unorganized operators with standalone facilities that frequently fail to meet compliance standards. Their limited resources prevent investment in modern technologies and infrastructure, leading to operational inefficiencies, inconsistent service, and poor scalability. Approximately 55.8% of the warehousing stock (Grade A and B) in India is classified as Grade A as of H1 CY25, only a minority is backed by institutional investors/developers, with most controlled by fragmented players. This fragmentation causes inefficient operations, unstandardized practices, and poor stakeholder coordination. As occupiers consolidate networks, the shift from fragmented to organized Grade A+ assets will accelerate. Institutional capital will likely drive consolidation of small operators through platform-based models offering standardized service and compliance frameworks.

- *Upfront Investment in Capex:* Logistics and industrial spaces in India require substantial upfront investment across multiple areas. Construction costs include specialized warehouses and storage facilities customized for logistics operations. Material handling equipment adds another major expense, often tailored to specific tenant needs. Allied infrastructure costs cover power distribution, IT networks, water systems, waste management, security, and fire safety. Additional investments include specialized facilities like temperature-controlled storage, loading bays, automated sorting systems, and inventory management technologies. This high initial CAPEX strains resources, extends ROI timelines, and limits flexibility to adapt to changing needs without incurring significant additional costs.
- *Compliance and Regulatory Challenges:* Logistics Park development in India involves navigating a complex regulatory landscape with numerous approvals from multiple authorities. The number of approvals and clearances required, coupled with the diversity of departments to be approached, requires careful planning and coordination while potentially delaying projects and reducing operational efficiency.
- *Limited Flexibility:* Limited flexibility restricts tenants' ability to scale or modify operations as business needs change. Expansion requires costly construction projects that disrupt operations, while downsizing leaves tenants paying for unused space. Beyond spatial concerns, adapting to evolving technologies often demands significant investments or structural changes. These financial burdens particularly impact smaller businesses with tight margins. In fast-moving industries, inflexibility becomes a competitive disadvantage, potentially resulting in lost market share to more agile competitors.

Integrated logistics and industrial parks thereby reduce tenant burdens by mitigating fragmentation risks, enhancing compliance management, accelerating timelines, and providing flexibility for market changes. Their continued development is essential for improving the efficiency, competitiveness, and resilience of India's maturing logistics sector.

7. Competitive Landscape

Rising Traction from Institutional Investors in the Market

Institutional investment in India's warehousing and industrial sector demonstrates remarkable scale and growth across geographies, reflecting growing investor confidence in the Industrial and Logistics landscape. Institutional backed Grade A stock has witnessed rapid growth with a total development pipeline of 241.3 msf of potential leasable area.

Overview of Horizon Industrial Parks

Horizon Industrial Parks is India's largest industrial and logistics infrastructure developer, owner and operator in terms of Total Network, as of December 2025, with 45 assets across 10 cities and a Total Network of 58.01 msf.⁵⁶ These assets are strategically located across prime markets in India. It has reached its scale in record time of just over 5 years since the acquisition of the first asset in its Total Network by Blackstone in CY20, making it one of the fastest growing industrial and logistics companies in the country. It only offers "Grade A+" quality industrial facilities, fulfillment centers and in-city centers. It has acquired assets across India's top logistics and manufacturing hubs and is geographically well-diversified across India's top 10 markets, spanning key consumption and industrial hubs of India such as Delhi - NCR, Mumbai, Bangalore, Chennai, Pune, Hyderabad, Ahmedabad, Goa, Nagpur & Nashik. These markets due to their strong fundamentals and favorable long-term dynamics, including a large and vibrant urban population with high purchasing power, well-developed infrastructure with multi-modal connectivity, ongoing infrastructure development, government incentives and thriving industrial ecosystems. For example, Horizon's presence in Delhi-NCR provides access to a vast consumer base and serves as a central hub for distribution across northern India including markets of Rajasthan, Punjab, Haryana and Uttar Pradesh. Horizon's markets represent ~8% of India's total population, contributing ~27% of India's GDP and their average per capita income is higher than the national average by three times, as of March 2025. As of December 2025, Horizon has an Operational network of 26.7 msf and has consistently maintained a Committed Occupancy of more than 90% since FY21.

