

# RIL, