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PUBLIC SECTOR ENTERPRISES AND INDIA'S NEXT GROWTH CYCLE:

DEFENCE, CLEAN ENERGY AND LOGISTICS

2026

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WEEKLY SALES ACTIVITY

Executive Summary

Central Public Sector Enterprises (CPSEs) have remained integral to the Indian economy since Independence, as the country lacked the industrial base, infrastructure, technological depth, and private capital needed to build heavy industry, public utilities, and strategic sectors such as defence, steel, energy, and transport. Despite liberalisation, private competition, and disinvestment in loss-making ventures, CPSEs remain indispensable in sectors where national capability, long-gestation investment, strategic control, and system-wide coordination matter most. In the modern economy, their role has evolved from being the primary instruments of state-led industrialisation to becoming strategic anchors in a more market-oriented economy.

The number of CPSEs expanded from just five in 1951 to 475 by FY25. However, only around two-thirds have remained operational on average in recent years, highlighting the need to assess them not only by scale, but also by effectiveness and performance.

Yet CPSEs remain economically significant in several ways:

- **Revenue contribution:** In FY25, CPSEs generated gross revenue of roughly INR 37 lakh crore, equivalent to about 11.6% of India's nominal GDP.
- **Fiscal contribution:** They contributed nearly INR 5 lakh crore to the Central exchequer.
- **Employment generation:** CPSEs continue to provide large-scale employment, with a workforce of around 1.5 million people.
- **Industrial linkages:** Their significance extends beyond direct operations, as they support the wider industrial ecosystem through procurement networks, including around INR 98,064 crore sourced from MSMEs in FY25.

The report narrows its analytical focus to three domains where CPSE relevance is especially evident today: manufacturing, infrastructure, and energy. Within these, it examines three strategically significant cognate areas—defence manufacturing, power generation, and transport & logistics—through three common lenses: evolution, current state, and future outlook.

Manufacturing – Defence:

- CPSEs remain central to defence because the sector is not merely commercial, but a sovereign capability domain linked to national security, technological autonomy, wartime preparedness, and industrial deepening. India's defence ecosystem is undergoing a structural transition from import dependence toward stronger domestic production, ecosystem-building, and export capability.
- Current performance reflects this shift.
  - In FY25, defence production reached an all-time high of around INR 1.5 lakh crore.
  - Sectoral revenue stood at about INR 105,363 crore, profit at INR 19,665 crore, and defence exports at roughly INR 23,622 crore.
- Yet the transition remains incomplete. India is still heavily dependent on imports for several critical technologies and platforms, and accounted for an average 9.7% of global arms imports over the last 25 years.

- The outlook is **positive but conditional.** Defence CPSEs are now stronger, more commercially active, and more outward-looking, but their long-term significance will depend on whether they can deepen domestic technology capability, anchor wider industrial ecosystems, acquire technology spillovers, and support export-oriented manufacturing. If the present policy push and trajectory are sustained, they could, over the next 20–25 years, emerge as strategic anchors of a more technologically capable and export-oriented defence industrial base.

Energy – Power Generation:

- CPSEs remain vital to power generation because India's energy transition requires more than capacity addition; it requires institutions capable of balancing reliability, affordability, decarbonisation, and long-term infrastructure planning. In this sense, their importance lies not only in how much electricity they generate, but in their ability to lead and facilitate the transition of the power system as a whole.
- Their strategic relevance persists despite greater private participation. Although public enterprises account for only about 45.0% of installed generation capacity. While private players hold a substantial share, CPSEs continue to matter most in system-building functions such as large-scale investment, long-gestation infrastructure, regional development, and transition management.
- The transition remains prospective yet incomplete. While installed capacity is becoming greener, actual generation is still heavily dependent on thermal sources. In FY26, India generated around 1,846 billion units of electricity, of which non-fossil sources contributed about 539 billion units, or 29.2%.
    - This shows that the real challenge is not only adding renewable capacity, but ensuring dependable and affordable supply as demand keeps rising.
- CPSEs continue to carry strong economic weight. In FY25, they recorded revenue of about INR 235,267 crore and profit of around INR 35,977 crore, reflecting both commercial scale and investment capacity.
- The outlook is highly positive with certain challenges to tackle. CPSEs are well placed to support India's move toward a lower-carbon power system through renewable expansion, storage, and broader system integration. But their long-term significance will depend on how effectively they manage rising electricity demand, strengthen grid reliability, and reduce thermal dependence gradually rather than abruptly. If that transition is handled well, CPSEs can remain strategic anchors of India's energy security and net-zero pathway.

Infrastructure – Transport and Logistic:

- CPSEs remain critical to transport and logistics because efficient movement of goods is essential for trade, manufacturing competitiveness (both domestic and international), supply-chain reliability, and regional integration. Their importance lies not only in operating logistics assets, but in reducing the friction that separates production from markets.
- India's logistics challenge remains structural. In FY24, logistics costs were estimated at roughly INR 24 lakh crore, or around 8.0% of GDP. As nearly 70.0% of freight continues to move by road, India's logistics system remains marked by persistent modal imbalance, weak multimodal integration, and the high economic costs of logistics inefficiencies.
- The cognate comprises 27 CPSEs, which together generated revenue of around INR 199,600 crore, profit of about INR 21,487 crore, and foreign exchange earnings of approximately INR 26,419 crore.

- The outlook is **positive.** CPSEs are likely to remain important not simply as asset owners, but as system-building institutions that strengthen supply-chain efficiency, create efficient markets, trade competitiveness, and regional connectivity. Their future role will increasingly depend on how effectively they improve multimodal integration across the logistic supply chain, while also supporting the digital coordination and long-term infrastructure needed to reduce logistics frictions. Building logistics infrastructure is only the first step; managing and coordinating it effectively is the far more complex task. This is where CPSEs have greater scope to rise, because their role extends beyond asset creation to system-wide integration. If done well, this can lower logistics frictions, make India a more competitive market, and connect its producers more deeply to global value chains.

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Abbreviations

Abbreviation	Full Form
PSU	Public Sector Undertaking
CPSE	Central Public Sector Enterprise
IPR	Industrial Policy Resolution
DPE	Department of Public Enterprises
MSME	Micro, Small and Medium Enterprise
HAL	Hindustan Aeronautics Limited
BEL	Bharat Electronics Limited
MDL	Mazagon Dock Shipbuilders Limited
MRSAM	Medium-Range Surface-to-Air Missile
HAMMER	Highly Agile Modular Munition Extended Range
MoU	Memorandum of Understanding
SIPRI	Stockholm International Peace Research Institute
TIV	Trend Indicator Value
SECI	Solar Energy Corporation of India
NTPC	National Thermal Power Corporation
NHPC	National Hydroelectric Power Corporation
PPA	Power Purchase Agreement
T&L	Travel and Logistics
CWC	Central Warehousing Corporation
AAI	Airports Authority of India
NCAER	National Council of Applied Economic Research
DFCCIL	Dedicated Freight Corridor Corporation of India Limited
DFC	Dedicated Freight Corridors
GDP	Gross Domestic Product

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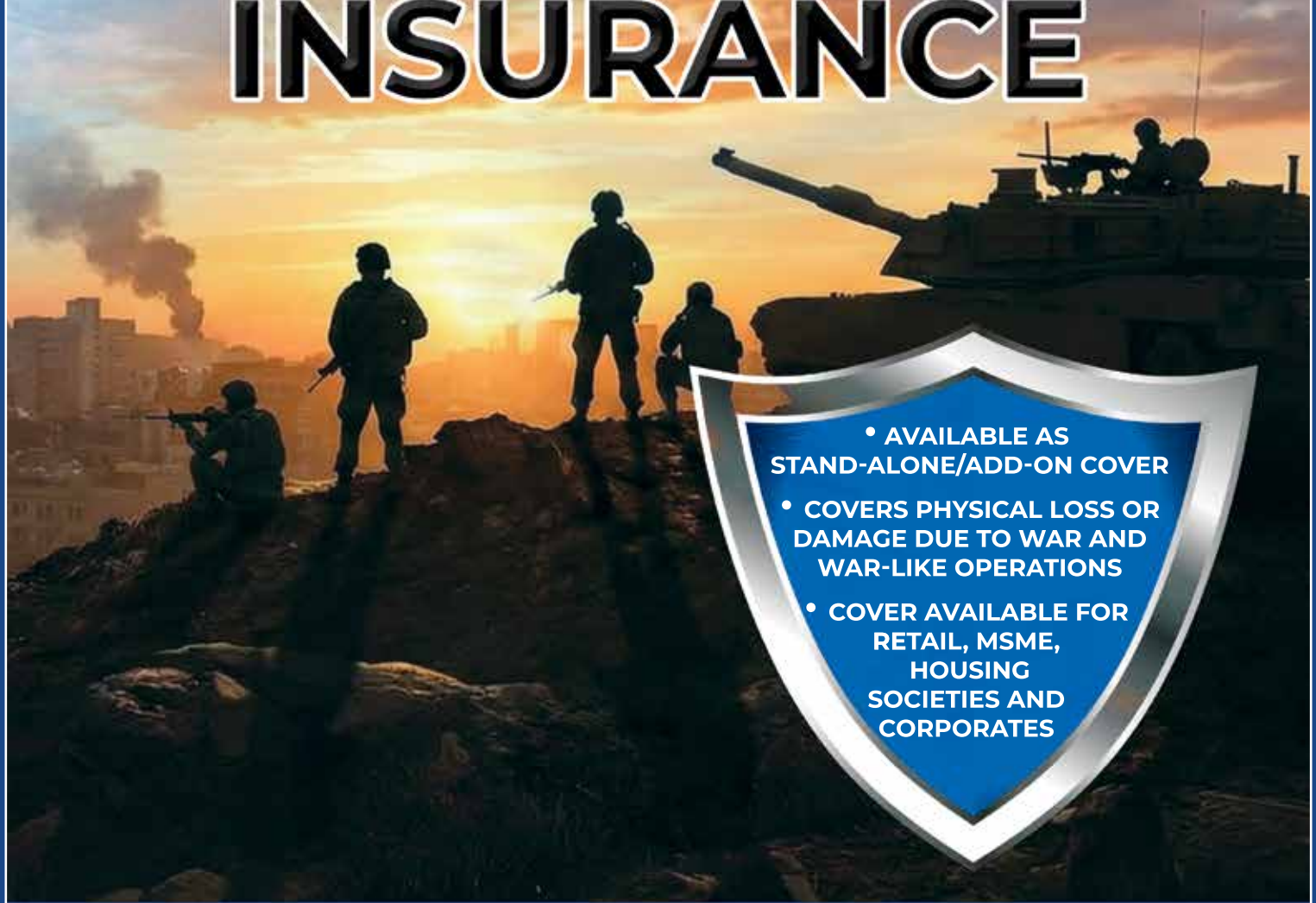

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Introduction

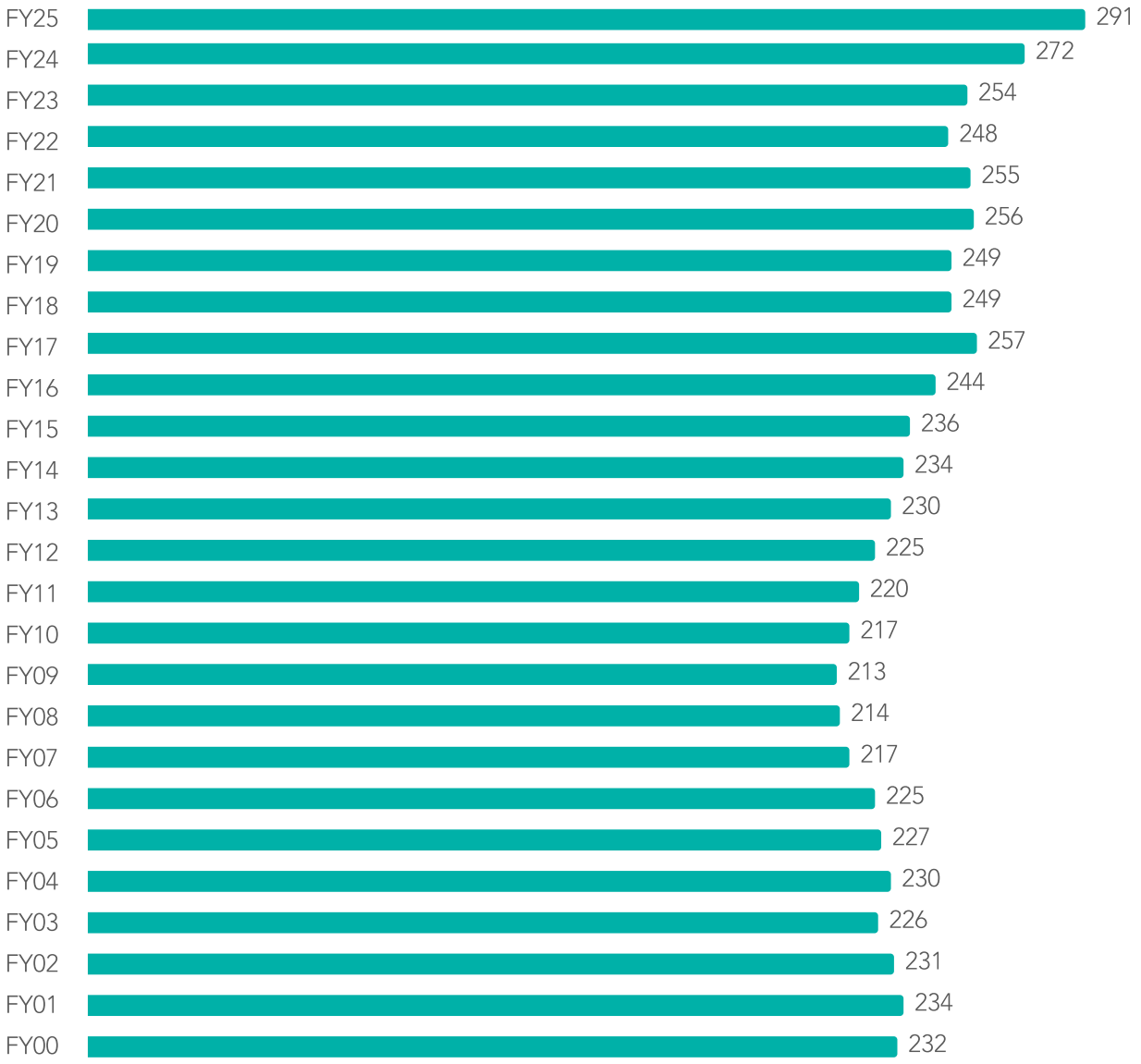
Central Public Sector Enterprises (CPSEs) emerged as a crucial pillar of India's development strategy in the post-independence period. At the time of independence, India was confronted with a weak industrial base, limited technological capabilities, low levels of human capital, and, most importantly, inadequate infrastructure. These structural constraints not only hindered economic progress but also made the country heavily dependent on imports for both basic and capital goods. Moreover, the private sector lacked the financial strength and institutional capacity to undertake large-scale investments in critical areas such as heavy industries, infrastructure, and strategic sectors like defence. In this context, the state was compelled to assume a more direct and proactive role in driving industrialization and economic development.

The initial foundation for the public sector was laid by the Industrial Policy Resolution (IPR) of 1948, which recognised that the state would play an active role in industrial development. This approach was further strengthened by the IPR of 1956, which placed greater emphasis on rapid industrialisation, the development of heavy industries, machine building, public utilities, and strategic sectors. Thus, the public sector was conceived not merely as the commercial arm of an interventionist state, but as a vital instrument of national development. It was intended to build industrial capacity, support infrastructure creation, reduce dependence on imports, generate substantial employment, address regional imbalances, and ultimately help India move towards economic self-reliance and parity with more advanced economies.

The majority of CPSEs were established after independence. According to the Department of Public Enterprises (DPE), the number of CPSEs increased from just five in 1951 to 84 by 1969 and continued to rise substantially in subsequent decades as the public sector assumed a central role in India's planned development strategy, reaching 475 CPSEs as of FY25[1]. However, from an operational perspective, only around two-thirds of the total CPSE universe has remained active, on average, over the last five financial years. This is because the total number of CPSEs includes not only operating enterprises, but also entities under construction, non-operational companies, firms under closure or liquidation, and project-specific special purpose vehicles. Even so, the gap remains significant and highlights an important structural concern: while the total number of CPSEs has grown steadily over time, greater emphasis must now be placed on their operational effectiveness and overall quality rather than on numerical expansion alone. The graph below illustrates the trend in the number of operating CPSEs over the last 25 years.

[1] Government of India, Ministry of Finance, Department of Public Enterprises, Public Enterprises Survey 2024-25

Number of Operating CPSEs



Source: DPE, Public Enterprise Surveys

While the early policy framework envisaged the state as the principal driver of industrial development, the economic reforms of 1991 marked a major shift in India's public sector strategy by opening several sectors to private participation, fostering competition, restructuring weak public enterprises, and introducing disinvestment as an important policy instrument. This shift was taken further by the New Public Sector Enterprise Policy of 2021, which redefined the role of the public sector by distinguishing between strategic and non-strategic sectors and by limiting the state's presence largely to areas of strategic importance. Thus, currently while private enterprise may lead in many sectors today, CPSEs remain crucial where national interest is at stake.

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Importance of CPSEs

To understand the role of CPSEs today, it is important to examine why they became so central to India's development journey in the first place – and why that relevance has not disappeared.

IMPORTANCE POST-INDEPENDENCE

1. Weak private industrial capacity

After Independence, India needed large-scale capital-intensive investment in sectors such as steel, power, mining, petroleum, heavy engineering, and transport. Although established business houses like the Tatas, Birlas, Walchand, and Kirloskar had already developed some industrial presence, the private sector as a whole was too small and concentrated to undertake investment on the scale required for rapid national development. Most private firms lacked sufficient capital, technological capacity, and willingness to invest in long-gestation heavy industries. Therefore, the government assumed the leading role in building the country's basic and strategic industrial base.

2. Need for heavy industrialisation

India's economy lacked a strong industrial base and remained heavily dependent on imports for machinery, equipment, and other essential industrial goods. For long-term economic growth, it was necessary to develop heavy industries and capital goods industries because these sectors provide the foundation for the expansion of other industries. Indian policymakers believed that without building this base, the country would remain economically weak and dependent on foreign countries as we were already behind in the race of industrialization. Since such industries required huge investment, advanced infrastructure, and long gestation periods, and moreover the time was not on India's side. Hence, the public sector was given a central role.

3. Control over strategic sectors

The Indian state believed that certain sectors were too important to national security and economic sovereignty to be left entirely to private enterprise. In the unstable post-colonial context—marked by Partition, security challenges, and the need to build a unified national economy—the government wanted assured control over industries essential for defence and critical infrastructure. Sectors such as arms and ammunition, atomic energy, railways, iron and steel, coal, and heavy machinery were considered strategic because they supported military preparedness, industrial growth, and the functioning of the economy as a whole. Since these sectors required reliability, large-scale coordination, and continuity of supply, the state considered direct public control more dependable than leaving them to private firms driven primarily by profit. This is why the IPR of 1948 and 1956 reserved or assigned a dominant role to the public sector in these areas.

4. Infrastructure, public utility and regional development

India urgently needed to expand infrastructure and essential public utility services such as power, transport, telecommunications, irrigation, and fuel supply. These sectors were vital not only for economic growth but also for improving living standards and integrating a poor, underdeveloped, and regionally imbalanced country. Since such projects required huge capital, long-term planning, and coordination across regions, private firms had little incentive to invest on the necessary scale, especially in backward or less profitable areas. The state therefore relied on CPSEs to develop and manage these sectors so that infrastructure and public utilities could support balanced regional development and broader social welfare, rather than being shaped only by profit considerations.

