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Centre halts sugarcane-based ethanol purchases for 2026-27

Pallavi Singhal
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NEW DELHI: The government has directed oil marketing companies (OMCs) to stop procuring ethanol made from sugarcane juice, sugar syrup and B-heavy molasses in the 2026-27 supply year, starting November, as it seeks to preserve domestic sugar supplies amid renewed price pressures and weather-related risks to production.

The ethanol blending programme was initially aimed at supporting sugarcane farmers, utilising surplus sugar production and helping mills clear cane dues by providing an alternative market for sugarcane-based products.

However, the restriction will not apply to C-heavy molasses, a by-product of sugar manufacturing that does not contain recoverable sugar, according to a tender issued by Bharat Petroleum Corp. Ltd (BPCL) on Friday.

"GoI has issued directions that sugar diversion for ethanol be reduced to zero for ESY 2026-27," the tender said, adding that offers for ethanol produced from sugarcane juice, sugar, sugar syrup and B-heavy molasses had not been sought.

C-heavy molasses has been allowed as it is a by-product left after all recoverable sugar has been extracted, according to GK Sood, agricultural markets expert and independent director of a listed firm.

THE GOVT SEEKS TO PRESERVE DOMESTIC SUGAR SUPPLIES AMID RENEWED PRICE PRESSURES AND WEATHER-RELATED RISKS TO PRODUCTION

BPCL has floated a tender to procure around 11 billion litres of ethanol in the first procurement cycle for the ethanol supply year (ESY) 2026-27, which runs from November to October.

The tender was issued on behalf of state-run OMCs and estimates procurement requirements of 3 billion litres each for November-January and February-April, 2.5 billion litres for May-July, and another 2.5 billion litres for August-October.

The latest curbs come as domestic sugar prices face renewed upward pressure from concerns over cane output and delays in crushing operations. Ex-mill prices had touched record highs of ₹7,000 per 100 kg in some markets in August, prompting the government to allow duty-free imports of raw sugar to improve domestic availability ahead of the festival season.

Prices are rising again ahead of festivals amid concerns that El Nino could hurt sugarcane yields in the 2026-27 crop season, which runs from October to September.

Drought-like conditions linked to water stress and poor rainfall have affected major sugar-producing states, including Maharashtra and Karnataka, while farmers' protests have delayed crushing operations.

Global sugar prices also rose to a 20-month high of 21.29 cents a pound earlier this month amid growing supply risks as El Nino conditions strengthen in Brazil and India.

The All India Distillers' Association (AIDA), the industry's representative body, welcomed the government's approach but called for a more balanced feedstock policy.

It urged the government to provide appropriate incentives for maize-based ethanol, revise procurement prices for ethanol made from FCI rice, and allow flexibility in the use of sugarcane-based feedstocks subject to domestic sugar requirements.

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Date :18 October 2026	Page : 1, 7

Govt: No diversion of sugar for ethanol fuel blending

JITENDRA CHOUBEY @ New Delhi



AMID concerns over rising retail prices of sugar and availability during the festive season, the Centre has decided not to divert sugar for ethanol fuel blending this year, in order to create a sugar buffer next year to control prices.

In its latest tender to oil marketing companies (OMCs), including Indian Oil Corp, Bharat Petroleum Corp, and Hindustan Petroleum Corp, the government has excluded the diversion of high-sugar products like sugar cane juice, sugar syrup, and B-heavy molasses from the ethanol supply starting from November 2026. However, OMC will continue to use C-heavy sugarcane molasses.

The 20% ethanol blending programme will continue with alternative feedstocks, such as ethanol made from corn (maize), broken rice, and surplus rice procured from the Food Corporation of India. Further, the procurement from corn-based ethanol has been lowered to ₹68.86 per litre. The incentives have also been reduced marginally.

Industry experts have welcomed the decision, noting that the government is prioritising food security amid reduced rainfall from strong El Niño conditions and anticipated food production stress in the upcoming Rabi season.

The All India Distillers' Association (AIDA), the apex national body representing India's bioethanol and alcohol manufacturing industry, commended the move and said that it is a balanced and considered approach in the Ethanol Supply Year (ESY) 2026–27 tender, taking into account the evolving feedstock landscape, agricultural priorities and the country's growing ethanol requirements.

However, Vijendra Singh, President, AIDA, urged the government to consider revising the incentive and pricing structure for maize-based ethanol to keep production economically viable and sustain investments in grain-based distilleries.

A diversified feedstock base is essential to managing variations in agricultural output, market prices and regional availability. In ESY 2025-26, grains contribute 624 crore litres of ethanol, which comes around 70% of cumulative ethanol supplies by August 2025. Maize was the largest contributor followed by rice.

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Date :18 October 2026	Page : 1, 2

...gives India room to retain cheaper crude

SAURAV ANAND
New Delhi, October 17

US PRESIDENT DONALD Trump's decision to waive punitive tariffs on buyers of Russian oil is expected to strengthen India's access to competitively priced crude, giving domestic refiners greater flexibility to source supplies from Moscow rather than rely more heavily on costlier American and West Asian barrels. While narrowing discounts on Russian crude and rising freight charges could moderate the savings, Russian oil is likely to retain its commercial advantage over alternative sources.



Volumes suggest Moscow to remain India's largest crude supplier

The decision comes amid global crude prices exceeding $110 a barrel and disruptions to supplies from West Asia, making continued access to Russian oil particularly important for India, which imports more than 88% of its crude requirements.

Continued on Page 2

Publication : Financial Express	Editions : New Delhi
Date :18 October 2026	Page : 1, 2

US waiver gives India room to retain cheaper Russian oil

INDIA'S RUSSIAN OIL imports are expected to remain at 1.8-1.9 million barrels per day (bpd) in October, broadly unchanged from September's 1.82 million bpd, according to ship-tracking firm Kpler. The volumes suggest Moscow will retain its position as India's largest crude supplier, with the tariff waiver potentially creating room for refiners to increase purchases depending on prices and availability.

Russia's share in India's crude import basket had declined to 44% in August from 51% in July, with refiners increasing purchases from the US and the UAE, according to the Global Trade Research Initiative (GTRI).

It now gives Indian refiners greater flexibility to make procurement decisions based on commercial considerations rather than the immediate threat of additional punitive duties. It could also help reverse some of the recent shift towards more expensive sources of crude.

The US tariff waiver now gives Indian refiners greater flexibility to make procurement decisions

Russian oil has been central to India's import strategy since 2022. Urals crude traded at an average discount of $23 per barrel to benchmark Brent in September, according to analysts. Although Urals discounts are believed to have narrowed sharply in recent weeks amid tighter supplies, the trend was already underway independently of the US tariff waiver.

Freight costs for transporting Urals crude from the Black Sea to India have surged to $27-30 million per tanker in October from around $19 million in September. Intensifying competition from Chinese refiners has pushed up prices for Russian cargoes. Indian refiners have already curtailed some purchases for November delivery as certain Urals offers turned more expensive. However, such adjustments reflect commercial decisions on individual cargoes rather than a fundamental shift away from Russian oil. "Given our dependence on Russian crude, it cannot be replaced easily, especially now when supplies from West Asia are severely affected," a senior official at a state-run refiner told *FE* in September, speaking on condition of anonymity.

For Indian refiners, the waiver provides an opportunity to preserve Russian crude as a principal source of supply while retaining the flexibility to purchase from the US, Venezuela and West Asian producers.

More importantly, Russia's position in India's crude import basket is no longer dependent solely on the steep discounts that characterised the initial surge in purchases after 2022. Even with narrower discounts and elevated shipping costs, Russian crude can remain an attractive option compared with costlier alternatives, particularly American oil.

The immediate removal of the tariff threat gives Indian refiners greater room to optimise their crude sourcing at a time of elevated global oil prices and supply disruptions. The extent of savings on India's import bill will depend on freight rates, discounts and crude availability, but continued access to Russian barrels should help contain procurement costs relative to a greater reliance on more expensive alternatives.

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Date :18 October 2026	Page : 1, 2

WAIVES SANCTIONS UNDER GRAHAM ACT

Trump relief on Russian oil

● Move to aid India-US trade deal prospects

MUKESH JAGOTA
New Delhi, October 17

US PRESIDENT DONALD Trump has waived tariffs of up to 100% on goods imported from the five largest purchasers of Russian oil or gas, along with specified sanctions under the Lindsey O Graham Sanctioning Russia and Iran Act, citing national interest. In an executive order signed Friday night, Trump waived the application of specified sanctions, restrictions and duties under the Act, days after striking a deal with Russia for the supply of diesel to the US and global markets. "I am hereby waiving the application of such sanctions, restrictions, and duties provided for in the Graham Act," Trump said.

Trump's decision to hold off on punitive tariffs against countries buying Russian oil has offered India temporary relief, easing a major concern for exporters and potentially clearing the way for progress on the bilateral trade deal. However, Washington's power to revive the tariff threat and a separate US investigation into structural excess capacity continue to cloud the negotiations.

Continued on Page 2

TACO AGAIN

- Trump cites national interest for waiver, days after striking deal with Russia for diesel supply to US, global markets
- Move offers India temporary relief, potentially clearing way for progress on trade deal



- But tariff threat continues to cloud negotiations
- Commerce & Industry Minister Goyal has said first tranche of deal in final stages

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Date :18 October 2026	Page : 1, 2

Trump waives sanctions on buying Russian oil

INDIA HAS MAINTAINED that clarity on future US tariff action is essential before it can conclude the agreement. Commerce and Industry Minister Piyush Goyal said on Thursday that the first tranche of the deal was in the final stages of settling its contours and legal drafting. India would seek to operationalise it only when the terms offered a "comparable advantage or competitive advantage" over rival countries, he said. The latest US move, however, does not completely remove the underlying uncertainty.



The Trump administration retains the authority to withdraw the waiver and impose tariffs of up to 100% on countries purchasing Russian oil under the Sanctioning Russia and Iran Act (SRIA). "Temporary tariff relief is no basis for permanent trade concessions (by India). SRIA remains law, leaving Washington free to revive the tariff threat to extract concessions in bilateral trade talks," said Ajay Srivastava, founder of the Global Trade Research Initiative (GTRI).

The uncertainty is compounded by a US investigation under Section 301 of the Trade Act into structural excess capacity allegedly enabled by government policies. Another Section 301 tariff of 10% related to 'forced labour' is already applied on India and five dozen other countries for exports to the US. The SRIA, passed by the US Congress in September authorised the President to impose tariffs of up to 100% on imports from countries continuing to buy Russian oil. Trump has deferred the punitive action, citing national interest.

