



THE LOGISTICS LEDGER

Where consulting meets implementation in end-to-end logistics

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PORTS & MARITIME SECTOR

Sagarmala to launch India's first blue bond

News brief

- India's Sagarmala Finance Corporation (SFC) plans to raise up to ₹10 billion through the country's first blue bond, including a greenshoe option of ₹5 billion.
- Proceeds will be used to support maritime and coastal infrastructure projects, including ports, shipbuilding, inland waterways, coastal roads and port connectivity.
- Sagarmala is targeting fundraising of up to ₹100 billion in FY2027 to finance maritime ecosystem projects. It is also seeking a government equity infusion of ₹20 billion to support balance sheet strength.

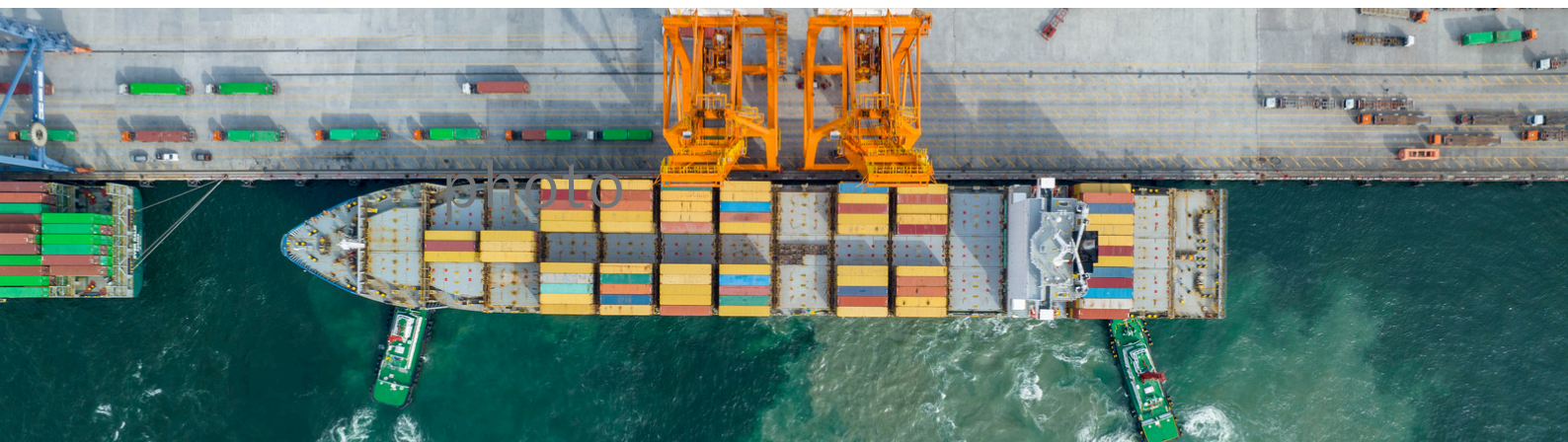
How we see it

- India's first blue bond introduces a sector-specific funding mechanism for ports, waterways, shipbuilding and coastal infrastructure, potentially expanding the range of capital available for maritime projects beyond traditional bank lending and government budgetary support.



Key learnings from global examples:

Issuer	Year	Size	What was successful	Challenges faced
Seychelles	2018	\$15M	First sovereign blue bond that proved capital markets can support marine conservation and sustainable fisheries.	Relied on a global multilateral organisation guarantee and concessional funding. The investment fund also saw limited uptake due to strict lending requirements.
Bank of China	2020	\$942M	Asia's first blue bond, which expanded blue finance in the region and attracted strong investor interest.	Finding enough eligible and investment-ready blue projects remained a challenge.
Asian Development Bank (dual tranche)	2021	~\$301M	Established a robust Green and Blue Bond Framework, obtained Center for International Climate and Environmental Research (CICERO) verification, and financed projects with measurable environmental outcomes. ADB positions its framework as a model for sovereign issuers.	The absence of globally accepted standards for blue projects requires ADB to rely on its own sustainability assessment for certain investments.
Nordic Investment Bank	2019/ 2020	\$370M	Successfully completed repeat issuances, demonstrating continued investor demand. Proceeds financed wastewater treatment, pollution reduction and Baltic Sea restoration projects with impact reporting	No major issuer-specific concerns have been reported. However, the overall blue bond market remains relatively small and requires consistent reporting standards across blue bonds including project selection, and pollution impact reporting.





