Business Line. Dt: 07/07/26

Led by smartphones & electronics, TN posted fastest growth in merchandise exports in FY26

Sindhu Hariharan
Sourashis Banerjee
Chennai

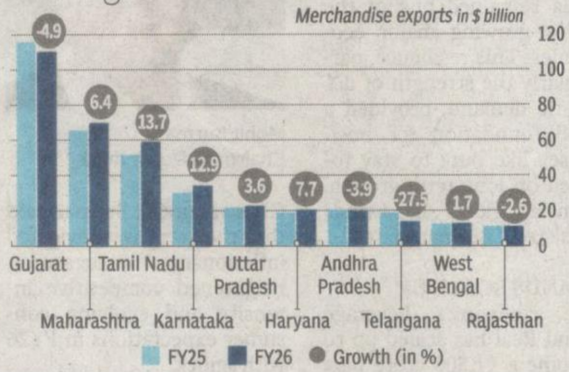
Tamil Nadu emerged as the fastest-growing major merchandise exporter in FY26, driven by its booming smartphone and electronics manufacturing ecosystem.

The State's merchandise exports rose 13.7 per cent year-on-year to $59.3 billion, despite global trade tensions and geopolitical uncertainties, according to the latest Commerce Ministry data.

Tamil Nadu also retained its position as India's largest electronics exporter for the third consecutive year, with electronics shipments surging 36 per cent to $19.9 billion.

The State now accounts for 42 per cent of the country's electronics exports.

TN forges ahead



Source: DGCIS

TOP SPOTS

While Gujarat and Maharashtra continued to be the country's top two merchandise exporters in absolute terms, Gujarat recorded a decline in exports and Maharashtra posted only marginal growth in FY26.

Karnataka registered the second-highest growth among major exporting States, with exports rising over 12 per cent to $34.4 billion, while Telangana saw exports contract 27 per cent.

According to Megha Arora, Director–Economics, India Ratings & Research, electronics has emerged as India's third-largest export category after engineering goods and petroleum products, accounting for over 11 per cent of the country's export basket.

Tamil Nadu has strengthened its position in India's export landscape, increasing its share of national merchandise exports to 13.7 per cent in FY26 from 8.5 per cent in FY22, while retaining its third position nationally.

The gains were driven by higher exports of electronics, engineering goods and chemicals. In contrast, Gujarat's share of India's merchandise exports declined to 25.6 per cent in FY26 from 30.7 per cent in FY22, reflecting weaker shipments of petroleum products and gems and jewellery.

Visually p2

Business Standard. Dt: 07/07/26

Tafe planning to export its e-tractors to Europe

Q&A Tractors and Farm Equipment (Tafe) is investing in making its operations and supply chains more resilient and increasing localisation, amid a shortage of critical materials like tungsten and carbide as well as rising shipping costs. India's second largest tractor maker is also preparing to export electric tractors to Europe this year. In a video interview in Chennai, Tafe Chairman and Managing Director **Mallika Srinivasan** and Vice Chairman **Lakshmi Venu** spoke to **Surajeet Das Gupta** about the changing tractor market scenario. Edited excerpts:

Tafe has been pushing the electric tractor (e-tractor) agenda. How has that progressed?

▪ **Srinivasan:** We have already designed and developed an e-tractor as a born electric platform rather than many products in the market that are essentially conventional mechanical tractors converted into electric versions. The entire product has been engineered from the ground up to operate efficiently as an e-tractor, with an automatic transmission and a completely integrated electric architecture. We showcased this tractor at Agritechnica (the world's largest trade fair for agricultural machinery and equipment) in Europe. We are now preparing to launch it in Europe during the third quarter this year at a price of 20,000-22,000 euros which works in Europe but would be unviable in India.

So how do you address the Indian e-tractor market?

▪ **Srinivasan:** Our objective in India is to make it affordable and practical for Indian conditions.

We have the technological capability, but the balance between usage (they want eight hours per day operation), battery cost, battery weight and fuel savings has to make economic sense. Unlike passenger cars or two-wheelers, our industry is still at a very early stage when it comes to electrification. It's a niche, emerging segment. We are ahead of the curve.

"OUR FOCUS IS NOT MERELY ON EXPANDING PRODUCTION CAPACITY — WE ARE INVESTING IN MAKING OUR OPERATIONS MORE RESILIENT"

Mallika Srinivasan
Chairman & Managing Director, Tafe

"WORK IS ALSO UNDERWAY ON ETHANOL-BASED SOLUTIONS. SO, FOR INDIA, WE BELIEVE THE TRANSITION WILL HAPPEN IN PHASES"

Lakshmi Venu
Vice Chairman, Tafe

Do you face supply chain constraints being in so many countries and exporting?