5. Employment and skill formation

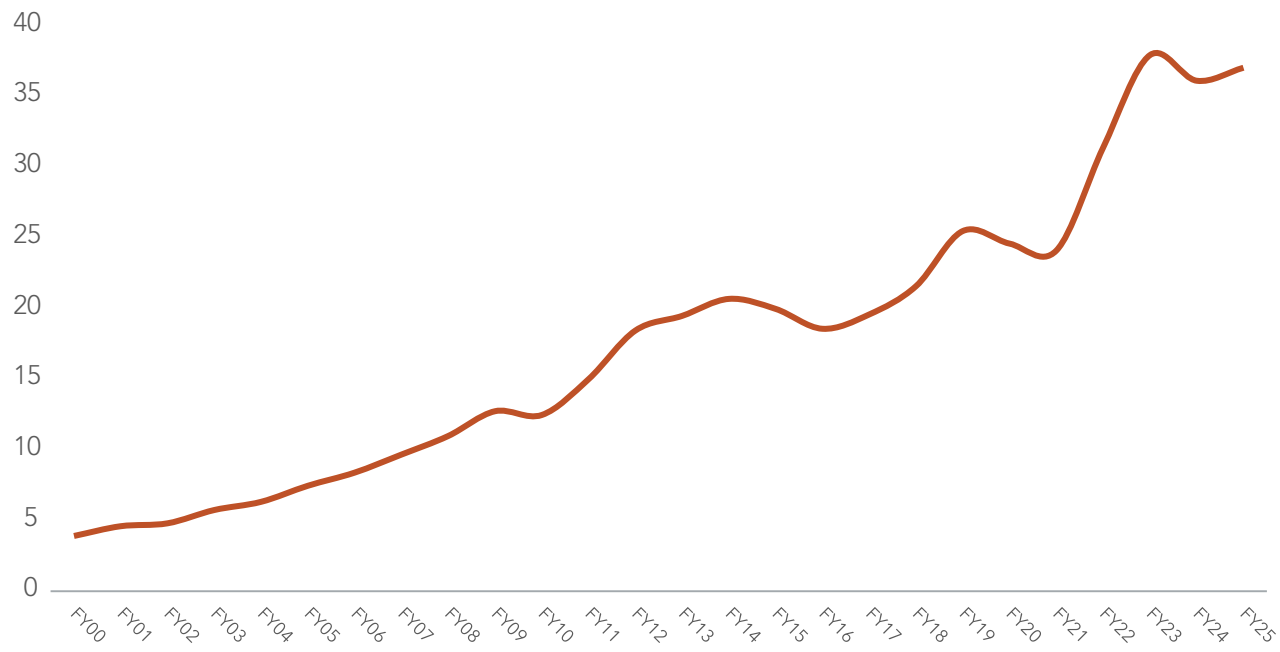
India faced a serious shortage of skilled manpower, technical expertise, and managerial capacity, all of which were essential for industrial and economic development. In such a situation, relying on market forces alone would have been too slow, especially when the country was trying to accelerate growth and build a modern industrial economy. CPSEs therefore became important not only as sources of employment at different skill levels, but also as institutions for training engineers, technicians, managers, and industrial workers. By creating stable jobs and developing technical and administrative capabilities, they helped build the human capital needed for long-term national development and reduced dependence on foreign expertise.

CURRENT IMPORTANCE

1. They remain economically large

CPSEs continue to occupy a large place in the Indian economy. In FY25, they recorded a total gross revenue of about INR 37 lakh crore, which was equivalent in scale to roughly 11.6% of India's nominal Gross Domestic Product (GDP) for that year. This underlines their continuing economic weight and shows that they remain major participants in production, infrastructure, energy, transport, and other core sectors of the economy.

Revenue of CPSEs in Lakh Crores



Source: DPE, Public Enterprise Surveys

2. They support strategic sectors

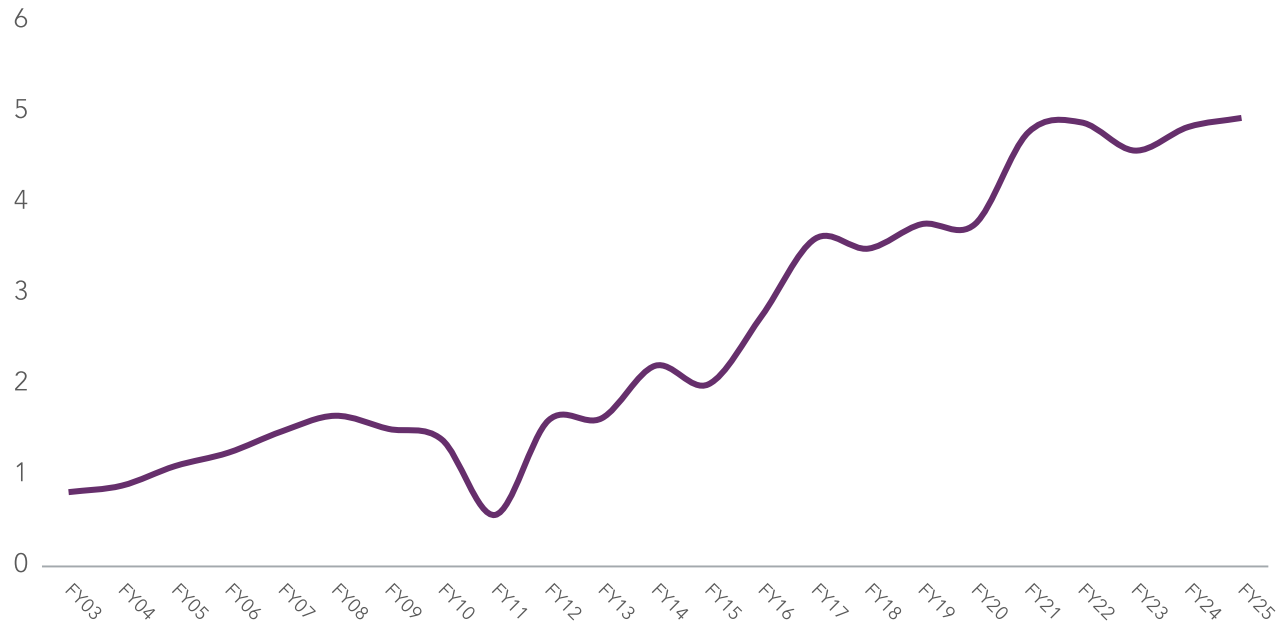
Despite privatisation in many areas, CPSEs remain important because the government still retains a public sector presence in strategic sectors linked to national security, energy security, critical infrastructure, financial services, and key minerals. In these sectors, the state cannot rely entirely on private incentives, since issues such as security, continuity, and strategic control are involved.

3. They contribute to public finances

CPSEs continue to be important because they make a major contribution to the Central exchequer through dividends, taxes, duties, and interest payments. In FY25, their total contribution to the Central exchequer was about INR 5 lakh crore, which shows that they remain a significant source of public

revenue. This contribution strengthens the government's fiscal capacity, giving it greater room to finance infrastructure, welfare, and other developmental expenditure.

Contribution to exchequer of CPSEs in Lakh Crores

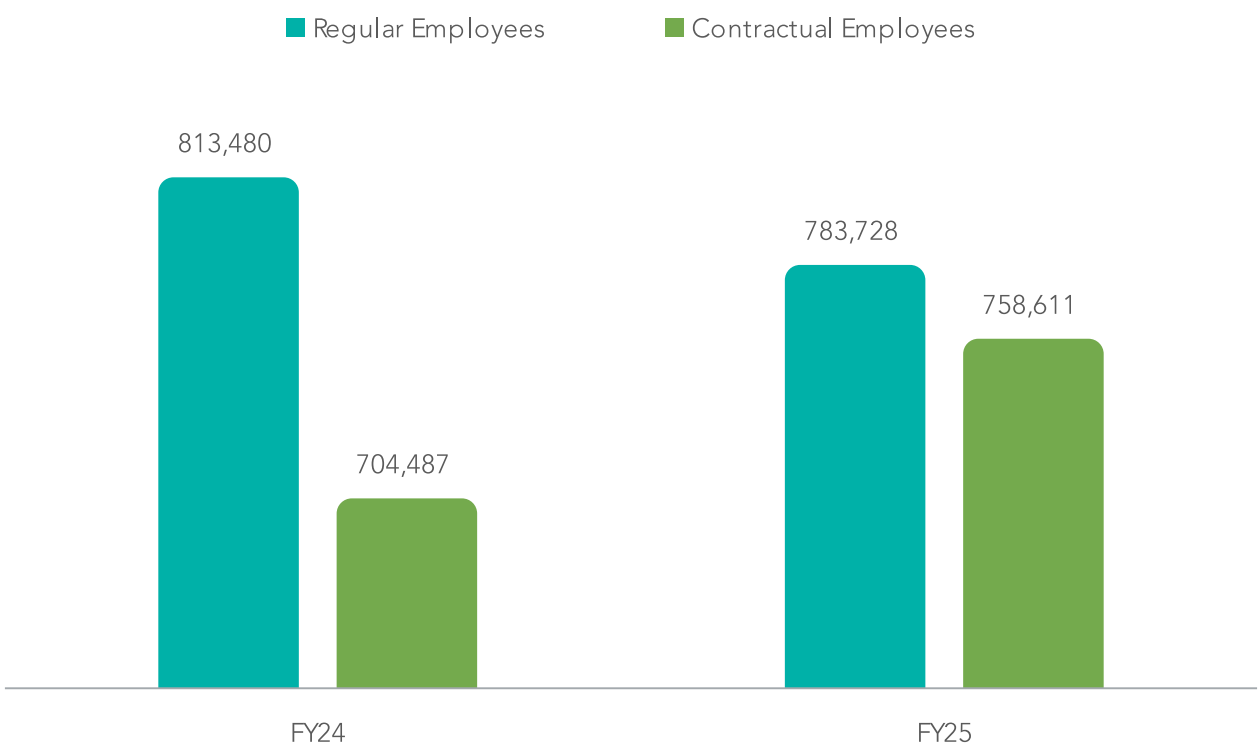


Source: DPE, Public Enterprise Surveys

4. They provide employment and skills

CPSEs continue to play an important role in providing employment and supporting skill formation, with a workforce of around 1.5 million people. Their significance, however, should not be judged by numbers alone. While they remain a major source of employment, there has been a decline in the number of regular employees and a rise in contractual employment compared to FY24. This suggests that although CPSEs still contribute substantially to jobs and workforce development, the nature of their employment structure is changing.

Number of Employees in CPSEs



Source: DPE, Public Enterprise Surveys

5. They generate linkages for MSMEs

CPSEs help create a broader industrial ecosystem by supporting Micro, Small and Medium Enterprises (MSMEs), which form the backbone of the Indian economy. Through their procurement networks, they provide MSMEs with stable demand, market access, and business opportunities. In FY25, CPSEs procured about INR 98,064 crore from MSMEs, accounting for roughly 24.2% of their total procurement. This shows that their role extends beyond direct production to strengthening smaller enterprises and promoting wider industrial development.

Lt Gen M. Unnikrishnan Nair
Chairman
63SATS Cybertech

PSU manufacturing is steadily moving toward connected, tech-enabled operations, increasing vulnerability to cyber threats across production and operational systems. Where is 63Sats seeing the most critical risks emerge, and how should leaders balance security with operational continuity?

In PSU manufacturing, the advent of Operational Technology (OT) is creating new cyber risks. The most critical threats are ransomware attacks on industrial systems, vulnerabilities in legacy OT environments, supply chain exposures, and increasingly sophisticated AI-driven cyberattacks. Since many production systems were not originally designed with cybersecurity in mind, a successful breach can directly impact operations, safety, and business continuity.

Leaders must move beyond viewing cybersecurity for manufacturing as an IT function and adopt a cyber resilience mindset. The focus should be on continuous monitoring, AI-enabled threat detection, robust OT security, and incident preparedness. Security and operational continuity are not competing priorities, they must be built together to ensure resilient, uninterrupted operations.

The shift toward smarter grids and digitally managed energy assets is expanding the cyber risk surface for PSU energy players. How is 63Sats helping secure these critical ecosystems, and which vulnerabilities require the most immediate focus to avoid system-level disruptions?

The most immediate concerns for PSU energy players include vulnerabilities in OT environments, unsecured connected devices, third-party access points, increasingly sophisticated ransomware and nation-state attacks targeting critical infrastructure.

For PSU energy organizations, visibility across both IT and OT environments is critical. At 63SATS, we help secure ecosystems through a comprehensive cyber resilience approach that combines continuous monitoring, AI-driven threat detection, OT security assessments, vulnerability management, and incident response preparedness.

Infrastructure projects today bring together multiple vendors, systems, and data flows creating complex interdependencies across execution. How is 63Sats securing such complex environments in PSU-led projects, and what should leaders prioritize to minimize disruption risks?

Modern infrastructure projects rely on interconnected vendors, systems, and data flows that improve efficiency but also increase cyber risks. Vulnerabilities often arise through third-party access, supply chain dependencies, and inconsistent security controls across stakeholders.

Securing these environments requires a holistic approach that extends beyond organizational boundaries. PSU leaders should prioritize visibility across interconnected systems, robust third-party risk management, and security-by-design principles from the outset. The objective is not just to prevent cyber incidents, but to ensure critical projects remain resilient, operational, and on schedule despite an increasingly complex threat landscape. ■

Amit Agrawal
President
Techno Digital

As India's data center and digital infrastructure market nears USD 100 billion, what should Government and PSUs rethink when planning AI, cloud and mission-critical infrastructure over the next 3–5 years?

Digital infrastructure is increasingly being viewed like physical infrastructure. Just as roads, ports, airports and the power grid enabled India's industrial growth, AI-ready digital infrastructure will underpin the country's next phase of economic growth. This requires a fundamental shift in planning. The focus can no longer be on simply adding data center capacity, but on building infrastructure that is resilient, power-ready, scalable and capable of supporting technologies we cannot fully predict today.

At Techno Digital, we are already seeing this shift. AI is reshaping infrastructure planning. While data centers were previously designed around space and IT load, planning now begins with power availability, transmission readiness, cooling architecture and network resilience. AI has effectively reversed the design sequence.

Government and PSUs have a unique role in accelerating this transformation. Their investments create long-term demand certainty, strengthen sovereign digital capabilities and encourage private investment in national digital infrastructure. The organisations planning for the next twenty years will shape India's AI future.

As India's AI ambitions accelerate, what challenges must be addressed to build a scalable, sustainable computing infrastructure ecosystem?

The biggest challenge is recognising that AI infrastructure is no longer just an IT investment but national infrastructure. Compute, power, cooling, fibre connectivity, land and policy must evolve together. Every AI model, cloud platform and digital public service depends on the underlying infrastructure. If any element falls behind, the entire ecosystem slows down.

This is why Techno Digital's approach is power-first. Built on the engineering legacy of Techno Electric & Engineering, which has spent over four decades building India's power infrastructure, we understand that digital and energy infrastructure are inseparable parts of the same ecosystem. India has every ingredient to become a global AI infrastructure destination. The differentiator will be not only ambition or capital, but the ability to execute faster, build sustainably and create long-term investment confidence.

As digital networks increasingly drive India's infrastructure growth, how do hyperscale and edge data centers help create a connected, intelligent and resilient infrastructure ecosystem?

One of the biggest shifts we are witnessing is the distribution of intelligence through inference. Digital infrastructure has traditionally been built around centralised compute. While AI model training will continue in hyperscale campuses, inferencing increasingly needs to occur closer to users, industries and public services where real-time decisions are made.

This underpins Techno Digital's edge-to-core strategy. Through our partnership with RailTel Corporation of India, we are building a distributed digital infrastructure ecosystem combining hyperscale capability with nationwide edge presence. This is not only about reducing latency, but also improving resilience, strengthening disaster recovery, supporting data sovereignty and extending digital services beyond major metros.

India's digital future will not be built by hyperscale infrastructure alone, but by integrating hyperscale, edge, power and connectivity into a unified national infrastructure platform. ■

Pratik Raval
AWS Business Head
Lauren Information Technologies Private Limited

Smart manufacturing is increasingly becoming a competitive differentiator for industrial enterprises. How can AI-driven insights and connected technologies help PSU manufacturers improve productivity, supply-chain visibility, and operational agility?

PSU manufacturers can no longer rely on traditional methods to stay competitive. AI and connected technologies bridge this gap by turning shop-floor data into real-time, actionable intelligence. At Lauren Group, we help PSUs connect their assets to the AWS cloud — enabling predictive maintenance, automated quality monitoring, and live supply-chain visibility. The results are tangible: fewer unplanned shutdowns, smarter procurement, and the agility to respond to demand shifts without disruption. Our approach is practical — identify the right use cases, deploy proven AWS tools, and deliver outcomes that leadership can measure. That is how Lauren Group drives real productivity gains for PSU manufacturers.

Energy PSUs are generating unprecedented volumes of data through smart grids and digital operations. How can Lauren Group's data center solutions help PSUs scale computing capabilities while supporting sustainability goals?

Energy PSUs hold vast amounts of operational data — from smart grid readings to SCADA outputs — but unlocking its value requires the right infrastructure. Lauren Group's data centre solutions, powered by AWS, give energy enterprises the compute, storage, and analytics capacity to scale confidently. Hybrid cloud architectures keep sensitive grid data on-premise while running analytics workloads in the cloud. On sustainability, AWS is among the most energy-efficient infrastructure providers globally, and our solutions are designed to help PSUs meet their ESG commitments. The goal is straightforward: modern, scalable infrastructure that supports digital growth and environmental responsibility — without compromise.

India's next phase of infrastructure development will be shaped as much by digital intelligence as by physical assets. How do you see AI-driven insights, automation, and connected platforms transforming the way large infrastructure networks are planned, managed, and optimized?

India's infrastructure growth is well established — but its next chapter will be defined by digital intelligence, not just physical scale. AI, automation, and connected platforms are already transforming how large networks are planned, monitored, and maintained. At Lauren Group, we help PSUs and government bodies layer this intelligence onto existing assets without disrupting what already works. Sensors feed real-time data to AI models that predict failures, optimise resource use, and help planners make better decisions faster. AWS services like IoT Core, SageMaker, and QuickSight provide the technology backbone; Lauren Group provides the implementation expertise. Together, we help infrastructure organisations shift from time-based to condition-based management — reducing costs and delivering more reliable outcomes for citizens. ■

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Sectors and Cognate

As of FY25 there are four broad sectors under which the CPSEs are organized: Agriculture, Mining & Exploration, Manufacturing, Processing & Generation, and Services. Within these sectors, there are 20 cognate groups in total. Among the sectors, Services has the highest number of CPSEs with 166, followed by Manufacturing, Processing & Generation with 97. Mining & Exploration accounts for 26 CPSEs, while Agriculture has the smallest share with 2.

Sr No	Cognate Group	Number of CPSEs[2]
Agriculture		
1	Agro based Industries	2
	Sub-Total	**2**
Mining & Exploration		
1	Coal	8
2	Crude Oil	7
3	Other Minerals & Metals	11
	Sub-Total	**26**
Manufacturing, Processing & Generation		
1	Chemicals & Pharmaceuticals	8
2	Defence Production	21
3	Fertilizers	5
4	Heavy & Medium Engineering	16
5	Industrial and Consumer Goods	8
6	Petroleum (Refinery & Marketing)	6
7	Power Generation	26
8	Steel	3
9	Textiles	4
	Sub-Total	**97**
Services		
1	Contract & Construction and Tech. Consultancy Services	53
2	Financial Services	27
3	Hotel and Tourist Services	4
4	Power Transmission	30
5	Telecommunication & Information Technology	8
6	Trading & Marketing	17
7	Transport and Logistic Services	27
	Sub-Total	**166**
	Grand Total	**291**

[2] As of FY25

ONGC

ENERGY: Now AND Next

Innovating **Now**
Shaping **Next**

NET ZERO by 2038

Scope-1 and Scope-2

We are ***ENERGY*** Now and Next

Scope of the Study

The discussion so far has established why CPSEs mattered to India's development journey and why they continue to retain strategic and economic relevance. The next question is where that relevance is most visible today. Rather than attempting to describe the entire CPSE landscape, this report now turns to a smaller set of domains where the role of public sector enterprises can be seen most clearly through their impact on national capability, industrial depth, and long-term transformation.

Against that backdrop, the analysis focuses on three domains that sit close to the core of India's economic and strategic priorities—Manufacturing, Infrastructure, and Energy. Within these, the report looks more closely at Defence, Transport and Logistics, and Power Generation. These are not random selections. They represent areas where CPSEs have historically shaped capacity creation, where their present-day relevance remains visible, and where their future role is likely to carry significant implications for India's competitiveness, resilience, and national development trajectory.

The purpose of this approach is to move from broad framing to grounded sectoral analysis. The chapters that follow therefore do not aim to be encyclopaedic; they are designed to show, through a set of strategically important sectors, how CPSEs have evolved, where they continue to matter, and what role they may play in the next phase of India's transformation. In that sense, the selected chapters function as windows into the larger CPSE story rather than as isolated case studies.

Each of the selected chapters is examined through three broad lenses:

1. Evolution

The report will trace how the selected CPSEs and cognate groups emerged, why they were considered necessary, and how their role has changed over time in response to policy reforms, technological change, competition, market liberalisation, and national development priorities.

2. Current State

The report will assess the present position of CPSEs in each selected cognate group, including their operational scale, financial performance, employment contribution, sectoral relevance, strategic importance, and role in supporting broader economic activity.

3. Future Outlook

The report will examine the future relevance of CPSEs in these sectors, particularly in relation to defence indigenisation, logistics efficiency, infrastructure modernisation, energy security, clean energy transition, technological upgrading and India's long-term economic transformation.

Yotta

Ramakant Rai
Partner
Trilegal

TRILEGAL

As India positions itself as a global manufacturing hub, what legal and regulatory shifts are critical to enabling PSU-led, large-scale manufacturing competitiveness, and how is Trilegal supporting clients in navigating this transition?

For PSUs to lead large-scale manufacturing growth, regulatory agility over bureaucratic inertia is critical. Key shifts to achieve this are:

(a) Easing the Department of Investment and Public Asset Management's approval matrix for strategic partnerships. Regulatory frameworks governing PSUs must be streamlined to allow faster, more flexible formation of JVs, SPVs and PPPs.