Why it matters

- The blue bond helps address Sagarmala's asset-liability mismatch. Currently, it borrows for about 3.5 years while extending loans with tenors of around 12 years, creating a duration mismatch between assets and liabilities, thus limiting long-term lending
- The blue bond opens a new source of long-term funding for maritime infrastructure instead of relying mainly on banks and government support
- The bond can become a benchmark for future fundraising by ports and other maritime infrastructure agencies
- If successful, it can improve the financial sustainability of long-gestation maritime projects by providing funding that better matches project timelines



What could go right

- Strong demand could allow Sagarmala to augment a new source of long-term funding through future issuances, supporting its ₹100 billion FY27 funding plan
- Improved funding certainty can help build a stronger pipeline of bankable maritime projects, particularly those requiring long repayment periods
- The bond could attract a new pool of long-term investors, reducing dependence on traditional bank financing



Key risks to watch

- Sagarmala's NBFC (Non-Banking Financial Company) has a limited credit history, giving rating agencies little repayment data to assess. This may lead to a lower credit rating and higher borrowing costs
- If investor demand is weak, future fundraises may become more expensive or difficult
- The blue bond structure should incorporate lessons from the corporate bond market, where low liquidity, and limited secondary trading remain persistent challenges
- International examples show the limitations of the market for blue bonds, including market size, lack of standardisation, strict lending criteria, etc. Therefore, it is worth considering coordination and any suitable partnership with multilaterals such as ADB and the World Bank



India's EV charging gap - infrastructure lags a fast-moving market

News brief

- As of March 2026, India reported 27,737 public EV charging stations installed and 22,753 operational, an 18% non-functional rate; charger-to-EV ratio stands at 1 per 235 EVs vs the global benchmark of 1 per 6 to 20.
- PM E-Drive has allocated ₹2,000 crore for 72,300 charging stations with up to 80% subsidy on upstream power infrastructure; reaching 30% EV penetration by 2030 requires 1.32 million stations, ~40x the current base.
- Reliability is weak even where chargers exist. Bharat Petroleum Corporation Limited (BPCL) has reported that 60% of its charging network is non-operational.

How we see it



Why it matters

- At 1 charger per 235 EVs, range anxiety remains a legitimate purchase barrier outside metros, limiting the impact of demand subsidies until infrastructure reliability and geographic spread improve
- DC fast charger equipment costs ₹3 - 7 lakh per 60 kW unit, with total project cost running significantly higher once land, grid connection, and permissions are factored in. Government support for charging infrastructure will provide a crucial backstop, especially in locations with lower potential for utilisation
- Reaching 1.32 million stations by 2030 requires adding ~4,00,000 chargers annually - a 14x acceleration from the current run rate. Again, government support may prove pivotal



What could go right

- PM E-Drive's 80% subsidy on upstream power infrastructure de-risks the largest cost component for Charge Point Operators (CPOs) if disbursement is fast and predictable, it could compress the payback period
- Combining PM E-Drive incentives and existing infrastructure such as fuel stations will offer a faster, cheaper rollout path than greenfield deployment
- The Golden Quadrilateral, the ~5,800 km highway network linking Delhi, Mumbai, Chennai, and Kolkata, carries 40% of India's road freight on 0.5% of the road network. Deploying DC fast chargers systematically along this corridor would give commercial fleets trucks and buses a reliable place to recharge on long routes



Key risks to watch

- Setting up charging infrastructure involves more than capital mobilisation and involves inter-alia land acquisition & grid augmentation. The nature of risks requires Public-Private Partnership (PPP) architecture, not just subsidy disbursement
- The installed-vs-operational gap is the underreported risk in India's charging story. Of the 27,737 stations installed, only 22,753 are operational, representing an 18% national non-functional rate. BPCL's network has reported as high as 60% non-operational chargers. A robust feasibility assessment framework may be established while incorporating long-term social and economic benefits
- Grid constraints are the binding technical limit. Urban distribution networks were not designed for DC fast charger loads; voltage instability causes downtime even at functional sites

