Business Line. Dt: 21/07/26.

IVPA seeks policy review as refined edible oil imports from Nepal surges to 8 lakh tonnes

Our Bureau
Mangaluru

The Indian Vegetable Oil Producers' Association (IVPA) has urged the government to undertake an urgent policy review following the surge in duty-free refined edible oil imports from Nepal under the South Asian Free Trade Area (Safta) framework.

Imports from Nepal have increased from 47,295 tonnes in 2023 to 1.24 lakh tonnes (lt) in 2024, before surging to over 8.04 lt in 2025, an increase of more than 17-fold within two years.

Citing the prevailing trade trends, a media statement by IVPA said that the imports were expected to approach 1 million tonnes annually, making Nepal one of India's largest suppliers of refined edible oils.

IVPA said the sharp increase represents a significant structural shift in India's edible oil trade and merits timely policy attention to ensure that the country's trade framework, tariff policy and domestic value-addition objectives continue to remain aligned.

BRIDGING THE GAP. India relies on imports to meet its demand

NEED FOR REVIEW

Sudhakar Desai, President of IVPA, said: "India has consistently championed regional economic cooperation and remains fully committed to the objectives of the Safta agreement. However, the extraordinary pace and scale of duty-free refined edible oil imports call for a comprehensive policy review to ensure that preferential trade arrangements continue to promote genuine regional value addition while safeguarding the competitiveness of India's domestic refining industry, supporting farmer welfare and strengthening the nation's long-term edible oil security."

India is the world's largest importer of edible oils and continues to depend on imports to bridge the domestic demand-supply gap.

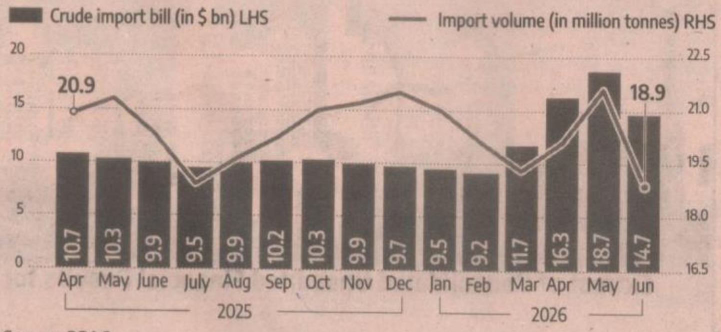
At the same time, successive policy measures have encouraged domestic refining so that value addition, investment, employment and economic activity remain within the country.

The IVPA noted that the rapid increase in duty-free imports of refined edible oils had altered this balance by shifting refining activity outside India.

Business Standard Dt: 21/07/26

Crude import bill rose 48% to $14.7 bn in June

Crisis impact



Source: PPAC

SHUBHANGI MATHUR
New Delhi, 20 July

India's crude oil import bill rose 48 per cent year-on-year (Y-o-Y) to $14.7 billion in June despite lower import volumes than a year ago, official data showed. India imported 18.9 million tonnes (mt) of crude in June, down 7.1 per cent from 20.3 mt in the same period last year, according to the Petroleum Planning & Analysis Cell.

The sharp rise in the import bill comes as the Indian basket crude price averaged $85.47 per barrel in June, up from $69.77 a barrel a year earlier. Crude remains India's largest import item, accounting for around 20 per cent of the country's merchandise import bill.

India has been sourcing energy at significantly higher costs to ensure domestic availability during the ongoing crisis. Energy prices have surged in recent months due to supply disruptions triggered by the blockage of traffic through the Strait of Hormuz, constraining supplies from West Asia.

Amid constrained supplies from West Asia, India imported around 50 per cent of its crude requirements from Russia in June, while the United Arab Emirates (UAE) and Venezuela were among its top suppliers. To ensure fuel availability, Indian refiners have stepped up crude imports from Russia and non-traditional suppliers such as Venezuela, Brazil, and Angola.

India sources around 90 per cent of its crude oil requirements, 50 per cent of its liquefied natural gas, and 60 per cent of its liquefied petroleum gas (LPG) needs from global markets.

The country's net oil and gas bill, which reflects spending on imports of petroleum products such as crude, LNG, and LPG, minus earnings from exports of refined products, rose 36.4 per cent Y-o-Y to $13.1 billion in June. This comes as the government has levied excise duty on exports of petrol, diesel, and aviation turbine fuel since the beginning of the West Asia crisis to discourage exports while prioritising domestic demand amid supply constraints.

India's crude oil import bill rose 61 per cent to $49.8 billion in the first three months (April-June) of the current financial year (2026-27), while the net oil and gas bill increased 45 per cent to $44.9 billion.