Horizon Industrial Parks leads the market with a first-mover advantage, delivering top-tier, Grade A+ specification facilities built for smooth and efficient operations. Horizon's offerings are designed to reduce customers' time to market, enabling production within approximately six to nine months, which is significantly faster than the typical 24 to 30 months required when managing all aspects independently.⁵⁷

By partnering with Horizon Industrial Parks, customers can reduce their upfront capital expenditure and accelerate their time-to-market, by easing financial burdens during initial setup. Horizon Industrial Parks provides customer-specific enhancements such as electric overhead traveling cranes ("EoT"), cold storage, compressed air systems and high-capacity electrical infrastructure. By embedding these features during the construction phase, they minimize retrofitting costs and accelerate time-to-market for the customers. This capability is a key differentiator in a market where speed, customization and reliability are critical to operational success.

Horizon Industrial Parks has emerged as the unrivaled market leader in in-city logistics infrastructure. It commands the largest in-city portfolio comprising 17 strategically located in-city centres located across major metropolitan areas with 6.31 msf⁵⁸, which is the largest amongst other peers. The Grade A and compliant in-city warehousing stock has limited presence among institutional players. Horizon Industrial Parks has the first mover advantage, delivering top-tier, Grade A+ specification facilities built for smooth and efficient operations. These in-city centres provide ready access to a market of more than 20 mn end-consumers located within a 10-30 minutes driving distance. The use cases of these facilities can range from last-mile delivery stations, dark stores, D2C, cold storage, cloud kitchens, service centers, experience centers, research laboratories and light-industrial operations.

⁵⁶ Horizon Industrial Parks

⁵⁷ JLL Analysis

⁵⁸ Horizon Industrial Parks

It is currently developing two urban distribution centres in the NCR Delhi region with combined development potential of 0.8 msf⁵⁹, specifically designed to address increasing demand for efficient last-mile delivery solutions within India's major metropolitan markets. Through a strategic alliance with the Central Warehousing Corporation ("CWC"), Horizon Industrial Parks is expanding its in-city warehousing presence across high-consumption hubs in India, including Delhi, Mumbai, Chennai, Bangalore, Pune, Nagpur and Goa. The strategic location of these facilities in proximity to residential and commercial districts enables the development of large-scale in-city logistics projects customized to evolving occupier requirements. This positions Horizon to capitalize on growing demand for centrally located distribution hubs across India's primary metropolitan areas.

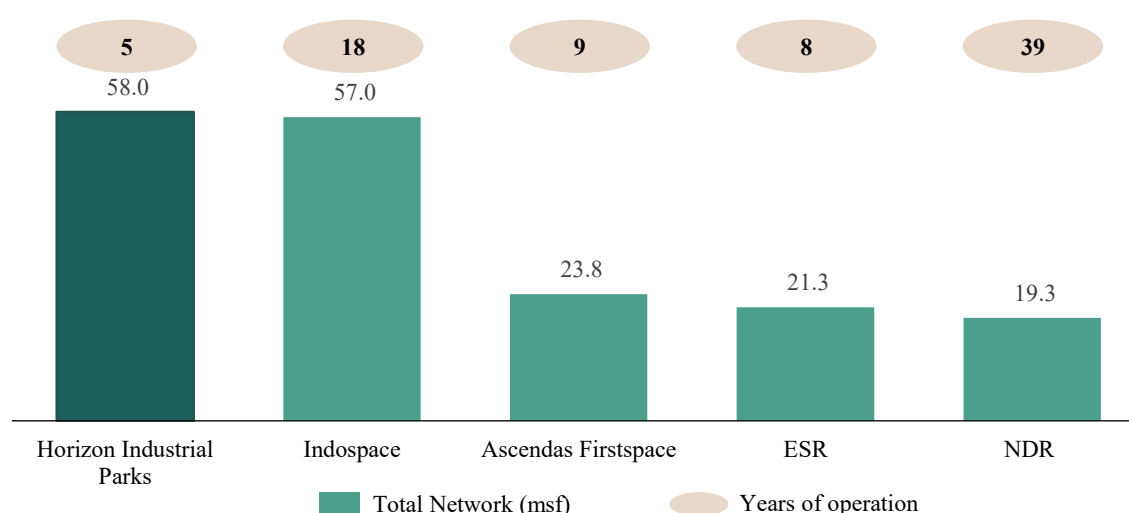
Horizon Industrial Parks also offers integrated and specialised solutions as a part of their offerings, including a comprehensive end-to-end business ecosystem that consolidates services, streamlines processes, and provides advanced facilities. These include turnkey solutions, energy solutions, on-site staff accommodations, cold storage, skill development centers and hospitality solutions. It is constructing an on-campus, mid-scale hotel with 115 keys within their Dobbaspur Industrial Park in Bangalore, which is one of its kind in India.