The decision also highlights contradictions in Washington's approach to Russian energy. The US entered the Russian diesel market on October 9 after securing a waiver from its own restrictions, valid until April next year. "The waiver exposes the uncertainty at the heart of US trade policy: Washington threatens penalties, then retreats when enforcing them becomes inconvenient," he said.

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Date :18 October 2026	Page : 1, 8

SUGAR-BASED ETHANOL PROCUREMENT HALTED

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Publication : Hindustan Times	Editions : New Delhi
Date :18 October 2026	Page : 1, 2

Washington's move may offer only temporary relief to Indian refiners

Rajeev Jayaswal
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NEW DELHI: Washington's decision to hold off tariffs of up to 100% that a new US sanctions law would have triggered against India for buying Russian oil offers only temporary relief, people familiar with the matter said, as Indian refiners have already cut their Russian purchases and are paying more for the oil that replaced them.

Imports of discounted Russian crude have fallen by a third since July, industry executives said, and India's crude import bill rose 31.6% in September from August even though volumes grew only 14.2%, according to the petroleum ministry's Petroleum Planning and Analysis Cell (PPAC).

Refiners began reducing their exposure while the bill was still moving through Congress, before US President Donald Trump signed the Lindsey O Graham Sanctioning Russia and Iran Act (Graham Act) into law on September 18, company executives and industry experts said on condition of anonymity. They expected geopolitical conditions and the approaching US midterm elections to make it difficult for Washington to enforce the act from October 18, but stepped up imports from the US and other suppliers anyway.

Imports of Russian crude have dropped to about 1.8 million barrels a day from around 2.7 million at the July peak, they added. →P2

Publication : Hindustan Times	Editions : New Delhi
Date :18 October 2026	Page : 1, 2

Deferred 100% US tariffs offer only temporary relief to India

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Imports of Russian crude have dropped to about 1.8 million barrels a day from around 2.7 million at the July peak, they said.

Russian oil made up a negligible share of India's crude imports until 2021-22. Its share rose to nearly a third in 2025-26, as Moscow, hit by Western sanctions, offered steep discounts.

Refiners have replaced it with crude from the US, West Africa, South America and traditional West Asian suppliers, which costs more, partly because of higher freight and insurance charges, they said.

In absolute terms, the import bill rose 31.6% in just one month to $15.4 billion in September from $11.7 billion in August, while volumes rose to 21.7 million tonnes from 19 million tonnes (a 14.21% increase), PPAC data show. In this period, average crude oil price of



Imports of discounted Russian crude have fallen by a third since July.

Indian basket increased by 28.71% from $90.19 a barrel in August 2026 to $116.09 per barrel in September 2026.

Over April-September 2026-27, the crude import bill rose 46.4% to $90.6 billion, a period that also captured the surge in global oil prices after shipping through the Strait of Hormuz was disrupted.

Experts attributed the higher bill to volatile global oil prices, driven by worsening geopolitical tensions, and to the threat the Graham Act posed to major energy importers such as India and China. That threat remains because the act's secondary sanctions have only been deferred, they said, leaving Trump free to use the law against these countries whenever he chooses.

The experts said the waiver offers no long-term assurance either for India's energy security or for its trade talks with the US, in which New Delhi is seeking a comparative tariff advantage for Indian goods over competing countries. Commerce and industry minister Piyush Goyal said on Thursday that the first tranche of the trade agreement would be put into operation once India secured a "competitive advantage" over its peers.

Ajay Srivastava, founder of the Global Trade Research Initiative (GTRI), a New Delhi-based trade think tank, said the US Trade Representative's continued monitoring of Russian energy purchases would allow "Washington to review the waiver and retain the tariff threat as leverage in future negotiations".

"Under its October 9 agreement with Russia, the US decided to buy Russian diesel to ease domestic shortages and high fuel prices. Punishing other countries for buying Russian energy while doing so itself would invite accusations of double standards. Washington had also agreed not to raise tariffs on China until January 10 under a deal reached during President Xi Jinping's US visit last month. With US spared, and China shielded, targeting India alone could derail ongoing bilateral trade negotiations," he said.

The message was clear, Srivastava said: US interests determined when penalties applied. "For India, the waiver buys time but offers no lasting certainty. Russia's share of Indian oil imports fell from 51% in July to 44% in August as India bought more from the US, despite higher prices, and from the UAE. Yet SRIA [the Sanctioning Russia and Iran Act] remains law, leaving Washington free to revive the tariff threat to extract concessions in bilateral trade talks," he said.

"India should protect its energy security, buy oil on commercial terms and prepare for renewed US pressure. Temporary tariff relief is no basis for permanent trade concessions," he added.

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Date :18 October 2026	Page : 1, 8

{ ADDING BIODIESEL }

State-run OMCs selling up to 5% blended diesel

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NEW DELHI: State-run refiners are selling up to 5% biodiesel blended diesel in certain retail outlets in the country depending on availability even as international fuel prices have zoomed because of the war in West Asia, forcing private pumps to raise petrol and diesel rates.

State-owned oil marketing companies (OMCs) Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) are now supplying blended diesel in certain locations, an industry executive said on condition of anonymity. The percentage of biodiesel ranges between 0.5% and 5% (B5), this person added.

India's national policy on biofuel, released 2022, envisaged a target of 5% biodiesel blending in diesel by 2030.

A random survey of petrol pumps across Karnataka and Uttar Pradesh (UP) confirmed that no retail outlet explicitly displayed the quantity of biodiesel blended in the regular diesel, but some dealers confirmed the development, showing invoices mentioning blends in the range of B2 and B5 on strict confidentiality, fearing reprisal. →P8

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Date :18 October 2026	Page : 1, 8

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One Uttar Pradesh -based dealer raised concerns on X regarding implementation of blending-related compliances under the marketing discipline guidelines (MDG). "A critical compliance question for OMCs and authorities: If the MDG places responsibility on the dealership to verify blending parameters, how is a dealer expected to independently verify the prescribed blending percentage in high-speed diesel (HSD), particularly when blending is carried out upstream?" Hemant Sirohi asked on the platform.

He reiterated the same point to HT.

An executive with an OMC said biodiesel blending is as per



India's national policy on biofuel envisaged a target of 5% biodiesel blending in diesel by 2030.

the approved National Policy on Biofuels (NPB) and average nation-wide blending is around 0.5% only. "With a procurement of around 200 million litres of biodiesel during the period April 2024-February 2025, Indian Oil has achieved an average blending of 0.57% of biodiesel in diesel," the Indian Oil Corp website claimed.

Under the Ethanol Blended Petrol (EBP) programme, ethanol blending already reached 20% in 2025-26 as the country achieved the E20 target five years ahead of schedule. The aggressive E20 programme, however, raised public concerns about vehicle compatibility, reduced mileage and consumer choice for E10 and pure petrol.

Experts, who did not wish to be named, said B5 and lower biodiesel blends could have minimal to negligible impact on diesel engine performance.

Some dealers said that biodiesel doping in diesel in certain locations is now more than the national average of 0.57% as was claimed by IOC. They also showed invoices from OMCs that mentioning HSD-BSVI-B5 and HSD-BSVI-B2. BSVI is Bharat Standard VI and B2 or B5 are percentage of biodiesel mixed in the particular batches of HSD supplied by OMCs to these pumps for retail sale.

IOC, BPCL, HPCL and the ministry of petroleum did not respond to queries.

A Delhi-based fuel dealer who asked not to be named said it is also not clear whether biodiesel blended in diesel is extracted from plants (jatropha and karanjia) or animal waste.

But another dealer saw the logic of blending. "International oil prices are soaring. Private companies have recently raised petrol and diesel rates by ₹5 and ₹3 per litre. Public sector OMCs are, however, holding petrol and diesel prices even at a loss, which is a double-whammy. Consumer demand is shifting from private retail outlets to pumps of IOC, BPCL and HPCL, thereby, accelerating their losses ," this dealer added on condition of anonymity.

India imports more than 88% of crude oil it processes. Even as India's average crude oil import price jumped by over 13.4% to $122.33 a barrel on October 13 from $107.84 on May 25 (when public sector fuel retailers last raised fuel rates), state-run OMCs are holding petrol and diesel prices. They sell petrol at ₹102.12 per litre in Delhi and diesel at ₹95.20.

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Date :18 October 2026	Page : 6

THE ORDER WAIVES DUTIES IN SECTIONS 112, 113 OF GRAHAM ACT

Trump waives tariffs on Russian oil buyers, along with specified sanctions

PRESS TRUST OF INDIA
Washington, October 17

US President Donald Trump has waived tariffs of up to 100 per cent on goods imported from the five largest purchasers of Russian oil or gas, along with specified sanctions provisions under a new law targeting Moscow, citing the national interest of the US.

In an executive order signed on Friday night, Trump waived the application of specified sanctions, restrictions and duties under the Lindsey O Graham Sanctioning Russia and Iran Act, days after striking a deal with Russia for the supply of diesel to the US and global markets.

"I am hereby waiving the application of such sanctions, restrictions, and duties provided for in the Graham Act," Trump said.

Trump said he had submitted a certification to Congress stating that issuing the waiver at this time was in the national interest of the United States.

US Senator Richard Blumenthal criticised the move in a post on X. "These waivers have nothing to do with our national security, & everything to do with sucking up to Vladimir Putin. I hope my Republican colleagues will join me in condemning this craven, cowardly action," he said.



US President Donald Trump

TRUMP WAIVED THE APPLICATION OF SPECIFIED SANCTIONS, RESTRICTIONS AND DUTIES UNDER THE LINDSEY O GRAHAM SANCTIONING RUSSIA AND IRAN ACT, DAYS AFTER STRIKING A DEAL WITH RUSSIA FOR THE SUPPLY OF DIESEL TO THE US AND GLOBAL MARKETS

The Graham Act empowered Trump to impose sweeping sanctions on Moscow and tariffs of up to 100 per cent on goods imported into the US from the five largest purchasers of Russian crude oil or natural gas, including China and India.

The law was passed by the US Congress on September 16 and signed into law by Trump two days later. It authorised Trump to impose tariffs of up to 100 per cent on goods from the five largest importers of Russian crude oil or gas.

The executive order waives the duties provided for in Sections 112 and 113 of the Act or the order.

