



THE LOGISTICS LEDGER

Where consulting meets implementation in end-to-end logistics

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forv/s
mazars

PORTS & MARITIME SECTOR

1 Mazagon Dock Shipbuilders Ltd bags a \$39M order from Shipping Corporation of India Limited

News brief

Shipping Corporation of India (SCI) has awarded Mazagon Dock Shipbuilders the contract for a 3,000 DWT methanol-powered dual fuel Platform Supply Vessel (PSV), India's first such vessel.

Initial tender	Current scenario
<ul style="list-style-type: none"> 4 PSVs (3,000 DWT each) 2 methanol dual-fuel 2 conventional 	<ul style="list-style-type: none"> 1 methanol dual fuel PSV Contract value: ~\$39 million

Fuel tech	<p>SCI has chosen high pressure injection technology for its methanol-powered dual-fuel platform supply vessels. While this approach involves higher capital expenditure, it requires a lower percentage of pilot fuel. In contrast, low-pressure injection technology has lower capital costs but requires a higher percentage of pilot fuel. (Pilot fuel is diesel/oil in this case)</p>
Policy link	<p>Funded under the National Green Hydrogen Mission; to use methanol as green hydrogen derivative is the intended bunker fuel</p>

How we see it



Why it matters

- Tests whether methanol vessels can move from policy push to commercially viable operations in India
- Creates an initial demand signal for methanol under the National Green Hydrogen Mission
- Signals that technology choice (high-pressure methanol systems) is being prioritised for long-term efficiency despite higher upfront cost, shaping future fleet specifications



What could go right

- Government supported programs like the National Green Hydrogen Mission temporarily shoulder higher costs, giving domestic yards time to climb the learning curve
- Offshore operators (ONGC, OIL) domestically sourcing PSVs improve vessel availability and reduce foreign-exchange outgo on charter hire
- If India's methanol production scales under NGHM, SCI's high-pressure injection choice pays off: a lower pilot fuel ratio means higher green fuel utilisation over the vessel's life



Key risks to watch

- Funding dependency on NGHM creates policy risk. Any budget reallocation or mission restructuring stalls the order pipeline for future PSVs
- Methanol supply risk: Without committed offtake agreements or port bunkering infrastructure, the vessel may operate predominantly on pilot diesel, negating the green premium paid

2

Kolkata Port signs license agreement with East Horizon for ₹260 crore FSRU at Haldia

News brief

Project name	Floating Storage and Regasification Unit (FSRU)
Location	Haldia Dock Complex
Investment	~₹260 crore
Developer	East Horizon Private Limited
Function	LNG import, storage and regasification
Objective	Strengthening the gas supply chain and promoting cleaner energy adoption
Capacity	1.5 MMTPA initially

How we see it

What is a FSRU?

A Floating Storage and Regasification Unit (FSRU) is a specialised ship or offshore facility that receives liquefied natural gas (LNG) at -160°C from carrier ships, stores it and converts it back into natural gas (regasification) for distribution via pipelines. FSRUs act as floating LNG import terminals.

India doesn't have any FSRUs currently in operation, despite having several projects that have reached advanced stages of development.



Why it matters

- Addresses a key infrastructure gap by positioning Haldia as a gas gateway for eastern and hinterland markets, boosting energy access and industrial competitiveness
- Creates optionality for flexible and faster LNG infrastructure deployment, as FSRUs typically have lower lead times than onshore terminals



What could go right

- Haldia's existing industrial cluster, HPCL refinery, petrochemical units, and fertilizer plants represent a captive gas demand base; pipeline offtake agreements with these anchors can de-risk the project early
- A successful operating FSRU at Haldia sets a template for Paradip and Vizag to replicate on the east coast, creating an LNG corridor
- Enable industrial clusters (fertilizer, chemicals, ceramics, power) around Haldia-Durgapur belt to switch from liquid fuels to gas