Horizon Industrial Parks is promoted by Blackstone who bring more than 20 years of experience in India, combining knowledge of investing in Real Estate and Private Equity businesses in the country with global best practices in development and asset management.

There are no companies which have their equity shares listed in India and in other major select economies⁶⁰ which operate purely as an industrial and logistics park developer and are comparable with Horizon Industrial Parks business model and in terms of scale and size. While Horizon Industrial Parks competes with larger domestic players, who traditionally have a development manager-operating model utilizing a fragmented and layered asset management system with siloed asset holding and management structures, Horizon Industrial Parks has emerged as the market leader in providing industrial and logistics solutions as the only scaled pure-play industrial and logistics platform offering comprehensive solutions to customers, combining real estate, infrastructure and operational services under one roof.

Horizon Industrial Parks competes with other international and domestic institutional developers, and, in some markets, large regional developers based on factors such as warehouse location, size, availability, type and design/layout, and the variety of technology offerings and integrated solutions. It also competes for locations and sites for future logistics and warehousing facilities.

Potential Total Network across top 5 Warehouse Players in India (msf)



Source: Horizon Industrial Parks, respective websites of Institutional Developers/ Investors (as of Dec '25) and JLL Analysis. For Horizon industrial Parks, years of operation means since the acquisition of the first asset in the Total Network by the Promoter in 2020

⁵⁹ Horizon Industrial Parks

⁶⁰ USA, Australia, Singapore, Hong Kong, Japan, China, Mexico

Disclaimer: The data presented herein has been compiled from publicly available information sourced from institutional developers' and investors' official websites, Horizon Industrial Parks, and JLL analysis as of December 2025. This analysis does not incorporate updates or information published subsequent to this data. All area measurements represent leasable space.

Potential Threats and Challenges associated with the Industrial & Logistics Sector

Market Dynamics & Supply-Demand Imbalances: Market conditions affect sector performance through demand volatility and supply-demand imbalances. Over-supply conditions in specific sub-markets can increase vacancy rates and stabilize rents, while economic downturns or shifts in global supply chain may moderate overall demand for warehousing and industrial facilities.

Inflation Impact: Rising prices affect both operational costs and tenant decision-making. Higher costs for land, construction materials, labour, and utilities impact development and operational expenses, influencing both new project feasibility and existing asset profitability.

Trade Policy & Tariff Risk: International trade policies and tariffs directly influence demand for warehousing and industrial facilities. Trade disputes, new tariffs, or global supply chain changes can impact export-import volumes and distribution patterns, creating demand volatility across different markets. Companies may relocate their distribution operations in response to changing trade conditions, creating both opportunities and challenges across different regional markets.

Location & Infrastructure: The location and connectivity of warehousing and industrial facilities impact their market competitiveness and rents. Properties with optimal access to highways, railways, ports, and airports, typically command higher tenant demand and rents. Infrastructure quality remains a key differentiator in maintaining market competitiveness and long-term asset value.

Leasing & Tenant Considerations: Tenant quality and lease structures impact income stability and operational management. Seasonal demand fluctuations, particularly pronounced in consumer-driven sectors such as e-commerce, FMCG, and retail, can create periodic demand stagnation. Diversifying tenant bases and maintaining strong tenant relationships helps ensure consistent revenue streams.

Environmental & Sustainability Factors: Environmental considerations are increasingly important in both operational efficiency and tenant attraction. Energy-efficient facilities typically incur lower operational costs while appealing to sustainability-focused tenants. Climate resilience planning and sustainability compliance create opportunities to differentiate facilities and meet evolving tenant requirements.

Regulatory & Legal Requirements: Zoning regulations and compliance requirements form influence development timelines and operational planning. Restrictive zoning or approvals delays can extend project timelines and increase financing costs.

Land: The supply of land in key urban regions, including but not limited to Delhi-NCR, Mumbai, Chennai, Bangalore, Pune is limited and subject to competition. Additionally, land that is available is often classified as agricultural land, requiring conversion of land use before development, which may involve regulatory hurdles, time and cost.