(b) Permitting PSUs to move beyond the 'L1' (lowest bidder) mechanism to Quality-and-Cost-Based Selection for complex manufacturing, technology and allied services procurements, ensuring qualitative procurement over cost efficiency alone.

(c) Expanding and fine-tuning Product Linked Incentive Schemes and capital subsidy schemes so that PSUs, or their joint ventures, can seamlessly act as anchor investors.

Trilegal supports clients across this full transition: advising on policy framework, project financing of large-scale manufacturing units, capital structuring, joint ventures, procurement models, regulatory approvals, and risk allocation frameworks that help large manufacturing platforms move from policy opportunity to executable investment.

Energy security is central to India's growth ambitions, especially with the transition toward cleaner and more resilient systems. How do you see the legal landscape evolving around energy transition, and what role does Trilegal play in balancing investment, regulation, and sustainability?

India's energy framework reflects a clear recognition of both energy security and the long-term transition toward cleaner systems. Regulatory bodies like the Central Electricity Regulatory Commission are continuously reforming Grid Code regulations to address the intermittency of renewable power.

Trilegal helps clients navigate the full lifecycle of energy projects, whether in conventional power, renewables, transmission, storage, or emerging technologies such as green hydrogen. This includes advising on bids, concessions, PPAs, land due diligence, financing, and regulatory strategy, with a consistent focus on commercial viability and compliance in a rapidly evolving sector.

With the increasing convergence of physical and digital infrastructure, what are the key legal complexities around PPP models, digital infrastructure, and monetisation—and how can PSUs future-proof their frameworks?

Physical and digital infrastructure are converging, creating new legal complexity. PPP frameworks originally designed for roads, ports, and power assets are now extending into data centres, fibre networks, smart mobility systems, and integrated utility platforms. The National Monetisation Pipeline (NMP) framework recognises this evolution.

Infrastructure is no longer a static asset; it is a dynamic data engine. Concession agreements often lack clarity on whether the PSU or the private concessionaire holds the intellectual property and monetization rights over aggregated data.

Trilegal designs legally resilient PPP, concession, financing, and monetisation frameworks that align infrastructure delivery with digital integration and long-term value creation, structured to remain fit for purpose as technology and regulation continue to evolve. ■

Sristiraj Ambastha
Chairman & Managing Director
ECGC Limited

As India enters its next chapter of growth, what do you see as ECGC's most strategic contribution in enabling Indian exporters, especially emerging and smaller exporters, to compete with greater confidence in global markets?

Established in 1957, ECGC Limited, as the Export Credit Agency (ECA) of India, stands as the bedrock of India's export credit support framework, providing a robust safety net against unpredictable tides of international trade. ECGC's most strategic contribution lies in its dual-protection mechanism that systematically absorbs risk for both exporters and financial institutions. For emerging and small-scale exporters, international trade can be highly intimidating due to unpredictable buyer dynamics.

ECGC provides Indian exporters comprehensive protection through its credit insurance policies, covering up to 100% of invoice values, which transforms these risky export receivables into secure assets, ensuring that the "Made in India" brand can confidently penetrate new and emerging markets without any fear of buyer insolvency, default, or political disruptions.

Simultaneously, we recognize that small exporters, which constitute over 90% of ECGC's exporter clientele, cannot easily scale without affordable and accessible credit. Through its enhanced cover of 90% under its cover for banks, ECGC acts as an essential anchor by directly enhancing the creditworthiness of MSMEs in the eyes of the banking ecosystem. This enables financial institutions to offer both pre-shipment and post-shipment export credit more liberally, by passing on the capital savings directly to small exporter-borrowers in the form of lower interest rates.

By dismantling the barriers to competitive working capital and absorbing commercial and political risks in exports, ECGC empowers India's grassroots entrepreneurs to fulfil global orders with absolute confidence.

In a global trade environment shaped by volatility, market shifts, and evolving geopolitical risks, how is ECGC rethinking risk protection and support mechanisms so that Indian businesses can stay resilient and continue to grow?

Unlike commercial entities driven solely by profitability, ECGC operates with a strategic, counter-cyclical mandate that becomes most critical during periods of geo-political crises. In fact, ECGC has always been at the fore-front in imparting stability to India's exports during periodic headwinds that have affected international trade in the past and recent years such as the COVID pandemic, Russia-Ukraine war, Red-sea crisis, tariff hike, and the ongoing West Asia crisis, which caused impediments to India's exports sector.

We are rethinking risk protection by moving away from reactive measures toward proactive, target-specific frameworks. In the last 2-3 years, ECGC has launched several initiatives to strengthen the export ecosystem of India, namely, enhanced cover of 90% for credit loans up to INR 50 crore without any incremental cost which aims to facilitate reduced interest rates and augment the flow of export credit to small exporters, and 'Collateral-Free Cover' scheme for banks in respect of export credit working capital limits up to INR 10 crore without any additional premium to stimulate lending to Micro and Small exporters (MSEs), who are unable to provide collateral security to banks. ECGC has also recently introduced Export Factoring Facility in Foreign Currency (EFF-FC) from its GIFT City IFSC Insurance Office (IIO), providing Indian exporters with immediate working capital against their export receivables.

Further, ECGC has also been chosen by the Govt. of India as the nodal agency for the implementation of the RELIEF (Resilience & Logistics Intervention for Export Facilitation) scheme, announced in March, 2026. Backed by a INR 497 crore budget under the Export Promotion Mission, this intervention directly responds to geopolitical frictions in West Asia that have destabilized maritime logistics across the Gulf region. As the nodal agency, ECGC is actively shielding vulnerable exporters from sudden conflict-related freight spikes and soaring war-risk insurance premiums across three distinct components—covering insured past shipments, upcoming prospective shipments, and direct reimbursement assistance for non-insured MSMEs.

Through adaptive underwriting and enhanced liquidity support, ECGC will continue to promote India's exports and insulate the industry from various geo-political shocks, ensuring global risk never compromises Indian growth.

Given that MSME exporters form a significant portion of ECGC's clientele, what targeted measures does ECGC implement to support their global trade operations?

ECGC provides robust hand-holding support to MSME exporters through a blend of grass-roots outreach, market intelligence, and customized risk-mitigation. To bridge the knowledge gap for emerging firms, the Company actively creates export-readiness awareness by organizing educational seminars and interactive webinars nationwide. These outreach programs are held in close collaboration with prominent trade bodies like the Federation of Indian Export Organisation (FIEO), Export Promotion Councils (EPCs), Commodity Boards and local industrial associations, guiding first-time exporters through the complexities of international trade compliance and risk management.

In addition to enabling the MSMEs getting adequate and affordable credit at a lower interest rate, as I explained earlier, ECGC has also upgraded rating of various countries with an aim to enable diversification of Indian exports and to bring down the cost of credit insurance, particularly for the MSMEs who operate on a very thin margin. Further, our policyholders can access information on buyers who are on adverse experience list of ECGC as well as the list of country ratings through their login credentials, thereby providing them with critical market-intelligence before they venture into unfamiliar overseas markets or engage with new buyers.

Let me tell you that ECGC has been engaging itself with global peers and through the International Union of Credit and Investment Insurers (Berne Union) to get updates on latest in the field of credit risk insurance enabling it to design innovative cost-effective products for the MSME segment, such as Small Exporters' Policy or Micro Exporters' Policy.

Thus, through a holistic combination of proactive measures, ECGC safely transforms international trade barriers into viable pathways for sustainable MSME growth.

What does a future-ready export support system for India look like, and how is ECGC positioning itself to help build it?

A future-ready export support system must be agile, structurally inclusive, digitally seamless, and deeply aligned with the nation's long-term economic ambitions. ECGC is positioning itself at the absolute forefront of this transformation through aggressive digital innovations and expansion of credit insurance support.

On the digital front, we have simplified ease of doing business by launching our revamped state-of-the-art ERP and Client Portal, known as the SMILE software, creating a completely faceless and seamless digital interface that facilitates fast and efficient processing, ensuring quick service delivery to the customers. We have also streamlined our claim settlement procedures under our cover for banks by reducing documentary requirements for net principal outstanding up to INR 10 crore.

From a macro perspective, our future expansion strategy is locked onto India's long-term milestones. As the designated Credit Risk Cover Agency under the Shipbuilding Development Scheme (SbDS)—which aims to position India as a global shipbuilding hub by 2047—we are designing a dedicated Shipbuilding Credit Insurance Product to safeguard domestic shipbuilders from foreign buyer defaults.

Through these various initiatives, ECGC is gradually positioning itself as a proactive risk-mitigation partner, ensuring India's export ecosystem is not just globally competitive, but deeply resilient against unpredictable geopolitical shocks. ECGC would continue to align its role with the national priorities towards exports. ■

Nidhu Saxena
Managing Director & CEO
Bank of Maharashtra

Bank of Maharashtra

India's manufacturing ambitions depend on timely access to capital. What is Bank of Maharashtra doing today to support this sector, and how do you balance growth with asset quality?

MSMEs contribute around 31% of India's GDP and over 48% of total exports, with manufacturing accounting for a sizeable share. Accordingly, it is a key focus area for the Bank, particularly manufacturing clusters, electric and automation components, pharmaceuticals and textiles.

The Bank supports MSMEs through competitive cluster-based pricing, e-GST-based onboarding, digital underwriting, PQBL expansion, TReDS-enabled financing and cash-flow-based lending.

The Credit Guarantee Scheme for Exporters and ELCGS 5.0 support collateral-free assistance to eligible manufacturing units.

Asset quality remains paramount through robust credit appraisal, risk-based underwriting, pre-sanction assessment, pre-disbursement compliance and continuous monitoring, enabling growth while maintaining a prudent risk profile.

India is rapidly scaling clean energy capacity and building related infrastructure across the country. What is the Bank doing to support financing in areas like renewable energy, grid infrastructure, and emerging energy technologies?

The clean energy sector is expanding with continued government support through capital subsidy and interest subvention.

The Bank supports India's clean energy transition through financing of renewable energy projects and electric mobility initiatives, including EV loans under Central and State Government e-mobility programmes.

We have extended sizeable exposure to Green Housing initiatives and renewable energy projects, while providing financing support to solar projects through government schemes and Bank initiatives.

The Bank also has sizeable exposure to the power sector, with over 50% towards grid infrastructure, primarily power transmission.

India's infrastructure push is expanding across sectors, from transport and logistics to digital and urban development. How is the Bank playing a role in funding this growth, and where are you seeing the biggest opportunities?

The Bank supports India's infrastructure-led growth through a calibrated financing approach, with exposure to transport infrastructure including roads, toll assets and Infrastructure Investment Trusts (InvITs).

Opportunities are evaluated through rigorous cash-flow assessment, traffic studies and structured repayment mechanisms.

As of March 2026, over 13% of the Bank's infrastructure portfolio is towards water and sanitation measures, including financing support for the Rajasthan NGBI Canal-Linking Project, a major water infrastructure initiative under the Hybrid-Annuity Model.

The Bank is expanding its credit share in transportation and logistics infrastructure, which form the bedrock of smart city projects.

We also see potential in emerging digital infrastructure such as data centers and telecom networks.

In line with our vision of becoming a Bank of Greater Significance, we are well positioned to expand our infrastructure portfolio, capitalize on profitable growth opportunities and contribute meaningfully to the nation's next phase of economic growth. ■

Inflow

Manufacturing: Defence

Defence is a key cognate because it sits at the intersection of national security, strategic autonomy, high technology manufacturing, and industrial self-reliance. Unlike many commercial sectors, defence production cannot be assessed only through the lens of profitability or market size as it is linked to sovereign capability, wartime preparedness, supply chain security, and the ability to reduce dependence on foreign suppliers. Among currently listed Defence CPSEs, Garden Reach Shipbuilders & Engineers Ltd., and Mazagon Dock Shipbuilders Ltd. were among the earliest established organisations. In the post-independence period, Hindustan Shipyard Ltd. is among the earliest defence CPSEs.

Why Defence Matters for India's Economic Transformation

Defence matters for India because it is not only a national security requirement, but also a major driver of advanced manufacturing, technological capability, skilled employment, supplier development, and export potential. A country that depends heavily on imported defence equipment does not merely import weapons; it also imports dependence on foreign technology, spare parts, upgrades, maintenance, repair systems and, in certain situations, external political conditions.

This makes India's shift from defence import dependence to domestic production and defence exports both an economic and strategic priority. Economically, domestic defence production increases local value addition, creates demand for high skill manufacturing, strengthens supplier ecosystems, reduces foreign exchange outflows, and opens export opportunities. Strategically, it reduces external vulnerability, improves wartime readiness, strengthens control over critical platforms, and enhances India's freedom of action in foreign policy and military operations. Defence production can be seen as a sector where economic transformation and strategic autonomy reinforce each other. The larger the domestic defence industrial base becomes, the greater India's ability to convert security needs into industrial capability, technological upgrading, and long-term national resilience.

Evolution of India's Defence Manufacturing Cognate

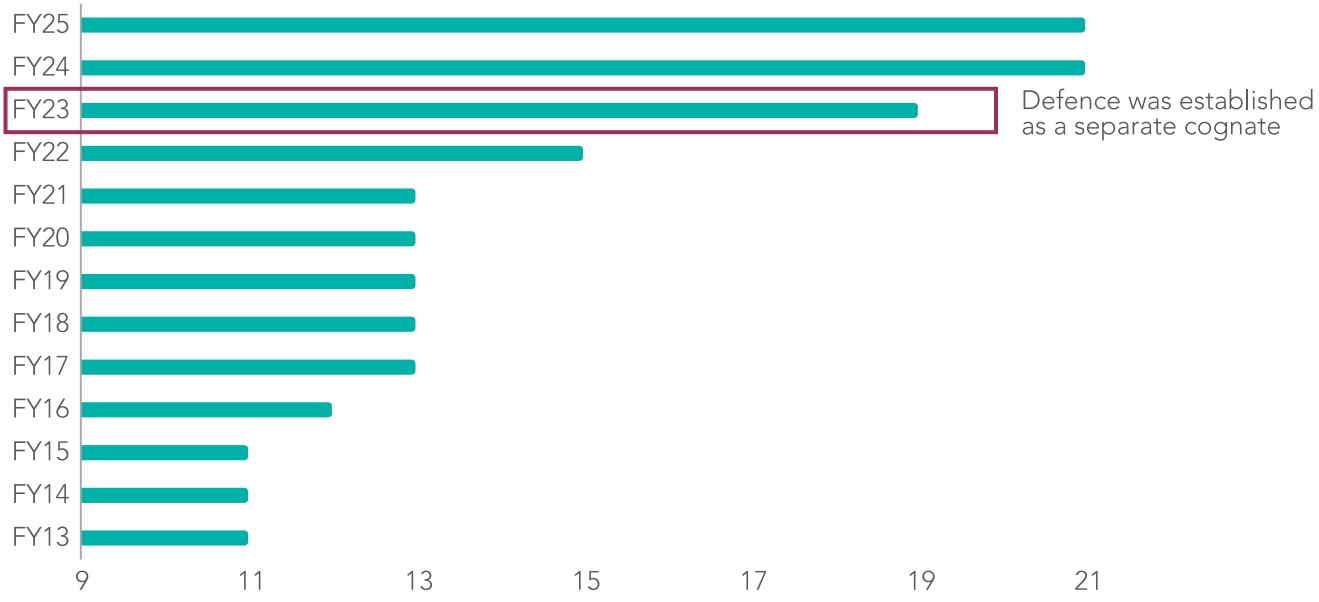
India has historically remained highly dependent on foreign suppliers for major defence platforms, including fighter aircraft, tanks, advanced weapon systems, and other critical military equipment. For many decades, the primary objective of defence procurement was to equip the armed forces with the capabilities required for national security, even when this meant reliance on imported platforms, licensed production and foreign technology. While this helped India rapidly acquire advanced military capability, it also deepened dependence on foreign suppliers for technology, creating strategic vulnerabilities and limiting full operational autonomy.

Over time, however, India's defence manufacturing ecosystem has begun to move from a procurement-led model toward an industrial capability-led model. The pace of this transition has been gradual, but the direction has become clearer over the last decade. Policy emphasis has shifted from merely acquiring

defence equipment to building a domestic defence industrial base that can design, manufacture, integrate, upgrade, and export defence systems. This transition has been shaped by:

- **Policy Reform and Indigenisation:** Make in India and Atmanirbhar Bharat changed the policy framing of defence manufacturing. The objective was not only to buy more from Indian firms, but to build a defence industrial base that could design, manufacture, test, certify, and sustain critical platforms and systems within India.
- **Technology Change:** Modern defence production is no longer limited to conventional platforms. It increasingly depends on advanced electronics, sensors, missiles, drones, counter drone systems, secure communications, cyber systems, AI enabled platforms, advanced materials, and software. This changes the role of Defence CPSEs: they cannot remain only production units, but must become technology absorbers, system integrators, and platform anchors.
- **Competition and Private Participation:** The defence ecosystem is widening from a Defence CPSEs dominated structure to a mixed ecosystem of Defence CPSEs, private firms, MSMEs, and start-ups. Greater competition improves product quality, accelerate innovation, and push firms to deliver better systems at greater speed and efficiency.
- **Ecosystem Building:** Defence industrial corridors in Uttar Pradesh and Tamil Nadu, reflect a shift from factory-based production to cluster-based defence manufacturing. The purpose is to build supplier ecosystems, testing capacity, component vendors, local skill pools, and specialised industrial infrastructure.
- **Institutional Restructuring:** The corporatisation of the Ordnance Factory Board into separate defence companies marked a shift from departmentally managed production to enterprise-based accountability. The intention was to improve commercial discipline, product focus, efficiency, export orientation, and most importantly, managerial responsibility.

Number of Defence CPSEs over the years



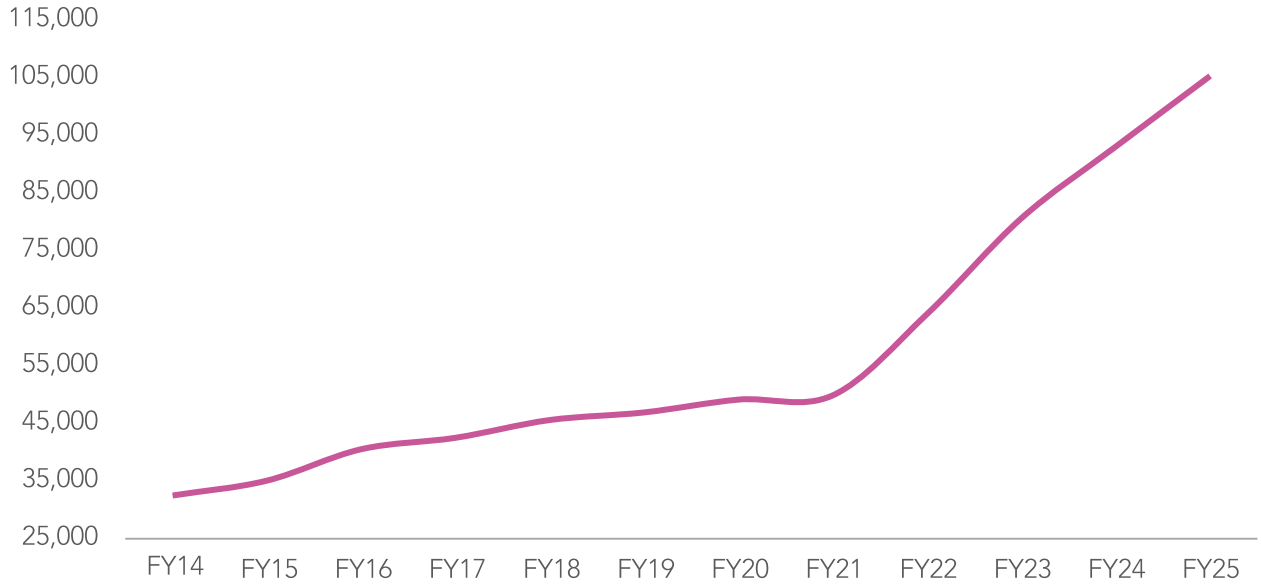
Source: DPE, Public Enterprise Surveys

Current State of India's Defence Industrial Base

India's defence sector is undergoing a structural transition from external dependence towards domestic capability and export ambition. In FY25, annual defence production reached an all-time high of around INR 1.5 lakh crore, registering 18.0% growth over the previous year and 90.0% growth over FY20. This underscores that the deepening of India's defence industrial base is no longer merely aspirational, but increasingly visible in practice, signalling stronger indigenous capability and greater localisation across the supply chain. The sector remains heavily anchored in the public domain, with Defence CPSEs and other CPSEs accounting for around 77.0% of total production. However, private sector participation is becoming increasingly prominent, with its share rising to 23.0% in FY25 from 21.0% in FY24. This growing competitive intensity has created a positive reinforcing cycle, with production by Defence CPSEs increasing by 16.0% and that of private players rising even faster at 28.0% from FY24. A rising private sector presence can strengthen competitive discipline in the defence production ecosystem, encouraging higher efficiency, better quality, stronger R&D intensity, and wider spillovers through supplier development and innovation diffusion. Exports are also emerging as an important outcome of this shift. Defence exports stood at around INR 23,622 crore[3], which remains modest compared with leading global defence exporters, but marks as a stepping stone in India becoming self-reliant.

