

Refiners don't see supply risk even as US targets Russian oil

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India's oil refiners do not see any risk to well-diversified crude supplies after US President Donald Trump imposed a penalty on the country for buying Russian crude, in addition to a 25% tariff, according to two people in the know.

An immediate diversion of Russian crude is not expected, given that shrinking discounts have brought down purchases, the people said on the condition of anonymity. The Union petroleum ministry is confident that supplies would not be an issue for India as its import basket is diversified with 40 countries exporting oil to the country, they said.

"Currently, the government and the oil refiners are in a wait-and-watch mode. There is a hope that the bilateral trade talks would conclude on a favourable note and the high tariff may come down," said an official with a state-run refiner. "As of now, there is no decision to stop Russian oil imports and



Moscow is under sanctions for its invasion of Ukraine. REUTERS

no such directive has been given by the government."

The US president on Wednesday imposed 25% tariffs on Indian exports to the world's largest economy, starting 1 August. The decision came even as the two countries are negotiating a bilateral trade deal. In addition, Trump announced an unspecified penalty for buying Russian crude and defence equipment.

Russia remained India's top crude supplier during the first half of 2025, with shipments averaging 1.67 million barrels

per day (bpd), marginally higher from 1.66 million bpd a year earlier. West Asian countries including Iraq, Saudi Arabia, Kuwait and the UAE together supply about 45-50% of India's total oil imports.

Queries emailed to the Union ministry of petroleum and natural gas, Indian Oil Corp., Bharat Petroleum Corp., Hindustan Petroleum Corp., Reliance Industries Ltd and Nayara Industries remained unanswered till press time.

Russian oil comprises 7% of the global oil consumption.

Cutting off Russian oil from the international market would be a significant increase in international oil prices, said Prashant Vasisht, senior vice president and co-group head, corporate ratings, at Icra Ltd.

He said a \$10 a barrel rise in crude prices would increase India's oil import bill by about \$13-14 billion. India imported crude worth \$137 billion in FY25. Imports are expected to rise on higher demand.

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