Annexure I: Prevailing land prices of select warehousing/ industrial micro-markets across India

S. No	City	Micro-Market	Land Price (INR Mn/ acre)
1	Ahmedabad	Bhayala	22 – 32
2	Ahmedabad	Sanand - Khoda	23 - 28
3	Bangalore	Malur	35 – 50
4	Bangalore	Dobbaspet	40 – 55
5	Bangalore	Devanahalli	45 - 50
6	Bangalore	Yeshwantpur	300 – 350
7	Bangalore	Narasapura	43 – 55
8	Bangalore	Neelamangala – T. Begur	40 - 45
9	Chennai	Chengalpattu	38 – 52
10	Chennai	Redhills	30 – 45
11	Chennai	Oragadam – Vallam	45 – 57
12	Chennai	Panapakkam - Periyapalayam	25 - 30
13	Chennai	Mappedu	35 – 47
14	Chennai	Anjur – Thirutheri	50 – 60
15	Chennai	Chromepet	350 – 450
16	Chennai	Thaiyu - Agaram	20 - 25
17	Chennai	Virugambakkam	400 – 500
18	Goa	Verna	35 – 45
19	Hosur	Shoolagiri	25 – 35
20	Hyderabad	Kothur	30 – 50
21	Hyderabad	Shamshabad	35 - 55
22	Hyderabad	Patencheru – Velmala	50 – 60
23	MMR	Dohole – Vasind	40 – 52
24	MMR	Vashi, Navi Mumbai	700 – 800
25	MMR	Taloja – Usatane	40 - 45
26	MMR	Ghodbunder Rd, Thane West	400 – 500
27	MMR	Khopoli – Pen	20 - 25
28	Nagpur	Wadgaon – Gumgaon	22 – 35
29	Nagpur	Wardhaman Nagar – Shantinagar	250 – 350
30	Nagpur	Wadgaon	25 – 35
31	Nagpur	Butibori	15 – 20
32	Nashik	Chincholi	15 – 30
33	NCR Delhi	Farukhnagar	55 – 75
34	NCR Delhi	Bilaspur	65 – 80
35	NCR Delhi	Koka - Kulana	30 – 43
36	NCR Delhi	Khera Kalan – Alipur	150 – 160
37	NCR Delhi	Luhari	35 – 50
38	NCR Delhi	Faridabad	25 - 35
39	NCR Delhi	RP Bagh	250 – 300
40	NCR Delhi	Kirti Nagar	500 – 600
41	NCR Delhi	Okhla	700 – 800
42	NCR Delhi	Narela	120 – 130
43	NCR Delhi	Sonipat – Dhatuhri	40 - 45
44	NCR Delhi	Sector 10A, Gurgaon	500 – 600
45	NCR Delhi	Sahibabad	200 – 250

46	Pune	Chakan	65 – 80
47	Pune	Talegaon	60 – 68
48	Pune	Ranjangaon Karegaon	35 - 40
49	Pune	Pimpri-Chinchwad	300 – 400
50	Pune	Lonikand – Phulgaon	30 - 35

Disclaimer: The land price is based on select quoted market instances. Actual prices may vary on land size and location. These land prices are considered for levelled and developed land, designated for warehousing or similar land use. The data contained herein is for information purposes only and should not be used for valuation purposes or any other purpose that can lead to valuation of properties in these locations. This data is provided as general market information and does not constitute professional advice, an opinion of value, or an appraisal. Any reliance on this information for financial, investment, or business decisions is at the user's own risk. Users seeking property valuations or investment guidance should consult qualified professionals who can provide a formal appraisal or valuation based on comprehensive analysis and current market conditions. Jones Lang LaSalle and its affiliates make no representations or warranties regarding the accuracy or completeness of this information.

Note 1: Wherever, India warehousing data is represented, with top 8 cities, these include Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, NCR Delhi and Pune

Note 2: All the analyses of warehousing are based on Grade A and Grade B stock (total stock), and the qualitative statements about Grade C stock are provided only for comparison purposes.

Legal Disclaimer:

The leasable area calculations provided herein are estimates derived from the Built-up Area (BUA) with applied loading factors of approximately 7.5% for Grade A spaces and 5% for Grade B spaces. These estimates are provided for making data comparable and are for informational purposes only. Actual leasable areas may deviate from these estimates due to variations in loading factors/efficiency, which are contingent upon specific location, industrial park configuration, warehouse specification, other relevant property characteristics, etc. Such variations may result in discrepancies between estimated and actual measurements. Jones Lang LaSalle ("JLL") and its representatives assume no liability for any inaccuracies in these estimates. Independent verification of measurements is recommended before making decisions. No warranties, express or implied, are provided regarding the accuracy, completeness, or suitability of this information.