The waiver covers the new tariffs targeting the five largest purchasers of Russian-origin crude oil and natural gas, as well as the corresponding tariffs on countries facilitating Russian sanctions evasion. But it does not affect other US tariffs that may otherwise apply to imports from those countries.

"Pursuant to section 115(a) of the Graham Act, I hereby waive the application of any duties provided for in sections 112 and 113 of the Graham Act or this order," Trump said.

Section 115 of the Act allows the President to waive sanctions provisions, restrictions and duties in the national interest, subject to submitting a written certification to Congress and a report explaining the basis for the decision. The executive order states that Trump submitted both documents.

Section 113 of the Graham Act deals with the imposition of tariffs of up to 100 per cent on countries that purchase Russian-origin crude oil or natural gas or facilitate sanctions evasion. The executive order also directs the US Trade Representative, in consultation with senior officials, to monitor countries' purchases of Russian crude oil and natural gas, as well as the facilitation of sanctions evasion.

The officials are to inform the President of circumstances that could indicate the need for further action, including with respect to the waivers.

The order comes as US Secretary of State Marco Rubio begins a visit to India from October 17 to 22.

External Affairs Minister S Jaishankar had raised concerns about the Graham Act during a meeting with Rubio on the sidelines of the UN General Assembly in New York last month.

Jaishankar is understood to have conveyed to Rubio that Indian oil refineries were largely configured to process medium-sour crude supplied by West Asian countries and Russia.

He also told Rubio that Venezuela supplies heavier-grade crude, while the US supplies lighter-grade crude that would require blending before being used by Indian refineries.

With oil supplies from West Asia hit by the Iran war, India has had to depend on Russian crude to keep its economy running.

KEY POINTS

- Trump said he had submitted a certification to Congress stating that issuing the waiver at this time was in the national interest of the United States
- Waiver covers the new tariffs targeting the five largest purchasers of Russian crude oil & natural gas, as well as corresponding tariffs on nations facilitating Russian sanctions evasion
- But it does not affect other US tariffs that may otherwise apply to imports from those countries. The order comes as US Secretary of State Marco Rubio begins a visit to India from October 17 to 22

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Date :18 October 2026	Page : 1, 7

AFTER THREAT OF 100% LEVY ON BUYING NATIONS

Trump Waives Russia Oil Tariff in 'National Interest'

Looks to rein in fuel prices pre-midterms; US has inked diesel pact with Moscow

Dipanjan Roy Chaudhury

New Delhi: US President Donald Trump waived fresh sanctions, restrictions and duties on Russian energy exports under a law enacted last month, citing national interest and bringing relief to India from potential tariffs of up to 100%.

Trump invoked a provision in the law that allows the President to grant waiver from further punitive measures if such a step is in the US national interest. "Pursuant to section 115(a) of the Graham Act, I hereby waive the application of any duties provided for in sections 112 and 113," he said in an executive order late on Friday.

The Lindsey O Graham Sanctioning Russia and Iran Act proposed tariffs of up to 100% on imports from the top five purchasers of Russian oil and gas, including China and India, within 30 days of its enactment on September 18.

Following the waiver, India will not be penalised for sourcing oil from Russia, its biggest supplier.

Moscow LNG Plan ▸▸ 7



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Moscow LNG Plan on Track

▸▸ From Page 1

In August, Russian crude accounted for roughly 44% of India's total oil imports. India is also planning to purchase liquefied natural gas from Russia under long-term contracts.

Trump's waiver comes in the wake of a deal with Russia for the supply of diesel to the US. It also comes days ahead of US secretary of state Marco Rubio's visit to Mumbai and Jamnagar. Rubio is expected to visit the world's largest single-site oil refinery operated by Reliance Industries in Jamnagar.

On Thursday, US envoy to India Sergio Gor said Trump would take a decision on the waiver within the next 10 days. India had informed the US on several occasions that any tariffs under the new law would adversely impact bilateral relations.

"Good sense has prevailed for now, but constantly holding a loaded gun to your strategic partner's head is no way to build a sustainable long-term partnership. Diplomacy by hostage-taking is bound to come unstuck," an expert told **ET** on condition of anonymity.

India has consistently defended its purchase of Russian oil as being in the interest of its 1.4 billion people and global energy prices. The situation has been further complicated by the war in Iran and repeated attacks on vessels in the Strait of Hormuz. Additionally, the security situation in Saudi Arabia provides no relief.

Meanwhile, India became the first official partner country for Russia Energy Week, in Moscow this week. Jointly inaugurated by the Embassy of India and steel ministry officials, the India pavilion at the exposition featured representations of projects from major Indian entities—including National Mineral Development Corporation, Steel Authority of India, Manganese Ore (India) and Metallurgical & Engineering Consultants (India)—alongside eight major Indian oil companies.

At the exposition, the two sides discussed expanding collaboration across oil and gas, mining, the steel value chain and coking coal supplies from the Russian Far East. They also highlighted evolving energy dynamics, including Indian investments in Russian energy assets and shifting petroleum product flows.

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Date :18 October 2026	Page : 10

NMDC inks pact with GAIL arm for gas supply to pellet plant

N. Ravi Kumar
HYDERABAD

State-owned NMDC has entered into an agreement with GAIL Gas to secure natural gas supplies for its iron ore pellet plant in Chhattisgarh's Nagarnar.

Reduce emissions

Transition to natural gas, from furnace oil, would help reduce emissions and improve the process efficiency, product quality and long-term cost competitiveness of the 2 million tonne plant.

130-km pipeline

A 130-km natural gas pipeline will be laid from Damanjodi in Odisha to the Nagarnar plant. It will be an extension of the existing pipeline network from Dhamra Port to Damanjodi that supplies gas to the National Aluminium Company (NALCO) plant.

Under the long-term gas sale pact, the GAIL subsidiary will develop the required pipeline connectivity and establish a gas receiving and metering station at Nagarnar for reliable supply of natural gas.

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Date :18 October 2026	Page : 12

FinMin defends IDBI Bank sale; cites HC ruling, Budget speeches

Shishir Sinha
New Delhi

The Finance Ministry on Saturday clarified that there was no illegality in the approval process for the stake sale in IDBI Bank.

"The legislative history of the IDBI (Repeal) Act, 2003, the judicial pronouncement of the Delhi High Court and successive Union Budget speeches collectively demonstrate the evolution of the government's policy towards the strategic disinvestment of IDBI Bank," the Ministry said in a statement.

On Wednesday, the Cabinet Committee on Economic Affairs (CCEA) approved Canada Inc. as the strategic buyer for a 60.72 per cent stake in IDBI Bank Ltd (30.48 per cent held by the GoI and 30.24 per cent by LIC) for over ₹52,800 crore.

The decision has drawn a lot of criticism and allegations of irregularities.

The Ministry said the Delhi High Court, in its ruling dated December 17, 2018, clarified beyond doubt that "the doctrine of promissory estoppel cannot be invoked on the basis of statements made during parliamentary debates to restrict the government's power to dilute its shareholding in IDBI Bank."

The doctrine of promissory estoppel implies that when a person, intending to create a lawful relationship, makes a promise to another person and that person acts on it, the promise becomes an obligation on the person making it.

The Court said that it was of the view that the statements made before the House almost 15 years earlier, in a debate relating to a legislative activity, would not preclude the Centre from diluting its stake in IDBI Ltd. Indisputably, the legislation enacted by Parliament after the debate did not contain the amendment that was sought to be introduced. "The statements made before the House cannot substitute or override the statute so enacted by Parliament. Surely, Parliament was conscious of the import of not including the proviso as proposed," the Court said.

Further, the Court held that the enacted legislation contained no prohibition against reducing the government's stake in IDBI Bank. "There is no ambiguity in the language of the IDBI Repeal Act, 2003 and there is no scope to read any provision into the said enactment which proscribes the government from reducing or divesting its stake in IDBI Ltd," the Ministry quoted from the ruling.

The Ministry also said the policy on strategic disinvestment of IDBI Bank was reiterated in successive Budget speeches.

In her FY22 Budget speech, Finance Minister Nirmala Sitharaman had highlighted that despite Covid-19, the government had kept working towards strategic disinvestment. "A number of transactions, namely BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, BEML, Pawan Hans, Neelachal Ispat Nigam Ltd among others, would be completed in 2021-22," she said.

Publication : The Hindu Business Line	Editions : New Delhi
Date :18 October 2026	Page : 1

India gets tariff reprieve as Trump waives Russian oil penalties, but levy threat lingers

Amiti Sen
New Delhi

US President Donald Trump's decision to waive punitive tariffs on countries buying Russian oil and gas gives India relief from the threat of additional duties of up to 100 per cent on its exports to the US. But it leaves Washington with the option of reviving the penalties, potentially using them as leverage in ongoing bilateral trade agreement (BTA) negotiations, experts noted.

New Delhi's position on sourcing crude oil from Moscow and other countries will continue to be guided by its national interest and energy security, even as the order provides for continued US monitoring of Russian oil purchases and allows the US administration to withdraw the waiver and reimpose punitive tariffs, sources tracking the matter told *businessline*.

"Indian officials had been in discussions with their US counterparts over the implications of the legislation and the possibility of a waiver and there was optimism that it would happen after Trump struck a diesel deal with Russian President Vladimir Putin to supply the American and global markets with Russian refined fuel. New Delhi's stance on sourcing energy based on its national interest remains unchanged and interactions with Washington would continue," the source said.



US President Donald Trump

STRATEGIC BREATHER

For India, the waiver buys time to negotiate a trade deal but offers no lasting certainty, pointed out Ajay Srivastava from trade research body GTRI. Despite Russia's share of Indian oil imports declining from 51 per cent in July to 44 per cent in August, as India bought more from the US and from the UAE, Sanctioning Russia and Iran Act of 2026 (SRIA) remains law leaving Washington free to revive the tariff threat to extract concessions in bilateral trade talks.

"India should protect its energy security, buy oil on commercial terms and prepare for renewed US pressure. Temporary tariff relief is no basis for permanent trade concessions," Srivastava said.

In an executive order dated October 16, Trump waived the duties and several sanctions provisions under the Lindsey O. Graham SRIA, which he signed into law on September 18. The order provides for a 100 per cent increase in the rate of duty on goods from the five largest importers of Russian-origin crude oil and natural gas if they knowingly make new purchases from October 18. It also provides for a 500 per cent increase in duties on Russian goods and 100 per cent increases for the five largest facilitators of Russian oil sanctions evasion, subject to the specified exceptions and waivers.