▪ **Srinivasan:** Many suppliers are operating at full capacity, and supply chains remain extremely tight and shipping costs have gone up. In addition, export restrictions from countries such as China on critical materials like tungsten and carbide have contributed to inflation. Shipping costs have also risen. At the same time, labour costs have increased. So today, we are dealing with both rising demand and higher input costs.

We are also facing labour shortages across manufacturing. That is why our focus is not merely on expanding production capacity — we are investing in making our operations and supply chains more resilient.

We are investing in automation across manufacturing facilities, expanding supplier base and increasing localisation, which has become a strategic priority.

How is the Indian tractor market evolving and is ownership penetration getting deeper?

▪ **Venu:** India currently has 11 million tractors with a penetration of 7 per cent of total land parcels and 47 per cent of the eligible households (more than 2 acres of land), suggesting room for significant expansion over time. We are also noticing new tractor buyers going for higher horse power (HP) models. As much as 60 per cent of the sales comes from 45-50 HP tractors. We are increasingly interacting with farmers who are in their 40s, digitally connected, highly informed and actively engaged with farming communities.

More on business-standard.com

Business Standard. Dt:- 07/07/26

Govt's collateral-free export credit scheme finds limited takers

KRITY AMBEY
New Delhi, 6 July

The government has seen limited interest among eligible beneficiaries in collateral-free export credit under the Export Promotion Mission (EPM), with only 140 exporters registering for the scheme since its rollout in January, according to an official document reviewed by *Business Standard*.

Under the scheme, micro and small enterprises can avail export credit of up to ₹10 crore with guarantee coverage of 85 per cent, while medium enterprises are eligible for the same loan amount with guarantee coverage of 65 per cent.

The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which manages the intervention for the government, has facilitated the generation of 159 Udyam Registration Numbers (UIN) in the last six months, the document showed. UIN is a 16-digit code mandatory for eligible enterprises to secure collateral-free loans. Banks use the UIN to validate business details and apply for guarantee coverage on the CGTMSE portal.

The muted response to the credit guarantee scheme contrasts with the much stronger traction seen under the interest subvention scheme for pre- and post-shipment credit, another intervention under the flagship EPM. Since its rollout on January, 8,459 exporters have registered to avail interest subvention of 2.75 per cent on loans of up to ₹50 lakh per exporter annually.

Slow uptake

- Only 140 exporters registered for scheme since rollout in January
- Credit Guarantee Fund Trust for MSE facilitated generation of only 159 UIN in six months
- Lack of awareness, cumbersome paperwork likely reasons for slow uptake, experts said
- The DGFT urged state govt officials to engage with State Level Bankers' Committee to improve utilisation of the scheme

Exim Bank, which administers the subvention scheme, has facilitated the generation of over 20,000 UINs in the last six months, the document showed.

As the collateral support scheme is targeted specifically at micro, small and medium enterprises (MSMEs), lack of awareness and cumbersome paperwork are likely reasons for its slow uptake, according to experts.

"MSMEs are less aware of government schemes than larger companies, and they also require greater hand-holding in completing the necessary documentation," said Ashok Saigal, former chairman of the Confederation of Indian Industry's National MSME Council.

The issue figured in discussions at the Board of Trade meeting chaired by Commerce and Industry Minister Piyush Goyal last week. At the meeting, which saw participation from central and state government officials, industry associations, and export promotion councils from all over the nation, the Directorate General of Foreign Trade (DGFT) asked the state governments to adopt a more proactive role in the promotion of the intervention.

The DGFT urged the state government officials to engage with the State Level Bankers' Committee and member lending institutions to improve utilisation of the scheme. The Department of Commerce also suggested that the state officials conduct sensitisation sessions through District Industries Centres and MSMSE-District Facilitation Office to raise awareness among eligible exporters.

Emails sent to the Ministry of Commerce and the Ministry of Finance remained unanswered till press time.

Both the collateral support and interest subvention schemes have been launched under Niryat Protsahan, the financial assistance pillar of the EPM. The government has earmarked ₹1,440 crore for Niryat Protsahan in the current financial year out of the total six-year outlay of ₹10,401 crore.