The data presented with regards to institutional players herein has been compiled from publicly available information sourced from institutional developers' and investors' official websites, Horizon Industrial Parks, and JLL analysis as of December, 2025. This analysis does not incorporate updates or information published subsequent to this data. All area measurements represent leasable space.

All data sourced from secondary sources and cited in this report are obtained from publicly accessible sources available in the public domain. The information presented has been compiled from publicly available materials including published reports, government databases, industry publications, and other open-access resources. While every effort has been made to ensure accuracy, users should verify critical information independently and consult primary sources where necessary for decision-making purposes. JLL does not own this data and makes no claims regarding its verification, accuracy, or completeness. No legal bindings or warranties apply with regards to the usage of this data. While every effort has been made to ensure accuracy, users should verify critical information independently and consult primary sources where necessary for decision-making purposes. Users assume full responsibility for any reliance placed on this information.

This data is presented for analytical purposes only. It should not be construed as investment advice. Readers are advised to refer to the complete prospectus before making any investment decisions. Readers should also check for more recent disclosures from the respective companies. JLL assumes no responsibility for decisions made based on this information or for the accuracy and completeness of the sourced data.

This Report is prepared in accordance to the scope listed in the Service Agreement between Jones Lang LaSalle Property Consultants (India) Private Limited (JLL) and Horizon Industrial Parks Limited. This Industrial Parks and Warehouse Report is prepared for the sole use of Horizon Industrial Parks Limited and no responsibility and/or liability is accepted to any other party for the whole or any part of its contents. No responsibility is accepted by JLL for any reliance that may be had upon such information and advice by the Client for any other purpose and/or by any third party. Horizon Industrial Parks Limited may choose to share the report and/or may include data / information extract from the report in documents prepared in connection with this Placement Memorandum to be filed with Securities and Exchange Board of India and the stock exchanges or any other document to be issued or filed in relation to the Placement Memorandum in the form and context in which they are included, including in any presentation issued by Horizon Industrial Parks Limited., for a period of one year after the issuance of the Report. It is expressly clarified that JLL shall not be named or construed as an 'expert' in accordance with the applicable provisions of the Companies Act, 2013, in relation to the statements contained in the Reports and proposed to be included in the draft red herring prospectus, red herring prospectus and prospectus, and any other documents to be issued in relation to the Placement Memorandum.

Given the confidential nature of real estate transactions, transaction details for most properties, which are privately transacted in actuality, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been cross-checked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. The data and/or information provided and/or utilized in the report for the purposes of analysis have been done on best effort and knowledge basis. The information in this document are in house data and through secondary research which reflects prevailing conditions and JLL's view as of this date, all of which are, accordingly, subject to change. In preparing this document, JLL has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources.

Markets being dynamic, should any information or projection changes in the future or do not prevail, JLL shall not accept any liability for any inaccuracies contained in information obtained.

Copyright in all material of whatever nature prepared by JLL and provided to the Client or otherwise generated in the course of carrying out the Services shall remain the property of JLL. No part of any report, document or publication may be reproduced or transmitted or disclosed in any form or by any means or stored in any database or retrieval system of any nature, without prior written permission of JLL.

No representation, warranty or covenant, express or implied, is made by us, our directors, employees, affiliates, representatives as to the accuracy or completeness of the information contained herein, and nothing in this report is, or shall be relied upon as, a promise, representation or covenant by us.

JLL, its directors, employees, affiliates, representatives shall not be liable (except to the extent that liability under statute or by operation of law cannot be excluded) to any person for any loss, liability, damage or expense arising from or connected in any way with any use of or reliance on such information.

This Report does not make and expressly disclaims all representations and warranties, express, implied, statutory or otherwise, whatsoever, including, but not limited to: (i) warranties of merchantability, fitness for a particular purpose, suitability, usage, title or non-infringement; (ii) that the contents of this report are free from error; and (iii) that such contents will not infringe third-party rights and its affiliates shall have no liability for damages of any kind arising out of the use, reference to, or reliance on this report or any of the content contained herein, even if advised of the possibility of such damages. Jones Lang LaSalle makes no representations or warranties (whether express or implied), and disclaims all liability arising from any information stated in the Report.

JLL is providing this report for information purposes only. JLL would like to highlight that this report does not take into account the individual circumstances, financial situation, investment objectives or requirements of a potential investor or any other person. It is intended to be used as a guide only and does not constitute advice, including without limitation, investment, legal, tax and financial or any other type of expert advice. Any recipient of this report, must, however, make its independent assessment of the various investment options with regard to the relevance and the adequacy of the information contained herein, and should make the investigations it deems necessary.