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Date :18 October 2026	Page : 5

IPO. Zetwerk Manufacturing Businesses

Assembly complete, margin of safety not included

Zetwerk's scale, order inflows and own manufacturing opportunity are compelling, but persistent losses, execution questions and a rich valuation leave little room for error

Nishanth Gopalakrishnan
bl. research bureau

The IPO of Zetwerk Manufacturing Businesses is open for subscription until Monday. The company, which runs a tech-based manufacturing platform, expects to raise ₹2,830 crore, while promoters and existing investors, including Peak XV, Accel and Lightspeed, are offering shares worth ₹2,182 crore through an offer-for-sale (OFS). The promoter and promoter group stake, currently about 21 per cent, is expected to fall to 16 per cent after the IPO, before considering the dilution from ESOP shares. The company intends to pay down debt of ₹2,160 crore (out of ₹3,366 crore as of August 31, 2026) and use the remaining proceeds for acquisitions and general corporate purposes.

At the upper end of the IPO price band, Zetwerk is valued at an enterprise value of around ₹24,225 crore or at about 58x FY26 adjusted EBITDA. The eight-year-old startup has no listed peers and is yet to become profitable.

Zetwerk operates at the intersection of two key areas of investor interest today — technology and manufacturing. It serves customers in sectors such as energy, consumer electronics, aerospace and precision engineering. However, considering the company's profitability and the factors mentioned here, the asking multiple looks expensive in our view. We recommend that investors give the IPO a pass for now and consider investing after listing, once they have greater conviction in the company's execution capabilities.

WHAT IT DOES

Zetwerk serves companies operating in sectors such as utilities, renewables, consumer electronics, aerospace, defence, oil & gas and AI (the 'customers'). Its customers include marquee names such as Siemens Gamesa, Acer, boAt, CG Power, NTPC, Indian Oil, DRDO and the Indian Air Force. When a customer is in need of intermediate components/ inputs in the manufacturing process or is looking to outsource the manufacturing of certain components, it sends the order to Zetwerk. At the other end, Zetwerk is connected to about 7,000 manufacturers (called third party suppliers), often MSMEs with low capacity utilisation and looking for scale. These third-party suppliers are capable of processes such as stamping, fabrication, machining, forging, die casting and assembling, and are spread across several countries including the US, Taiwan, Vietnam, Germany, Spain and Mexico, besides India.

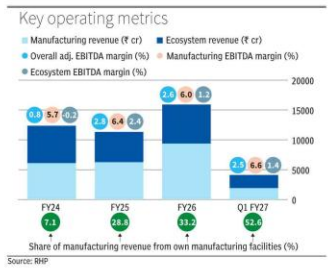
Zetwerk now chooses an appropriate supplier(s) and sends the order to them for execution. Once the supplier is ready to deliver, Zetwerk purchases the goods from the supplier(s) and sells them to its customer. Contracts with customers are on principal-to-principal basis and Zetwerk is eventually accountable to deliver quality products as per the customer's specifications. To ensure this, it deploys more than 2,250 operations staff at supplier facilities to coordinate production and supervise quality.

To complement the capacities of the suppliers in the network, Zetwerk has also built its own manufacturing facilities (greenfield and acquired) for some processes such as assembling and finishing. Here, Zetwerk procures materials, employs labour and manages the process risk. All these operations are managed through Zetwerk's proprietary platform, Zetwerk OS, which covers the entire process — from order enquiries and supplier selection to quality assurance and logistics. Customers also get real-time visibility into order status.

These activities form Zetwerk's first operating segment, 'Manufacturing business'. The segment generated revenue of ₹9,375 crore in FY26, of which about a third came from its own manufacturing facilities (see chart for growth and margins). Products delivered include wind turbines, transformers, transmission switchgears, wires, cables, railway girders, washing machine motherboards, headsets, wearables and space antennae.

Zetwerk's suppliers regularly use ferrous and non-ferrous metals and materials such as petrochemicals. The company negotiates bulk or repeat orders with large mills and manufacturers to secure lower prices. Leveraging this purchasing advantage, it has built a separate trading platform for these materials, selling them at a small markup (see chart for margin). Buyers include not only suppliers in Zetwerk's network but also other businesses. Small-scale operators that may not otherwise benefit from bulk purchasing can also use the platform. This constitutes Zetwerk's second operating segment, 'Ecosystem business'.





Source: RHP

KEY BUSINESS STATS

Between FY24 and FY26, overall revenue has grown at a CAGR of 13.5 per cent, EBITDA at 293 per cent and adjusted EBITDA (adjusted for ESOP cost) at 108 per cent. Revenue from the core manufacturing segment has grown at a higher CAGR of 24 per cent.

Within manufacturing, energy products (solar modules, transformers, switchgears, wires, wind turbine nacelle sub-assembly, etc.), precision products (wearables, laptops, displays, PCBs, EV chargers, machined/ cast/ fabricated metal products, etc.) and capital goods (process equipment like reactors, tanks, steel structures, etc.) accounted for 69, 15 and 16 per cent of FY26 manufacturing revenue. These sub-segments have grown at CAGRs of 25, 55 and 5.5 per cent, over the same period.

Geographically, India, the US and the rest of the world have accounted for about 80, 18 and 2 per cent of FY24-26 overall revenue on average.

IPO rating

Zetwerk Manufacturing Businesses

Business	★★★☆☆
Financials	★★☆☆☆
Management	★★½☆☆
Valuation	★★☆☆☆
Overall	★★½☆☆

Rankings 1 to 5, 1 denoting lowest and 5 highest

Offer period	Oct 15-19, 2026
Price band	₹143-151
Market cap	approx. ₹25,600 cr

WHAT WORKS

Manufacturing revenue from repeat customers has improved from 78 per cent in FY24 to 80 per cent in FY26 and to 89 per cent in Q1 FY27. Net revenue retention rate stands at a median of 1.29x over FY24-26. This indicates that repeat customers have roughly given Zetwerk 29 per cent more business in the current year than the preceding year. These metrics show Zetwerk's ability to consistently deliver on quality, especially given it works with the above marquee names.

New manufacturing order inflows were ₹15,393 in FY26, having grown at a CAGR of 31 per cent. Currently, the manufacturing order book stands at ₹13,062 crore or 1.4x FY26 manufacturing revenue.

Zetwerk gets both 'built-to-print' and 'original design manufacturing (ODM)' orders. ODM orders require Zetwerk to design the product on its own besides manufacturing it, while built-to-print orders do not. ODM orders typically have higher realisation. Share of ODM revenue has risen from 8 per cent in FY24 to 14 per cent in FY26.

Above all, the share of revenue from own manufacturing facilities is also on the rise — from 7 per cent in FY24 to 33 per cent in FY26. As captive manufacturing is a relatively recent initiative, rising scale of operations could create scope for margin expansion. Here's how. When Zetwerk executes an order purely at the facilities of third-party suppliers, it purchase cost also includes the supplier's margin. Producing the order at its own facilities, even partially, allows Zetwerk to retain some or all of that margin. The customer's quoted price remains the same in either case.

WHAT DOESN'T WORK

One, some of the company's past decisions could raise concerns about its ability to execute and allocate capital effectively. Towards the end of FY26, it discontinued its third segment 'Civil infrastructure works', which involved building water pipelines and railway tracks, after the segment proved to be a drag on working capital. The segment's assets and liabilities are now classified as held for sale and are expected to be disposed by end of FY27.

The segment's net losses (attributable to equity owners) in FY24-FY26 were ₹65 crore, ₹156 crore and ₹642 crore, respectively, compared with losses of ₹854 crore, ₹210 crore and ₹991 crore, respectively, from the other two segments (continuing operations). However, the latter figure for FY26 was only about ₹195 crore after adjusting for a net-worth-neutral one-off item. For perspective, adjusted EBITDA from continuing operations stood at ₹97 crore, ₹323 crore and ₹421 crore over FY24-26.

Net exceptional losses from continuing operations in FY24-FY26 were ₹372 crore, ₹84 crore and ₹39 crore, respectively, after adjusting for the net-worth-neutral one-off item, taking the cumulative loss to ₹495 crore. Of the ₹616 crore in exceptional items, provisions for bad debts, supplier advances and unbilled revenue, impairment allowances and restructuring expenses accounted for a significant portion. Management explained that most of these expenses related to the discontinued segment. Losses of this magnitude could have been avoided had management recognised the business's working-capital-intensive nature before entering it. The prospectus also mentions an apparel trading business discontinued in FY24. An impairment loss of ₹62 crore against this investment is included in the ₹616 crore of exceptional items cited above.

Two, positive operating cash flows turned negative after accounting for working capital changes, in each of the three years. The trend continued into Q1 FY27.

Three, the business model allows room for leakages — meaning, some customers may try to bypass Zetwerk and send orders directly to the third-party suppliers. However, management's defence is that the company can offer customers quotations competitive with market prices.

Four, the energy products subsegment, which accounts for 69 per cent of manufacturing revenue, has gained significant momentum, with a revenue CAGR of 25 per cent, partly driven by the boom in AI-related capital expenditure. This growth could slow if sentiment around AI turns negative.

Five, auditors made several adverse observations in FY24 and FY25, including weaknesses in the internal audit system and the absence of a robust mechanism for physical inventory verification. They also cited ineffective internal controls over certain processes, potentially exposing revenue and receivables to misstatement risks. The absence of adverse remarks in FY26 and Q1 FY27 suggests that the company may have taken corrective action.

Overall, the company appears to have tried to clean up its books and present a couple of stable businesses to public shareholders, ahead of its IPO — which is a plus. However, the asking price appears steep given the above factors and a volatile equity market. Prudent investors may want a margin of safety against execution slip-ups, before considering the offer.

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Date :18 October 2026	Page : 1, 2

DECISION DAYS BEFORE ACT WAS TO TAKE EFFECT

Trump waives sanctions, tariffs linked to Russia, cites national interest

Law gave Trump power to slap 100% tariffs on countries buying Russian oil; India, China had raised concerns

Alan Rappeport
Washington, October 17

PRESIDENT DONALD Trump signed an executive order Friday night exempting Russia from a new sanctions measure that Congress passed last month, offering another economic lifeline to Russian President Vladimir Putin as the United States turns to Russia for help in lowering gas prices.