These trends are also visible in revenue performance. The sector generated around INR 105,363 crore, registering a 13.2% increase over FY24 and highlighting its significance within India's manufacturing landscape. Profit rose to INR 19,665 crore, up 17.3%, indicating stronger demand, improved scale and better operating performance. Higher profitability also strengthens internal accruals, allowing firms to invest more in R&D, technology upgrades, and production capabilities. Over time, this can create a reinforcing cycle of innovation and stronger competitiveness.

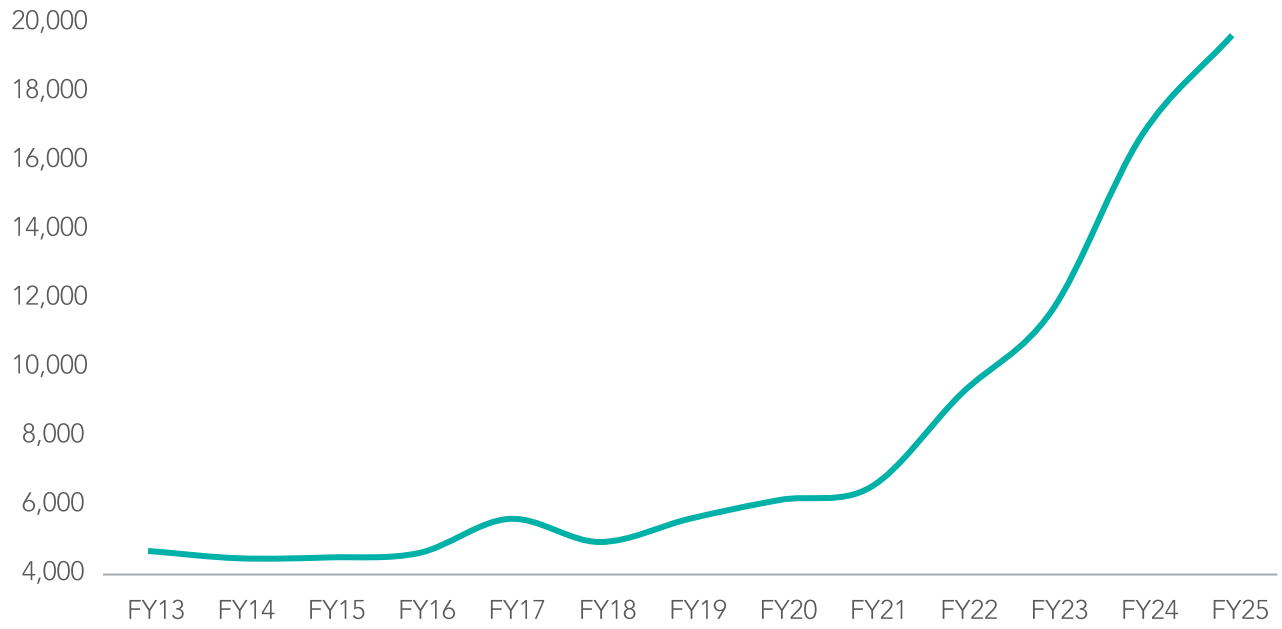
Revenue of Defence CPSEs in Crores



Source: DPE, Public Enterprise Surveys

[3] Press Information Bureau, Government of India, Release ID: 2154551

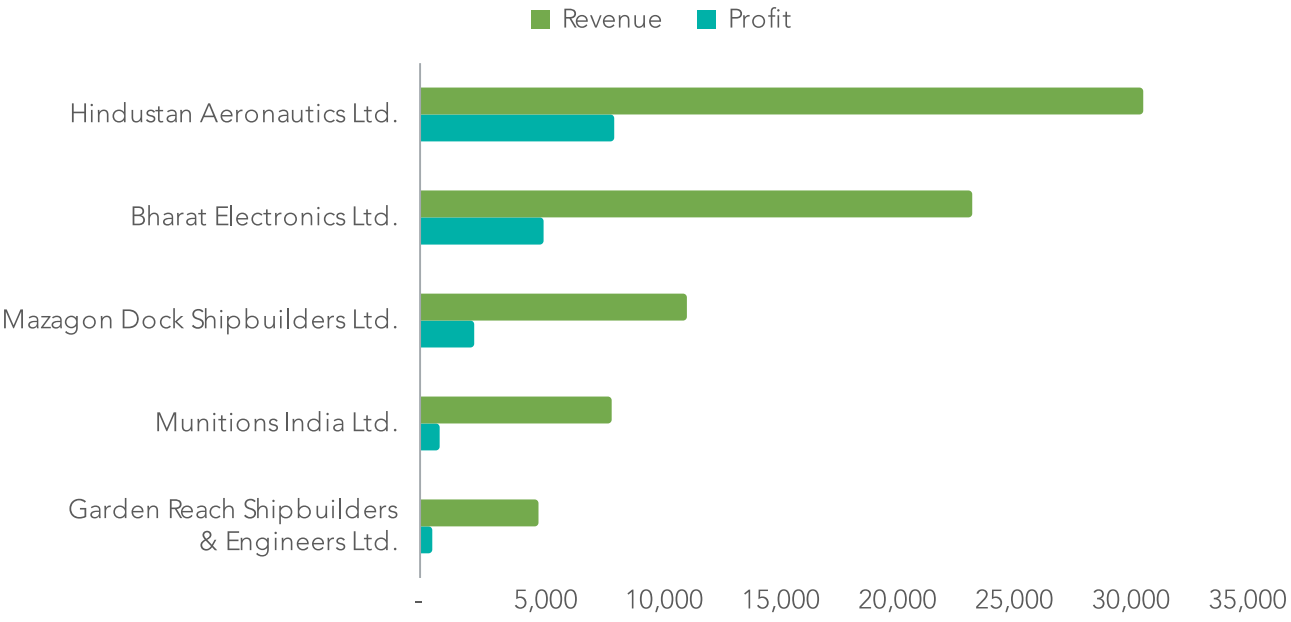
Profit of Defence CPSEs in Crores



Source: DPE, Public Enterprise Surveys

It is highly important for us to acknowledge the Defence CPSEs who are leading this transformation.

Leading Defence CPSEs in Revenue and Profit in Crores



Source: DPE, Public Enterprise Surveys

Hindustan Aeronautics Limited (HAL)

HAL's recent role signals a broader shift in India's defence manufacturing strategy. It is no longer being positioned merely as a legacy aerospace producer, but increasingly as a scale-up institution for indigenous platforms. The recent INR 62,700 crore order for 156 Prachand Light Combat Helicopters captures this shift by linking domestic design, serial production, MSME participation, and high-altitude combat capability within a single programme. With deliveries spread over five years and indigenous content planned above 65.0%[4], HAL is not only expanding production capacity but also helping build the aerospace ecosystem needed to reduce import dependence and support long-term strategic autonomy.

Bharat Electronics Limited (BEL)

BEL is becoming increasingly important because modern military capability depends as much on electronics, networks, and electronic warfare systems as on physical platforms. Its recent orders across radars, communication systems, encryptors, jammers, software, and upgrades underline its role in strengthening India's command-and-control and surveillance architecture. More importantly, BEL is beginning to acquire export significance: in FY25, it recorded export sales of around USD 106 million and an export order book of about USD 359 million[5], suggesting that Indian defence electronics are gaining wider market acceptance. Its longer-term significance lies in making India's defence base more indigenous, digital, integrated, and increasingly export oriented.

Mazagon Dock Shipbuilders Limited (MDL)

MDL's recent role reflects India's push to translate naval indigenisation into credible maritime power. The delivery of Nilgiri, the first Project 17A stealth frigate, and Surat, the fourth and final Project 15B stealth destroyer, marks a major milestone in India's ability to construct sophisticated frontline warships at home. Together, these platforms underline MDL's role in complex shipbuilding, stealth engineering, and long-term naval capability development. The proposed greenfield shipyard on the eastern coast further suggests that MDL's role is expanding from platform delivery to national capacity creation. In that sense, MDL is not only a naval shipbuilder, but a strategic institution supporting India's ability to build, maintain, and scale high-value maritime defence assets domestically

Signing Vital Knowledge MoUs

Recent partnerships also show that Defence CPSEs are trying to move beyond traditional roles. BEL's joint venture with Israel Aerospace Industries (IAI) to provide lifecycle support for the Medium-Range Surface-to-Air Missile (MRSAM) system, its partnership with Safran for the HAMMER (Highly Agile Modular Munition Extended Range) precision-guided air-to-ground weapon, and its Memorandum of Understanding (MoU) with RRP Electronics and RRP Defense in semiconductors, electro-optics, and unmanned systems all point to a strategic shift from system acquisition to technology collaboration, localisation, and long-term capability creation. This is just one example of many.

[4] Press Information Bureau, Government of India, Release ID: 2116411

[5] BEL India, https://bel-india.in/

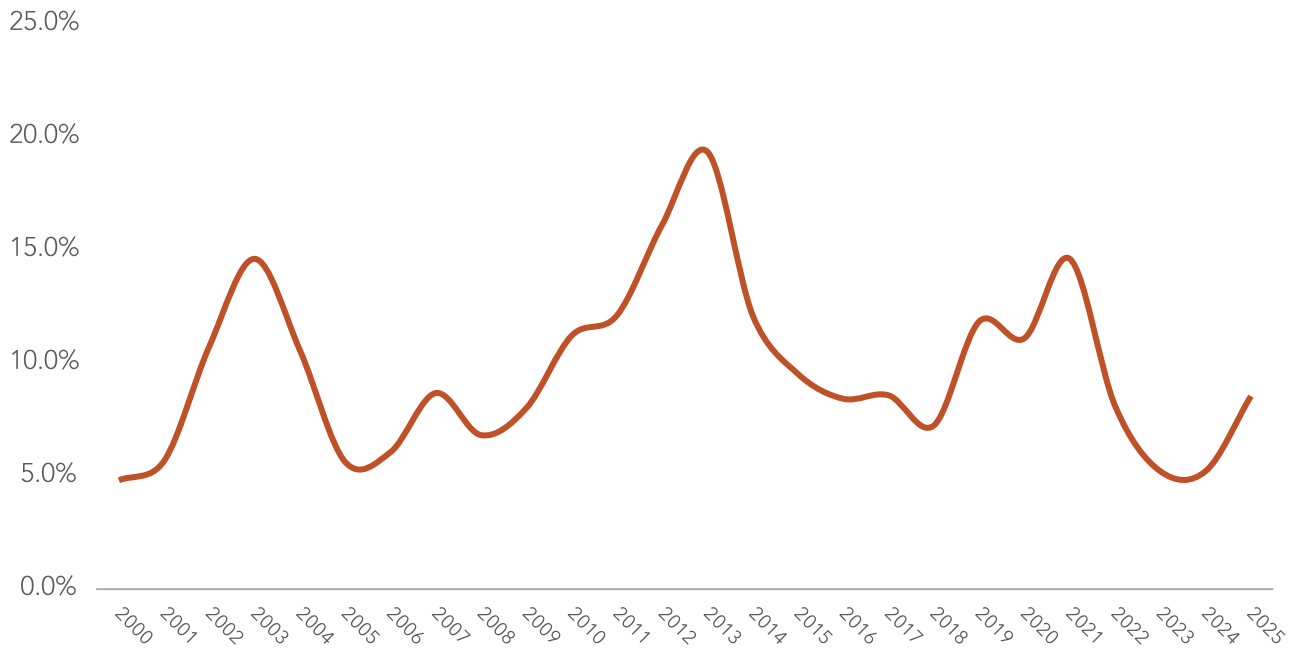
The current state of India's Defence CPSEs is broadly positive, but still transitional. Defence CPSEs are performing well on core indicators such as revenue, profitability, production scale and order visibility, while also operating in a sector where competition is becoming more meaningful. The rise of private firms, MSMEs, and start-ups is not weakening the role of Defence CPSEs; rather, it is pushing the sector towards a wider industrial ecosystem where quality, innovation, delivery timelines, and cost efficiency matter more than legacy position alone.

India's entry into the defence export market is therefore significant, even if its global presence remains limited. It signals that domestic defence production is beginning to generate external demand. However, the sector should not be overstated. India remains one of the world's major arms importers, and several critical technologies continue to depend on foreign suppliers. The present scenario is simple: Defence CPSEs are stronger, more commercially active and more outward looking than before, but the larger journey from import dependence to deep technological autonomy is still a long way to go.

India's Defence Import Dependence

Before discussing the future outlook, it is important to understand the extent of India's import dependence, the risks associated with relying on foreign suppliers, and the scale of the capability gap that domestic defence production must address. To assess this dependence over time, the study uses data from the Stockholm International Peace Research Institute (SIPRI) Arms Transfers Database. SIPRI reports arms transfers in Trend Indicator Value (TIV) terms, which capture the volume of major conventional arms transfers rather than their actual financial value. The data should therefore be read as an indicator of the scale and trend of defence imports, not their rupee or dollar cost. Since SIPRI records actual deliveries rather than order announcements, it is particularly useful for tracking realised import dependence over time.

India's Defence Import Compared to World arms Trade



Source: SIPRI

Over the last 25 years, India has accounted for an average of 9.7% of global arms imports, underlining the depth of its dependence on external suppliers. Most of these imports were sourced from five major countries—Russia, France, Israel, the United States, and the United Kingdom—with Russia alone contributing 61.8% of the total. While India has begun to diversify away from Russia, its reliance on imported defence equipment remains substantial.

Why Import Dependence Creates Strategic and Economic Vulnerability

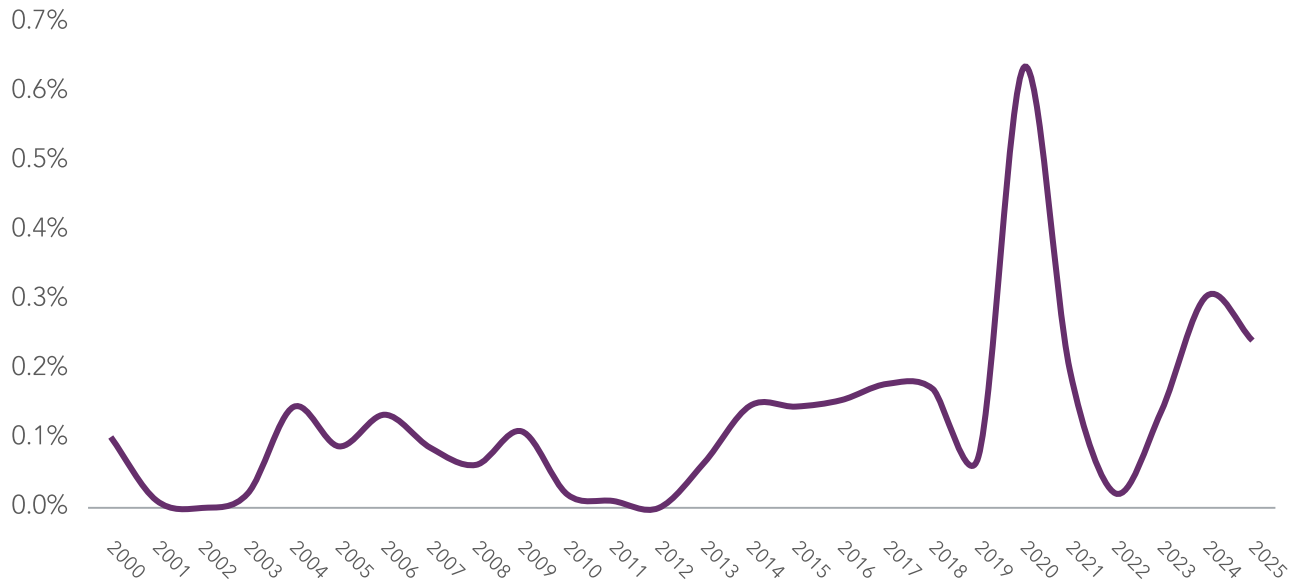
- **Conflict Vulnerability and Sanctions Exposure:** During conflict, imported systems require assured supplies of ammunition, maintenance support, and software updates. If the supplier country delays exports, imposes restrictions, or prioritises its own military needs, the importing country's readiness can be affected. Further, foreign supplied platforms can become vulnerable to sanctions or political restrictions.
- **Spares and Lifecycle Dependence:** Military systems are not one-time purchases. Aircraft, ships, radars, tanks, and missiles require long lifecycle support. Import dependence therefore continues through spares, upgrades, repairs, testing equipment, and software control.
- **Foreign Exchange Burden:** High defence import dependence increases foreign exchange outflows and can add pressure on the balance of payments, particularly when imports are large, recurring, and not offset by export earnings or other foreign currency inflows.
- **Technology Dependence:** If India imports critical technologies without domestic absorption, the local industrial base remains confined to assembly, maintenance, or low value components. This limits internal industrial spillovers and prevents movement into higher value design and engineering roles.
- **Weak Domestic Value Addition:** Imported systems reduce the opportunity for local MSMEs, suppliers, engineers, and testing institutions to participate in production. The loss is not only the import bill; it is the missed opportunity to build industrial capability.
- **Reduced Strategic Autonomy:** A country dependent on external defence suppliers may face constraints in foreign policy and military operations.

India's Defence Export Growth

It is equally important to evaluate India's position in the global defence export market. Although India has made a visible start by its own benchmarks, it remains well behind the leading exporters. The global defence trade is still heavily dominated by countries such as the U.S., Russia, China, Israel, and France.

Over the past 25 years, India has accounted for roughly 0.1% of the total value of the global arms export ecosystem, with Myanmar, Sri Lanka, the Philippines, Armenia, and Mauritius among its largest buyers. This underlines the distance India still has to cover. Moving from a marginal exporter to a credible defence exporting country will require sustained policy support, deeper domestic technology capability, stronger industry participation and reliable after sales and maintenance support for foreign buyers.

India's Defence Export Compared to World arms Trade



Source: SIPRI

If India becomes a major defence exporter, the gains will extend beyond export revenue.

- **Manufacturing growth:** Defence exports create demand beyond the domestic armed forces. This improves capacity utilisation and further supports investments in advanced manufacturing, and sustained earnings motivate other players to enter the market.
- **High Technology Capability:** Export markets force firms to meet international standards in quality, reliability, and lifecycle support. This can upgrade India's broader engineering ecosystem.
- **Skilled Employment:** Aerospace, shipbuilding, missiles, radars, electronics, ammunition, and armoured systems require engineers, technicians, machinists, software specialists, quality managers, and systems integrators. Development in the sector could retain exceptional talent currently being lost to other sectors.
- **MSME Supplier Development:** Defence exports create demand beyond the domestic armed forces, improving capacity utilisation, and supporting investment in advanced manufacturing. Sustained export opportunities can also strengthen market confidence and encourage greater participation by private firms, MSMEs, and specialised suppliers.
- **R&D and innovation:** Export competition creates pressure to improve design, reduce cost, increase reliability, and upgrade technology. It can push Defence CPSEs and private firms toward higher R&D intensity.
- **Economies of scale:** Domestic demand alone may not justify large production lines for some systems. Export orders improve scale, reduce unit costs, and support continuous production.
- **Foreign Exchange Earnings:** Defence exports generate foreign exchange and partly offset the foreign exchange burden of unavoidable imports of high-end technologies or raw materials.

- **Strategic Partnerships:** Defence exports create long-term military relationships with recipient countries. They involve training, maintenance, spares, upgrades, and operational cooperation. This gives the exporting country diplomatic and security influence.
- **Global South Positioning:** India can position itself as a supplier of relatively affordable, reliable, and politically acceptable defence systems for friendly foreign countries, especially in the Global South. This is different from merely selling arms; it can support India's role as a security and capacity building partner.

Future Outlook

India's defence CPSEs will remain central to India's strategic transformation over the next 20–25 years, especially in building self-reliance in critical weapons and defence technologies. Their role, however, is likely to change. The future is unlikely to resemble the older model in which they functioned mainly as protected state-owned producers with assured access to domestic procurement. Instead, they are more likely to emerge as strategic industrial institutions operating within a wider ecosystem of private firms, MSMEs, start-ups, research bodies, and foreign technology partners. Their continued relevance will depend less on historical position and more on their ability to anchor domestic capability where national security, technological depth, and industrial self-reliance converge. In this environment, they are likely to matter less as standalone producers and more as system integrators, platform builders, and anchors of a wider defence industrial ecosystem. Public-sector firms in aerospace, electronics, and shipbuilding will likely remain important because of their infrastructure, execution capacity, institutional memory, and established credibility with the armed forces. Yet their future strength will increasingly depend on how well they collaborate with the wider supplier ecosystem, absorb emerging technologies, and support innovation-driven industrial linkages.