Key risks to watch

- Several FSRU projects announced in India, including Mumbai Port FSRU have either been delayed or cancelled due to demand uncertainty, evacuation constraints, and financing challenges, raising execution and utilization risks for new terminals like Haldia
- LNG price volatility remains a risk, as eastern SMEs may struggle to absorb swings unlike large buyers

3

Shipping Corporation of India (SCI) Limited plans a \$360M order for six feeder container ships, following CMA CGM SA benchmark

News brief

Project	6 feeder container ships
Capacity	~1,700 TEU each
Estimated deal size	~\$360 million
Execution	To be built at an Indian shipyard
Benchmarking approach	South Korean pricing is preferred over Chinese
Strategic link	Proposed Bharat Container Shipping Line (JV)
Context	India pays ~\$55 billion annually in freight to foreign liners

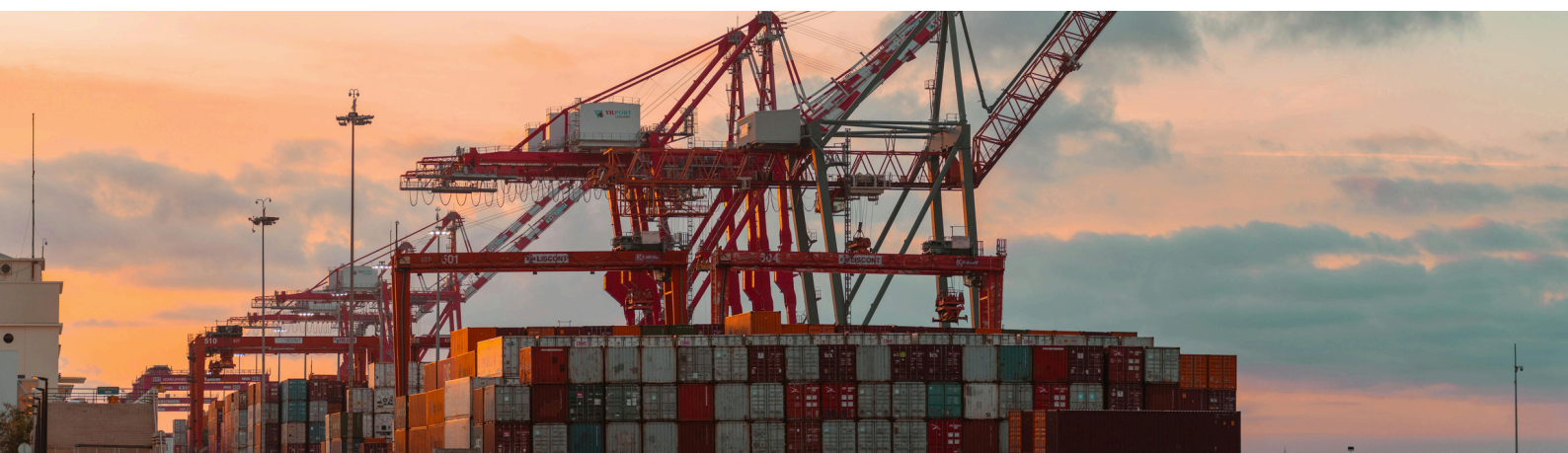
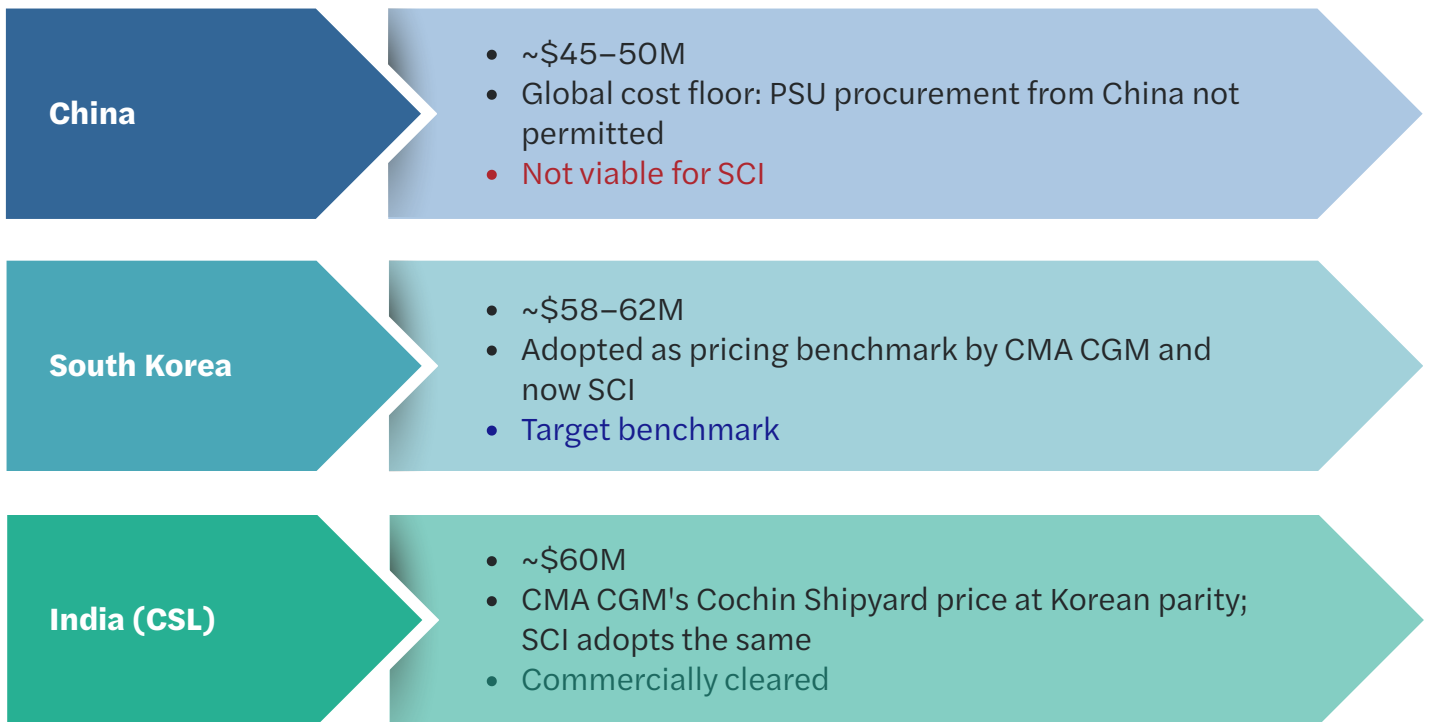
How we see it