RAILWAYS

Texmaco, Touax and TrinityRail launch railcar leasing venture in India

News brief

- On 3 June 2026, Texmaco Rail & Engineering, Touax Group and TrinityRail Global announced a tripartite partnership to establish a railcar leasing platform in India through Touax Texmaco Railcar Leasing Pvt. Ltd. (TTRL).
- As part of the transaction, TrinityRail will acquire a 32% stake in TTRL, while Touax Group and Texmaco will each retain a 34% stake, resulting in a three-way ownership structure.
- The partnership combines Touax's railcar leasing and asset financing expertise, TrinityRail's rail technology and lifecycle management capabilities, and Texmaco's wagon manufacturing expertise and domestic market presence.
- The platform aims to integrate wagon manufacturing, financing, leasing and fleet management solutions, supporting greater private participation in India's freight rail sector and the growth of rail-based logistics.





Why it matters

- The partnership seeks to address a longstanding gap in India's freight wagon ecosystem. Despite private wagon investment schemes being introduced in 2008, private participation has remained limited relative to the market size. While Indian Railways operated over 400,000 wagons in FY25, wagons inducted under GPWIS (General Purpose Wagon Investment Scheme) and LWIS (Liberalized Wagon Investment Scheme) stood at only 22,590 and 1,338, respectively
- Limited participation reflects both the evolution of the policy framework and commercial considerations. Early private wagon schemes focused on specialised freight segments, while participation in bulk commodity transportation was only enabled through GPWIS in 2018. High upfront capital requirements, long payback periods and fleet management responsibilities have further constrained the development of a broader wagon ownership and leasing market



What could go right

- A dedicated leasing platform could increase access to wagon capacity by enabling freight operators and industrial shippers to lease, rather than own, rolling stock, reducing the need for upfront investment and providing greater flexibility to scale fleets in response to demand. This could be especially relevant for mid-sized logistics players that lack the scale or capital to justify outright ownership
- This partnership is being formed at a time when Dedicated Freight Corridors (DFCs) are being commissioned, Multimodal Logistics Parks (MMLPs) are being developed, and the government aims to increase rail's freight share from 27% to 45%. These initiatives will increase the freight carrying capacity and drive demand for more rolling stock, which may create a bigger market for leasing as well as conventional wagon ownership



Key risks to watch

- As the platform retains ownership of the wagons, profitability depends on maintaining high fleet utilisation and right pricing including innovations such as spot vs. long-term leasing. Lower lease demand or longer idle periods would reduce returns while depreciation, financing and maintenance costs continue to accrue
- The platform could face policy-related headwinds. In 2025, Indian Railways extended the moratorium on approval of fresh GPWIS rates for another two years while the scheme remains under review. If the moratorium continues or similar restrictions are introduced, fewer new wagons will be approved which directly affects the growth of the leasing platform
- At the sector level, the pace of wagon leasing development could be limited by slower-than-expected growth in rail freight demand, network capacity or service reliability, leading to less demand for additional wagon capacity, even with better access to financing