FINANCIAL EXPRESS DT: 21/07/25

Govt invites applications for car import quota under India-UK trade agreement

FE BUREAU
New Delhi, July 20

THE GOVERNMENT HAS invited the first round of applications for issue of quotas for the calendar year 2026 for import of fully built passenger cars and goods carriers on preferential duties under the India-UK Comprehensive Economic and Trade Agreement (CETA).

Under the agreement, India will allow import of 20,000 cars from the UK in the first year of the agreement on preferential duties.

DUTY RELIEF

- DGFT has sought applications for allocation of quota to importers for 9,316 units in first phase
- Quota for cars with engine capacity of up to 1500 cc has been kept at 2,329 units

- Premium cars receive 4,658 unit quota with duties reduced to 30% only

The applications have been invited by the Directorate General of Foreign Trade (DGFT) for allocation of quota to the importers for 9,316 units in the first phase.

Only Original Equipment Manufacturers (OEMs), dealers and channel partners duly authorised by the OEMs of vehicles originating in the UK shall be eligible to apply for the Tariff Rate Quota (TRQ).

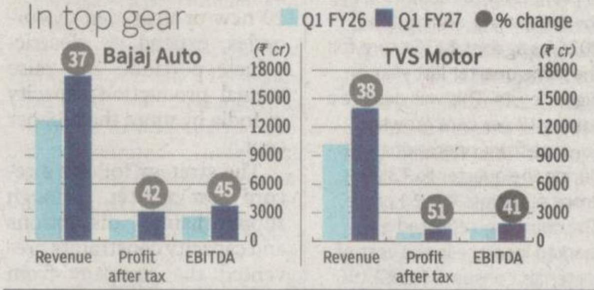
The application window is open from July 21 to August 4.

To be eligible, each applicant shall submit a pre-purchase agreement issued by an OEM of the vehicles originating in the UK setting out the quantity of vehicles agreed to be supplied to the applicant during the TRQ year for importation into India under each TRQ.

Business Line · Dt:- 22/07/26

EVs, exports drive record profits for TVS Motor, Bajaj Auto in Q1

Amit Vijay Mohile
Mumbai



TVS Motor and Bajaj Auto posted record quarterly profits in Q1 FY27, with electric vehicles, exports and premium motorcycles helping offset higher input costs and drive growth.

TVS Motor's profit after tax rose 51 per cent to ₹1,174 crore, while revenue jumped 38 per cent to ₹13,896 crore. Bajaj Auto's standalone profit increased 42 per cent to ₹2,983 crore, with revenue rising 37 per cent to ₹17,244 crore.

The results highlight two distinct growth strategies. TVS is leveraging premium scooters, EVs and international markets to expand its consumer franchise, while Bajaj is banking on exports, premium motorcycles, electric three-wheelers and KTM to strengthen profitability and protect margins.

TVS' EV SALES SURGE

TVS Motor's electric two-wheeler sales surged 86 per cent to 1,29,940 units in Q1 FY27, while scooter sales increased 36 per cent. International sales grew 33 per cent to 4.68 lakh units, providing a strong second growth engine beyond its domestic business. The company, however, faced rising commodity costs, with the cost of materials consumed climbing 45 per cent year-on-year on a standalone basis. TVS said it is offsetting the impact through selective price hikes, a better product and geographic mix, cost optimisation and scale efficiencies.

TVS CEO K N Radhakrishnan said domestic demand is expected to remain robust in the July-September quarter, supported by GST rationalisation, tax relief and improved affordability. "Overall, the outlook remains very, very strong," he said.

Morgan Stanley noted that TVS Motor expanded its EBITDA margin to 12.8 per cent from 12.5 per cent despite raw material inflation, reflecting pricing power and cost discipline.

EXPORTS STEER BAJAJ

For Bajaj Auto, EVs now contribute nearly 30 per cent of domestic revenue, while the demand for the Chetak scooter has exceeded production capacity. It plans to increase annual production capacity by more than 25 per cent, from around 7 million units to more than 9 million.

Export volumes crossed 7 lakh units for the first time, supported by strong demand in Latin America and a recovery in Africa. Nigeria recorded three-fold growth.

Analysts attributed the performance to robust volume growth, price increases, operational efficiencies, favourable export mix and rupee depreciation.

"We want the leadership position, but it's not going to be at the cost of compromising the bottom line," Bajaj Auto Executive Director Rakesh Sharma said. Bajaj plans to launch 10 new or upgraded motorcycles over the next six weeks.

Meanwhile, TVS is expanding EV, three-wheeler and export capacity to cater to growing demand across Africa, Latin America and other emerging markets.