Why CMA CGM's order matters as a template

In Feb 2026, CMA CGM ordered six 1,700 TEU LNG-powered feeder ships at Cochin Shipyard Ltd, the first major international liner to place a commercial container ship order in India. At \$60 MN per vessel, it benchmarked against South Korean pricing, not Chinese. SCI is now adopting the same vessel design, size, and pricing logic eliminating the R&D and specification risk of a first-of-its-kind order.



Price benchmark: 1,700 TEU feeder - where India stands



Why it matters

- Domestic value gains by:
 1. Retaining freight value
 2. Cutting foreign payments
 3. Saving forex through domestic construction
- Back-to-back orders (CMA CGM + SCI = 12 ships minimum at Cochin Shipyard) create the series production scale that is the single biggest lever to drive down Indian yard costs in future tenders
- \$60M Indian price validated by a global tier-1 liner shifts talks with other international ship owners seeking China alternatives



What could go right

- Domestic ordering momentum may help Indian yards achieve scale and learning curve benefits
- Large orders like these will help with developing supply chains, which will further reduce the cost



Key risks to watch

- Delays or cost overruns in this order could weaken confidence in Indian yards for future commercial orders
- The Shipbuilding Financial Assistance Scheme (SBFAS) and Shipbuilding Development Scheme (SbDS) are valid till March 31, 2036. If the ecosystem is not developed by then, the entire momentum may break despite continued government support



1

Government advances hydrogen mobility pilots (~30 trucks & buses)

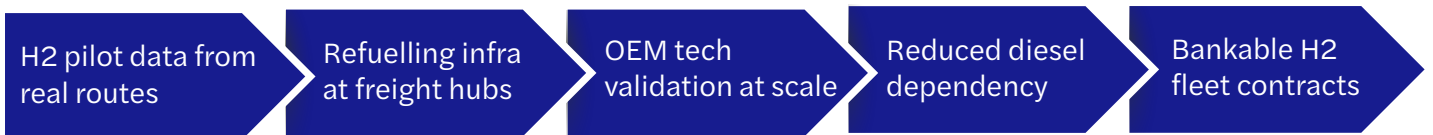
News brief

- The Ministry of New and Renewable Energy (MNRE) has sanctioned five pilot projects under the National Green Hydrogen Mission (NGHM) comprising 37 hydrogen-powered heavy vehicles (buses and trucks) and 9 hydrogen refuelling stations
- Pilots are being implemented under the broader clean mobility and hydrogen mission framework
- Focus is on testing long-haul freight and public transport viability

Hydrogen mobility – Key signals



Logistics & fleet impact



How we see it

**Why it matters****TCO gap: ~30% above diesel today**

- RMI India's 7-yr TCO analysis (Feb 2026) shows Fuel Cell Electric Trucks (FCETs) are ~30% more expensive than diesel trucks in 2025, but for long-haul 55-tonne applications, this gap is projected to close by 2040 as hydrogen costs fall
- H2-ICE trucks carry a lower upfront cost than FCETs, making them a nearer-term entry point; however, higher hydrogen consumption makes their operating costs less efficient than FCETs by 2030

Capex advantage over BETs

- FCET purchase price is significantly lower than battery-electric trucks (BETs) for long-haul use, BETs require oversized, expensive battery packs that compromise payload capacity on heavy corridors like Mumbai -Pune and Delhi - Agra

**What could go right**

- H2-ICE trucks requiring lower upfront transition costs than fuel cells accelerate adoption across mid-size fleet operators before 2028, providing near-term volume for refuelling station viability
- OMC-led refuelling stations (HPCL, BPCL, IOCL) leverage existing fuel retail networks, dramatically reducing greenfield infrastructure costs and enabling quicker corridor buildout

1,000+ H2 vehicles target by 2030

- OMC-led refuelling stations (HPCL, BPCL, IOCL) leveraging existing fuel retail networks can dramatically reduce greenfield infrastructure costs creating a viable corridor-by-corridor buildout strategy

**Key risks to watch****H2 cost: ~40% is production alone**

- RMI analysis indicates that hydrogen production contributes ~40% of the breakeven pump price, while refuelling infrastructure and operations nearly double this cost, with an additional 18% GST further increasing the final price, which is highly dependent on volume and if volumes do not scale up, it will lead to higher per-unit hydrogen costs.
- Achieving FCET - BET cost parity by 2030 would require hydrogen prices to fall to approximately half their current projected level, a significant policy and technology challenge

H2-ICE vs FCEV: diverging cost paths

- There is a stranded-asset risk if hydrogen prices remain elevated
- Until green hydrogen production costs converge with the levels seen in SECI tenders, fleet operator TCO will remain heavily reliant on government subsidy support

Forvis Mazars advises on infrastructure feasibility, fleet decarbonisation strategy, and project financing for hydrogen mobility initiatives - supporting both public sector clients and private fleet operators in evaluating pilot-to-commercial transition pathways. Diversifying into hydrogen alongside electrification offers fleet operators a credible pathway to reduce carbon emissions from hard-to-abate long-haul and heavy-duty segments, where battery-electric alone cannot achieve full decarbonisation.