In the coming decade, their shift from production dominance to capacity leadership will be especially significant. In the past, much of India's defence manufacturing capability rested on licensed production, assembly, and the scale of public-sector enterprises. Going forward, however, the real test will be whether Defence CPSEs can deepen domestic capability in the higher-value and more strategically sensitive segments of the defence value chain. This requires moving beyond platform manufacturing alone and building strength in critical areas such as subsystems, sensors, radars, seekers, propulsion, electronic warfare, semiconductors, advanced materials, secure communications, software-intensive systems, and lifecycle maintenance. The future of Defence CPSEs will therefore be shaped not simply by how much they produce, but by whether they help India internalise the technologies that continue to underpin foreign dependence.

Defence CPSEs are also likely to become more important in building India's export-oriented defence capability. Although India's defence export base remains modest compared with that of major global exporters, the recent growth in exports indicates that domestic production is beginning to generate external demand. Over the next 20–25 years, Defence CPSEs could help move India from being primarily a large arms importer to becoming a more credible supplier of defence equipment. The significance of this shift would extend well beyond export earnings. A stronger export presence can improve capacity utilisation, support economies of scale, and push firms towards higher standards of quality, reliability, and certification. It can also enhance India's diplomatic and strategic position, particularly by strengthening its role as a defence partner for friendly countries in the Global South.

At the same time, the transition is likely to be gradual rather than dramatic. India remains heavily dependent on imports for several advanced systems and critical technologies, and that dependence cannot be eliminated quickly. Defence manufacturing is structurally different from many other sectors because technological absorption is slow, product cycles are long, and operational reliability matters more than rapid commercial expansion. Defence CPSEs are therefore unlikely to transform overnight into globally dominant defence firms. A more realistic expectation is that they will continue to strengthen incrementally—expanding domestic production, deepening localisation, improving system integration, and gradually building export credibility—while still depending on foreign technology partnerships in several high-end areas for some time.

Key Risks

- **Persistent dependence on foreign technology** in critical areas such as propulsion, engines, seekers, semiconductors, advanced materials, and secure electronics.
- **Limited depth in domestic R&D,** which may constrain the ability to move from licensed production to original design and innovation.
- **Execution risk in indigenisation,** where local assembly may rise without sufficient localisation of high-value components and technologies.
- **Weak supply-chain maturity,** especially among MSMEs and smaller vendors, which could affect quality, reliability, and delivery timelines.
- **Coordination challenges between CPSEs, private firms, MSMEs, and start-ups,** potentially slowing ecosystem-wide capability development.
- **Export competitiveness risk,** as India still lags leading defence exporters in scale and global market access.
- **Dependence on sustained policy support,** including procurement reforms, budgetary backing, technology transfer frameworks, and export facilitation.
- **Bureaucratic and procedural delays,** which can slow decision-making, contracting, technology adoption, and project execution.
- **Capability gaps in high-end manufacturing,** particularly in electronics, sensors, advanced software, and precision systems.
- **Geopolitical and supply disruption risks,** especially where key defence inputs still rely on overseas partners.

Overall, the long-term outlook for Defence CPSEs remains positive, though it depends on how well they adapt. They are likely to stay important over the next two decades, not because defence will remain dominated by the public sector in the old way, but because India's shift from import dependence to domestic capability still needs institutions that can handle risk, support complex manufacturing, and align industrial growth with national security needs. Their future relevance will depend less on legacy position and more on whether they can build technology depth, strengthen supply chains, support exports, and work effectively in a more competitive ecosystem. If they can do that, Defence CPSEs can become most important vehicle through which India converts strategic necessity into industrial strength and long-term autonomy.

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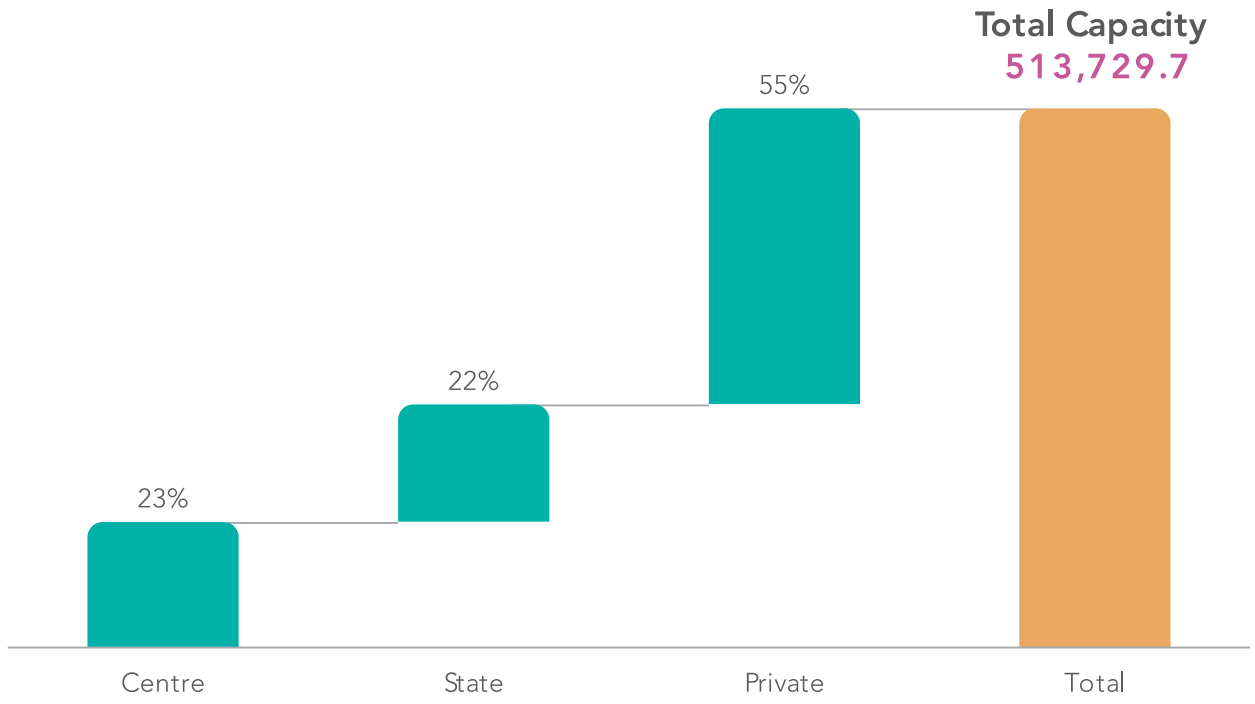
Energy: Power Generation

Power generation is one of the most important sectors for India's economic transformation. Electricity is a foundational input that supports every major segment of the economy, from industry and agriculture to services, transport and households. It is therefore not far-fetched to describe it as the backbone of modern economic growth. At the same time, power generation is a critical form of strategic infrastructure. Unlike defence, however, the sector is not predominantly public sector led, with public sector undertakings accounting for about 45.0%[6] of installed generation capacity and private players occupying a substantial share of the sector.

All India Installed Capacity in MW



Source: Annual Report FY26, Ministry of Power

Evolution

The evolution of India's power generation sector reflects the wider evolution of the Indian public sector as a whole. In the early decades after Independence, electricity generation was treated as a strategic public responsibility because it required large capital investment and coordination across coal supply, water resources, transmission, and distribution. Institutions such as the Damodar Valley Corporation, State Electricity Boards, and later CPSEs such as NTPC, NHPC, and NEEPCO played a foundational role in building India's generation base.

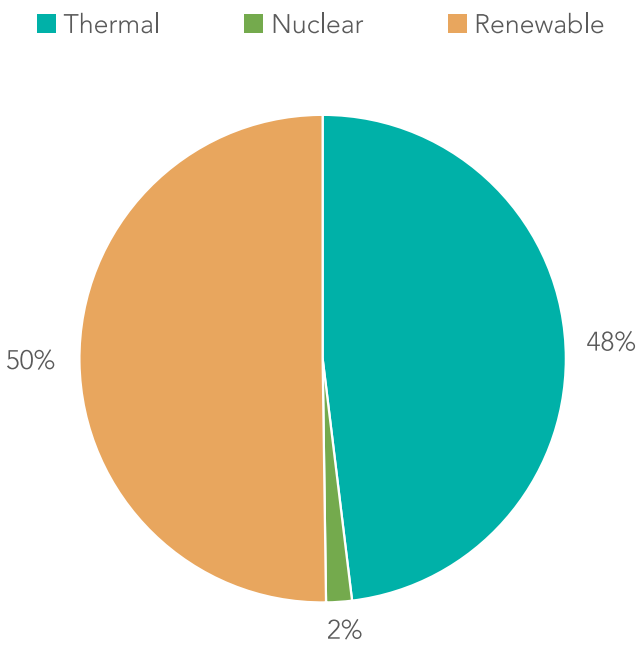
[6] Ministry of Power, Annual Report 2025–26

This public sector led model was necessary because private capital was not positioned to carry the scale of investment and risk required for national electricity expansion. Power PSUs therefore became central to thermal power, hydropower, regional development, and the broader goal of electrification. Coal based thermal power became especially important because it was domestically available, suitable for large baseload generation and closely linked to India's industrialisation strategy.

The structure began to change after the reform period of the early 1990s, when rising electricity demand made it clear that public investment alone would not be sufficient. Private participation was gradually encouraged, and the Electricity Act, 2003 further opened the sector by creating a more enabling framework for generation, open access, and competition. Over time, private players built a strong presence, first in conventional power and later in renewable energy.

As a result, India's power generation sector has moved from a largely public sector led model to a mixed ownership system. Today, private players account for a larger share of installed capacity, while public sector undertakings still remain strategically important for baseload power, hydropower, and long-term infrastructure planning. The generation mix has also changed. India was historically dependent on coal and large hydro, but renewable energy, especially solar and wind, has expanded rapidly.

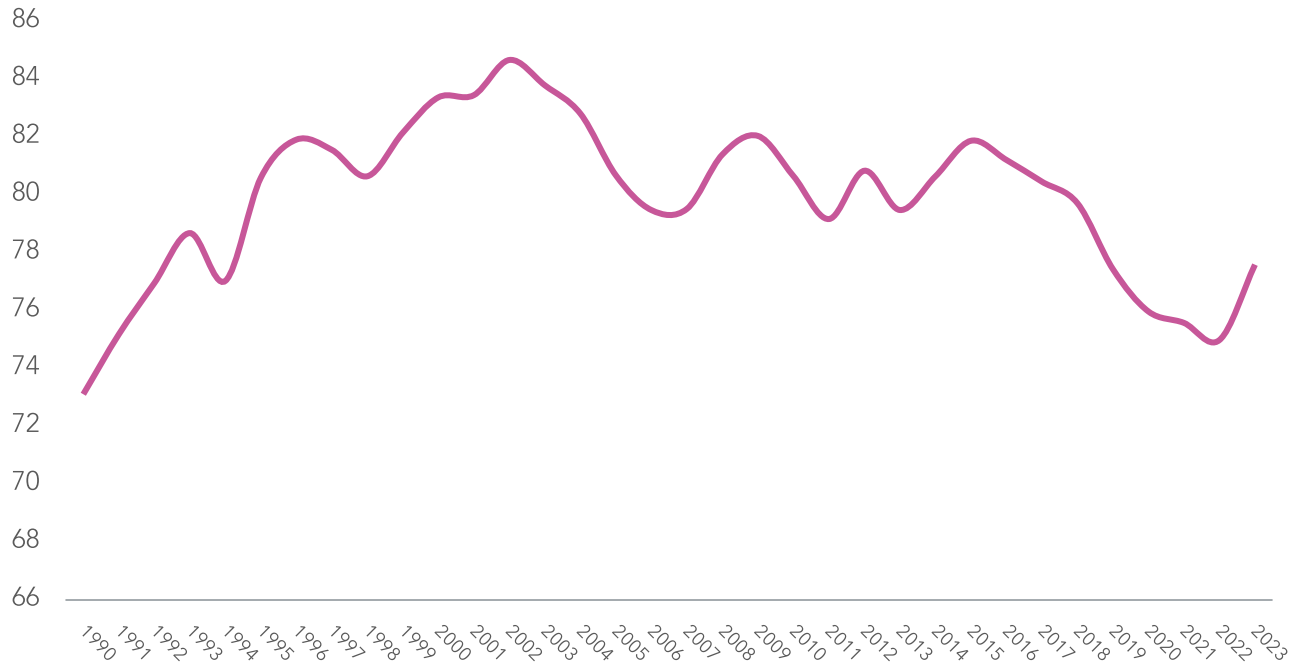
All India Installed Capacity Share as of FY26



Source: Annual Report FY26, Ministry of Power

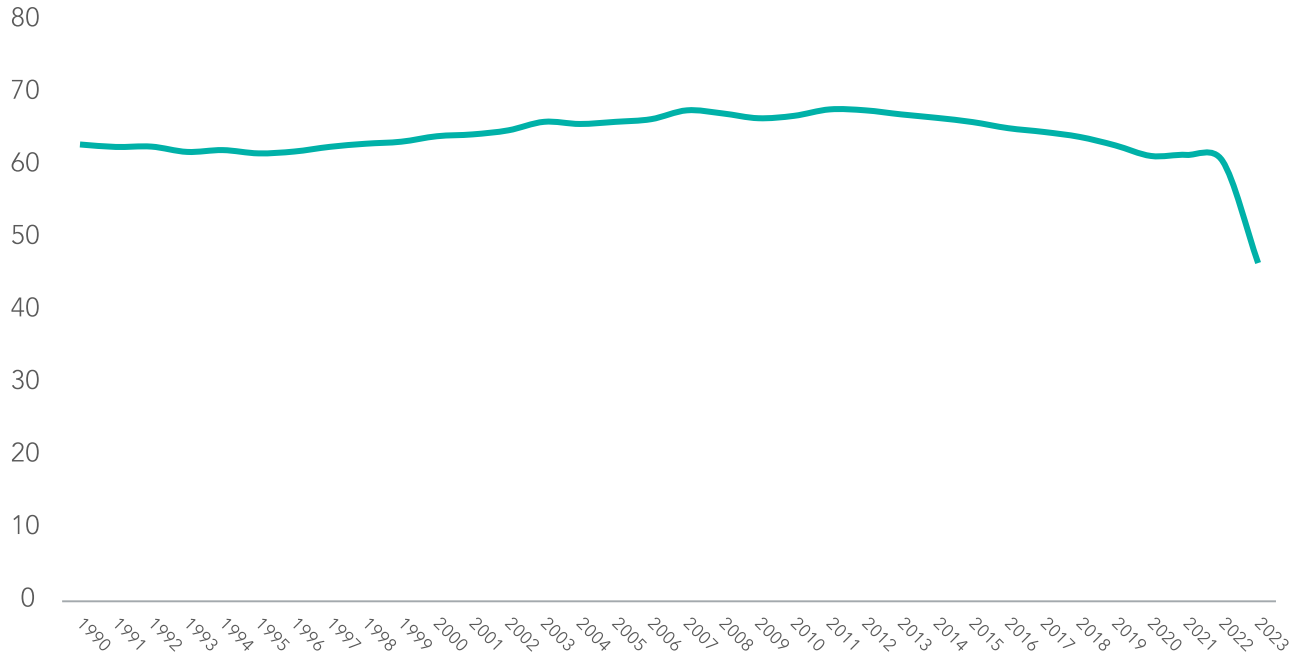
However, installed capacity should not be confused with actual generation. In FY26, India's total power generation was around 1,846 billion units, of which non-fossil sources contributed 539 billion units, or 29.2%. Capacity may be turning green, but generation still runs largely on coal. A comparative graph showing the share of total electricity generated from thermal power in India and globally would help illustrate the gravity of the situation.

India's Electricity Generation via Thermal (% of the Total)



Source: World Bank

World's Electricity Generation via Thermal (% of the Total)



Source: World Bank

India is not moving away from coal overnight. While non-fossil sources now account for a large share of installed capacity, coal continues to dominate actual electricity generation. The next stage of the transition therefore depends not only on adding renewable capacity, but on improving generation reliability.

Why Coal Dependence Creates a Structural Risk

Coal has played a decisive role in India's electrification and industrial development. It provides firm power, supports base load supply, and remains critical for grid reliability.

At the same time, long-term dependence on coal creates several structural risks:

- **Resource constraint:** Coal is a finite fossil resource and cannot serve as an unlimited foundation for future growth.
- **Climate risk:** Coal-based power generation is highly emissions-intensive, making it harder for India to meet its climate commitments.
- **Environmental and health costs:** Continued reliance on coal imposes significant local costs through mining, ash disposal, water usage, and air pollution.
- **Technology lock-in:** Heavy dependence on coal can delay investment in cleaner and more future-ready technologies such as green hydrogen and smart grids.

This does not imply that coal should be phased out immediately. India's electricity demand is both large and rapidly growing, making an abrupt transition impractical. The more viable approach is to meet incremental demand through renewable sources while gradually reducing dependence on coal over time.

How Green Is the Renewable Pathway?

Renewable energy is cleaner than coal-based power because solar, wind, hydro, and other non-fossil sources do not rely on the continuous combustion of fossil fuels. However, the clean energy transition is not without risks. Large solar parks require significant land, wind projects depend on transmission connectivity and accurate resource mapping, and hydropower and pumped storage projects must be evaluated carefully for their ecological and social impacts. In addition, batteries and solar modules bring their own challenges related to critical minerals, supply-chain dependence, and end-of-life management.

The right argument, therefore, is not that renewable energy is footprint-free. Rather, it is that renewable energy—when supported by responsible storage and grid integration, domestic manufacturing, better recycling systems, and environmental safeguards—offers a more sustainable pathway to reduce India's long-term dependence on fossil-fuel combustion while strengthening energy security and industrial growth.

Official policy already reflects this wider transition logic. India's National Green Hydrogen Mission targets at least 5 million metric tonnes of green hydrogen production per year by 2030, associated renewable capacity addition of about 125 GW, investment of over INR 8 lakh crore, more than 600,000 jobs, and annual greenhouse gas emissions abatement of nearly 50 million metric tonnes[7].

[7] Press Information Bureau (PIB), Government of India, (Release ID :287612)

India's Clean Power Geography

India's renewable transition is geographically diversified, which is important because clean energy cannot be planned around a single technology across all regions. Different parts of the country are better suited to different technologies, and the evidence suggests that PSUs are increasingly leveraging these regional advantages to build renewable capacity more effectively.

Geography	Suitable clean energy pathway	Evidence and PSU relevance
Rajasthan and Western arid regions	Utility scale solar, solar parks, hybrid solar storage projects	SJVN Green Energy commissioned the 1,000 MW Bikaner Solar Power Project in Rajasthan, which generated one billion units of clean energy by March 2026[8].
Gujarat, including Kutch and Khavda region	Solar, wind, hybrid projects, green hydrogen, port linked clean energy	NHPC is developing solar projects including at Khavda[9], while green hydrogen hubs have been identified at Kandla, Paradip, and Tuticorin[10].
Ladakh and high irradiation regions	Solar plus storage, transmission linked clean power	SECI proposed 5 GW project development in Ladakh and projects in special geographies such as islands and transmission constrained regions[11].
Himalayan, northeastern, and hilly regions	Hydropower, small hydro, pumped storage	NHPC has a large hydro base and is exploring six pumped storage projects totalling 9,830 MW in the Himalayas[12].

PSUs Making Major Leaps in Renewable and Clean Energy

In revenue terms, CPSEs in the power generation sector have recorded significant growth, with revenue of INR 235,267 crore and a profit of INR 35,977 in FY25. The sector ranks second among the manufacturing cognate groups after petroleum in terms of revenue and first in terms of profit. High profit gives them more incentive and capital to invest into ambitious renewable energy projects.

[8] SJVN Limited, "SJVN Green Energy Limited (SGEL)," https://sjvn.nic.in/en/sjvn-green-energy-limited-sgel.