FINANCIAL EXPRESS: Dt: 07/07/26

China still powers India's strategic industries. A four-part series maps the dependencies — and the road out

India cuts solar panel imports, but China's grip stays firm

THE DRAGON IN THE SUPPLY CHAIN-II

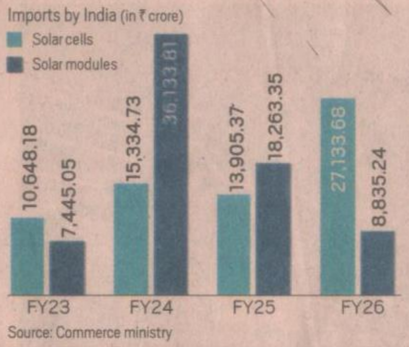
SAURAV ANAND
New Delhi, July 6

THE PACE OF solar power installations in India has been remarkably swift over the last decade. With the growth of such capacity creation in the United States and the European Union slumping after several years of double-digit expansion, India is set to become the world's second largest solar market by annual installations after China.

That sounds reassuring. And a sharp 70% fall in solar module imports by value in FY26 signals creditable progress in indigenisation. To be sure, the policy thrust on renewable energy (RE), with the solar segment as its core, is chiefly aimed at cutting India's massive fossil fuel imports. It is also central to the effort to decarbonise economic growth and meet the goal of net-zero carbon emission by 2070.

But the country's solar story is marred by a "large upstream gap" that still needs bridging. A heavy dependence on Chinese cells, wafers, polysilicon, inverters and other production equipment persists. This is despite efforts to diversify the sourcing of these items to countries like Indonesia, Ethiopia, Thailand and Vietnam. Analysts say that the sooner these items could be indigenously manufactured at competitive rates, the more fruitful India's RE policy would be. "India's dependence on China in the solar sector remains high, but it has shifted from finished modules to the upstream value chain," Alekhya Datta, director, electricity and renewables division at The Energy and Resources Institute (TERI), said.

SHIFTING RELIANCE



Source: Commerce ministry

- India is set to become the world's second largest solar market by annual installations after China
- China accounted for 93.2% of global polysilicon output, 97% of wafers, 90% of cells, 86.5% of modules, and 80% of inverters in 2024

Commerce ministry data showed combined imports of solar cells and modules rose 11.8% to ₹35,968.92 crore in FY26 from ₹32,168.72 crore in FY25. The increase came entirely from cells: imports jumped 95% to ₹27,133.68 crore from ₹13,905.37 crore. At the same time, module imports fell 51.6% to ₹8,835.24 crore from ₹18,263.35 crore. The country imported 8.01 billion solar cells in FY26, up 58% from 5.06 billion in FY25. Policy favours localised module assembly, but factories still need imported cells and upstream inputs.

India crossed 150 GW of installed solar capacity after commissioning 44.6 GW in FY26. Its module-manufacturing base has expanded from 8.2 GW in 2021 to around 210 GW, while capacity under the Approved List of Models and Manufacturers (ALMM), a policy tool for fast-tracking localisation, rose from 67.3 GW in February 2025 to 193.9 GW by May 2026.

The ₹24,000-crore production-linked incentive scheme, basic customs duty and ALMM rules have driven the build-out. In dollar terms, module imports fell 53.77% to $994.66 million in FY26 from $2.15 billion in FY25. Module exports slipped 6.19% to $1.05 billion.

Cells remain the immediate bottleneck. Installed capacity has increased from less than 5 GW to 27-30 GW, but effective operational capacity is closer to 20 GW because several lines are stabilising, said Ankit Jain, vice-president and co-group head, corporate ratings, Icra.

Continued on Page 11

Business Line. Dt: 08/07/26

'Exports a key growth driver for Data Patterns'

Our Bureau
Chennai

Defence and aerospace solutions provider Data Patterns is bullish on exports and has flagged the growing acceptance of its solutions and capabilities in the international markets in FY26.

In his message to shareholders, S Rangarajan, Chairman and Managing Director (promoter) of Data Patterns, said the company's products consistently met global standards, and they are increasingly seeing customer interest outside India.

"The successful development, export and acceptance of the transportable precision approach radar by a European customer represents an important milestone in this journey," he said.

"Our export business continued to make steady progress in FY26, with an export order-book of approximately ₹53 crore as on date. We continue to execute repeat business from the UK, while actively engaging with customers across Europe and other international markets," he added.

GROWTH STRATEGY

Rangarajan believes that exports will become an important pillar of its long-term growth strategy.