Also read p2

Business Standard Dt: 22/07/26

India's fertiliser exports climb 52% in 3 yrs

SANJEEB MUKHERJEE
New Delhi, 21 July

Even as the focus is on India's rising fertiliser imports and the burden they are placing on the national exchequer amid the West Asia crisis, the latest data sourced from Parliament replies and other official sources show that the country's fertiliser exports have quietly risen by almost 52 per cent over the three years from 2023–24 (FY24) to 2025–26 (FY26).

Though the export volume is minuscule compared with the quantity of fertilisers India imports every year, the trend is noteworthy given the broader discourse surrounding the sector.

India exported about 317,515 tonnes of fertilisers in FY24, with shipments steadily rising to 479,737 tonnes in FY26. A major share of these exports was other superphosphates shipped to Brazil, official data showed.

During the same period, imports rose from a staggering 20.7 million tonnes (mt) in FY24 to more than 28 mt in FY26, an increase of 36.09 per cent, according to official data.

Uneven growth

India's fertiliser trade (in mt)*

	Exports	Imports
FY24	0.31	20.7
FY25	0.4	20.1
FY26	0.47	28.17
Change (%)**	51.61	36.09

*includes all products

**Between FY24 and FY26

Source: Government, Parliament papers

India is one of the world's largest importers of fertilisers, buying urea, diammonium phosphate (DAP), muriate of potash (MOP), and NPKS fertilisers (containing nitrogen, phosphorus, potassium, and sulphur) from global markets every year. Urea and DAP are the two most widely consumed fertilisers in the country.

Data also show that India exports potassium sulphate, vegetable fertilisers, organic fertilisers, potassium chloride, ammonium nitrate, and organic manures such as animal dung to countries across the globe.

Besides Brazil, Sri Lanka, Malaysia, the United Arab Emirates, the Maldives, Nepal, and Bangladesh are among the major buyers of Indian fertilisers.

In FY26, India's fertiliser exports to neighbouring Sri Lanka rose to around 33,000 tonnes, up from just 816.28 tonnes in FY24. Similarly, exports to Brazil increased from 115,862 tonnes in FY24 to 318,168 tonnes in FY26, a jump of nearly 175 per cent.

According to a paper by the Indian Council for Research on International Economic Relations, India consumed about 70.7 mt of fertiliser products in 2024–25, equivalent to roughly 33 mt of nutrients — nitrogen (N), phosphorus (P), and potash (K).

Yet, despite its sizeable domestic industry, India's fertiliser economy remains deeply embedded in global supply chains. Import dependence remains significant — around 20 per cent for urea, nearly 50 percent for DAP (much of it sourced from the Gulf region), and almost 100 per cent for MOP, which is largely imported from Russia and Canada.

Domestic production also relies heavily on imported feedstock. Nearly 85 per cent of the natural gas used in urea manufacturing is imported, while 90–95 per cent of rock phosphate used in phosphatic fertilisers and about half of the phosphoric acid requirement are sourced from abroad.

"Once the import content of intermediate inputs is accounted for, India's effective dependence on global fertiliser supply chains rises to nearly 68–70 per cent, leaving the fertiliser sector, and by extension the country's food security, highly exposed to geopolitical disruptions and supply shocks," the paper said.

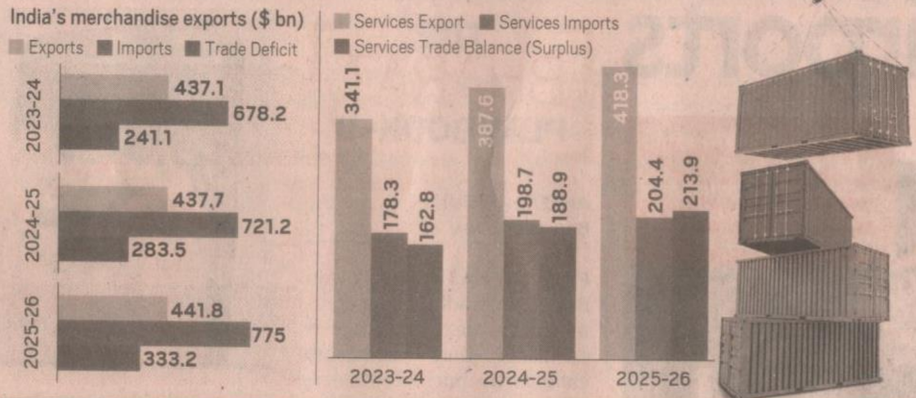
FINANCIAL EXPRESS. Dt:- 22/07/26.

