

India draws up contingency plans as Gulf tensions spike

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Hormuz last week.

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

Madan Sabnavis, chief economist at Bank of Baroda, said a conflict in West Asia could impact supplies, raise prices, and affect India's current account deficit. "As long as prices are in the range of \$70-80 per barrel, it should not be a major concern for India as most supplies are based on forward contracts. But as prices near the \$80-per-barrel mark and eventually cross that level, it would raise concerns. Further, a war-like situation would also lift freight rates and thereby increase the landed cost of oil," Sabnavis said.

The second person cited earlier said India is also making efforts to replenish its strategic petroleum reserves or SPRs, which currently store about 10 days of inventory. These strategic reserves combined with the oil stored in the storage facilities of the oil marketing companies account for nearly 75 days of stock.

Alongside, the country is also expanding its network of



Iran is prepared to shut down the Strait of Hormuz. AFP

oil suppliers as it faces US strictures on oil imports from Russia, which had become its biggest oil supplier in recent years. Imports from Russia have shrunk from a high of 2 million barrels per day in August 2025 after sanctions were imposed on Rosneft and LUKOIL, two of Russia's largest oil suppliers.

The US has also claimed that India has committed to halt Russian oil imports in the interim trade deal framework between the two countries. Although India has not announced any plan to stop energy imports from Russia, supplies have significantly declined of late.

Mint reported earlier that in February, Saudi Arabia has

emerged as the top supplier of oil to India at 1.13 million barrels of oil per day (mbpd) supplied as of 10 February, compared to 1.09 million bpd by Russia.

A public sector refiner said, requesting anonymity, that the efforts to source oil from newer geographies including Africa and Latin America—even in smaller quantities—would go a long way in ensuring continuous availability of energy.

Experts said diversification to other sources including Brazil, Colombia, Nigeria and Guyana is necessary as the supplies through the pipelines—of Adnoc and Saudi Aramco—would not be able to make up for the overall imports of India through the Strait of Hormuz.

"The pipelines may account for a fraction of the total volumes which pass through the strait," said Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icra Ltd. "The Strait of Hormuz is key to the global energy market as it supplies about 20% of the world's petroleum liquid consumption." Vasisht noted that an upheaval in West Asia is likely to have a greater impact on the oil market than what was witnessed post reports of India curtailing Russian oil imports.

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