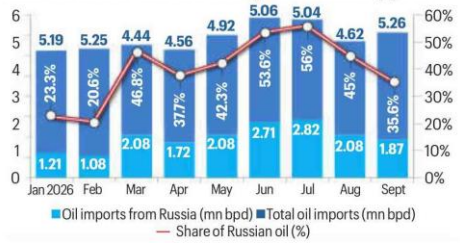
The sanctions were intended to target Russian officials, oligarchs and financial institutions, and were part of a law that was named after Sen. Lindsey Graham, R-S.C., who died in July after spending more than a year building support for the measure.

The law, which is designed to squeeze the financial lifelines sustaining Russia's war against Ukraine, also provided Trump with additional tariff authority that he could use to punish countries that continue to trade with Russia.

The White House has broad authority to issue sanctions

»CONTINUED ON PAGE 2

Russia remains India's top crude oil supplier



Publication : The Indian Express	Editions : New Delhi
Date :18 October 2026	Page : 1, 2

Trump

exemptions or waivers, and the new law requires Trump to notify Congress only if he opts against imposing the economic restrictions on Russia. Two days before the law was set to take effect, Trump exercised that power.

"I am hereby waiving the application of such sanctions, restrictions and duties provided for in the Graham Act," Trump said in the order. "I have submitted to the Congress a certification that the issuance of such a waiver at this time is in the national interests of the United States."

The order does not explain why waiving the sanctions is in the interests of the United States or what rationale Trump is providing to Congress for the waivers.

The decision comes as Trump has in recent weeks embraced Russia and turned against Ukraine amid frustration that Ukraine's attacks on Russian refineries are pushing up oil prices around the world. Elevated oil prices are making gasoline more expensive in the United States, fueling inflation weeks ahead of midterm elections that could cost Republicans control of Congress.

Trump announced last week that he had reached a deal with Putin, and that the United States would begin importing Russian diesel fuel. The Treasury Department temporarily lifted sanctions on Russian diesel exports "to allow the supply of Russian diesel to the global market," and gave Russian energy producers a general license to sell diesel fuel until April.

That decision angered President Volodymyr Zelenskyy of Ukraine, and drew backlash from European officials. This week, a bipartisan group of senators urged Trump to reverse the sanctions waiver on diesel fuel.

The move to waive the sanctions that were enacted in the new law drew a swift rebuke from critics in Congress, who had predicted that Trump would not impose them.

"Trump's latest surrender to Putin again betrays our Ukrainian partners and defies clear congressional intent of legislation designed to punish Russia for its illegal war of aggression," said Rep. Don Beyer, D-Va.

Sen. Elizabeth Warren, D-Mass., the ranking member on the Banking Committee, called Trump's move an "abject failure" of leadership. "By waiving these sanctions, Trump is thumbing his nose at Congress' direction that he ratchet up pressure on the Kremlin, and enabling Vladimir Putin to continue his war of aggression," Warren said.

The sanctions law was the brainchild of Graham, a Russia hawk and close ally of Trump's. The legislation, which was set to take effect on October 18, won bipartisan support despite concern that the President would not heed the sanctions requirements, and that he would potentially misuse the tariff authority.

The law gave Trump the power to target countries importing Russian oil and gas with up to 100% tariffs, subject all Russian imports to the United States to up to 500% tariffs, and take greater aim at Russia's "shadow fleet" of oil tankers and banking system.

(*Reuters* adds: Countries such as China and India, which are among the biggest buyers of Russian oil, had raised concerns. Beijing had said it "consistently opposed long-arm jurisdiction that lacks a basis in international law" while India warned Washington that new tariffs could impact bilateral ties.)

In the executive order, Trump said that the United States would "monitor" the purchases of Russian oil by other countries and that his advisers would recommend whether to take further action on tariffs.

It is not clear if waiving some of the sanctions means that Russia will be welcomed back into the Western financial system after years of being an outcast.

"The underlying sanctions architecture remains in place, and no one wants to be caught holding the risk when the waiver is pulled," said Daniel Tannebaum, a partner at Oliver Wyman, a consulting firm that advises banks on anti-money laundering and sanctions matters. "I'm not sure what positive impact to the American economy will be derived in reality." NYT

Publication : Hindustan Times	Editions : New Delhi
Date :18 October 2026	Page : 1

Tanker exploded after hitting mine in Hormuz: Iran

Agencies
letters@hindustantimes.com

CAIRO/RIYADH/WASHINGTON: Iran's Revolutionary Guards said on Saturday that an oil tanker had exploded and caught fire after hitting a naval mine while transiting the Strait of Hormuz, Iranian media reported, according to Reuters.

The report said the tanker was carrying over 2 million barrels of crude oil and was attempting to illegally transit the strategic waterway through a route unauthorised by Iran.

Meanwhile, US President Donald Trump has said Saudi Arabia should accept Israel's offer to help in the fight against Houthi rebels, describing Israel's support to the country as "very helpful" amid escalating regional hostilities, ANI reported.

Answering reporters ahead of a rally in Georgia at White House on whether Saudi Arabia should accept Israel's offer, Trump said, "Yeah, I do, sure. Israel has been very helpful to Saudi Arabia."

Trump also said that the Abraham Accords (2020), a series of agreements to normalise relations between Israel and several Arab countries, could see Saudi Arabia join the framework, saying the prospect was "maybe more than ever."

Meanwhile, a report said that Iran has aided Yemen's Houthis with intelligence and tactical guidance in their recent attacks against Saudi Arabia and its Yemeni allies.

Israel Defence Force (IDF)'s former Iran researcher, Danny Citrinowicz, told the , the Wall Street Journal, "The connection is very, very strong on the operational level," and described the relationship between Iran and Houthis as one of "shared strategic interest that isn't based on a client-patron relationship, but rather on strategic cooperation."

The conflict involving the Houthis, Saudi Arabia and the Yemeni government has deepened in the recent time, with the Houthis controlling the strategic Bab al-Mandeb Strait.

According to Al Jazeera, the Yemeni government and the Houthis exchanged strikes in Taiz governorate, in which Yemen's government-aligned forces claimed 378 Houthi fighters were killed.

Earlier on Friday, Yemen's government accused the Houthi militia of targeting Aden International Airport with two missiles, according to the country's Information Minister Moammar Al-Eryani. In a post on X, Al-Eryani said Yemenia Airlines flight IY 612, en route from Aden International Airport to Cairo International Airport, was preparing for takeoff when the airport was targeted. The missiles reportedly landed 500 metres from the aircraft and around 100 metres from the centre of the runway.

Publication : Millennium Post	Editions : New Delhi
Date :18 October 2026	Page : 2

LED BY INDIA AND OTHER ASIAN ECONOMIES

Global oil demand to rise by 2.4 mnbpd in 2027, says OPEC

ANI NEWS
New Delhi, October 17

Global oil demand is expected to rise by 2.4 million barrels per day (mnbpd) in 2027, with India and other Asian economies emerging as key drivers of consumption growth, according to the Organization of the Petroleum Exporting Countries (OPEC).

In its statement to the International Monetary and Financial Committee during the IMF-World Bank Annual Meetings, OPEC projected global oil demand to average 108.2 mnbpd in 2027, compared with 105.8 mnbpd in 2026.

The anticipated increase would be supported by healthy economic activity, particularly in non-OECD (Organisation for Economic Co-operation and Development) economies, with transportation fuels and petrochemical feedstock expected to drive demand recovery.

"With India and Other Asia expected to lead oil demand growth," the statement said, adding that



OPEC PROJECTED GLOBAL OIL DEMAND TO AVERAGE 108.2 MB/D IN 2027, COMPARED WITH 105.8 MB/D IN 2026

China and the Middle East would also contribute significantly to the increase in consumption.

For 2026, OPEC expects global oil demand to grow by around 0.4 mnbpd, reflecting strong requirements from Latin America and non-OECD Asia, supported by economic activity, mobility, air travel and stable private investment.

Demand in non-OECD economies is forecast to increase by around 0.5 mnbpd this year to average 59.7 mnbpd. In contrast, demand in OECD economies is expected to decline by about 110,000 barrels per day year-on-year to average 46.1 mnbpd, with Europe and Asia-Pacific expected to record contractions.

OPEC expects oil demand in OECD economies to recover by around 0.4 mnbpd in 2027, led by Europe and Asia-Pacific, while demand in non-OECD economies is projected to increase by approximately 2 mnbpd.

On the supply side, liquids production from countries outside the Declaration of Cooperation (DoC) is forecast to rise by 0.6 mnbpd in both 2026 and 2027. Brazil, the United States, Canada and Argentina are expected to drive growth this year, while Qatar, Canada, Brazil and Argentina are projected to lead in 2027.

Meanwhile, global oil and gas exploration and production capital expenditure is expected to decline by around 2 per cent in 2026 to $613 billion, before increasing by 6 per cent to approximately $651 billion in 2027.

OPEC said sustained investment in upstream production would remain essential to meeting future energy demand and maintaining adequate spare capacity.

The organisation also highlighted continued resilience in global economic activity, forecasting global growth of 3 per cent in 2026 and 3.2 per cent in 2027, with India's growth projected at 6.6 per cent and 6.5 per cent, respectively.

KEY POINTS

- **The anticipated increase would be supported by healthy economic activity, particularly in non-OECD economies**
- **China and the Middle East would also contribute significantly to the increase in consumption, the OPEC said**
- **For 2026, OPEC expects global oil demand to grow by around 0.4 mb/d, reflecting strong requirements from Latin America and non-OECD Asia**

Publication : The Asian Age	Editions : New Delhi
Date :18 October 2026	Page : 6

Oil tanker on fire after hitting Hormuz mine

Tehran, Oct. 17: Iran's Revolutionary Guards on Saturday said an oil tanker was on fire in the Strait of Hormuz after hitting a mine in the waterway at the heart of the Middle East war.

Tehran seized control over Hormuz after the start of the war in late February, choking off the strait that normally carries about one-fifth of global oil consumption.

"A supertanker in violation of regulations, carrying more than two million barrels of crude oil and attempting to pass illegally through the Strait of Hormuz, struck a mine, triggering an explosion and a fierce fire," the Revolutionary Guards said.

The statement did not specify the exact location of the incident.

Flanked by Iran to the north and Oman to the south, the Hormuz strait is about 30 kilometres wide at its narrowest point.

Since taking control of the strait, Iran has demanded that all ships seek its authorisation before transiting.