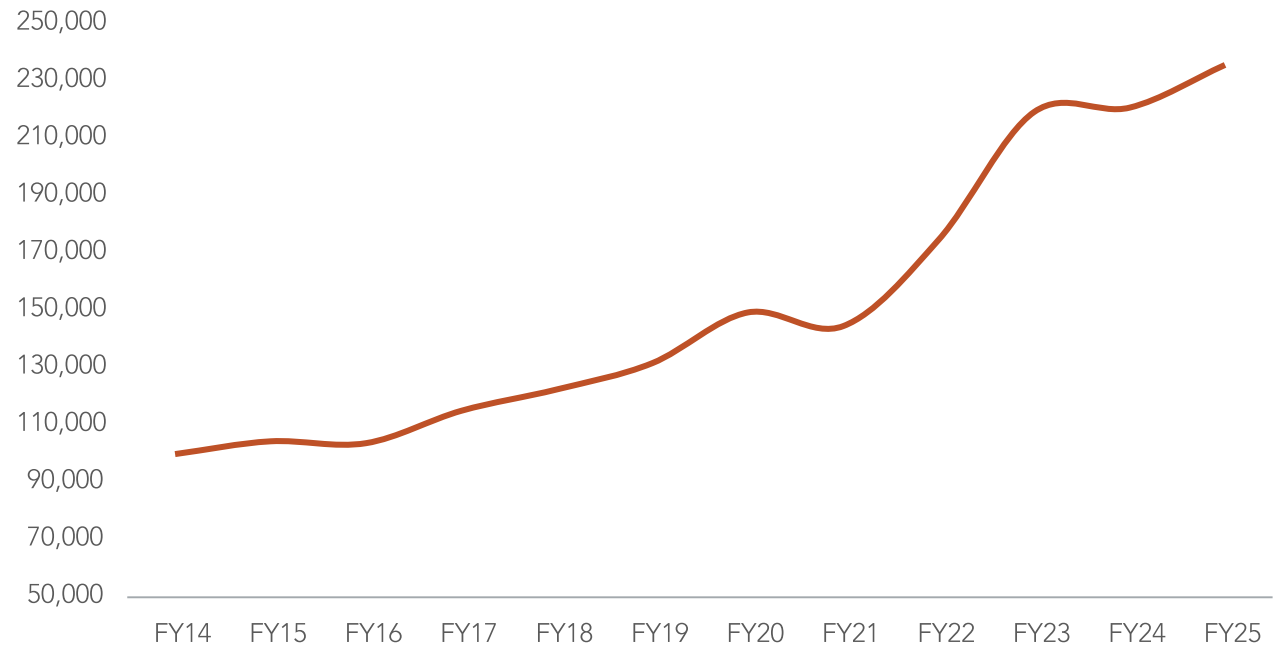
[9] NHPC India Limited, https://www.nhpcindia.com/welcome/page/1.html

[10] Press Information Bureau (PIB), Government of India, Release ID:287612

[11] SECI, https://seci.co.in/what-we-do

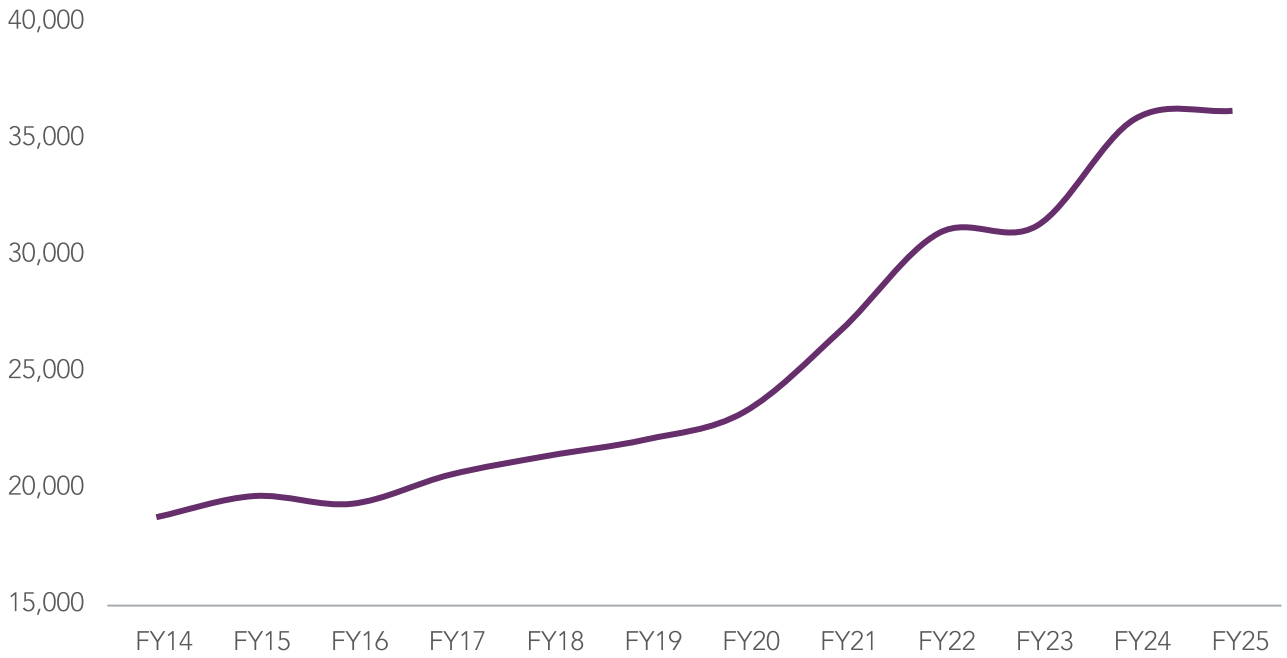
[12] NHPC India Limited, https://www.nhpcindia.com

Revenue of Power Generating CPSEs in Crores



Source: DPE, Public Enterprise Surveys

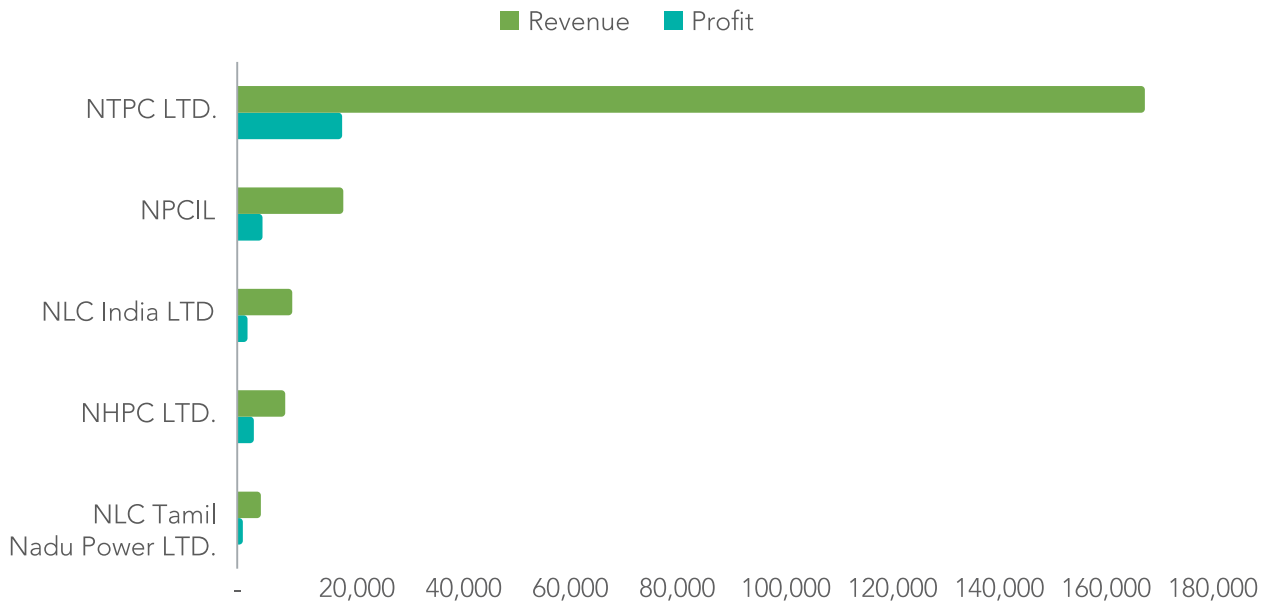
Profit of Power Generating CPSEs in Crores



Source: DPE, Public Enterprise Surveys

However, the contribution of these enterprises cannot be assessed only through financial performance. It is also important to examine how different PSUs are supporting India's green transition. Since assessing every PSU in detail is difficult within the scope of this chapter, the following section focuses on selected CPSEs that are playing an important role in transforming India's energy landscape.

Top Performing Power Generating CPSEs Profit and Revenue in Crores



Source: DPE, Public Enterprise Surveys

National Thermal Power Corporation (NTPC) and NTPC Green Energy Limited

NTPC is the most important power generation CPSE in India's clean energy transition because it is moving from being a conventional thermal power major to a diversified energy transition platform. The Cabinet has approved enhanced delegation allowing NTPC to invest up to INR 20,000 crore in NTPC Green Energy Limited and related renewable energy subsidiaries or joint ventures. The objective is to support NTPC's target of achieving 60 GW of renewable energy capacity by 2032. NTPC Green Energy Limited had a renewable portfolio of around 32 GW, including about 6 GW operational, 17 GW contracted or awarded, and 9 GW pipeline[13]. This transition is especially important because India needs large, financially strong, technically capable entities that can build clean capacity at utility scale. NTPC can also combine renewable power with storage, round the clock supply, green hydrogen, and industrial offtake.

[13] Press Information Bureau (PIB), Government of India, Release ID: 2145151

Solar Energy Corporation of India (SECI)

While originally not a power generating CPSE, SECI is one of the most important public institutions in India's renewable energy ecosystem. A Navratna CPSE under the Ministry of New and Renewable Energy (MNRE), it serves as both a Renewable Energy Implementing Agency and a Category-I power trading licensee. As of May 1, 2025, it had awarded over 74 GW of renewable capacity, including 46 GW solar, 16 GW wind, and 12 GW hybrid projects[14]. SECI plays a central role in structuring Power Purchase Agreement (PPAs) and Power Sale Agreement (PSAs), while promoting tariff transparency, payment security, and market-based price discovery. It is also expanding into green hydrogen, green ammonia, offshore wind, and battery energy storage. More broadly, SECI is a critical pillar of India's energy transition, helping translate policy targets into bankable projects through demand aggregation, competitive tendering, and reduced market uncertainty.

National Hydroelectric Power Corporation (NHPC)

India's clean energy transition requires flexible clean power, not just more solar and wind capacity, and that is where NHPC has an important role to play. As India's largest hydropower developer, NHPC has gradually diversified into solar and wind and now occupies a broader place in the renewable ecosystem as one of the government-designated Renewable Energy Implementing Agencies. NHPC's installed capacity is 9,083 MW, including 8,521 MW hydro from 24 stations, 512 MW solar from six solar plants, and 50 MW wind[15]. More importantly, its relevance lies in the balancing role that hydropower, pumped storage, and battery storage can play in supporting a renewable-heavy grid. NHPC's growing presence in battery storage tenders, rooftop solar, pumped storage, and green hydrogen pilots suggests that it is evolving from a hydro-focused PSU into a wider clean-energy integration platform.

Why PSUs Matter More Than Private Players in This Subsector

Private firms are essential for renewable energy development and cost competitiveness. However, PSUs matter more in the system building functions of the clean energy transition.

- **PSUs can build where returns are long-term:** Transmission, green hydrogen hubs, difficult terrain projects, and large renewable parks often have long payback periods. Private firms may prefer projects with clearer returns and lower execution risk. PSUs can absorb longer gestation risks where the national benefit is larger than the immediate project return.
- **PSUs can create markets, not just compete in them:** SECI's role shows why public institutions matter. It does not merely generate power. It conducts tenders, signs PPAs and PSAs, supports price discovery, and creates payment security. This helps private developers participate in a more predictable market.
- **PSUs can develop difficult geographies:** SECI's work in special regions such as Lakshadweep, Andaman and Nicobar, Ladakh, and transmission constrained regions shows is a testament that PSUs can take up projects where private interest may be limited or where national strategic value exceeds commercial return.

[14] SECI, https://seci.co.in/what-we-do

[15] NHPC India Limited, https://www.nhpcindia.com

- **PSUs can transition legacy assets:** PSUs are important because they show how legacy fossil fuel institutions can be redirected toward renewable energy. This matters because India cannot build a clean energy future only by adding new private developers; it must also transform existing public energy giants.
- **PSUs can crowd in private investment:** The best role for PSUs is not to crowd out private players. It is to crowd them in. SECI creates tenders, POWERGRID builds evacuation infrastructure, IREDA finances projects, and NTPC provides large offtake and execution capacity. This reduces risk for private developers, MSMEs, contractors, equipment suppliers, and technology firms.

Future Outlook

India's energy PSUs are likely to remain central to the country's power transition over the next two decades, but their role will increasingly evolve. The future is unlikely to be one in which public sector enterprises simply expand installed capacity in the traditional sense. Instead, they are more likely to function as transition institutions that help manage a more complex energy system—one that must simultaneously deliver reliability, affordability, decarbonisation, industrial growth, and energy security. This matters because India's transition is not just about adding renewable capacity; it is about integrating that capacity into a system where actual generation still remains heavily dependent on thermal power.

The role of energy PSUs will gradually shift from conventional generation toward broader system-building functions. These functions include developing large-scale renewable capacity, enabling storage and balancing infrastructure, supporting green hydrogen and other emerging clean-energy domains, building projects in difficult geographies, and creating market frameworks that make investments bankable. The current direction of public-sector activity already points in this direction. The transition, however, is likely to be gradual rather than abrupt. India's installed capacity is becoming steadily greener, but actual electricity generation still relies heavily on coal, which means the energy transition must be managed in a way that does not undermine supply security. In that context, energy PSUs are likely to play a bridging role: maintaining system stability in the near to medium-term while also building the infrastructure required for a lower-carbon power system.

Energy PSUs will increasingly support industrial transformation beyond electricity alone. As India pushes into green hydrogen, green ammonia, round-the-clock renewable supply, and storage-backed power systems, public enterprises are likely to become part of a wider clean-industrial strategy rather than only a power-generation strategy. In that sense, their long-term role may extend from electricity supply to supporting industrial competitiveness, domestic manufacturing, and low-carbon growth more broadly.

Overall, the long-term outlook for India's energy PSUs is highly positive. They are likely to remain highly relevant over the next two decades, not because the system will remain public-sector dominated, but because the transition itself requires institutions that can absorb risk, coordinate across markets, build long-gestation infrastructure, and align commercial activity with national energy goals. If this institutional role deepens successfully, energy PSUs could emerge as some of the most important enablers of India's clean-energy transition. If not, they may expand capacity without fully solving the deeper challenges of grid integration, fossil-fuel dependence, and industrial decarbonisation.

Key risks

- **Coal dependence:** Renewable capacity is expanding, but actual generation may remain coal heavy for a long period.
- **Grid integration:** Clean capacity will not translate into clean supply unless transmission, storage and balancing systems expand in parallel.
- **Execution delays:** Renewable parks, hydrogen, and transmission projects face risks around land, clearances, financing, and contracting.
- **Payment security:** Weak DISCOM finances and delayed payments can affect project bankability.
- **Technology uncertainty:** Battery storage, green hydrogen, offshore wind, and electrolysers are still evolving commercially.
- **Import dependence:** Clean energy growth may create new dependence on imported modules, batteries, electrolysers, and critical minerals.
- **Transition sequencing:** Moving too slowly will prolong fossil dependence, while moving too abruptly may affect reliability and asset viability.

Over the next two decades, India's energy PSUs will matter because they can help solve the harder problem of the transition: turning clean capacity into reliable power, aligning public goals with private investment, and making India's energy shift both scalable and secure.

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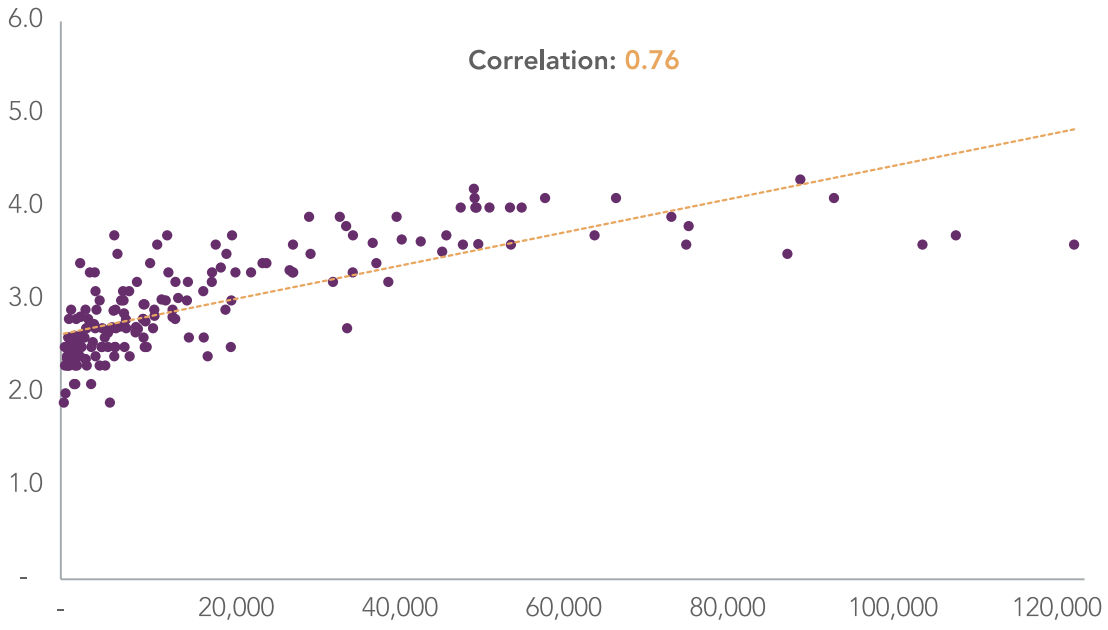
Infrastructure: Transport and Logistics

Travel and logistics (T&L) is a critical part of India's economic system because it sits at the operating core of trade, mobility, industrial competitiveness and supply chain efficiency. Production alone is not sufficient; goods must also move reliably, quickly and cost effectively from production centres to markets. This makes logistics a core operating system of the modern economy.

The cognate covers a wide range of enterprises linked to air cargo, rail logistics, warehousing, shipping, ports and pipelines. These institutions reduce the economic distance between producers, suppliers and consumers. When logistics systems are weak, firms face higher inventory costs, longer delivery cycles, greater wastage and lower export competitiveness. These inefficiencies eventually raise costs for consumers as well. By contrast, stronger logistics improves manufacturing competitiveness, reduces product losses, connects regional markets and helps Indian firms participate more effectively in global value chains. This cognate is not merely a narrow service category. It is a transformative infrastructure domain that supports India's industrial growth, export performance, energy security and regional integration.

The scatter plot indicates a positive relationship between logistics performance and GDP per capita. Countries with better logistics systems generally record higher income levels, suggesting that efficient movement of goods, stronger connectivity, and lower supply chain frictions are closely associated with economic development.

Scatter Plot Between GDP per Capita (USD current price) and Logistics Performance Index (LPI) 2022



Source: World Bank

Evolution

The early vision behind incorporating the T&L cognate was to build basic national capacity in transport, aviation, shipping, and warehousing. The establishment of the Central Warehousing Corporation (CWC) in 1957 reflects the foundational logic of this cognate: to develop storage and logistics infrastructure for agricultural produce, industrial goods, bonded warehousing, container freight stations, and inland clearance facilities. Over time, CWC evolved beyond being merely a provider of commercial storage. It became an integral part of the national supply chain, closely linked to food security, trade facilitation, and distribution.

On the same lines, several other T&L CPSEs emerged. For example, the Shipping Corporation of India reflected a similar strategic logic in the maritime sector, having been established to build India's shipping capacity in an area where international trade, energy transportation, and maritime presence were of critical importance. Likewise, the Airports Authority of India (AAI) later became central to the development of airport infrastructure and the expansion of regional air connectivity. This scaling up of the T&L ecosystem was essential, as centrally affiliated enterprises were strategically positioned to create the infrastructure required on a national scale.

Over time, the cognate expanded to include container rail logistics, cargo handling, port logistics, and allied infrastructure. Following liberalisation, the broader policy environment also began to align with a disinvestment approach, involving the substantial sale of government shareholding along with the transfer of management control. This approach was guided by the principle that the government should gradually withdraw from sectors where competitive markets had matured and where enterprises might perform more efficiently with greater access to capital, technology, and professional management. However, this shift did not imply a complete withdrawal of the state from the T&L sector. Rather, the state moved away from directly operating certain competitive services—particularly in aviation—while continuing to retain or build public capacity in areas marked by stronger network, strategic, or infrastructure characteristics, such as freight corridors, rail cargo terminals, pipelines, ports, and multimodal logistics.

PM Gati Shakti captures this policy shift. It was launched as a National Master Plan for multimodal connectivity, bringing 16 ministries[16], including Railways and Roadways, onto a digital platform for integrated planning and coordinated implementation. It also covers economic zones such as textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, and agri zones, with the aim of improving connectivity and enhancing business competitiveness. In this sense, it functions as a critical link across multiple sectors of the economy. The underlying message is clear: T&L CPSEs are no longer confined to operating assets alone. They are increasingly embedded within a national coordination architecture designed to connect roads, railways, ports, waterways, airports, industrial zones, energy infrastructure, and regional markets.