Abbreviations

ASEAN	Association of Southeast Asian Nations
B2B/C	Business to Business/ Consumer
CAGR	Compound Annual Growth Rate
CEZ	Coastal Economic Zone
CFS	Container Freight Station
CSR	Corporate Social Responsibility
CWC	Central Warehousing Corporation
D2C/R	Direct to Consumer/ Retail
DFC	Dedicated Freight Corridor
DLI	Design-Linked Incentive
DMIC	Delhi-Mumbai Industrial Corridor
EoDB	Ease of Doing Business
FCE	Final Consumption Expenditure
FDI	Foreign Direct Investment
FMCG/D	Fast-Moving Consumer Goods/Durables
FTA	Free Trade Agreement
FTZ	Free Trade Zone
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
ICD	Inland Container Depot
IEA	International Energy Agency
IIP	Index of Industrial Production
IoT	Internet of Things
JNPT	Jawaharlal Nehru Port Trust
LEEP	Logistics Efficiency Enhancement Programme
LPI	Logistics Performance Index
MITI-V	Malaysia, Indonesia, Thailand, India, Vietnam
MOHUA	Ministry of Housing and Urban Affairs
MSF	Million Square Feet
MMT	Million Metric Tonnes
NCR	National Capital Region
NICDC	National Industrial Corridor Development Corporation Limited
PE-VC	Private Equity - Venture Capital
PFCE	Private Final Consumption Expenditure
PFT	Private Freight Terminal
PIB	Press Information Bureau
PLI	Production Linked Incentive
PMI	Purchasing Managers' Index
R&D	Research and Development
RBI	Reserve Bank of India
SEZ	Special Economic Zone
SF	Square Feet
SME	Small and Medium Enterprise
UPI	Unified Payments Interface

WDFC	Western Dedicated Freight Corridor
WMS	Warehouse Management System
Y-o-Y	Year-on-Year

Glossary

Cloud Kitchen	Commercial kitchen space that provides food businesses with the facilities and services needed to prepare menu items for delivery and takeout without a dining area.
Dark Store	Retail facilities that exclusively cater to online shopping with no customer access, functioning as local fulfillment centers for e-commerce operations.
Grade A Warehouse	Premium warehousing facilities featuring advanced construction, spacious column spacing, high clear heights, superior floor load capacity, and sophisticated infrastructure including compliant fire safety systems and automation capabilities.
Grade B Warehouse	Standard warehousing facilities with more limited specifications including lower clear heights, reduced column spacing, and basic infrastructure compared to Grade A facilities.
Hub and Spoke Model	A distribution system where goods are transported from a central hub to multiple smaller facilities (spokes) for final delivery.
In-City Logistics	Warehousing and logistics solutions located within city limits to facilitate faster deliveries and last-mile operations.
Just-in-Case Inventory Model	An inventory strategy that maintains higher stock levels to safeguard against supply chain disruptions.
Just-in-Time Inventory Model	An inventory strategy that minimizes stock levels by scheduling deliveries to arrive precisely when needed.
Last-Mile Delivery	The final stage in the delivery process where products are transported from a distribution center or fulfillment facility to the end customer, often the most expensive and complex part of the logistics chain.
Micro-Fulfillment Center	Small-scale, often automated facilities strategically located in urban areas to enable fast, cost-effective delivery for online orders.
Multimodal Logistics	Integration of various transportation modes (rail, road, air, and waterways) to optimize efficiency and reduce costs.
Omnichannel Retailing	A retail strategy integrating various shopping channels (physical stores, websites, mobile apps) to provide seamless customer experience.
Quick Commerce	E-commerce focused on extremely fast deliveries (10-30 minutes) for everyday items like groceries or essentials.
Sort Center	Facilities where packages are organized by destination postal codes to streamline delivery operations before final distribution to customers.
Third Party Logistics (3PL)	Outsourced logistics services including transportation, warehousing, and fulfillment operations.
Urban Distribution Centre	Strategically located facilities within city limits serve as consolidation points for goods designed for urban delivery.
Warehouse Management System (WMS)	Software applications that support and optimize warehouse functionality and distribution center management, controlling everything from inventory tracking to order processing and fulfillment.
Operational Network	Area of the projects where Horizon Industrial Parks and/or its subsidiaries have completed construction; and in respect of which either the post construction approvals have been applied or have been obtained from the relevant authorities by Horizon Industrial Parks or its subsidiaries