"As countries increase defence spending, modernise their armed forces and diversify supply chains, Indian defence companies are gaining greater visibility and acceptance," he said.

The company is optimistic about India's push for defence self-reliance and says it has increased defence spending and created growth opportunities for indigenous defence technology firms

FY26 was a strong year for Data Patterns, which saw revenue grow 31 per cent year-on-year to ₹925 crore, while EBITDA increased 35 per cent to ₹371 crore.

"Our electronic warfare suites, including self-protection jammer pods for Indian fighter aircraft, have received encouraging feedback and are progressing towards the next stages of testing," he added.

PORTFOLIO EXPANSION

"We are also expanding our portfolio in airborne surveillance radars, maritime applications, drone detection and counter-drone technologies, electronic support systems and advanced surveillance solutions."

The company is optimistic about India's push for defence self-reliance and says it has increased defence spending and created growth opportunities for indigenous defence technology firms.

Business Standard Dt: 08/07/26

Centre to zero in on 500 districts to boost MSME exports

MONIKA YADAV
New Delhi, 7 July

The Centre is preparing a major district-level export promotion initiative under which about 500 districts will be identified in the first phase to boost exports, with a special focus on helping micro, small and medium enterprises (MSMEs), according to people familiar with the matter.

The broad contours of the initiative were discussed at the recent Board of Trade (BoT) meeting chaired by Commerce and Industry Minister Piyush Goyal, the people said.

Sources said during the meeting that India's exports are currently concentrated in fewer than 100 districts, even though almost every district has products or sectors with export potential. The proposed exercise seeks to widen the country's export base by identifying districts that can emerge as new export hubs.

As part of the initiative, districts where MSMEs account for more than half of exports will be provided with dedicated officers to handhold enterprises, facilitate market access, and help address regulatory bottlenecks, they said.

An email sent to the commerce ministry remained unanswered until press time.

According to the people, the government also plans to establish sector-specific quality testing laboratories (labs) with full public funding. The labs will provide product testing and quality assessment facilities for exporters, particularly MSMEs, with the objective of making such services widely accessible without commercial constraints.

To help exporters meet regulatory requirements in overseas markets, the commerce ministry is also planning to provide incentives to reimburse or defray the cost of obtaining domestic and international certifications required for exports. These could include certifications related to quality, manufacturing processes, and food safety, according to the people.

Granular approach

- Districts where MSMEs account for over half of exports to be developed as new export hubs
- Sector-specific quality testing labs to aid product testing, quality assessment for exporters
- Incentives to reimburse the cost of obtaining certifications for exports
- Financial support for businesses located far from ports

To improve export logistics, the Centre is considering financial support for businesses located far from ports. Subsidies are proposed to offset higher transportation costs faced by enterprises in such districts, the people added.

According to the people, the commerce ministry is expected to notify these schemes linked to the district export initiative over the next three to four months.

Rakesh Chhabra, vice-president, Federation of Indian Micro and Small & Medium Enterprises, said the government's focus on achieving $2 trillion in exports has shifted towards leveraging the potential of around 500 districts by facilitating new MSMEs and promoting new export products. "The proposal rightly shifts the focus from a handful of established export centres to a much broader geography. If backed by quality infrastructure, certification support and logistics assistance, it could enable thousands of MSMEs to access global markets. The real test, however, will be in implementation at the district level and coordination between the Centre and the states."

However, Ajay Srivastava, founder of the Global Trade Research Initiative, said the government should clarify how the proposed initiative would differ from existing district-level export programmes. "India already has two district-focused programmes — the Districts as Export Hubs (DEH) Initiative, launched in 2019 and embedded in the Foreign Trade Policy 2023, and the One District One Product (ODOP) framework. Under DEH, export-potential products were identified across all 765 districts, District Export Action Plans were envisaged and district-level committees created. ODOP, meanwhile, has promoted local craft, food, and specialised products, with some remarkable state-level outcomes," he said.

The ministry is also working on expanding the scope of the Export Credit Guarantee Corporation of India scheme to improve credit support and risk coverage for exporters, the people said.

Separately, around 1,600 industry associations have been invited to participate in international trade exhibitions. Unlike the earlier practice, where financial assistance was routed through Export Promotion Councils, the commerce ministry will directly provide subsidies to support their participation in overseas exhibitions, the people said.

The next meeting of BoT is likely to be held in either Bihar or West Bengal, the people said.