WTO'S TRADE POLICY REVIEW

India targets 10% share in goods exports by 2047

- New Delhi stresses need for consensus-driven decision-making

GLOBAL ASPIRATIONS



FE BUREAU
New Delhi, July 21

INDIA HAS SET a target to increase its share of world merchandise exports to 10% by 2047 from 1.8% in 2024, the government informed the World Trade Organisation (WTO) as part of the review of its trade policy by the global trade body. The review covers trade policy from 1 January 2021 to 31 December 2025.

Under the Viksit Bharat 2047 mission, India aims to grow its economy to $30-35 trillion with overall exports reaching $10 trillion.

On WTO reform, India reiterated its stated position that it must be development-centred, consensus-based, and member-driven. It also sought restoration of a standing, independent, and binding two-tier dispute settlement system with immediate restoration of the Appellate Body, which has been non-functional since December 2019.

Looking further ahead, sustaining the strong economic performance needed to reach the Viksit Bharat vision of a developed India by 2047 will require addressing structural challenges, including high trade costs, regulatory complexity, infrastructure gaps, and barriers to deeper global integration.

Building on the administrative and procedural reforms to promote ease of doing business, reforms to improve the business environment, enhance productivity, and reduce reliance on trade-restrictive measures could support more efficient resource allocation and competitiveness.

During the period under review, the government took steps to make the economy more outward-oriented. To promote exports, India maintained various duty exemption, tax refund and rebate schemes. India widened the geographical reach and depth of its regional trading agreements (RTAs), the WTO Secretariat's report for the review said.

All WTO members' trade policies are subject to review at regular intervals, depending on their share of world trade. For India the it is held every five years and the 8th review will be held from July 21 to July 23.

The official delegation to the review is led by Commerce Secretary Rajesh Agrawal. In his opening statement at the review the secretary said that despite a challenging global environment, India has remained the world's fastest-growing major economy, achieved record exports, accelerated digital transformation, strengthened innovation, improved the ease of doing business, and expanded opportunities for trade and investment.

The review is carried out on the basis of two principal documents: a policy statement submitted by the member under review (government report) and a report prepared by the WTO Secretariat, which is circulated to all members.

FINANCIAL EXPRESS. DT: 22/07/26.

CHINA SQUEEZES MARGINS

Steelmakers pivot home as Europe tightens imports

NEHA ARORA
New Delhi, July 21

STEELMAKERS ARE PIVOTING to the domestic market to offset weaker exports as key markets Europe and Britain tighten imports, but competition from cheap Chinese steel at home is blunting that strategy, company executives and analysts said.

India, the world's largest crude steel producer after China, ships roughly two-thirds of its steel to Europe, and the executives expect exports to the European Union and Britain to fall by as much as 40% this fiscal year after both markets tightened import rules.

The European Union unveiled quotas on June 30 to limit duty-free steel imports after introducing carbon charges in January on imports of steel and other emissions-intensive goods under its Carbon Border Adjustment Mechanism.

Britain also tightened tariff-free steel imports from July 1, although New Delhi says 85% of India's exports to the country remain protected under their free trade agreement.

India shipped 6.6 million metric tonne of finished steel in the fiscal year ended March 2026. Exports fell to 0.5 million tonne in May, well below the average of the previous six months.

"With the UK, EU, US and several other markets tightening import quotas, and deploying tariffs and safeguard mechanisms, companies will have to place greater emphasis on markets where long-term demand visibility is more certain," Abhyuday Jindal, managing director of Jindal Stainless, told Reuters.

Chinese steel is priced \$52-\$63 per tonne below domestic grades, making it harder for Indian mills to absorb output diverted from export markets, the executives and analysts said.

The government has launched an anti-dumping investigation into hot-rolled steel from China, Japan and Russia.

"The rise in low-priced and substandard imports, particularly from China or those of Chinese origin, is creating an uneven competitive environment for domestic manufacturers," Jindal said.

A senior government official said India was the only major market where steel consumption remained strong.

Mills could seek anti-dumping measures to curb cheap imports, especially from China, said the official, who declined to be named because of the sensitivity of the matter. Rapid economic growth and government infrastructure spending have prompted leading steel producers to continue expanding capacity. India aims to raise crude steel capacity to 400 million tonne by 2035-36 from the current output of about 168 million tonne.