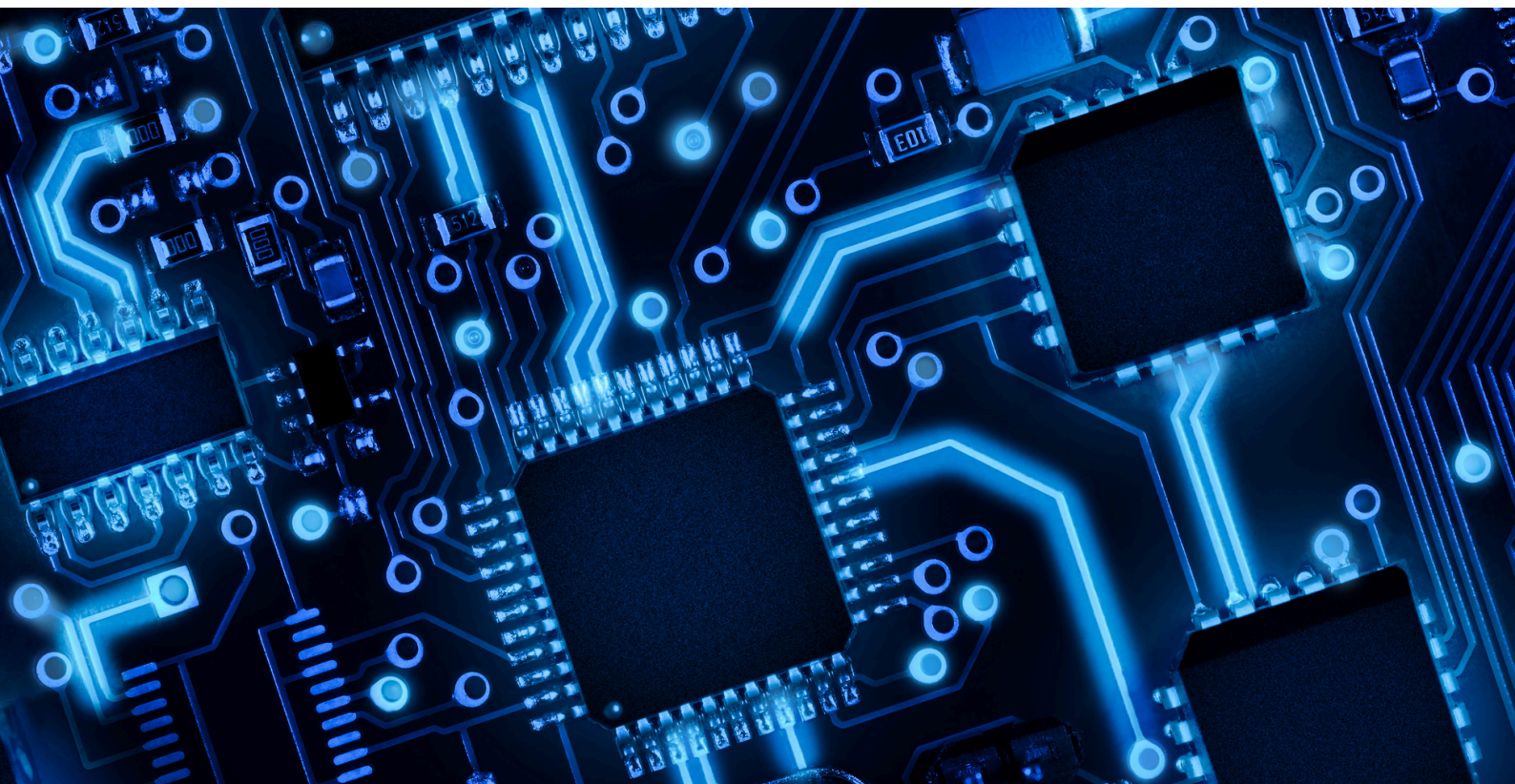
TECHNOLOGY AND AI



Land Port Management System (VINIMAY)

News brief

- Honourable Union Home Minister Amit Shah launched the Land Port Management System (LPMS), branded “VINIMAY,” in New Delhi on 9 June 2026, as a unified digital platform for India's land ports, integrating cargo management, vehicle processing, and inter-agency coordination on a single system.
- Land port trade has grown from ₹5,000 crore (2014) to ₹83,000 crore today, a 16x increase, which the government cites as the economic backdrop for this digitisation push.
- India currently has 15 operational land ports, with 11 additional facilities planned over the next two to three years.
- Enables real-time data sharing across seven systems/agencies on one platform: Indian Customs Electronic Gateway (ICEGATE), VAHAN – National Motor Vehicle Registry, Central Board of Indirect Taxes and Customs (CBIC), Border Security Force (BSF), Directorate General of Foreign Trade (DGFT), Unique Identification Authority of India (UIDAI), and Unified Logistics Interface Platform (ULIP).
- The platform eliminates roughly 90% of paperwork through a Single Electronic Window and introduces ANPR (Automatic Number Plate Recognition) based gate operations.
- Expected efficiency gains include a 40-60% reduction in truck waiting times and a 22-35% reduction in gate processing times (targets rather than measured outcomes at this stage).