"The tanker attempted to cross the strait with US support... by deactivating all its tracking systems," the Guards added, also posting a video of a vessel in flames during the night. In response to Tehran's blockade on the Strait of Hormuz, Washington has imposed its own naval counter-blockade on Iranian oil exports.

This week, the Guards' naval commander Admiral Ali Ozmai warned that any vessel that deactivated its navigation systems would be considered "hostile".



A member of the International Red Cross checks the identities of newly released prisoners, in Yemen's Houthi-controlled capital Sanaa. — *AFP*

Meanwhile, a tanker was struck by an "unknown projectile" off Saudi Arabia's Gulf coast, forcing the evacuation of its crew, a maritime monitoring agency said on Saturday. The vessel was hit on Friday, 68 nautical miles off the coast of Jubail, the UK Maritime Trade Operations said, adding that "all crew are reported safe". — *AFP*

Publication : The Hindu	Editions : New Delhi
Date :18 October 2026	Page : 14

Oil tankers on fire after hitting mines in Hormuz: Iran Guards

Agence France-Presse
TEHRAN

Iran's Revolutionary Guards on Saturday said two oil tankers were on fire in the Strait of Hormuz after hitting mines in the waterway at the heart of the West Asia war.

"A supertanker in violation of regulations, carrying more than two million barrels of crude oil and attempting to pass illegally through the Strait of Hormuz, struck a mine, triggering an explosion and a fierce fire," the Revolutionary Guards said.

Iran's Revolutionary Guards say each tanker carries more than two million barrels of crude oil

The statement did not specify the exact location of the incident.

Later on Saturday, the Guards said "a second offending supertanker was engulfed in a massive blaze after hitting a naval mine," adding it also carried "more than two million barrels of crude oil" and was attempting to pass the Strait. The origins of the load and the tanker's flag were not immediately disclosed.

"The tanker attempted to cross the strait with U.S. support... by deactivating all its tracking systems," the Guards added.

On Thursday and Friday, Iran's Army said two tankers had caught fire in what Tehran calls its "prohibited zone" in the Gulf of Oman.

Also on Friday, maritime monitoring agencies reported that two tankers had been struck in Gulf waters of Saudi Arabia's coast.

Publication : The Indian Express	Editions : New Delhi
Date :18 October 2026	Page : 11

FOR INDIA, WAIVER REDUCES THE RISK OF BEING PENALISED FOR BUYING RUSSIAN OIL

Relief for India's oil imports, but Washington still holds the cards

Sukalp Sharma
New Delhi, October 17

AFTER LIFTING sanctions on Russian diesel exports, US President Donald Trump has now signed an executive order waiving key provisions of a new law that authorised tariffs of up to 100% on top buyers of Russian energy.

The Lindsey O Graham Sanctioning Russia and Iran Act of 2026 — signed into law by Trump last month — was aimed at increasing pressure on Russia over the Ukraine war by penalising countries that bought Russian energy in large volumes.

The legislation became a worry for India, as Russian oil remains an important and major component of its oil import slate. New Delhi has made its concerns about the new law known to Washington on multiple occasions.

According to experts and analysts, the presidential power to waive the application of the law's provisions was expected to come into play, given the prevailing global energy supply and price scenario. India, too, was banking on it.

The waiver comes ahead of the midterm elections in the US next month, and will remain in place until the Trump administration determines that "further action is appropriate". Had the new law taken effect and led to a major reduction in Russian crude flows, already elevated energy prices would have risen further, including in the US, potentially hitting the Republican Party's prospects.

For India, this waiver reduces the risk of being penalised for buying Russian oil, at least for the time being. But it does not mean Washington can't or won't pressure New Delhi on the issue in the future as well.

Why Russian oil matters

India is the world's third-largest consumer of crude oil and depends on imports to meet over 88% of its needs. Russia is India's largest supplier. In September, India imported 1.9 million barrels per day (bpd) of Russian crude and it accounted for over 35% of the country's total oil imports for the month, according to data from commodity market analytics firm Kpler.

In the preceding months, the import volumes from Russia were even higher, with an all-time-high of 2.8 million bpd in July. Russian oil proved to be a strong energy security hedge amid the West Asia crisis, as oil flows from the Gulf dried up.

What the waiver changes for India

The most immediate benefit is that the threat of additional tariffs under the new law has been suspended. For India, the danger was that buying Russian oil could trigger punitive action against its exports to the US, particularly at a sensitive time in the bilateral relationship, and with the bilateral trade pact negotiations at a crucial juncture. The waiver issued by Trump removes that immediate dilemma, although only for as long as the suspension remains in force.



The waiver comes ahead of the midterm elections in the US next month. REUTERS

It gives Indian refiners greater room to assess Russian cargoes on the basis of price, availability and logistics rather than the additional tariff threat. It also makes long-term oil procurement planning less uncertain. Moreover, the real gain for India is flexibility.

New Delhi can continue weighing the commercial benefits of Russian crude against the risks of relying on a supplier whose trade is increasingly entangled in geopolitical conflict.

The decision should not be interpreted as a US guarantee for India to buy unlimited quantities of Russian oil. The White House order specifically requires American officials to monitor Russian energy purchases and report circumstances that might warrant further action. Existing sanctions imposed under separate executive orders also remain unaffected.

Put simply, Washington has retained the ability to change course on the issue.

The Trump administration has targeted India time and again over the country's hefty purchases of Russian oil. For over a year now, Washington has tried to strong-arm New Delhi into pivoting away from Russian crude. The Trump administration's argument has been that by buying Russian oil, India has been funding Russia's war in Ukraine.

What should India do

Washington's latest moves on Russian diesel and oil exports clearly shows that for the Trump administration, immediate domestic political and economic pressures take precedence over most other things, including policies that were claimed to be principled and grounded in morality. What the US will do once those domestic pressures ease is anybody's guess.

Therefore, India should treat the waiver as an opportunity to strengthen its energy security and keep up diversification efforts, rather than becoming more dependent on Russia. New Delhi should also continue engaging Washington to seek greater clarity and predictability over the treatment of Indian energy purchases.

Publication : The Sunday Standard	Editions : New Delhi
Date :18 October 2026	Page : 9

Iran declares Strait of Hormuz closed as tanker attacks mount

TEHRAN

FOUR tankers have reportedly come under attack in Gulf waters since Friday, with a fifth targeted off Yemen's coast. Iran's navy said a tanker caught fire and was immobilised in the Gulf of Oman, while the Revolutionary Guards reported two supertankers hit by mines in the Strait of Hormuz. The Guards' navy declared the strait "closed", warning ships to coordinate with Iranian armed forces for safe passage.

"A supertanker ... carrying more than two million barrels of crude oil ... struck a mine, triggering an explosion and a fierce fire," the Guards said. Later, it reported a second supertanker had also caught fire after hitting a mine. The tankers' flags and cargo origins remain unknown. UKMTO reported two tanker strikes on Friday. Iran requires ships to seek its approval to cross the strait, which carries about a fifth of global oil consumption.

WAR WATCH

Saudi intercepts four drones

Saudi Arabia said on Saturday that it had intercepted four drones, including over the capital Riyadh, as the country comes under repeated fire from Yemen's Houthis. "We have intercepted and destroyed four drones over the past few hours in the regions of Riyadh, the Eastern Province, and the South," coalition spokesman Turki al-Malki wrote on X. Riyadh backs Yemen's government against the Iran-backed Houthis and accuses Tehran of fuelling their latest escalation, a charge Iran denies.

Iran to mediate in Yemen war

Iranian Foreign Minister Abbas Araghchi said Saturday that Tehran supports a "political process" to resolve the conflict between Saudi Arabia and Yemen's Iran-backed Houthis.

"We support an inclusive and comprehensive political process as the only practical and sustainable way to resolve the issue," Araghchi said in a speech at the Organisation of Islamic Cooperation in Baghdad.

Araghchi repeated Iran's offer to mediate between the two sides. Deputy Foreign Minister Saeed Khatibzadeh previously said Riyadh has not responded to Iran's overture.

In his speech, Araghchi also said "either we build security together, or we will endure insecurity together", adding that Tehran was willing "to cooperate with all its brothers and neighbours to achieve the first option". *Agencies*

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Date :18 October 2026	Page : 12

Two oil tankers on fire after hitting mines: Iran's Guards

Iran's Revolutionary Guards on Saturday said two oil tankers were on fire in Strait of Hormuz after hitting mines in the waterway at the heart of the Middle East war. Tehran seized control over Hormuz after the start of the war in late Feb, choking off the strait that normally carries about one-fifth of global oil consumption.

"A supertanker in violation of regulations, carrying more than two million barrels of crude oil and attempting to pass illegally through the Strait of Hormuz, struck a mine, triggering an explosion and a fierce fire," the Revolutionary Guards said.

The statement did not specify the exact location of the incident.

Later Saturday, the Guards said "a second offending supertanker was engulfed in a massive blaze after hitting a naval mine," adding it also carried "more than two million barrels of crude oil" and was attempting to pass the Strait.

The origins of the load and the tanker's flag were not immediately disclosed.

Flanked by Iran to the north and Oman to the south, Hormuz Strait is about 30 kilometres wide at its narrowest point.

Since taking control of the strait, Iran has demanded that all ships seek its authorisation before transiting.

"The tanker attempted to cross the strait with US support... by deactivating all its tracking systems," the Guards added, also posting a video of a vessel in flames during the night.

On Thursday and Friday, Iran's army said two tankers had caught fire in what Tehran calls its "prohibited zone" in Gulf of Oman, which extends into Arabian Sea.

Reuters



STRAIT TO NOWHERE: The troubled waters of Hormuz

Saudi 'cluster munition' strikes kill 12, Houthis say

Saudi strikes that began overnight have killed at least 12 people in Yemen, three of them children, Houthi media reported on Saturday.

Saudi warplanes targeted "civilian homes" in Taiz governorate on Saturday, killing nine people and wounding 16, its news agency said, adding that people were still trapped under the rubble.

It also said overnight strikes in Dhamar province killed three children and wounded 17. It said the strikes were carried out "using cluster bombs, which are banned internationally". AFP

Online

Headline	KSB bags Rs 85-cr order from ONGC		
Publication	Daily Hunt (Mobile)	Edition	Online Coverage
Published Date	17 Oct 2026		

KSB bags Rs 85-cr order from ONGC

http://m.dailyhunt.in/news/india/english/capital+market-epaper-capmar/ksb+bags+rs+85cr+order+from+ongc-newsid-n730671946

T he order is to be executed by FY29, with payment due after supply and installation. KSB supplies pumps, valves and systems for sectors including power, oil, building services, process engineering and water treatment. The company offers products such as centrifugal end suction pumps, high-pressure multistage pumps, industrial valves, submersible motor pumps and control valves. On a consolidated basis, KSB's net profit declined 18.75% to Rs 57.20 crore while net sales rose 3.60% to Rs 690.70 crore in Q1 June 2026 over Q1 June 2025. Shares of KSB rose 1.50% to close at Rs 779.40 on the BSE on Friday.