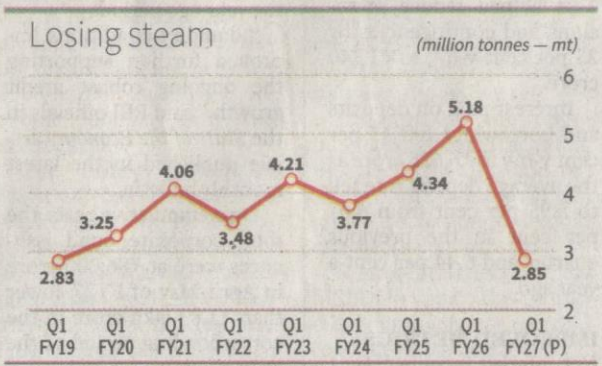
—REUTERS

Business Line. Dt: 23/07/26

India's April-June LPG imports lowest in 8 years

Rishi Ranjan Kala
New Delhi

The import of liquefied petroleum gas (LPG) in the April-June quarter of the current financial year was the lowest for the period in the last eight years, with the closure of the Strait of Hormuz (SoH) choking out more than half of India's domestic consumption.



Source: Petroleum Planning & Analysis Cell (PPAC) (P): Provisional

According to the Petroleum Planning & Analysis Cell (PPAC), India imported roughly 2.85 million tonnes of LPG in Q1FY27 on a provisional basis, a de-growth of 45 per cent compared to Q1FY26, and 34 per cent decline compared to Q1FY25.

India imported a record 5.2 mt of the key cooking fuel in Q1FY26. Prior to Q1FY27, the lowest import for the period was recorded in Q1FY19 (2.82 mt). The world's top LPG consumer imports roughly 60 per cent of its domestic demand, of which 90 per cent comes from the Middle East Gulf (MEG) with a majority of the cargoes transiting the SoH.

LPG imports fell sharply from above 2 mt per month in January-February 2026 to around 1-1.2 mt a month in March-May, with lower MEG availability partly offset by higher US inflows.

LARGEST SUPPLIER

Washington, which was India's fifth largest LPG supplier till January 2026, jumped a spot to become the fourth largest, replacing Kuwait a month later.

However, the fresh conflict in West Asia (from February 28) propelled the US to become the top supplier to the world's second largest LPG consumer for four consecutive months beginning March 2026.

Sumit Ritolia, Kpler's Kpler's Lead Research Analyst for Refining & Modeling, recently told *businessline* that India remains structurally dependent on Gulf supply, though sourcing patterns shifted during recent disruptions.

Business Line. Dt: 23/07/26.

Edible oil import bill up 20% so far this season

Our Bureau
Mangaluru

With the edible oil import bill rising over 20 per cent in the first eight months of the 2025-26 oil year (November-October), the Solvent Extractors' Association of India (SEA) expects it to touch ₹1.75 lakh crore by the year-end.

In his monthly letter to SEA members on Wednesday, SEA President Sanjeev Asthana said India stands at a defining moment in its edible oil journey, with the warning signs becoming increasingly difficult to ignore.

The country's edible oil import bill, which stood at ₹1.61 lakh crore last year, is projected to cross an unprecedented ₹1.75 lakh crore this year. During November-June alone, edible oil imports exceeded 104 lakh tonnes, while the import bill rose from ₹99,000 crore to ₹1.19 lakh crore — an increase of nearly ₹20,000 crore, or 20.2 per cent, in just eight months.

Asthana attributed the rising import bill to a weaker rupee, which has made imports costlier, and weather uncertainties, including below-normal monsoon forecasts and delayed sowing in several oilseed-growing regions, which are raising concerns over domestic production.

He said global developments are adding to the pressure. Indonesia's expanding biodiesel programme is diverting more palm oil from food to fuel, tightening global supplies, while geopolitical uncertainties and higher freight and insurance costs continue to keep international edible oil prices volatile.

"The net effect is that India may be compelled to import more, and pay considerably more for every tonne. While imports will continue to play an important role, India's long-term answer cannot lie in importing more — it must lie in producing more," he said.

MONSOON CONCERNS

Expressing concern over the uneven South-West monsoon, Asthana said several oilseed-growing regions had received well below-normal rainfall.

Groundnut, soybean and sunflower acreage lagged last year's pace, while total oilseed sowing stood at 147 lakh hectares as of July 17, against 155.7 lakh hectares a year earlier — a decline of 8.6 lakh hectares.

He said weaker rainfall during the critical August-September flowering period could hurt oilseed yields and further deplete reservoir levels, affecting the upcoming rabi season as well.

Referring to recent calls by S Mahendra Dev, Chairman of the Economic Advisory Council to the Prime Minister, for incentive-driven crop diversification towards oilseeds and pulses, Asthana said they reinforce a direction that the SEA has consistently advocated.

FINANCIAL EXPRESS. DT: 23/07/26.