How we see it

Land ports are integrated border facilities that facilitate the movement of cargo, vehicles, and passengers across international borders. They bring together multiple stakeholders including customs, immigration, security agencies, transport authorities, logistics operators, and traders to enable cross-border trade. Through VINIMAY, the Land Ports Authority of India (LPAI) aims to establish a centralized digital platform to improve information exchange, streamline processes, and enhance coordination across this ecosystem



Why it matters

- Land-border operations remain dependent on paperwork, multiple approvals, and siloed systems. VINIMAY seeks to simplify this process through single window processing, digital documentation, and real-time information exchange. As trade volumes increase, reducing administrative friction may become increasingly important in managing higher cargo volumes efficiently



What could go right

- Integrated border platforms have demonstrated operational benefits globally. The United States' Automated Commercial Environment (ACE) enables pre-arrival submission of cargo information to expedite border clearances, while Jordan's Automated Cargo Clearance System (ACCS) supports pre-clearance and congestion management at land crossings. VINIMAY could deliver similar gains in cargo visibility, process efficiency, and inter-agency coordination
- If the targeted reductions in truck waiting and gate processing times materialize, the benefits could extend beyond faster clearances. Reduced border dwell times could improve truck utilisation, while more predictable transit schedules may enable traders to optimise inventory levels and reduce buffer stock requirements



Key risks to watch

- VINIMAY is designed around the premise that digital integration can alleviate border congestion. However, if delays are primarily driven by security checks, inspection requirements, or infrastructure constraints at border facilities, the efficiency gains from digitisation alone may prove more modest than projected

