

THE SHIP FINANCE PUBLICATION OF RECORD

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Q1 2026

VOLUME 42, NUMBER 1

Bonds
Deals of the Year 2025

EAST BANK DEBT DEAL OF THE YEAR

BW LPG INDIA FINANCES SIX VLGCs

Transaction: BW LPG Financing for 6 Mid-Life VLGCs

Winners: Standard Chartered, Citi, DBS, Mizuho Bank, MUFG Bank

Standard Chartered's leadership in the US\$215 million financing for BW Global United LPG India Private Limited represents a defining transaction in shipping finance, combining structuring innovation, regulatory navigation and strategic market impact. Acting as Sole Bookrunner, Coordinator, Mandated Lead Arranger, Agent, and Lender, the bank successfully led a five-bank consortium to deliver BW LPG India's first-ever financing out of India's Gujarat International Finance Tec-City (GIFT City), India's first International Financial Services Centre (IFSC).

BW LPG India currently owns and operates India's largest fleet of LPG Very Large Gas Carriers (VLGCs). The company is a subsidiary of BW LPG, the world's leading owner and operator of LPG VLGCs.

The transaction supported both the acquisition of two VLGCs and the refinancing of existing debt.

Structured as a senior secured term loan split into three tranches, the facility balanced competing priorities: funding growth, optimising cost and ensuring compliance with India's External Commercial Borrowing (ECB) regulations. Notably, the refinancing tranche was carefully designed to meet the Reserve Bank of India's (RBI's) requirement on minimum average maturity and reduce overall borrowing costs relative to the original facility.

A key innovation was the use of GIFT City as the financing hub. By leveraging the regulatory and tax advantages of the IFSC framework, including withholding tax exemptions on interest payments, the transaction significantly lowered BW LPG India's all-in cost of capital. This not only improved financial flexibility but also established GIFT City as a credible centre for global maritime finance, paving the way for increased participation from international lenders.

The deal also stood out for its operational complexity. It involved the discharge of existing security over multiple vessels and the simultaneous creation of new mortgage structures across both newly acquired and existing ships. The sequencing of tranche disbursements had to adapt to vessel deliveries, requiring precise coordination of security perfection across jurisdictions and close engagement with Indian maritime authorities.

Strategically, the financing underpins BW LPG India's continued expansion in one of the world's fastest-growing LPG import markets. With government initiatives such as Ujjwala Yojana driving demand for cleaner household energy, the company has positioned itself as a dominant player, controlling approximately 20% of India's LPG imports and 30% of its time charter market. Its Indian-flagged fleet also benefits from preferential access to domestic contracts, reinforcing its competitive edge.

For Standard Chartered, the transaction reflects a long-standing partnership with BW LPG and deep expertise at the intersection of global shipping and local market dynamics. The bank's ability to combine international structuring capabilities with on-the-ground regulatory insight in India was critical to executing the deal within a tight two-month timeline.

Beyond its immediate financial impact, the transaction sets a benchmark for the industry. It validates GIFT City as a credible platform for complex cross-border maritime financing and signals a shift in how shipping assets linked to India may be funded going forward. In doing so, it not only strengthens BW LPG India's balance sheet but also contributes to the evolution of India's maritime and financial ecosystem.



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