Red Sea, Hormuz disruptions seen impacting rice exports

- 0.5 MT of rice cargo stuck at Indian ports

SANDIP DAS
New Delhi, July 22

WITH THE RED Sea facing growing security threat leading to disruption of cargo movement through Bab al-Mandab strait and continued uncertainty over movements of ships through the Strait of Hormuz, India's rice exports to Saudi Arabia, Iran and the European Union could be hit, traders said.

"The simultaneous disruption around these two critical routes for cargo movements has created an unprecedented challenge for India's exporters," Ranjit Singh Jossan, vice president of the Basmati Rice Millers and Exporters Association, Punjab, told *FE*. Jossan said that due to the war in West Asia, sea freight has surged to record levels, insurance costs continue to rise, and exporters are facing an acute financial crisis as working capital remains locked in delayed shipments.

"Unless normal shipping routes are restored soon, the disruption could severely impact India's basmati rice exports, global supply chains, and overall trade especially in the Middle East," he said.

Exporters said that due to uncertainty around cargo movement through the Strait of Hormuz over the past several months, around 0.5 million tonne (MT) of rice export cargo, including basmati rice, remains stranded at the Kandla and Mundra ports, Gujarat.

Saudi Arabia has emerged as the largest destination for India's aromatic long grain Basmati rice exports with shipments close to 1.2 MT annually followed by Iran where close to 0.8 MT of basmati rice was exported last fiscal year.

"The Red Sea blockage is a big challenge for India's rice exports as ships are taking longer routes, freight costs are rising and deliveries are getting delayed," said Suraj Agarwal, co-founder and CEO of Rice Villa, a leading rice exporter based in Kolkata. Agarwal said that this could make Indian rice more expensive for buyers especially in the Middle East and Europe.

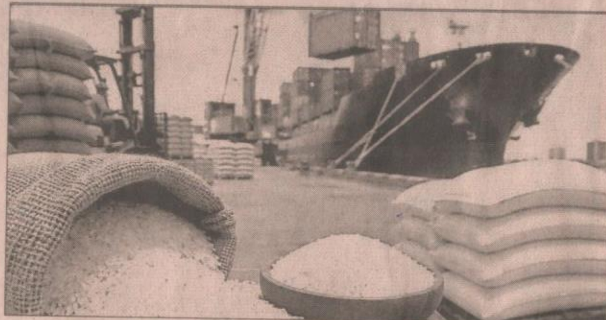
Trade sources said the latest escalation is particularly significant because the Bab al-Mandab Strait is considered a global strategic maritime trade route connecting the Red Sea with the Gulf of Aden. The strait provides access to the Suez Canal, which serves as a vital gateway linking Asia with Europe and Africa.

India's rice exports, the country's largest agricultural export, rose more than 4% year-on-year to $3.03 billion during April-June of FY27, despite supply disruptions caused by the conflict in West Asia.

In June alone, the world's largest rice exporter shipped rice worth more than $1 billion, up 16% from a year earlier, as easing tensions in the West Asia helped restore some supply chains for aromatic long-grain basmati rice to key Gulf markets, including Iran and Saudi Arabia.

The value of India's rice exports, including basmati and non-basmati varieties, had declined 7.5% year-on-year to $11.53 billion in FY26.

TRADE TURMOIL



- About 0.5 million tonne of rice cargo remain stranded at Kandla and Mundra ports
- Freight costs have surged while delayed shipments are locking up working capital
- Saudi Arabia and Iran, India's top basmati buyers, together import 2 million tonne annually

Business Line. Dt:- 24/07/26

To boost exports, govt eases FDI rules for e-comm firms

EXPANDING MARKET. Allows inventory-based models for exporting locally produced goods

Our Bureau
New Delhi

The government on Thursday relaxed foreign direct investment (FDI) rules for the e-commerce sector, allowing foreign-funded e-commerce entities to operate inventory-based models exclusively for exports of goods manufactured or produced in India, in a move aimed at expanding overseas market access for sellers.

"In order to facilitate greater exports through easier and increased access of global markets by Indian sellers, the extant FDI policy has been reviewed and it is decided that the restrictions on inventory-based model of e-commerce shall not apply in case of exports of domestically manufactured and/or produced goods/products," according to Press Note 3 of 2026 notified by the Department for Promotion of Industry and Internal Trade on Thursday.

NEW NORMS

- The move is expected to enable global e-commerce majors Amazon and Flipkart to procure, stock and export Indian-made products directly to overseas consumers
- The revised policy will come into effect from the date of notification under FEMA

The move is expected to enable global e-commerce companies with foreign investment, including Amazon and Flipkart, to procure, stock and export Indian-made products directly to overseas consumers, a practice that was not permitted under the existing policy framework.

REVISED POLICY

The revised policy will come into effect from the date of notification under the Foreign Exchange Management Act (FEMA), the note added.