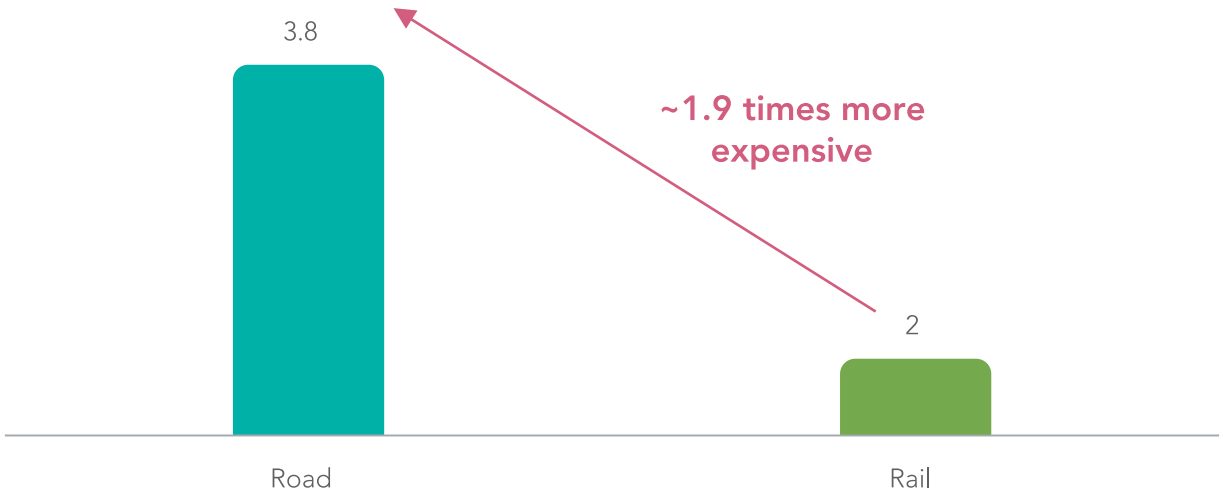
[16] Press Information Bureau (PIB), Government of India, Release ID: 1763638

Key logistics challenges and their impact

When the logistics system is constrained, the economy does not merely face delays in movement; it faces friction in growth itself. For India, these bottlenecks matter because they affect how efficiently production connects with both domestic and international markets, how competitively firms reach consumers, and how smoothly regions integrate into wider value chains. This makes the weaknesses in logistics an important lens for understanding the constraints on India's developmental ambitions.

- Overdependence on Roads and fragmented movement: According to a study by the National Council of Applied Economic Research (NCAER), India's logistics costs in FY24 were estimated at INR 24 lakh crore, equivalent to around 8.0%[17] of India's GDP. Although this represents a significant milestone in terms of cost efficiency, major structural challenges persist, particularly in the modal distribution of freight transport. Around 70.0%[18] [19] of total freight in India continues to be transported by road, resulting in an overdependence on this mode. While road transport remains indispensable for its flexibility and last-mile reach, excessive reliance on it for long-distance freight raises fuel consumption, emissions, congestion, and accident risk, while also making supply chains more vulnerable to delays and disruptions. These inefficiencies ultimately increase logistics costs, which are often passed on to consumers through higher prices, and reduce market efficiency by creating uncertainty in delivery schedules, raising inventory costs for businesses, and weakening the competitiveness of Indian industry. The concern, therefore, is not with road transport per se, but with the imbalance in freight movement caused by the inadequate availability of dedicated infrastructure.

Average Freight cost (Per Tonne Per Kilometre)



Source: NCAER, DPIIT

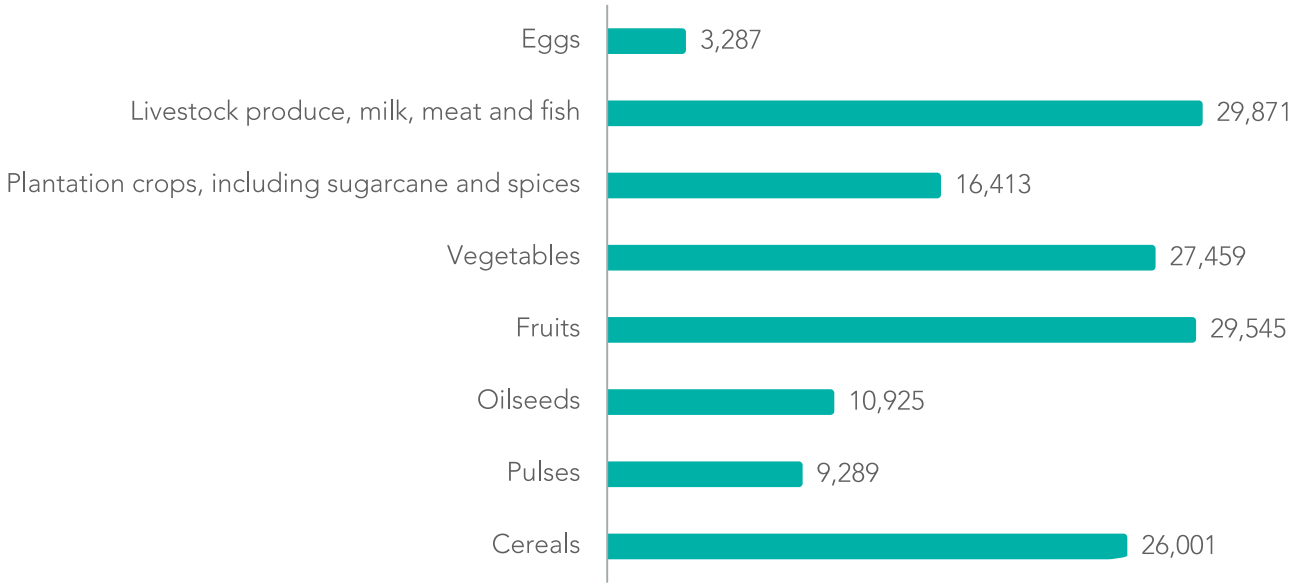
[17] Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, Assessment of Logistics Cost in India, 2025.

[18] World Bank, World Bank Provides USD 245 Million to Help Indian Railways Carry More Freight, Reduce GHG Emissions

[19] Bureau of Research on Industry and Economic Fundamentals, Improving Rail Efficiency and Share in India's Freight Transport, NITI Aayog, Government of India, 2025

- **Warehousing and cold chain constraints:** Warehousing remains a major weak point in India's logistics system, with consequences that extend well beyond storage alone. Fragmented and unevenly distributed warehousing infrastructure disrupts agricultural supply chains, raises inventory costs for firms, and limits the efficiency of e-commerce and export-oriented firms. The problem is especially acute for agricultural and perishable goods, where inadequate storage and cold chain capacity contribute to spoilage, quality deterioration, and avoidable losses. These losses have effects across the supply chain, leading to higher prices for consumers and making firms more cautious about accepting large orders. At the same time, the limited spread of modern warehousing reduces firms' ability to manage inventories efficiently, increasing both carrying costs and delivery uncertainty. The real requirement is for a modern and integrated warehousing system encompassing all components of storage infrastructure, ranging from digital systems to cold chain facilities.

Annual Food Loss in Crores



India Losses 152,790 crores every year

Source: NABCONS, 2022

- **Weak multimodal integration:** India's logistics challenge is not confined to inadequate infrastructure alone; it also stems from weak integration across transport modes. Freight typically passes through multiple nodes in the supply chain—from the factory and warehouse to rail terminals, ports, airports, customs facilities, and final markets. When these nodes are not well coordinated, even a disruption at one point can generate cascading effects across the system, leading not only to delays and cargo damage, but also to higher inventory costs, unreliable delivery schedules, and reduced confidence among producers, traders, and consumers.
- **Regulatory Issues:** A further constraint arises from the regulatory complexity that surrounds freight movement across agencies and states. Logistics performance depends not only on infrastructure, but also on the degree to which permits, customs processes, warehousing standards, transport rules, and

state-level coordination operate within a coherent administrative framework. Where these systems remain fragmented or inconsistently implemented, firms encounter delays, uncertainty, and elevated compliance costs. The consequences are structural rather than incidental: weaker delivery reliability, less efficient inventory management, and diminished capacity to plan production and export cycles. These burdens fall particularly heavily on MSMEs and export-oriented producers, for whom regulatory friction can reduce competitiveness almost as significantly as physical infrastructure gaps.

- **Urban congestion and last mile delivery stress:** Urban congestion constitutes a significant logistics constraint because gains achieved in long-distance transport are often undermined when goods face delays at the point of final distribution. Congested urban corridors increase fuel consumption, delivery time, emissions, and vehicle turnaround costs, while also making last-mile operations more volatile and less predictable. The consequences extend beyond transport inefficiency alone: firms are forced to build additional buffers into delivery schedules, hold higher inventories, or absorb losses arising from missed delivery windows and disrupted cold chains. These pressures are particularly visible in retail, e-commerce, food distribution, and construction material movement, where timing and reliability are critical. Urban congestion weakens logistics performance at the most commercially sensitive stage of the supply chain, where delays are most visible to firms and consumers and where rising costs are most easily transmitted into prices.

Benefits of solving logistics constraints

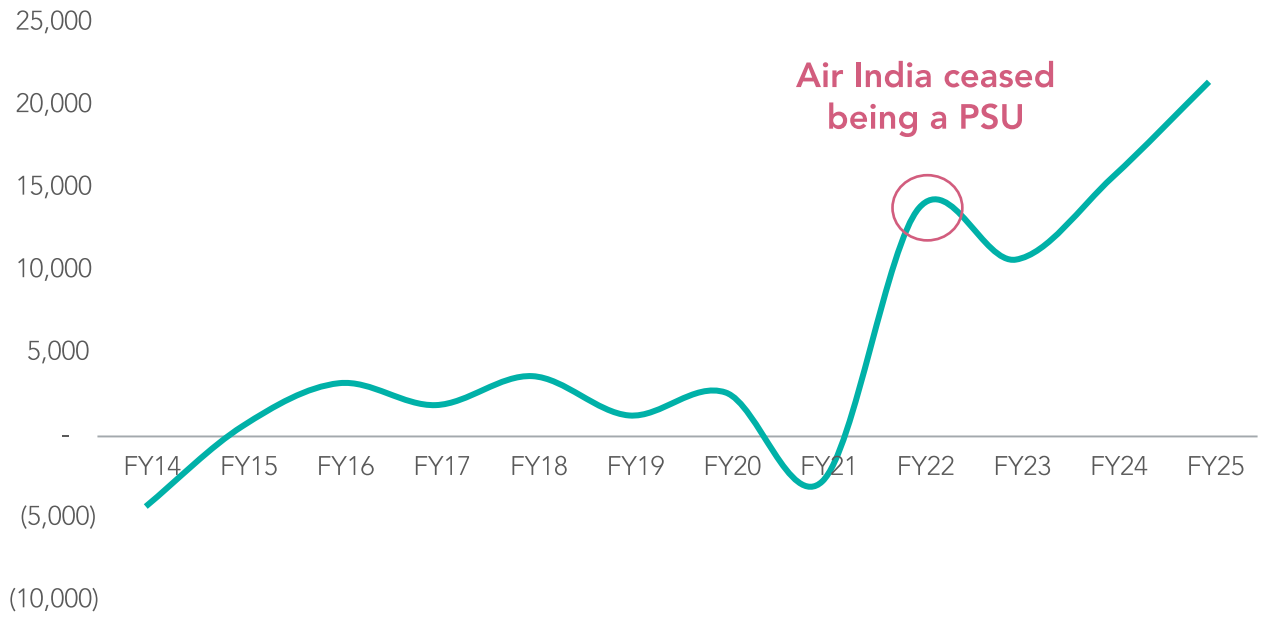
Improving logistics strengthens the economy by reducing the hidden costs that sit between production and final consumption, but there are many more additional benefits.

- **Lower business costs:** Efficient logistics reduces freight charges, storage costs, delays and inventory buffers, thus, improving margins for firms.
- **Stronger export competitiveness:** Faster and more reliable movement helps exporters meet delivery timelines, reduce transaction costs, and compete better in global markets.
- **Higher manufacturing productivity:** When inputs and finished goods move smoothly, factories can operate with lower uncertainty and better planning.
- **Reduced consumer prices:** Lower logistics costs can reduce the cost burden passed through the supply chain.
- **Lower wastage:** Better cold storage and handling systems reduce losses in perishables and temperature sensitive products.
- **Deeper market integration:** Improved logistics connects producers with wider markets, helping firms in smaller towns and interior regions access both domestic and global markets.
- **Lower emissions and congestion:** A more balanced and efficient freight system can reduce fuel use, road congestion, and environmental pressure.

How are T&L CPSEs performing

The structural constraints that have impeded the development of India's logistics value chain are being gradually alleviated through the expanding role of CPSEs, reinforced by a strong policy push towards building a more efficient, integrated, and sustainable logistics system.

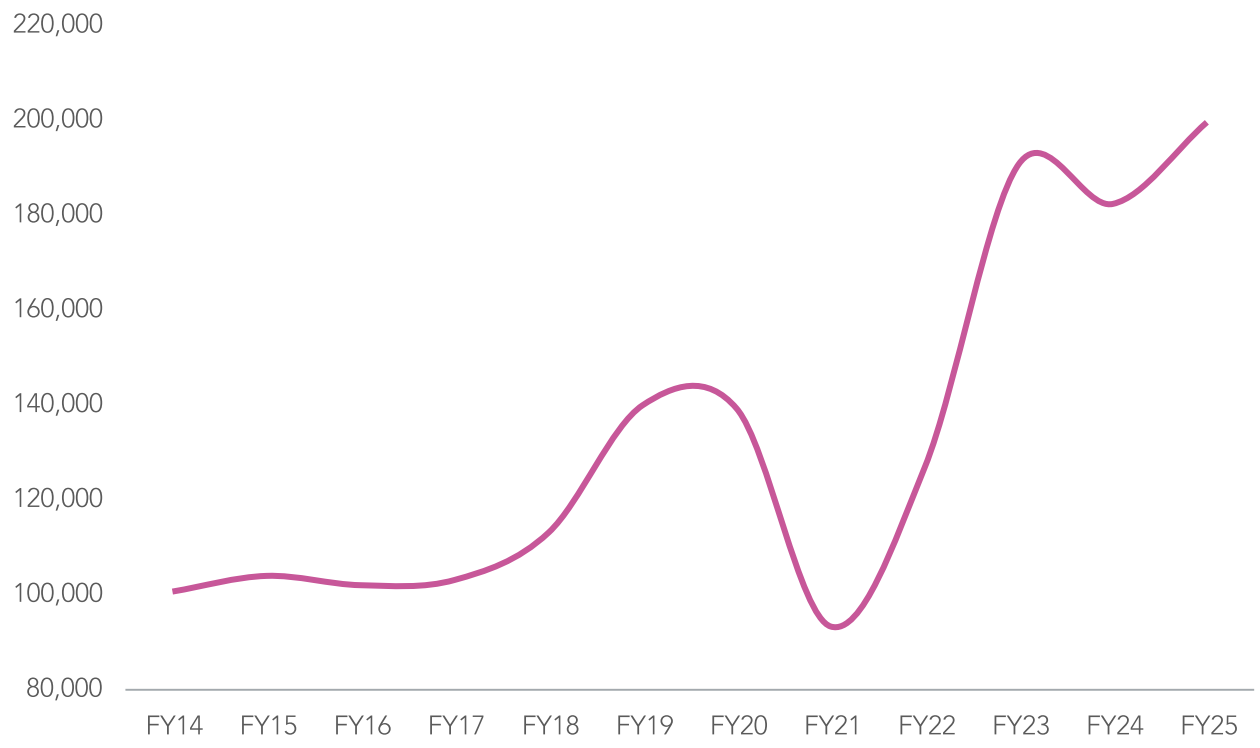
Profit of Transport & Logistics CPSEs in Crores



Source: DPE, Public Enterprise Surveys

At present, 27 CPSEs operate at the national level within this cognate, collectively generating profits of INR 21,487 crore—second only to the Financial Services cognate. They also recorded the highest foreign exchange earnings within the service sector, at approximately INR 26,419 crore, along with the highest overall revenue of INR 199,600 crore. These figures are not merely indicative of scale, but of the sector's central role in the economy. High revenues reflect the extensive reach of logistics services across production and distribution networks, while strong profitability suggests that these enterprises are not purely infrastructural but also commercially viable. At the same time, significant foreign exchange earnings underline the sector's linkage with international trade flows, positioning logistics CPSEs as critical enablers of exports and external economic engagement. After losing Air India as a CPSE the sector has been steadily gaining profit which gives it more confidence and space for taking more ambitious infrastructure projects aimed at easing logistic frictions.

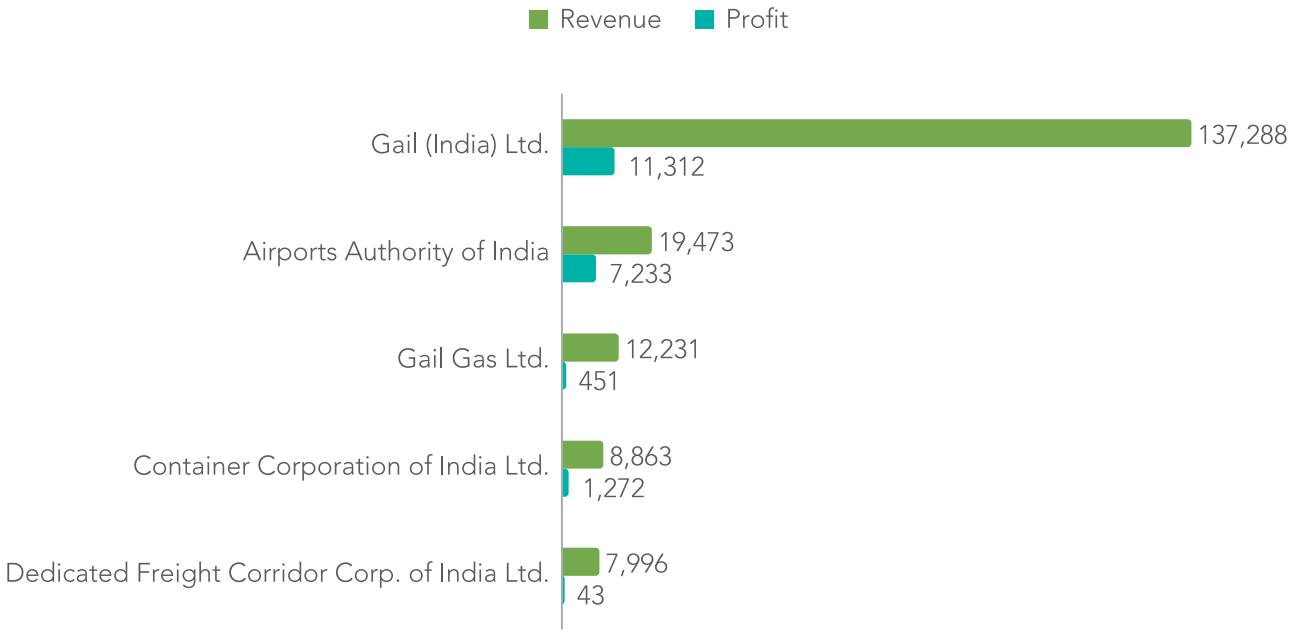
Revenue of Transport & Logistics CPSEs in Crores



Source

The following section identifies the CPSEs that are driving this transformation.

Leading Transport & Logistics CPSEs in Revenue and Profit in Crores



Source: DPE, Public Enterprise Surveys

Dedicated Freight Corridor Corporation of India Limited (DFCCIL)

DFCCIL occupies a central place in India's logistics transformation because it directly tackles two of the system's most persistent constraints: overdependence on road freight and congestion on railway lines shared by passenger and freight traffic. The Eastern and Western Dedicated Freight Corridors (DFC) enable faster, more reliable, and higher-capacity freight movement, while also improving port connectivity and supporting the development of terminals and industrial linkages along the route. Their significance, however, goes beyond logistics performance in a narrow sense. By reducing transport uncertainty and improving access to markets, the corridors create conditions that can influence industrial location decisions, encourage cluster formation, and stimulate economic activity in surrounding regions. DFCCIL, therefore, is not merely easing freight movement; it is helping reshape the geography of production and distribution in India.

DFC traffic rose from an average of 247 trains per day in FY24 to 352 trains per day in FY25, representing a 42.5% increase, while average daily traffic touched 371 trains in February 2025[20]. The rising traffic intensity suggests that the corridors are beginning to deliver on their intended purpose: separating freight from congested mixed-use railway lines and creating a more reliable backbone for long-distance goods movement. For India, this matters because dedicated freight rail enhances delivery predictability, eases pressure on road transport, improves port connectivity for export flows, and frees conventional railway capacity for both passenger movement and additional light freight services.

AAI and AAI Cargo Logistics and Allied Services

AAI is a cornerstone of regional connectivity and aviation logistics. AAI owns 134 operational airports and provides air navigation services over 2.8 million square nautical miles of airspace. In FY24, AAI airports, excluding joint venture and Public Private Partnerships (PPP) airports, handled around 131 million passengers and 688[21] thousand metric tonnes of freight. In recent years, AAI has expanded beyond its conventional role in airport operations to assume a wider position in logistics and cargo infrastructure. Through AAI Cargo Logistics and Allied Services Company Limited, it has entered cargo management and the development of dedicated cargo terminals. This is economically significant because air cargo is critical for sectors that depend on speed and product integrity, including pharmaceuticals, electronics, perishables, express consignments, emergency supplies, defence components, and high-value exports.

In the long term, this can support export diversification and encourage the emergence of airport-linked industrial and logistics clusters.

Why CPSEs matter more than private players in this landscape

Private players remain essential in logistics. They bring competition, operational efficiency, technology, fleet capacity, innovation, and customer responsiveness. The argument is not that CPSEs should replace private firms. The argument is that CPSEs remain essential where logistics requires public coordination, long-term capital, strategic connectivity, and market creation.