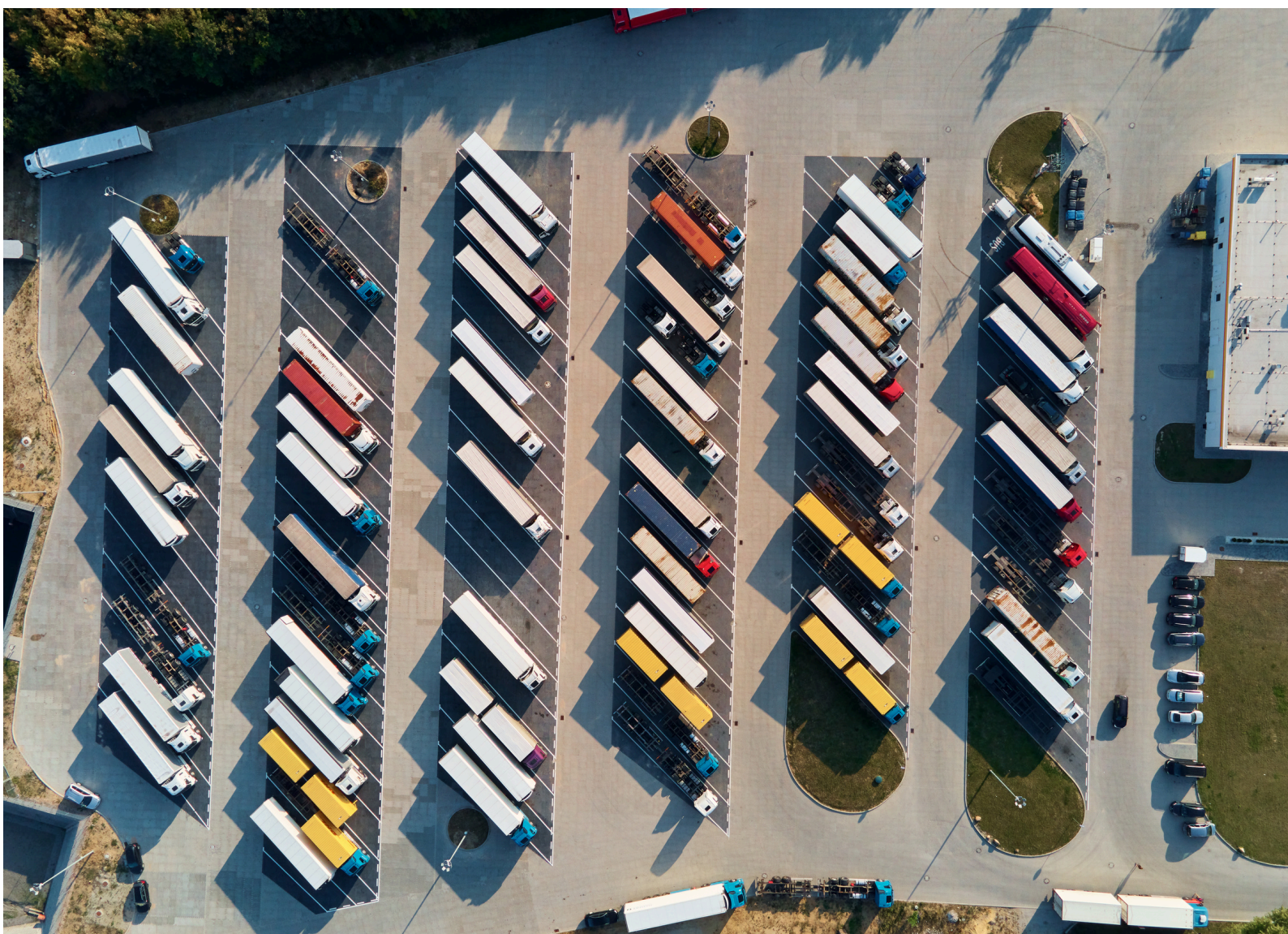


LOGISTICS

New logistics park to come up in MP's Indore

News brief

- The Madhya Pradesh Government has approved a new logistics park in Indore district with an estimated investment of over ₹600 crore. Madhya Pradesh Industrial Development Corporation (MPIDC) has allotted around 23 hectares of land in Machal village for the project, which is expected to strengthen the state's logistics and supply chain infrastructure.
- The logistics park will enjoy direct connectivity to the Indore-Ahmedabad National Highway and the Pithampur industrial area, improving freight movement, reducing transportation time, and enhancing supply chain efficiency for key manufacturing clusters in the region.
- The project is expected to reinforce Indore's position as a major logistics hub in Central India and complement other upcoming logistics infrastructure.



How we see it



Why it matters

- The ₹600 crore park adds to Indore's logistics infrastructure and, along with the upcoming ₹1,110 crore MMLP at Pithampur, indicates that a larger logistics cluster is developing in Central India rather than a standalone project
- Demand in the region is strong, with the Indore–Pithampur belt attracting significant proposed industrial investment of over ₹21,000 crore, which is increasing the requirement for modern warehousing
- The project also improves the quality of available infrastructure, as Grade-A warehouses replace older facilities and support a shift towards more organised supply chains



What could go right

- Manufacturers in the region are likely to benefit from lower logistics costs. The park sits on the Indore–Ahmedabad highway and next to the Pithampur industrial cluster. This places modern warehousing close to demand and directly on a major freight route. It reduces cross-city movement and longer-haul transport that come with the area's older, scattered storage. The project is also expected to generate around 4,000 jobs
- Forvis Mazars' financial assessment indicates that if the industrial base expands and rentals gradually rise towards levels seen in more established markets, the project could become a viable long-term asset and support an improvement in the broader corridor's value
- From the State's point of view, the investment follows an efficient public-private structure, with private and foreign investors bearing the long-term commercial risk while the State secures near-term benefits such as investment, employment and infrastructure with limited fiscal outlay



Key risks to watch

- Rental growth is the central uncertainty. Based on Forvis Mazars' financial assessment, the park is expected to achieve stabilised occupancy by the fourth year. Upon stabilisation, the project is estimated to generate a Net Operating Income (calculated as Gross Rent less Operating Cost) of approximately ₹28 crore. Using the income capitalisation approach and an indicative capitalisation rate of 9%, this implies an asset value of around ₹308 crore which is just over half of the ₹600 crore development cost. Returns are therefore modest and dependent on a steady, long-term rise in rentals
- Execution and cost discipline are critical. The yearly rent the park earns is small relative to the ₹600 crore spent to build it. As a result, the return it generates is likely to be thin, leaving little room to absorb the delays and cost overruns common to large greenfield projects. With the income barely covering the original cost, any overrun would tend to eat directly into returns rather than being cushioned by them