Under India's FDI policy, foreign investment is permitted in business-to-business (B2B) e-commerce and marketplace model of e-commerce.

However, FDI is not permitted in business-to-consumer (B2C) e-commerce and inventory-based model of e-commerce where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.

Through Press Note 3 of 2026, the restrictions on inventory-based e-commerce and business-to-consumer (B2C) sales under the existing FDI policy will not apply when such platforms export domestically manufactured or produced goods, the press note highlighted.

"The inventory-based e-commerce restriction was originally introduced to regulate domestic retail trading. However, questions had arisen on whether the same restrictions should extend to marketplace models facilitating export.

"By clarifying the position, the government has removed uncertainty, reinforced policy predictability for foreign investors, and aligned the FDI framework with India's broader export promotion agenda, while preserving the safeguards applicable to domestic e-commerce," said Sunil Kumar, Partner, Tax and Regulatory Services, EY India.

Amazon welcomes the government's decision permitting inventory-based e-commerce for exporting Indian-manufactured goods.

"This policy clarity strengthens our vision of helping Indian businesses reach global customers. Importantly, this initiative empowers tier-2 and tier-3 manufacturers to go global and establish Brand India on the world stage. We're committed to supporting India's export ambitions, working toward our $80 billion cumulative export target by 2030 — reflecting confidence in India's manufacturing prowess," said Amazon spokesperson.

Business Line Dt: 27/07/26

Russian supply disruption poses fresh risk to India's crude imports

RISING UNCERTAINTY. Ukrainian attacks on key export infrastructure could inflate freight costs

Rishi Ranjan Kala
New Delhi

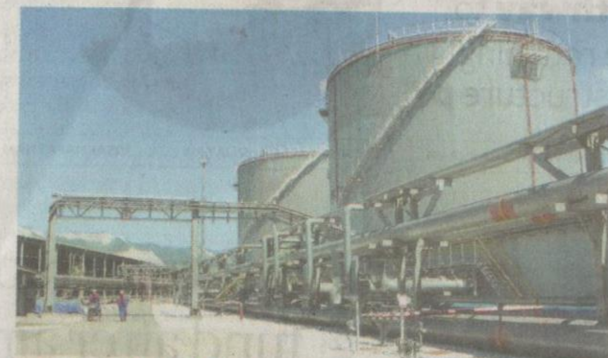
Crude oil imports in August face a fresh risk from Russia, with uncertainty mounting over crude loadings from the Black Sea port of Novorossiysk following Ukrainian attacks on key export infrastructure. The volume of imports during the month will also depend on the safe passage of Saudi Arabian barrels through the Bab el-Mandeb (BeM) strait.

While refiners and traders do not expect an outright supply disruption, they warn that slower deliveries, higher freight costs and shrinking discounts on Russian crude could inflate India's oil import bill, particularly at a time when the rupee remains weak against the US dollar.

Russia has emerged as India's largest crude supplier over the past three years, accounting for as much as 50 per cent of the country's imports as refiners increasingly rely on discounted Urals crude because of the Western sanctions.

Any disruption to these supplies, therefore, carries outsized implications for Indian refiners, many of whom have reconfigured their sourcing around Russian barrels.

"As we speak, there are two developing scenarios important to track. First, crude oil (Urals grade) loadings from Novorossiysk port, considering the attacks by Ukraine on the Sheskharis terminal. Besides, traders are not offering discounts for September loadings. So, barrels will be there, but there will be a price," said a trade source.



STRATEGIC RELIANCE. Russia has emerged as India's largest crude supplier over the past three years, accounting for as much as 50 per cent of the country's imports REUTERS

KEY UNCERTAINTY

According to Kpler, the key uncertainty is whether Russia can sustain export volumes amid continued Ukrainian attacks on its upstream and downstream infrastructure.

Russia's crude exports in July declined by around 4,00,000 barrels per day month-on-month.

Sheskharis, Russia's largest crude export terminal, accounts for nearly 20 per cent of its seaborne crude shipments.

The concern for India is less about physical availability than pricing. If Russian exporters trim discounts or shipments, Indian refiners will either have to pay more for Russian crude or replace some of those barrels with costlier cargoes from other suppliers, pushing up procurement costs and the country's import bill.

The second variable is the continuing threat by Houthi rebels to Saudi Arabian crude exports transiting the Bab el-Mandeb strait.

"The threat has already impacted supply from there. Although the Saudis are using Egypt's Sidi Kerir terminal on the Mediterranean coast, it also increases costs," the same source said.

ALTERNATIVE ROUTES

According to Equirus Securities, tankers can avoid the Bab el-Mandeb by taking alternative routes through the Suez Canal and the Mediterranean, but doing so could add nearly a month to voyage times.

