

## **INDIA'S FIRST MARITIME NBFC LAUNCHED: ECONOMY**

**NEWS:** India's first maritime NBFC launched

### **WHAT'S IN THE NEWS?**

The Union Minister inaugurated Sagarmala Finance Corporation Limited (SMFCL), India's first maritime-sector NBFC, aimed at bridging funding gaps and boosting ports, logistics, and maritime innovation under the Maritime Amrit Kaal Vision 2047.

### **Inauguration of Sagarmala Finance Corporation Limited (SMFCL)**

- The Union Minister of Ports, Shipping & Waterways (MoPSW) inaugurated the Sagarmala Finance Corporation Limited (SMFCL), marking a significant step in strengthening India's maritime financial ecosystem.

### **About SMFCL**

- Formerly known as Sagarmala Development Company Limited, SMFCL has been upgraded and formally registered as a Non-Banking Financial Company (NBFC) with the Reserve Bank of India (RBI).
- It has been granted Mini Ratna, Category-I status, reflecting its financial and operational performance among Central Public Sector Enterprises (CPSEs).
- SMFCL is India's first dedicated NBFC in the maritime sector, providing a focused financial arm to support maritime infrastructure and development projects.

### **Understanding NBFCs**

- A Non-Banking Financial Company (NBFC) is a financial entity registered under the Companies Act, 1956 or 2013, primarily engaged in financial activities such as lending, providing advances, and investing in securities.
- NBFCs differ from banks in key respects:
  - They cannot accept demand deposits.
  - They are not part of the country's payment and settlement system and cannot issue cheques.
  - Depositors in deposit-taking NBFCs do not have access to the Deposit Insurance and Credit Guarantee Corporation (DICGC) insurance facility.
- Companies collecting deposits under various schemes are classified as Residuary NBFCs.

### **Importance of SMFCL**

- SMFCL aims to bridge critical financing gaps in the maritime sector, offering tailored financial products and services for ports, MSMEs, startups, and maritime institutions.
- It aligns with the Maritime Amrit Kaal Vision 2047, focusing on holistic maritime sector growth and positioning India as a global maritime leader.

- SMFCL will prioritize strategic areas such as:
  - Shipbuilding and ship repair industry.
  - Renewable energy projects including offshore wind and green hydrogen.
  - Cruise tourism and passenger logistics.
  - Maritime education and skill development institutions.
- The launch of SMFCL is part of a broader initiative to build a robust financial ecosystem supporting inclusive and sustainable growth in India's maritime domain.

### **India's Maritime Sector Overview**

- India's maritime sector plays a critical role in national trade, handling nearly 95% of trade by volume and 70% by value.
- The Ministry of Ports, Shipping & Waterways manages the sector, comprising 12 major ports and more than 200 minor ports across the country.
- In FY24, India's ports handled 818 million tonnes of cargo, marking a 4.45% increase from FY23.
- The government encourages private and foreign investment in the sector with 100% FDI permitted and attractive tax incentives.
- The Maritime India Vision 2030 and the broader Amrit Kaal Vision 2047 focus on:
  - Globalizing Indian ports and enhancing their competitiveness.
  - Promoting inland and coastal shipping to reduce transport costs and carbon emissions.
  - Boosting green shipping and sustainability practices.
- In June 2025, the Ministry launched the SAGAR SETU digital platform to transform maritime and logistics operations, improving transparency, efficiency, and service delivery.
- India also plans to establish a new shipping company to expand its fleet by 1,000 ships, with a target to reduce foreign freight costs by one-third by 2047.

### **Conclusion**

- The establishment of SMFCL represents a strategic move to create a dedicated financial infrastructure that will fuel the long-term growth of India's maritime sector.
- By addressing funding gaps and enabling innovation, SMFCL is poised to contribute to India's emergence as a global maritime power, supporting job creation, economic resilience, and regional connectivity.

**Source:** <https://economictimes.indiatimes.com/trial-onboarding?ru=https://economictimes.indiatimes.com/industry/banking/finance/indias-first-maritime-nbfc-launched/articleshow/122095693.cms?from=mdr>