NGHM pilots

37 + ~30 vehicles across 10 routes

Route data

TCO, safety & performance validated

OEM scale-up

Tata, Ashok Leyland expand H2 portfolio

Infra buildout

OMC-led refuelling station network

Fleet adoption

1,000+ H2 vehicles by 2030 (NGHM target)

H2 corridors

Long-haul freight fully decarbonised

RAILWAYS

1 Idle rakes, empty runs: container train operators seek relief as EXIM volumes collapse

News brief

The ongoing West Asia conflict has severely disrupted India's rail container movement with Container Train Operators seeking cost relief from Indian railways and private ports.

50+

Container trains stabled idle in March (vs. average 4-5)

15-20%

Empty wagon runs (vs. usual ~5%)

Double stack

Services reduced to avoid empty runs



How we see it

The spike in idle rakes and empty runs due to decline in EXIM volumes reflects the dependency of India's container rail network on Red Sea trade lanes. With port-to-ICD cargo flows disrupted, the economics of rake deployment have deteriorated sharply, putting pressure on CTO viability.

Rail container economics are highly sensitive to utilisation, idle rakes and empty wagon runs erode margins fast

EXIM-heavy corridors (JNPT, Mundra, Pipavav) are most exposed; domestic volumes offer limited buffer



Why it matters

- CTO viability is under stress as fixed costs (lease, crew, maintenance) continue even as rakes sit idle
- Double-stack services curtailed to avoid empty-run losses
- Prolonged disruption risks deferral of new rake investments and contraction of container rail capacity



What could go right

- Policy relief is the clearest near-term lever; ATCO has sought waiver on stabling charges, empty wagon haulage from Indian Railways, and ground rent and storage charges at ports. JNPA & Deendayal announced the initiative; extension to Mundra and Pipavav remains pending
- Shift to the Cape of Good Hope is underway, which may stabilize volumes. Overall vessel traffic on the route has risen to 94 vessels (+35%), versus 138 vessels/day via Suez pre-disruption; figures reflect total traffic, not just containers



Key risks to watch

- Fixed cost drag from idle rakes may trigger defaults or exits among smaller operators, reducing long-term capacity
- Delay in extending waivers may accelerate shift of cargo to road transport, undermining rail modal share gains
- Further escalation in West Asia could extend disruption beyond the current shipping season into Q1 FY26





ROADS

1

NHAI's bid to develop 912 km of highways worth ₹18,885 crore on BOT model draws blank

News brief

The National Highways Authority of India (NHAI) failed to attract bidders for 912.3 km of highways worth ₹18,885 crore under the BOT (Toll) model, despite extending bid deadlines and revising concession terms to reduce risks. The projects were offered in three packages across Maharashtra and Gujarat, but no developer submitted proposals.

Details Snapshot

912 km
Highway length
proposed under BOT

₹18,885 crore
Total project cost

3 packages
Tendered across
Maharashtra & Gujarat

0 bidders
No participation
despite deadline
extensions



How we see it

The lack of bids suggests continued risk aversion among developers toward traffic-risk BOT projects, even after concession agreement revisions.

- Private developers remain cautious about traffic and revenue uncertainty
- Financing appetite for BOT projects remains limited
- HAM continues to be perceived as lower risk compared to BOT; in FY26 till November, of the 52 projects invited for bids, 29 projects worth ₹76,150 crore were set to be awarded under HAM, while only 4 projects worth ₹16,542 crore were under BOT



Why it matters

- BOT revival faces structural challenges: No bids for ₹18,885 crore of projects indicate developers remain cautious toward traffic-risk models
- Private capital mobilisation may remain constrained: Limited BOT participation implies continued reliance on government-funded EPC/HAM projects
- Policy push for BOT may need recalibration: Even after revising concession agreements to reduce risks, investor participation did not improve