Longer journeys keep vessels tied up for extended periods, reduce tanker availability and significantly raise freight and insurance costs. Freight and insurance charges, which averaged \$4-5 per barrel before the conflict, have now climbed to \$13-15 per barrel.

An official with a domestic refiner said the expectation is that both Russian and Saudi barrels will continue to be available, but the logistics are becoming increasingly "tricky". "Saudi Arabia usually supplies crude through VLCCs, but bypassing the traditional Red Sea route and exporting via Sidi Kerir adds to both voyage time and transportation costs," the official said.

Geopolitical tensions have already begun influencing global oil prices.

According to S&P Global Commodity Insights, mounting concerns over disruptions to Red Sea shipping helped push Brent crude futures above \$100 per barrel on July 23.

Kpler said that if Red Sea transit remains uninterrupted, Indian refiners will continue to have an important supply buffer through Saudi Arabia's East-West pipeline to Yanbu, which recently supplied around 3,00,000-5,00,000 barrels per day of crude.

"However, if the security situation deteriorates and Red Sea imports become unavailable during August, refiners will need to replace those barrels from alternative sources," it said.

Business Standard Dt:- 27/07/26

2W makers ride export wave, but watch road ahead

Hero, TVS, and Bajaj count on overseas markets while bracing for global uncertainty

ANJALI SINGH
Mumbai, 26 July

India's leading two-wheeler (2W) manufacturers are entering 2026-27 (FY27) with cautious optimism, counting on sustained export momentum amid an increasingly uncertain global environment.

Hero MotoCorp, TVS Motor Company, and Bajaj Auto achieved major export milestones in 2025-26 (FY26). However, their FY26 annual reports also flagged geopolitical tensions, inflationary pressures, and supply-chain disruptions as potential risks to growth in FY27.

Hero said in its annual report that its cumulative exports crossed 5 million units during FY26, supported by strong demand across Latin America and its entry into European markets, including Germany, Italy, Spain, and the UK.

TVS said in its annual report that it recorded its highest-ever quarterly exports of around 400,000 units, while export revenue rose to ₹2,885 crore. Its Indonesian subsidiary, PT TVS Motor Company Indonesia, also crossed 1 million units in cumulative sales — a milestone the company described as historic.

Bajaj said in its annual report that monthly exports surpassed 200,000 units in October 2025 for the first time in 39 months. Its Pulsar and CT ranges also recorded their highest-ever annual export volumes.

Cautious optimism

- Hero MotoCorp, TVS Motor Company and Bajaj Auto achieved significant export milestones in FY26
- However, their annual reports also flagged geopolitical tensions, inflationary pressures and supply-chain disruptions as potential risks to growth
- Exports and premium products will be important growth drivers in FY27
- Hero MotoCorp's cumulative exports crossed 5 mn units, driven by demand in Latin America

Steady hands on handlebars

The three companies, however, struck a more measured tone on the year ahead. Hero said in its annual report that the Indian 2W industry had entered FY27 "on an optimistic footing", supported by improving affordability, better rural conditions, stronger urban sentiment, and continued premiumisation. It identified inflationary pressures, geopolitical volatility, and commodity-related risks as key watchpoints.

The company has earmarked ₹1,500 crore in capital expenditure for FY27 to double its electric vehicle capacity and expand production of internal combustion engine scooters and premium motorcycles. Sudarshan Venu, chairman and managing director (MD) of TVS Motor Company, said in the company's annual report that demand for two- and three-wheelers in India during FY27 was expected to "broadly track the previous year's performance". He cited the company's diversified product portfolio, multi-sourced supply chain, and cost discipline as factors that would support performance. Venu said TVS remained "cautiously optimistic", with India's gross domestic product expected to grow by more than 6 per cent in FY27.

Rajiv Bajaj, managing director (MD) and chief executive officer of Bajaj Auto, was more circumspect in the company's annual report. "As we look ahead to FY27, the external environment remains volatile, uncertain, and complex," he said, pointing to geopolitical developments, commodity inflation, and supply-chain disruptions.

The company nevertheless described the opportunities before it as "very significant". Its priorities for FY27 include strengthening its competitiveness in the 125cc-and-above motorcycle segment, increasing Chetak's share of the electric 2W market, sustaining export momentum, and continuing the turnaround at KTM AG.

Taken together, the annual reports indicate that while manufacturers expect domestic demand to remain supportive, exports and premium products will remain key growth drivers in FY27. Geopolitical uncertainty, input-cost pressures, and evolving trade dynamics, however, are keeping them cautious about the pace of expansion.