Headline	GRSE Signs ₹1,032 Crore Contract with ONGC to Build Four Hybrid Platform Supply Vessels		
Publication	Dharmakshethra	Edition	Online Coverage
Published Date	17 Oct 2026		

GRSE Signs ₹1,032 Crore Contract with ONGC to Build Four Hybrid Platform Supply Vessels

https://dharmakshethra.com/grse-signs-%e2%82%b91032-crore-contract-with-ongc-to-build-four-hybrid-platform-supply-vessels/

Under the contract, GRSE will construct and deliver four specialised Platform Supply Vessels designed to meet ONGC's operational requirements for offshore exploration and production activities.The contract value of 1,032.07 crore includes GST, as confirmed in GRSE's July 30, 2026, stock exchange disclosure. By Kautilya October 17, 2026 Garden Reach Shipbuilders & Engineers Limited (GRSE), a Navratna Defence Public Sector Undertaking under the Ministry of Defence, has signed a 1,032.07 crore contract with Oil and Natural Gas Corporation Limited (ONGC) for the construction of four advanced Hybrid Platform Supply Vessels (PSVs). The agreement, reported on October 15, 2026, marks another milestone in GRSE's expansion into commercial shipbuilding and specialised offshore support vessels. The project will strengthen India's indigenous shipbuilding capabilities while introducing advanced hybrid propulsion technologies to support offshore oil and gas operations. The contract follows the Notification of Award (NoA) received by GRSE on July 30, 2026, and is scheduled for completion within 48 months of that date. 1,032 Crore Contract Strengthens Indigenous Shipbuilding The agreement was signed by Commander Shantanu Bose (Retd.), Director (Shipbuilding), GRSE , and Ratnesh Kumar, Executive Director (Strategy), ONGC Under the contract, GRSE will construct and deliver four specialised Platform Supply Vessels designed to meet ONGC's operational requirements for offshore exploration and production activities.The contract value of 1,032.07 crore includes GST, as confirmed in GRSE's July 30, 2026, stock exchange disclosure. The project represents an important addition to GRSE's commercial vessel portfolio, extending the shipyard's expertise beyond naval platforms into technologically advanced offshore support ships. Construction of these vessels will also contribute to domestic shipbuilding activity and strengthen India's capabilities in manufacturing specialised maritime platforms. Advanced Hybrid Platform Supply Vessels for Offshore Operations The four vessels will be designed to support ONGC's offshore installations by transporting essential supplies, equipment and materials required for exploration and production activities. Each vessel will measure approximately 80 metres in length and 20 metres in width , providing substantial operational capacity for offshore logistics. The ships will feature approximately 650 square metres of clear deck space, allowing them to accommodate equipment, supplies and cargo required by offshore platforms. Their design will incorporate facilities for supporting extended offshore operations, with endurance provisions of approximately 45 days plus a three-day reserve. The vessels will be constructed in accordance with the classification requirements of the Indian Register of Shipping (IRS). These capabilities will enable ONGC to strengthen logistical support for its offshore energy installations. Hybrid Propulsion System with Lithium-Ion Battery Storage A major technological feature of the new vessels will be their hybrid propulsion architecture , incorporating electrically driven azimuth thrusters and a lithium-ion Battery Energy Storage System (BESS). Azimuth thrusters provide propulsion and steering by directing thrust through rotating propulsion units. Their manoeuvrability makes them particularly useful for vessels operating close to offshore installations. The hybrid configuration will integrate conventional onboard power generation with battery-based energy storage, enabling more flexible management of electrical loads. The battery system will support peak-load management, allowing stored electrical energy to supplement onboard generation during periods of increased power demand. It will also provide spinning reserve functionality, supporting the vessel's electrical power requirements and improving operational flexibility. The technology is intended to improve energy efficiency, optimise onboard power management and reduce the environmental impact of offshore operations. Dynamic Positioning and Enhanced Operational Safety The vessels will incorporate technology supporting dynamic positioning operations, an important requirement for ships working near offshore oil and gas platforms. Dynamic positioning systems use propulsion units and automated controls to help maintain a vessel's position and heading without relying exclusively on anchors. This capability is particularly valuable when transferring cargo and supplies near offshore installations, where precise manoeuvring and station-keeping are essential. The hybrid battery system will support dynamic positioning by helping manage changing electrical loads during operations. Battery energy storage will also contribute to emergency-

response functions, providing additional flexibility in managing critical onboard power requirements. Together, the hybrid propulsion and positioning systems will enhance the vessels' ability to undertake demanding offshore support assignments. Supporting ONGC's Offshore Oil and Gas Operations ONGC operates an extensive network of offshore exploration and production facilities that depend on reliable maritime logistics. Platform Supply Vessels form an essential part of offshore operations, transporting equipment, drilling-related materials, water, fuel and other supplies between shore bases and offshore installations. These vessels also support the movement of operational materials and equipment required for maintaining offshore production infrastructure. The addition of four modern hybrid PSVs will strengthen ONGC's offshore support capabilities while incorporating technologies designed to improve vessel efficiency and operational reliability. The project also demonstrates the growing participation of Indian shipbuilders in meeting the specialised requirements of the country's offshore energy sector. GRSE Expands Commercial and Green Shipbuilding Portfolio GRSE has traditionally been recognised for its construction of warships and specialised naval platforms for the Indian Navy and Indian Coast Guard. The Kolkata-based shipyard has progressively expanded its activities into commercial vessels, research ships, passenger ferries and specialised maritime platforms. Its ongoing commercial shipbuilding programmes include multipurpose cargo vessels for international customers and hybrid passenger ferries for the Government of West Bengal. GRSE has also undertaken the development of battery-supported hybrid propulsion systems for commercial maritime applications. In September 2025, the shipyard signed a contract with Germany's Carsten Rehder Schiffsmakler und Reederei GmbH & Co. KG for four hybrid multipurpose vessels valued at $62.44 million. The ONGC project further diversifies this portfolio by introducing hybrid-powered vessels specifically designed for offshore energy operations. Such projects strengthen GRSE's position in advanced commercial shipbuilding and support the development of environmentally efficient maritime technologies. Strengthening India's Maritime Manufacturing Capabilities The contract brings together two major Indian public sector enterprises in a project that supports domestic maritime manufacturing and offshore energy infrastructure. GRSE's shipbuilding capabilities and ONGC's operational experience in offshore exploration provide a foundation for developing specialised vessels suited to Indian operating conditions. The programme will create opportunities for domestic engineering, equipment manufacturing, marine systems integration and specialised ship construction. It also aligns with India's broader efforts to strengthen indigenous industrial capabilities through the Make in India and Aatmanirbhar Bharat initiatives. With hybrid propulsion technologies becoming increasingly important in commercial shipping, projects involving advanced battery systems and electrically driven propulsion equipment will contribute to the development of technical expertise within India's maritime industry. GRSE-ONGC Partnership Advances India's Offshore Shipbuilding Sector The 1,032.07 crore contract represents a significant expansion of GRSE's commercial shipbuilding activities and strengthens ONGC's plans to modernise its offshore logistics capabilities. The four Hybrid Platform Supply Vessels will combine advanced propulsion systems, battery energy storage and dynamic positioning support to meet the demanding requirements of offshore energy operations. The project also reinforces the growing capabilities of Indian shipyards to undertake sophisticated commercial vessel programmes alongside their established naval construction activities. Through this collaboration, GRSE and ONGC are advancing indigenous maritime manufacturing, strengthening offshore energy infrastructure and supporting India's transition towards more efficient and technologically advanced shipbuilding. References Garden Reach Shipbuilders & Engineers Limited Corporate Announcement, July 30, 2026. Notification of Award for Construction of Four Platform Supply Vessels for ONGC, valued at 1,032.07 crore. https://grse.in/corporate-announcement/ Garden Reach Shipbuilders & Engineers Limited Official Website. Company information, commercial shipbuilding programmes and press releases. https://grse.in/ Ministry of Defence, Government of India Press Information Bureau, June 5, 2025. GRSE Signs Strategic MoI and MoUs at Nor-Shipping 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2134088 Ministry of Defence, Government of India Press Information Bureau, May 27, 2025. GRSE's hybrid ferry construction programme for West Bengal. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2132315

Headline	ONGC, MRPL, OPaL incorporate petrochemicals marketing joint venture		
Publication	The Hindu Business Line	Edition	Online Coverage
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ONGC, MRPL, OPaL incorporate petrochemicals marketing joint venture

https://www.thehindubusinessline.com/companies/ongc-mrpl-opal-incorporate-petrochemicals-marketing-joint-venture/article71559201.ece

Oil and Natural Gas Corporation (ONGC), Mangalore Refinery and Petrochemicals Ltd (MRPL) and ONGC Petro additions Ltd (OPaL) incorporated a joint venture company named ONGC Petrochemicals Marketing Ltd (OPML) on October 7, 2026 as a public limited company to undertake the business of integrated marketing and trading of petrochemicals, chemicals and kindred products.

OPML has an authorised and subscribed share capital of 50 crore divided into 5 crore equity shares of 10 each. As a newly incorporated company, OPML has no operating turnover history.

Equity shares of the company have been subscribed by ONGC, MRPL and OPaL in the ratio of 50:25:25. MRPL informed the stock exchanges that equity shares have been subscribed at face value, and the transaction is on an arms-length basis.

MRPL, along with nominee shareholders, has subscribed to 1,25,00,000 equity shares, representing a 25 per cent stake in OPML. The subscription involves a cash consideration of 12.5 crore, with the shares issued at face value of 10 each.

OPML will focus on establishing a single integrated, market facing platform for marketing and trading of petrochemicals, chemicals and kindred products of the ONGC Group. Its activities will include branding, business development, pricing, distribution, logistics, customer management, sourcing /trading, sales and operations planning. The incorporation is aligned with group companies existing downstream and petrochemicals business.