Business Standard. Dt: 10/07/26

India to import uranium from Australia under nuclear pact

Both nations announce 18 outcomes, to deepen defence and maritime security cooperation

ARCHIS MOHAN
New Delhi, 9 July

After talks between Prime Minister (PM) Narendra Modi and his Australian counterpart Anthony Albanese in Melbourne, India and Australia on Thursday announced 18 outcomes, including deepening their defence and maritime security cooperation, which underscored the vital role of the bilateral partnership in ensuring a peaceful Indo-Pacific region.

India and Australia also operationalised a pact to enable supply of uranium from Australia to India. India and Australia signed a civil nuclear cooperation pact in 2014. The agreement with Australia on uranium supply would leverage the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act.

During their discussions, Albanese raised and expressed concern at China's intercontinental ballistic missile (ICBM) test in the Pacific on Monday. In response, Modi said that India views the Indo-Pacific as an area where it would like to see peace, security, and stability. He said India and Australia have shared interests and perspectives on the Indo-Pacific, and should intensify cooperation so that peace and security is continued in the region.

Modi and Albanese acknowledged that the bilateral Economic Cooperation and Trade Agreement (ECTA) signed and implemented in 2022 delivered tangible benefits with a 55 per cent increase in bilateral trade. The two leaders instructed their respective set of officials to conclude the negotiations for the Comprehensive Economic Cooperation Agreement (CECA) at the earliest "to unlock the full potential of the bilateral economic ties", and firm up a bilateral investment protection framework.

PHOTO: PTI

Prime Minister Narendra Modi described as "unparalleled" the outcomes from his talks with Australian PM Anthony Albanese in Melbourne

On defence and maritime security cooperation, the two sides agreed to consult on defence-related developments in the Indo-Pacific that affect shared interests, increasing the complexity of joint defence exercises, including with partners. Australia and India along with the US and Japan are part of the Quad grouping.

The two sides said they will accelerate efforts to build interoperability and information-sharing between defence forces, and "expand aircraft deployments from each other's territories". "We will expand our cooperation with the United States of America and Japan, to build capability and cooperation towards our positive vision for an open, stable, peaceful, and prosperous Indo-Pacific region," the two sides said in their joint statement. The two leaders agreed that India and Australia, which reside on the edges of the Indian Ocean, have enormous amount of strategic convergence on the key issues of the day, and have a shared approach for ensuring a free, open, and prosperous Indian Ocean region.

An agreement was also signed between their respective coast guards, the Indian Coast Guard (ICG) and the Maritime Border Command (MBC) of Australia. The two sides also committed to work closely in shipbuilding, and ship repair & maintenance. In the defence sector, the two sides said they will promote connections between Australian and Indian defence industries, through Australia's first defence trade mission to India and the Australia-India Defence Industry Roundtable.

The two sides instituted an annual bilateral defence ministers' dialogue, and also annual dialogues on supply chain resilience, critical technology, cyber security, digital resilience, and defence research and collaboration. Both sides resolved to cooperate in critical minerals and energy security domains. They committed to maintaining a stable, secure, and reliable supply of energy products — such as coal, diesel, other liquid fuels, and natural gas — with New Delhi recognising Australia's role as an important supplier of liquefied natural gas (LNG) and coal to India.

Modi described as "unparalleled" the outcomes from his talks with Albanese, especially in areas of renewable energy, climate action, nuclear energy, critical minerals, technology ,and education. An announcement was also made on the deployment of an Indian military instructor in the Australian Defence College for 2028-29.

"Today, we have issued an important Joint Declaration to enhance cooperation in defence and security. Through the India-Australia Defence Innovation Corridor, we will work to connect defence startups and industries," Modi said.

Drawing on the popularity of cricket in the two countries, Modi said, "As we are here in Melbourne — the sports capital of the world — not talking about sports would be like not starting a cricket match after the toss. Cricket is the diplomatic language of India-Australia relations. That is why our meetings, too, resemble cricket: The agenda — focused like a one-day match... Decisions — swift like a T20 game, and the partnership — long and deep, like a Test match."