[20] Press Information Bureau (PIB), Government of India, Release ID: 2112843

[21] AAI, https://www.aai.aero

- **Long-term infrastructure creation:** Freight corridors, airports, ports, pipelines, and warehousing networks require large upfront investment and involve long payback periods, which can discourage broad-based private participation. Even where private investment is feasible, such sectors tend to have high entry barriers, creating the risk that control may become concentrated in the hands of a few large players, resulting in oligopolistic market structures.
- **Broad Development Goals:** Certain regions require connectivity even before demand becomes commercially viable. In such cases, CPSEs can invest ahead of demand where broader developmental, regional, or strategic considerations justify it, unlike private firms, which are typically guided by near-term commercial returns. This enables the state to extend transport and logistics infrastructure to areas that may be underserved by purely market-led investment but are essential for balanced regional development.
- **National security and energy security:** Shipping, gas pipelines, LNG movement, airport infrastructure, fuel farms, and port logistics possess strategic importance that extends well beyond their immediate commercial returns. These assets are closely tied to energy supply reliability, trade continuity, emergency preparedness, and the broader resilience of the national economy. For this reason, state involvement remains important, as decisions in these sectors must often be guided not by sheer profitability.
- **Coordination with government policy:** Programmes such as PM Gati Shakti, the National Logistics Policy, and Sagarmala require close alignment across ministries, regulators, state governments, and infrastructure agencies. In this context, CPSEs are well placed to bridge institutional gaps and facilitate coordination among multiple stakeholders, helping translate broad policy objectives into integrated and effective implementation.
- **Market making:** DFCCIL, CWC, and public port entities serve a market-making function by creating the backbone infrastructure around which private logistics activity can expand. Rather than displacing private participation, they often make it possible by reducing coordination failures, lowering entry barriers, and providing shared platforms for exporters and logistics firms.

Future Outlook

Over the next few decades, India's T&L CPSEs are likely to remain important not merely as operators of transport assets, but as system-building institutions that support trade, industrial competitiveness, and supply-chain efficiency. Their long-term relevance will lie in how effectively they help connect railways, roads, ports, airports, warehouses, and logistics terminals into a more integrated national digital network. This is also the broader logic behind PM Gati Shakti and the National Logistics Policy, both of which emphasise multimodal connectivity, digital coordination, and lower logistics costs.

T&L CPSEs will increasingly shift from asset ownership to network integration. Institutions such as DFCCIL are important not just because they operate freight infrastructure, but because they help reduce congestion, improve reliability, and support a more rail-oriented freight structure. Similarly, warehousing and airport-linked CPSEs are likely to matter more as part of wider logistics and cargo ecosystems rather than as isolated facilities. Another likely direction is the growing importance of digital and policy coordination. As logistics becomes more data-driven, CPSEs will increasingly matter in areas such as visibility, inter-operability, terminal integration, and regulatory coordination across agencies and states. In that sense, their future role may extend beyond infrastructure creation into the governance architecture of logistics efficiency itself.

Overall, the long-term future of T&L CPSEs appears positive. They are likely to remain central where logistics requires long-term capital, multimodal coordination, and infrastructure creation that markets alone may not provide efficiently.

Key Risks to Look out for

- **Modal imbalance:** Even with freight corridors and rail improvements, India may continue to rely too heavily on roads, limiting cost and efficiency gains from multimodal logistics reform.
- **Weak multimodal integration:** New infrastructure may underperform if ports, rail terminals, warehouses, airports, and industrial clusters are not connected in a seamless operational chain.
- **Execution delays:** Development of more freight corridors, cargo terminals, warehousing systems, and multimodal parks involve long gestation periods, land, approvals, and coordination challenges, which can delay the economic gains.
- **Warehousing and cold-chain gaps:** If storage modernisation does not keep pace with transport improvements, then spoilage, inventory buildup, and supply-chain losses will continue.
- **Urban congestion and last-mile stress:** Long-distance efficiency gains can still be diluted by slow and uncertain movement in urban delivery corridors.
- **Climate and resilience risk:** Floods, heat stress, coastal disruption, and other extreme climate events can increasingly affect logistics infrastructure and supply-chain reliability.

Overall, the long-term outlook for India's Transport & Logistics CPSEs is favourable, but it will depend on whether infrastructure creation translates into actual logistics efficiency, which is a much more complex task at hand.

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Central PSUs 2026

Sr No	Operating CPSE	Total Income FY25	Net Profit FY25	Net Worth FY25
1	Life Insurance Corpn. Of India	890,067.9	48,151.0	126,188.0
2	Indian Oil Corporation Ltd.	850,476.5	12,961.6	178,677.0
3	State Bank of India	524,172.4	70,900.6	441,162.0
4	Bharat Petroleum Corporation Ltd.	503,457.5	13,275.3	80,961.0
5	Hindustan Petroleum Corporation Ltd.	468,762.1	7,364.9	45,958.0
6	NTPC Ltd.	174,413.5	19,649.4	161,641.0
7	Oil & Natural Gas Corporation Ltd.	148,325.7	35,610.3	316,283.0
8	Canara Bank	142,207.9	17,026.7	99,900.0
9	GAIL (India) Ltd.	139,688.8	11,312.3	70,564.0
10	Bank of Baroda	138,089.0	19,581.2	143,729.0
11	Punjab National Bank	138,070.1	16,630.2	127,362.2
12	Union Bank of India	127,538.9	17,987.1	112,975.2
13	Mangalore Refinery & Petrochemicals Ltd.	109,453.2	50.6	12,934.0
14	Steel Authority of India Ltd.	103,612.6	2,148.0	55,657.0
15	Bank of India	79,819.9	9,219.0	78,601.4
16	Indian Bank	71,225.6	10,918.3	69,309.9
17	Chennai Petroleum Corporation Ltd.	71,093.4	173.5	7,939.0
18	REC Ltd.	55,979.6	15,713.2	78,376.0
19	Power Finance Corporation Ltd.	53,127.8	17,352.2	90,937.0
20	General Insurance Corpn. Of India	49,231.6	6,701.4	57,622.0
21	Powergrid Corporation of India Ltd.	46,325.2	15,352.6	92,216.0
22	New India Assurance Co. Ltd.	43,454.2	988.1	12,012.2
23	Central Bank of India	39,520.4	3,785.3	36,506.1
24	Small Industries Development Bank of India	38,511.2	4,810.7	36,408.0
25	Indian Overseas Bank	33,676.1	3,334.7	32,540.9
26	Hindustan Aeronautics Ltd.	33,546.5	8,316.8	34,842.0
27	UCO Bank	29,473.5	2,445.0	31,004.9
28	Bharat Heavy Electricals Ltd.	28,842.9	513.0	25,113.0
29	Mahanadi Coalfields Ltd.	28,637.9	10,823.3	18,263.4
30	Bank of Maharashtra	28,401.6	5,519.8	28,489.3
31	South Eastern Coalfields Ltd.	27,745.2	4,648.7	16,799.4
32	Indian Railway Finance Corporation Ltd.	27,156.4	6,502.0	52,668.0
33	Northern Coalfields Ltd.	26,757.2	9,583.3	20,910.8
34	Numaligarh Refinery Ltd.	25,405.3	1,607.8	15,190.5
35	NMDC Ltd.	25,258.6	6,692.6	29,579.0
36	Bharat Electronics Ltd.	24,425.6	5,288.3	19,698.0
37	Oil India Ltd.	23,987.1	6,114.2	45,435.0
38	Nuclear Power Corporation of India Ltd.	21,176.4	4,737.2	66,937.2
39	Rail Vikas Nigam Ltd.	20,888.2	1,188.6	8,624.0

Sr No	Operating CPSE	Total Income FY25	Net Profit FY25	Net Worth FY25
40	Oriental Insurance Co. Ltd.	20,602.1	144.0	2,325.3
41	National Fertilizers Ltd.	19,892.6	76.3	2,716.3
42	Western Coalfields Ltd.	19,565.9	3,214.8	9,007.2
43	Export-Import Bank of India	18,875.6	4,297.3	25,812.4
44	Coal India Ltd.	18,221.5	17,016.6	18,071.0
45	Central Coalfields Ltd.	17,637.0	4,034.8	15,832.2
46	National Aluminium Company Ltd.	17,144.6	5,324.7	18,045.0
47	Rashtriya Chemicals and Fertilizers Ltd.	17,098.5	241.6	4,755.0
48	Eastern Coalfields Ltd.	15,750.9	204.5	2,268.8
49	Bharat Coking Coal Ltd.	14,597.5	1,240.2	6,453.2
50	Punjab & Sind Bank	13,049.0	1,015.8	13,354.8
51	Mazagon Dock Shipbuilders Ltd.	12,600.7	2,324.9	7,181.0
52	GAIL Gas Ltd.	12,280.7	454.5	3,452.3
53	NLC India Ltd.	11,487.2	1,900.0	17,466.0
54	Ircon International Ltd.	10,677.5	737.6	6,237.0
55	NHPC Ltd.	10,573.4	3,084.0	38,348.0
56	Housing & Urban Development Corporation Ltd.	10,348.4	2,709.1	17,970.0
57	Container Corporation of India Ltd.	9,328.5	1,272.0	12,350.0
58	ONGC Videsh Ltd.	9,159.6	1,794.0	47,948.7
59	NBCC (India) Ltd.	8,943.7	476.1	2,328.0
60	National Housing Bank	7,753.3	1,909.4	14,840.4
61	Indian Renewable Energy Devt.Agency Ltd.	6,754.8	1,698.6	10,266.0
62	India Infrastructure Finance Co. Ltd.	6,744.2	2,164.8	16,394.6
63	Agriculture Insurance Co. Of India Ltd.	6,162.8	1,367.5	1,657.4
64	Shipping Corporation of India Ltd.	5,785.4	814.1	7,744.0
65	Armoured Vehicles Nigam Limited	5,562.0	334.9	14,701.1
66	Garden Reach Shipbuilders & Engineers Ltd.	5,410.5	527.4	2,080.0
67	National Bank for Financing Infrastructure and Development	5,208.3	2,191.0	31,004.5
68	Cochin Shipyard Ltd.	4,908.3	842.9	5,611.0
69	BEML Ltd.	4,047.1	294.2	2,854.0
70	Brahamputra Crackers & Polymer Ltd.	3,822.8	15.6	2,571.3
71	Bharat Dynamics Ltd.	3,695.5	549.6	4,009.0
72	Bhartiya Rail Bijlee Co. Ltd.	3,667.3	301.5	3,117.2
73	Railtel Corporation India Ltd.	3,551.0	299.8	2,000.0
74	Yantra India Limited	3,325.8	293.4	4,986.8
75	SJVN Ltd.	3,252.4	970.2	14,282.0
76	Engineers India Ltd.	3,198.0	465.2	2,620.0
77	THDC India Ltd.	2,728.5	732.9	11,047.5
78	Export Credit Guarantee Corporation of India Ltd. (ECGC)	2,506.3	2,076.7	13,484.8
79	NTPC Green Energy Limited	2,273.1	489.3	18,486.5
80	RITES Ltd.	2,243.2	380.2	2,529.1
81	Central Mine Planning & Design Institute Ltd.	2,177.5	666.9	2,035.5
82	Hindustan Copper Ltd.	2,149.3	468.5	2,665.0

Sr No	Operating CPSE	Total Income FY25	Net Profit FY25	Net Worth FY25
83	Hindustan Shipyard Ltd.	1,783.1	213.5	493.3
84	MOIL Ltd.	1,696.3	381.6	2,528.5
85	MECON Ltd.	1,237.3	29.0	432.9
86	Mishra Dhatu Nigam Ltd.	1,105.0	110.1	1,411.6
87	IFCI Ltd.	841.9	43.8	1,735.0
88	India Tourism Development Corporation Ltd.	587.8	83.5	401.4
89	Hindustan Organic Chemicals Ltd.	558.6	391.5	1,104.6
90	Grid Controller of India Ltd.	533.0	103.6	659.7
91	MSTC Ltd.	387.5	403.0	746.6
92	OGL One Ltd.	303.8	29.9	782.8
93	Central Registry of Securitsation Asset	274.6	136.0	1,413.9
94	Braithwaite Burn & Jessop Construction Company	195.8	30.6	263.7
95	Balmer Lawrie Investments Ltd.	101.3	97.1	192.0
96	HMT Ltd.	85.2	16.1	474.9
97	IOC Global Capital Management IFSC Ltd.	81.3	1.1	673.9
98	Indian Railway Catering and Tourism Corporation	4,903.5	1,314.7	3,663.0
99	Balmer Lawrie & Co. Ltd.	2,577.6	232.8	1,528.0
100	Cement Corporation of India Ltd.	441.4	31.0	252.7
101	Indian Medicines & Pharmaceutical Corporation	179.8	17.7	145.5
102	India Optel Limited	1,726.7	294.7	9,226.9
103	Munitions India Ltd.	8,649.1	839.9	10,204.7
104	HLL Lifecare Ltd.	4,551.5	225.7	1,024.3
105	NHDC Ltd.	1,594.6	700.9	5,682.2
106	North Eastern Electric Power Corporation Ltd.	4,341.9	483.0	7,175.5
107	IREL (India) Ltd.	2,036.3	797.9	3,546.8
108	Uranium Corporation of India Ltd.	2,356.3	139.0	3,837.4
109	Edcil (India) Ltd.	542.6	45.1	354.2
110	Hindustan Steelworks Consturction Ltd.	1,027.0	33.3	392.2
111	HLL Infra Tech Services Ltd.	467.1	34.0	84.4
112	HSCC (India) Ltd.	2,099.2	77.0	246.1
113	Konkan Railway Corporation Ltd.	4,202.7	137.7	2,048.0
114	Mumbai Railway Vikas Corporation Ltd.	224.5	168.4	581.9
115	NBCC Services Ltd.	301.4	22.5	66.7
116	PFC Consulting Ltd.	298.1	183.4	340.1
117	Projects & Development India Ltd.	100.8	4.6	176.2
118	Railway Energy Management Company Ltd.	140.5	79.3	222.7
119	Solar Energy Corporation of India	15,308.2	501.9	3,313.3
120	National Minorities Development & Finance	97.4	58.4	3,485.7
121	Central Transmission Utility of India Ltd.	118.2	57.9	102.9
122	REC Power Development & Consultancy Ltd.	551.6	261.6	738.2
123	Bharat Broadband Network Ltd.	660.5	4.6	91.8
124	Telecommunications Consultants (India) Ltd.	3,059.7	3,607.7	511.2
125	Antrix Corporation Ltd.	165.1	57.0	1,458.4

Sr No	Operating CPSE	Total Income FY25	Net Profit FY25	Net Worth FY25
126	National Film Development Corporation Ltd.	395.6	5.6	47.6
127	Newspace India Ltd.	3,017.0	822.2	8,217.6
128	NTPC Vidyut Vyapar Nigam Ltd.	5,232.6	205.7	1,033.8
129	AAI Cargo Logistics & Allied Services Company	624.2	122.3	522.5
130	AI Airport Services Ltd.	1,003.7	2.9	462.5
131	Chandigarh International Airport Ltd.	270.1	143.4	1,369.0
132	United India Insurance Co. Ltd.	20,971.4	154.0	1,570.3
133	Security Printing & Minting Corporation India Ltd.	5,884.0	1,040.6	7,933.0
134	NLC Tamil Nadu Power Ltd.	5,091.9	1,060.7	3,644.4
135	Fertilizers & Chemicals (Travancore) Ltd.	4,267.4	41.2	1,370.7
136	Ratnagiri Gas & Power Pvt. Ltd.	3,373.7	1,751.1	3,264.0
137	Goa Shipyard Ltd.	3,190.1	288.4	1,620.6
138	Advanced Weapons and Equipment India Limited	2,857.2	82.7	5,142.8
139	Electronics Corporation of India Ltd.	2,425.9	432.2	2,123.3
140	National Seeds Corporation Ltd.	1,367.4	110.9	805.7
141	Artificial Limbs Manufacturing Corporation of India	726.3	107.2	849.4
142	Central Electronics Ltd.	399.5	75.0	266.9
143	Gliders India Limited	200.6	16.7	671.9
144	BEL Optronics Devices Ltd.	200.6	20.7	300.8
145	SAIL Refractory Company Ltd.	175.3	17.9	154.3
146	BEL-Thales Systems Ltd.	122.5	4.8	72.8
147	Engineering Projects (India) Ltd.	1,471.2	0.2	22.8
148	National Handloom Development Corporation Ltd.	1,267.9	1.8	85.1
149	The Cotton Corporation of India Ltd.	20,073.9	29.7	336.0
150	Dedicated Freight Corridor Corp. of India Ltd.	8,097.2	42.9	15,988.3
151	Powergrid Teleservices Ltd.	1,128.1	391.1	905.7
152	Ircon Bhoj Morbe Expressway Ltd.	660.3	11.5	114.2
153	Ircon Akloki-Shirsad Expressway Ltd.	418.6	6.1	122.6
154	Ircon Ludhiana Rupnagar Highway Ltd.	317.8	6.6	119.0
155	Ircon Haridwar Bypass Limited	223.0	1.3	87.2
156	Ircon Vadodara Kim Expressway Ltd.	137.7	46.4	382.7
157	National Scheduled Castes Finance & Development	91.9	63.7	2,364.6
158	Certification Engineers International Ltd.	68.0	20.6	90.9
159	Sagarmala Development Company Ltd.	64.1	41.1	1,067.9
160	HSRC Infra Services Ltd.	54.9	11.8	68.9
161	Karmayogi Bharat	51.3	10.9	58.9
162	National Scheduled Tribes Finance & Development	50.1	26.6	1,219.6
163	Punjab Logistic Infrastructure Ltd.	47.5	3.6	162.7
164	FCI Aravali Gypsum & Minerals (India) Ltd.	43.0	9.8	253.7
165	Richardson & Cruddas(1972) Ltd.	32.5	19.0	274.1
166	Andrew Yule & Company Ltd.	375.5	(25.5)	101.1
167	SJVN Green Energy Ltd.	230.4	(147.7)	3,643.4
168	Rajasthan Electronics and Instruments Ltd.	159.6	(9.0)	56.6

Sr No	Operating CPSE	Total Income FY25	Net Profit FY25	Net Worth FY25
169	Shipping Corporation of India Land and Assets	103.4	(189.4)	3,001.5
170	Bridge & Roof Co.(India) Ltd.	4,532.0	102.4	569.3
171	Broadcast Engineering Consultants India Ltd.	984.8	4.1	40.8
172	Mineral Exploration And Consultancy Ltd.	406.4	82.6	789.9
173	National Small Industries Corporation Ltd.	3,524.0	146.3	3,395.1
174	Airports Authority of India	20,648.3	7,233.3	23,981.1
175	Central Warehousing Corporation	2,776.9	533.7	3,776.7
176	National Bank for Agriculture and Rural Development	58,424.4	7,628.3	80,493.7
177	Powergrid Southern Interconnector Transmission	809.5	381.1	760.1
178	Powergrid Medinipur Jeerat Transmission Ltd.	651.7	255.9	760.9
179	Powergrid Energy Services Ltd.	332.0	51.2	332.6
180	Powergrid Bikaner Transmission System Limited	209.6	44.0	244.2
181	Powergrid Mithilanchal Transmission Ltd.	177.2	44.9	247.7
182	Ircon Davanagere Haveri Highway Ltd.	168.1	23.8	270.9
183	Powergrid NM Tranmission Ltd.	166.5	58.5	509.0
184	Powergrid Bhuj Transmission Ltd	157.1	35.1	242.3
185	Powergrid Khetri Transmission System Limited.	156.5	45.7	214.0
186	Powergrid Gomti Yamuna Transmission Limited	125.9	41.6	147.5
187	Ircon Gurgaon Rewari Highway Limited	122.0	3.3	99.5
188	Powergrid Varanasi Transmission System Limited	121.4	28.5	196.9
189	Ircon Infrastructure & Services Ltd.	116.6	17.4	185.1
190	Powergrid Meerut Simbhavali Transmission Ltd	113.1	23.1	256.3
191	Powergrid Rampur Sambhal Transmission Ltd.	105.3	30.9	202.9
192	Powergrid Fatehgarh Transmission Ltd	91.1	24.1	148.7
193	Powergrid Himachal Transmission Ltd.	78.9	53.0	387.9
194	Powergrid Ajmer Phagi Transmission Ltd.	77.3	19.4	121.0
195	Powergrid Bhind Guna Transmission Ltd.	67.8	20.9	117.4
196	Powergrid Neemuch Transmission System Limited	63.4	9.4	168.9
197	Powergrid Aligarh Sikar Transmission Ltd.	58.1	1.5	112.2
198	Powergrid Jawaharpur Firozabad Transmission Ltd.	57.6	20.3	96.1
199	Powergrid Sikar Transmission Ltd.	56.7	4.5	173.3
200	Powergrid Ramgarh Transmission Ltd.	48.4	3.6	149.5
201	Powergrid Unchahar Transmission Ltd.	28.6	15.5	30.0
202	Mahanadi Coal Railway Ltd.	27.2	2.7	382.3

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