What could go right

- Further improvements in risk-sharing in BOT concession agreements
- Stronger traffic growth improving revenue visibility as roads carry 70% freight and 85% passenger traffic, and NHs expanded at ~9.3% CAGR in construction between FY16–FY24
- Bundling operational stretches with greenfield projects may support BOT viability
- Availability of long-term institutional capital



Key risks to watch

- Execution delays → cost escalation risk: Land acquisition or clearance delays under BOT directly hit developers (unlike EPC/HAM), making risk-adjusted returns unattractive
- Traffic / revenue risk mispricing: Optimistic projections, especially in stretches lacking freight density or urban linkage, deter bidders as downside is fully borne by developers
- Lenders remain cautious on pure BOT: Higher borrowing costs and lack of long-term debt reduce project returns without government support



TECHNOLOGY AND AI

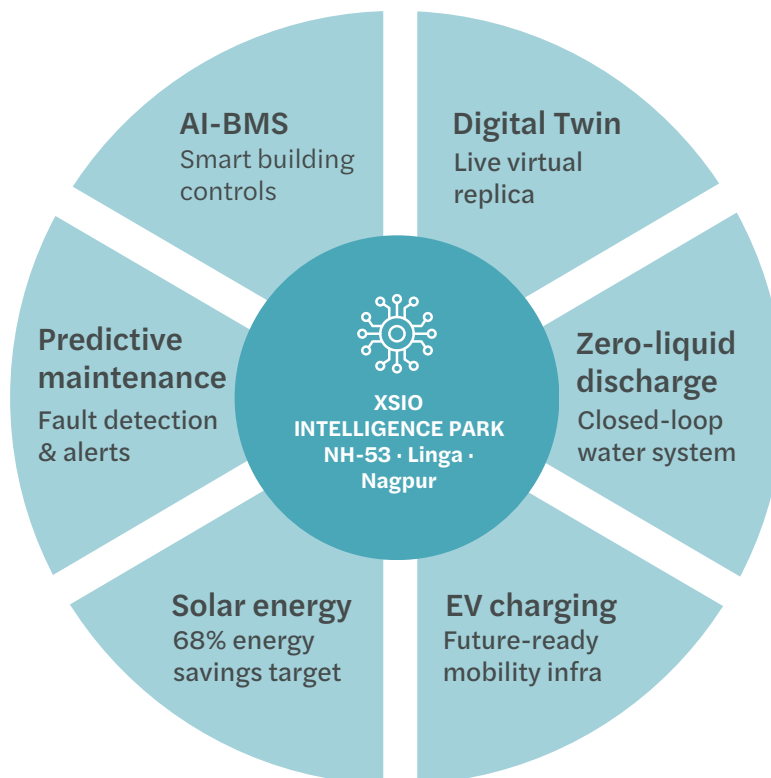
1

Blackstone-backed XSIO Parks launched India's first intelligence-integrated industrial park