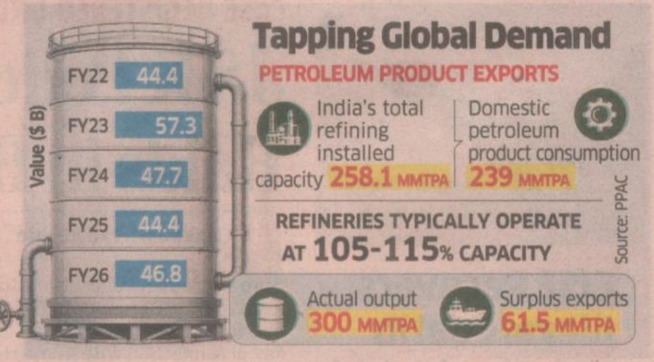
Agreements were also signed in the education sector with Australia's Victoria University receiving an approval to set up and operate its campus in Gurugram. And, Flinders University joined seven other Australian universities endorsed to have campuses across India. Western Australian TAFE will support a Centre of Excellence for Skilling in Mining and Mining Equipment, Technology and Services in Bhubaneswar.

The Economic Times. Dt:- 10/07/26

STATE-RUN CO'S RECORD EXPANSION

Refined Products Exports may Rise 25% on IOCL Bets

Investment of ₹75kcr to add 17.3 MMTPA capacity across three units by end of year



Prashant Mukherjee

New Delhi: India's petroleum product exports could surge by a quarter from $44.4 billion in FY25 over the next few years as fresh refining capacity goes on stream by December 2026 with Indian Oil Corporation's (IOCL) biggest-ever expansion programme.

The state-run oil major's capacity additions are expected to lift its refining capacity to a record 98.05 million metric tonnes per annum (MMTPA) from 80.75 MMTPA now.

"Whatever surplus capacity we have after meeting domestic needs, we will look to export. This has the potential to raise our export share to about 15% of total revenues, from 5% currently. That said, we don't work with a fixed export target, and our priority remains domestic first," senior official at IOCL told **ET**.

The ₹75,000 crore expansion has already seen more than Rs 53,500 crore deployed.

The expansion covers its Panipat, Vadodara and Barauni refineries, where capacities are being raised to 25 MMTPA from 15 MMTPA, 18 MMTPA from 13.7 MMTPA and 9 MMTPA from 6 MMTPA, respectively, with all three projects scheduled for commissioning by November-December 2026.

India's refining sector currently has an installed capacity of about 258.1 million metric tonnes per annum (MMTPA), while domestic petroleum product consumption stands at around 239 MMTPA.

However, refineries typically operate at 105-115% of their capacity, taking actual production to nearly 300 million tonnes annually. The surplus of around 61.5 million tonnes is exported, making India one of the world's largest suppliers of refined fuels.

FINANCIAL EXPRESS Dt: 13/07/26

Russian crude imports to India at record high in June

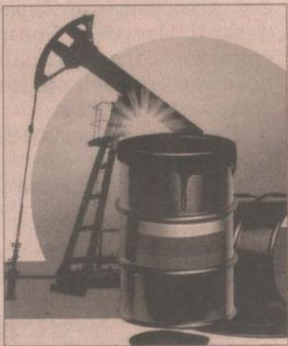
PRESS TRUST OF INDIA
New Delhi, July 12

INDIA'S IMPORTS OF Russian crude oil surged to a record high in June, rising 34% from the previous month despite a decline in Russia's overall oil export revenues, according to a report by the Centre for Research on Energy and Clean Air (CREA).

India bought Russian crude worth €4.5 billion in June, accounting for 83% of its total Russian fossil fuel imports of €5.5 billion, making it the second-largest buyer of Russian hydrocarbons after China, the report said.

The sharp increase came as India's overall crude imports rose 5.4% month-on-month, with Russian supplies to key refineries posting steep gains.

Deliveries to Reliance Industries' Jamnagar refinery jumped 150% from May, while imports at Indian Oil



Corp's Paradip refinery rose 126%.

BPCL's Kochi refinery and Nayara Energy's Vadinar refinery recorded increases of 83% and 45%, respectively, CREA said.

The surge in Indian purchases helped lift Russia's crude export volumes by 14% in June, even as its crude oil export revenues fell 8% month-on-month to €348 million a day due to lower prices. Overall, Russian fossil fuel export revenues declined 1%to €734 million per day despite a 7% rise in export volumes, the report added.

"India was the second-largest buyer of Russian fossil fuels in June 2026, importing a total of €5.5 billion of Russian hydrocarbons. Crude oil constituted 83% of India's purchases, totalling€ 4.5 billion. Oil products (€488 million) and coal (€444 million) constituted the remainder of their monthly Russian imports," CREA said.

India continued to play a key role in global trade flows of refined fuels produced from Russian crude.

Refineries in India, Turkiye, Brunei and Georgia exported oil products worth €814 million to countries that have imposed sanctions on Russia in June, including the European Union, Australia and the US.