Published on October 8, 2026

Headline	Essar Oil & Gas secures five coal-bed methane blocks with 6.6 Tcf gas-in-place potential		
Publication	Business News Today	Edition	Online Coverage
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Essar Oil & Gas secures five coal-bed methane blocks with 6.6 Tcf gas-in-place potential

https://business-news-today.com/essar-oil-gas-secures-five-coal-bed-methane-blocks-with-6-6-tcf-gas-in-place-potential/

Essar Oil & Gas has expanded its unconventional natural gas acreage across three Indian states, with new Raniganj blocks offering possible infrastructure synergies while exploration and production economics determine the value of its 6.6 Tcf gas-in-place estimate. Share this: Essar Oil & Gas Limited, an Indian coal-bed methane producer formerly known as Essar Oil and Gas Exploration and Production Limited, has secured five additional coal-bed methane blocks across West Bengal, Madhya Pradesh and Telangana, adding approximately 1,281 square kilometres of exploration acreage. The company announced on October 15, 2026, that contracts awarded through the government's Special Coal Bed Methane bidding rounds for 2025 and 2026 had been formally signed, covering blocks estimated to contain approximately 6.6 trillion cubic feet of gas in place. Two of the newly awarded blocks are located in the Raniganj region, where Essar already operates a producing methane development, creating opportunities to use existing infrastructure and operational expertise. However, the gas-in-place estimate does not establish commercially recoverable reserves, and future production will depend on geological appraisal, drilling performance, infrastructure investment and the economics of developing each block. How do Essar Oil & Gas's five new CBM blocks expand its natural gas acreage in India? The new awards significantly increase Essar's geographic exposure to India's unconventional gas resources. The company has acquired acreage across three states rather than concentrating its expansion entirely within its existing Raniganj production area. This creates a combination of near-field growth opportunities and new exploration commitments that may develop under different geological and infrastructure conditions. The two newly awarded blocks in the Raniganj region are particularly relevant because Essar already has substantial technical experience producing methane from coal-bearing formations in West Bengal. According to the company's disclosure, the additions increase its Raniganj acreage from approximately 500 square kilometres to around 830 square kilometres. The increase of approximately 330 square kilometres represents a 66% expansion of its existing Raniganj area, creating a potentially meaningful extension of its established operating footprint. The remaining awarded acreage lies across the company's new or expanded positions in Madhya Pradesh and Telangana. These areas provide geographic diversification but may require different development approaches depending on reservoir properties, well productivity, access to gas markets and infrastructure availability. The company has not disclosed a comprehensive field-by-field investment programme for all five blocks. The awards were made through the government's Special Coal Bed Methane bidding rounds for 2025 and 2026, with contracts formally signed in the presence of Union Petroleum and Natural Gas Minister Hardeep Singh Puri. The process forms part of India's efforts to increase domestic exploration and attract investment in unconventional gas resources. The award of acreage establishes exploration and development rights under the applicable contractual framework, but it should not be confused with the start of commercial production. Essar's expanded holdings could give it a larger resource portfolio from which to pursue phased development. The commercial outcome will depend on identifying blocks with attractive well productivity and sufficient nearby infrastructure to support economically viable gas sales. What does the estimated 6.6 trillion cubic feet of coal-bed methane gas actually represent? The 6.6 trillion cubic feet figure represents estimated gas in place across the newly awarded blocks. Gas in place describes the volume of hydrocarbons estimated to exist within the relevant geological formations, not the amount that can necessarily be extracted, processed and sold commercially. The recoverable portion may be substantially smaller depending on reservoir pressure, coal properties, gas content, permeability, drainage efficiency and the available development technology. Coal-bed methane production differs from conventional natural gas extraction because methane is typically held within coal formations and released as reservoir pressure changes. Commercial development can require drilling patterns, water management and sustained reservoir monitoring before production reaches economically attractive rates. Consequently, a large geological resource does not automatically translate into proportionately large near-term output. The absence of a disclosed recoverable reserve estimate for the newly awarded acreage limits the conclusions that can be drawn from the headline resource figure. Investors and industry participants cannot reliably calculate future revenue by multiplying

6.6 trillion cubic feet by a prevailing natural gas price. Such a calculation would ignore recoverability, development expenditure, production timing, operating costs and contractual gas realisations. A more useful assessment will emerge through exploration drilling, reservoir studies and pilot production results. These activities can establish how much gas may be technically recoverable and whether the development economics justify larger investment programmes. The company also needs to evaluate infrastructure requirements. Gas processing, gathering pipelines and connections to customers or transmission systems can materially affect project economics, especially where deposits are located far from established industrial demand centres. The new acreage therefore expands Essar's opportunity set without immediately changing its proven production capacity. The quality of the resource and its conversion into commercially viable reserves will matter more than the headline geological volume alone. Why could Raniganj infrastructure give Essar an advantage in developing its newly awarded CBM acreage? Essar's existing Raniganj development provides the strongest near-term commercial rationale for part of the acreage expansion. The company has invested more than 6,000 crore in developing its coal-bed methane operations and currently produces approximately 950,000 standard cubic metres of gas per day, according to its latest announcement. That output represents a substantial share of India's existing coal-bed methane production. The new Raniganj blocks could benefit from the company's existing workforce, technical knowledge, production systems and regional infrastructure. Where geological and commercial conditions permit, nearby discoveries may be developed more efficiently by extending existing gathering networks rather than creating entirely separate production facilities. Such integration can reduce some development costs, although additional wells, pipelines and processing equipment may still be necessary. Essar has indicated that the enlarged Raniganj position could support the development of what it expects to become India's largest coal-bed methane producing field. That remains a management ambition rather than a confirmed future production outcome. The claim will require support from drilling results, production growth and the actual operating scale achieved after development. The expanded acreage also allows Essar to manage a broader collection of drilling targets within an established region. Experience with reservoir characteristics can improve geological understanding, potentially supporting well placement and development planning. However, coal-bed methane productivity can vary significantly between individual seams and locations, so results from existing producing wells cannot simply be extrapolated across all newly acquired acreage. Maintaining consistent output from mature wells while developing additional blocks will be another operational consideration. Coal-bed methane production profiles can change over time, making reservoir management and new-well investment important to sustaining and increasing field-level supply. If the newly awarded Raniganj acreage proves commercially productive, the company could potentially achieve higher infrastructure utilisation and greater economies of scale. The size of that benefit remains dependent on the development programme and cannot currently be quantified from the acreage announcement alone. Can Essar's new methane blocks reduce India's dependence on imported natural gas? India's efforts to increase domestic natural gas production have gained importance as industrial demand, city-gas networks and gas-based applications expand. Domestic methane resources can offer an alternative supply source alongside conventional natural gas production and imported liquefied natural gas. However, their contribution to import substitution depends on whether they can be developed at competitive costs and connected to reliable customers. Essar has expressed an ambition to contribute approximately 5% of India's natural gas production through its coal-bed methane developments. Achieving such a target would require production substantially beyond the immediate effect of awarding new exploration blocks. The company must first convert the newly acquired geological opportunities into wells and production infrastructure capable of delivering sustained commercial volumes. Pricing will be important to this process. Coal-bed methane development economics depend on the costs of drilling, dewatering, gathering, compression and gas delivery relative to the realised selling price. Projects that appear attractive under elevated gas prices may face weaker returns if market conditions change before production begins. The location of resources also influences their value. Gas produced near industrial consumers or accessible pipeline infrastructure can face lower transportation requirements than gas developed in more isolated areas. This makes Essar's existing Raniganj infrastructure an important commercial asset, while development in other states may involve different investment requirements. The government has been seeking to unlock unconventional hydrocarbons through specialised bidding programmes and related exploration initiatives. These policies can create opportunities for domestic producers, but successful development still requires private investment, technical execution and commercially viable supply arrangements. Additional coal-bed methane production could contribute to energy diversification and strengthen domestic supply security if developed at scale. Nevertheless, the latest awards should be understood as an expansion of potential resources rather than an immediate reduction in India's natural gas import requirements. What investment and production milestones will determine the value of Essar's 1,281 square kilometres of new acreage? The announcement does not disclose the total investment required to develop all five blocks, the number of wells planned or a comprehensive production schedule. These omissions prevent a reliable estimate of the capital needed to convert the 6.6 trillion cubic feet gas-in-place resource into producing assets. Future disclosures on drilling commitments, pilot projects and infrastructure construction will therefore be necessary to establish the commercial scope of the expansion. Essar Oil & Gas is not separately listed on a public stock exchange, so the acreage award does not provide a directly observable listed-company share-price reaction. Its financial consequences should instead be assessed through project investment, production performance, realised gas revenues and funding requirements. The company's existing production base provides a useful platform, but further growth requires disciplined deployment of capital across acreage with different geological and infrastructure characteristics. Prioritising blocks with favourable technical characteristics and access to existing facilities could

improve early development economics, while more remote acreage may require a longer appraisal and investment period. A decisive indication of progress would be the disclosure of tested well productivity and commercially recoverable resource estimates from the newly awarded blocks. Subsequent development plans should establish how these resources can be connected to processing and transportation systems, and whether the expected selling prices support attractive operating margins. The latest awards strengthen Essar's position within India's unconventional gas sector, particularly around Raniganj. The commercial value of the expansion will become clearer when exploration results establish recoverable volumes and when the company demonstrates that new wells can increase sustainable gas production at economically competitive costs. Key takeaways on Essar Oil & Gas's five new coal-bed methane blocks Essar Oil & Gas secured five coal-bed methane blocks in India. The awards add approximately 1,281 square kilometres of exploration acreage. The blocks are located across West Bengal, Madhya Pradesh and Telangana. Estimated gas-in-place resources total approximately 6.6 trillion cubic feet. Two new blocks expand Essar's existing Raniganj position. Raniganj acreage increases from approximately 500 to 830 square kilometres. Current Raniganj production is approximately 950,000 standard cubic metres per day. Essar has invested more than 6,000 crore in its existing coal-bed methane development. The 6.6 trillion cubic feet figure is not a confirmed commercially recoverable reserve estimate. Exploration drilling and development economics will determine the new acreage's production contribution. Galilee Energy, Essar to collaborate on unconventional hydrocarbon assets July 12, 2023 In "Energy Industry News" Find Suppliers OALP round 4 results : ONGC wins all seven oil and gas blocks January 9, 2020 In "Energy Industry News" Adani Transmission to acquire Mahan-Sipat transmission project from Essar June 4, 2022 In "Energy Industry News"