News brief

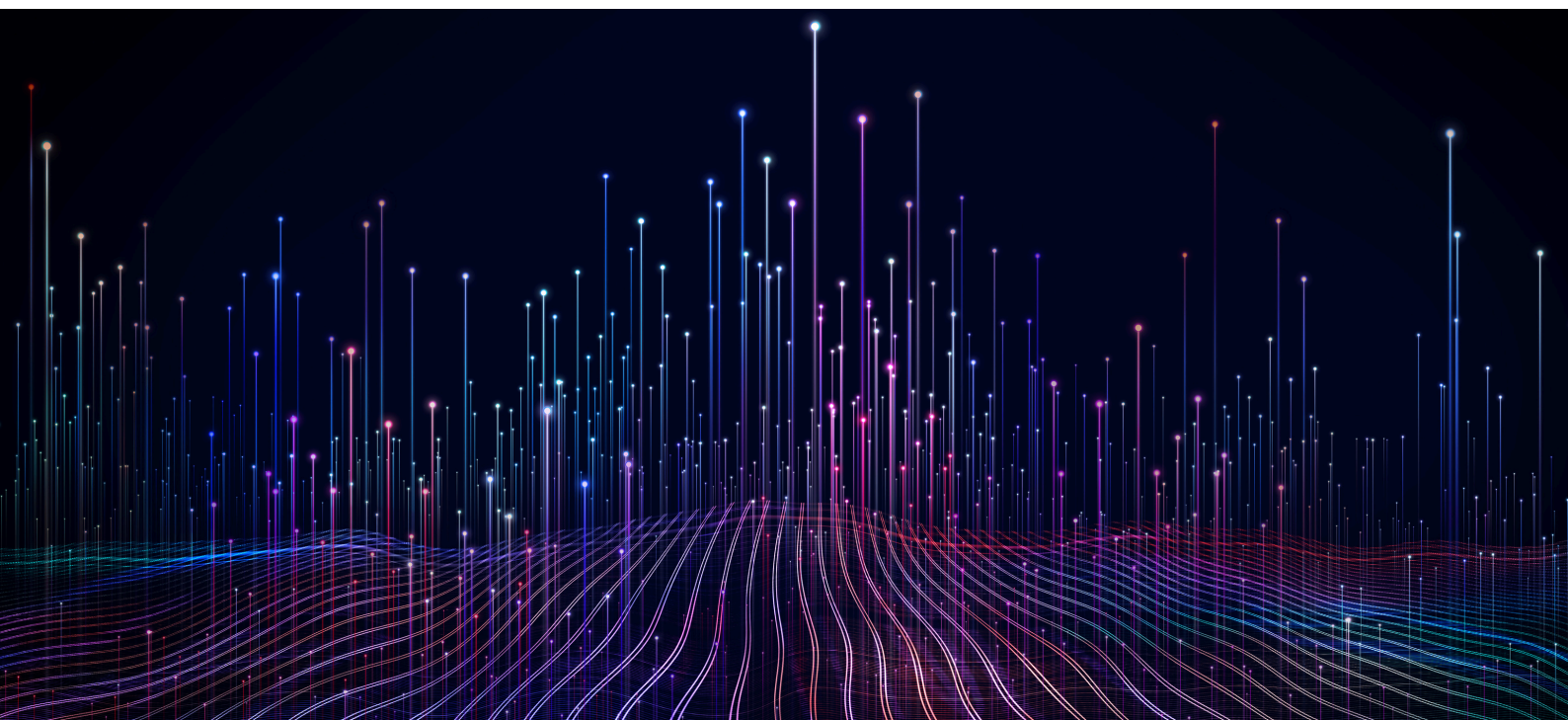
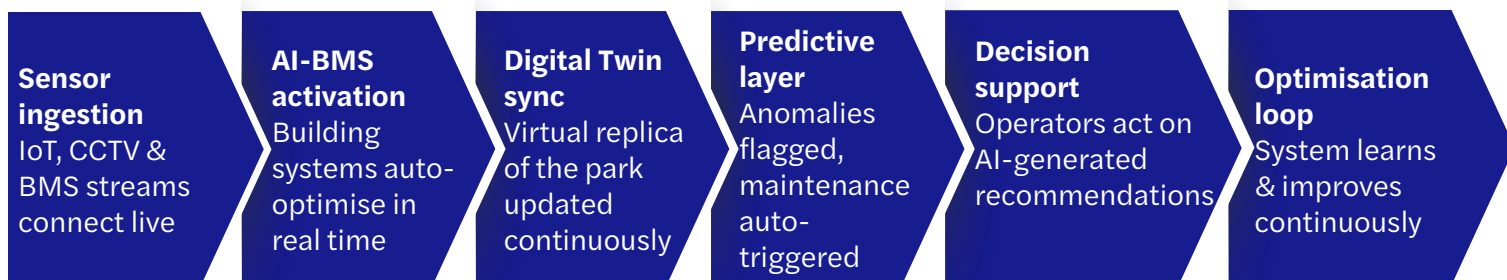
- XSIO Parks (Blackstone-backed) has launched Maharashtra's first intelligence-integrated industrial park at Linga (NH-53), positioning it as a tech-driven infrastructure model
- Key differentiator: AI-enabled systems (AI-BMS, digital twin, solar-ready design, zero-liquid discharge, EV infra) are built into the park from inception, not added later
- Bigger picture: Part of an ₹8,142 Cr Maharashtra initiative, with 4 parks planned in Nagpur; expected to create 3,500+ jobs and support FMCG, e-commerce, and light manufacturing