ROADS

Government to compensate National Highway (NH) builders for diesel price surge

News brief

- Bulk diesel prices have spiked ~71% over the last three months due to the West Asia conflict that broke out in February, directly impacting finances of highway construction firms and slowing down construction activity on National Highways.
- Bitumen prices have surged ~63% in roughly three months, from ₹49,000/tonne (Feb 28) to ₹80,000/tonne (June 1), driven by the fact that 85% of bitumen imported for road construction in India comes from the West Asia region, whose trade routes have been disrupted by the conflict.
- Highway agencies will pay contractors the differential between the base contract rate and the prevailing price of bulk diesel.
- A separate bitumen price compensation scheme, under which additional payments are updated monthly, was already in place by the Ministry of Road Transport & Highways (MoRTH).
- NH construction declined to just 148 km in April 2026, 75% lower than April 2025 before recovering to 592 km in May 2026, still 21% below May last year.



How we see it



Why it matters

- Highway construction is one of the most diesel-intensive activities with almost every machine on a site running on it. Bitumen is also one of the key materials used in road construction
- The conflict exposes significant vulnerability as India imports 88.6% of its crude oil requirement, from which diesel and bitumen (the heaviest residue left when crude oil is refined) are produced. Also, around 85% of India's imported bitumen comes from a single geographic corridor (West Asia), further exposing the road sector to geopolitical events



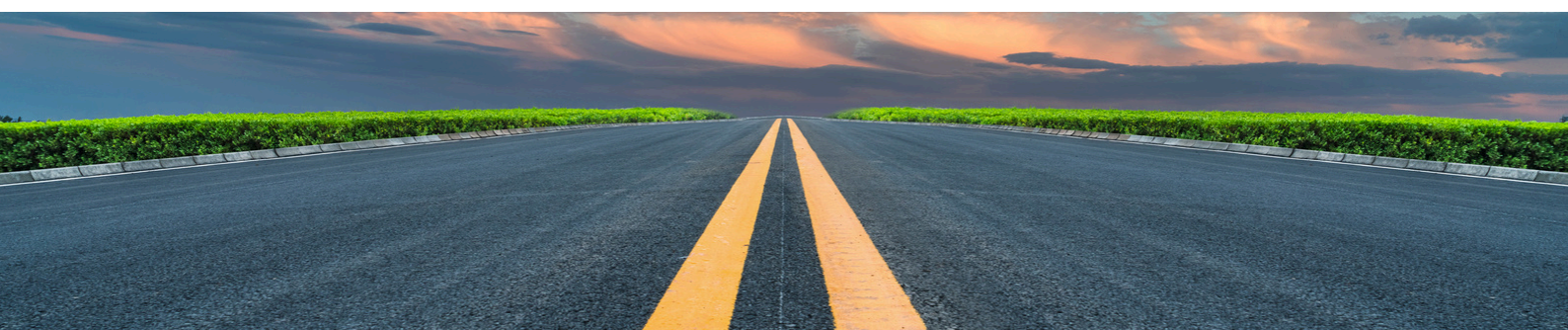
What could go right

- The government's relief, the diesel differential compensation, together with the monthly bitumen adjustment, acts as a safeguard against input-cost volatility and supports project continuity. The rebound from 148 km in April to 592 km in May suggests execution is already recovering
- The safeguard looks fiscally sustainable in the short term as fuel & lubricants at ~10% of project value and bitumen at ~8–12%, the compensation works out to roughly ₹3,000 Crore (diesel) and ₹2,800 Crore (bitumen) over 1 May-30 June, which is about 1.9% of MoRTH's ₹3.10 lakh Crore FY27 outlay
- If the relief is paired with measures such as diversifying import sources for crude and strengthening buffer stock reserves for bitumen rather than attempting to replace imports through domestic production, the sector could be durably insulated. India already maintains a Strategic Petroleum Reserve of 5.33 MMT (9.5 days of consumption) across caverns at Visakhapatnam, Mangaluru and Padur; similarly, a buffer covering even 30-45 days of normal highway construction demand could provide a cushion to the sector. The buffer for crude oil can also be increased to further insulate the sector



Key risks to watch

- The relief addresses price volatility and not the underlying dependence on imports. Unless diversification of crude oil sources and buffer stocks for bitumen are done, the sector is exposed to the next shock
- Although the international crude and products prices have come down, any new supply disruption may further increase fiscal pressure on the government





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