Six technology pillars at a glance



How we see it

How the intelligence-integrated park works: A technology view



Why it matters

- First industrial park in India built intelligence-native from construction not retrofitted
- Creates a replicable blueprint for smart manufacturing parks across Maharashtra and beyond
- Puts Nagpur on the map as a node for advanced, sustainable industrial infrastructure



What could go right

- AI-BMS data gets richer as the park fills up unlocking deeper optimisation over 12–24 months
- Tenants start publishing ESG metrics direct from park dashboards, attracting global occupiers
- XSIO's model gets benchmarked by other Indian industrial developers, raising the sector baseline



Key risks to watch

- Tech layers sit idle if tenants don't integrate park systems into their own ops workflows
- Data pipeline reliability at full occupancy is untested and predictive outputs depend on it
- Skilled AI-BMS operators are thin on the ground in Vidarbha talent pipeline needs attention

LOGISTICS

1 Delhivery expands economy air parcel service to UK, Canada and Australia

News brief

- Delhivery has launched economy international air parcel services for the UK, Canada, and Australia
- The service targets SMEs and e-commerce exporters with cost-effective cross-border shipping
- Focus is on improving tracking, reliability and accessibility of global logistics



How we see it



Why it matters

- Indian logistics players are moving beyond domestic scale into global logistics
- Lower-cost international shipping improves export accessibility for SMEs and D2C brands
- Strengthens India's position in cross-border e-commerce logistics



What could go right

- Increased export volumes from SMEs due to affordable air logistics
- Delhivery's proven shift of customers in domestic express driven by superior visibility and reliability can be replicated in air parcel through integrated pickup, partner-led airline haul, and unified tracking
- Network expansion can improve economies of scale and margins over time



Key risks to watch

- The underlying air freight market is inherently cyclical, with rate and volume volatility driven by global trade demand, capacity availability, and fuel costs, which can impact pricing and shipment volumes
- Execution challenges in maintaining service quality across geographies

2

Centre rolls out ₹497 crore relief scheme to support exporters amid West Asia crises

News brief

- Government announced a ₹497 crore relief scheme for exporters impacted by the West Asia crisis
- The scheme up to 95% insurance cover, extension of export obligations, and partial reimbursement (~50%) of elevated freight and insurance costs
- It aims to offset cost spikes driven by war-risk premiums, route diversions, and congestion in key Gulf trade corridors



How we see it



Why it matters

- Directly offsets freight and insurance shocks, protecting MSME exporter margins
- Freight costs have risen sharply, with air freight increasing ~300% and select India–US sea shipments rising from ~₹350–360/kg to ₹500–600/kg
- Supports a critical trade corridor (~15% of India's trade) at risk of disruption
- Moves beyond policy signalling to targeted financial risk mitigation, indicating a more interventionist trade support approach



What could go right

- Enhanced ECGC risk coverage (up to 95–100%) can sustain exporter confidence and prevent shipment cancellations during uncertainty
- Partial reimbursement of freight and insurance surcharges can protect MSME margins and maintain export competitiveness
- Covers both past and upcoming shipments, reducing disruption impact



Key risks to watch

- The scheme is time-bound, while geopolitical disruptions may persist for longer, limiting sustained impact
- Partial reimbursement (capped support) may not fully offset extreme freight/insurance spikes, especially if disruptions escalate
- Execution risk in timely disbursement via implementing agencies



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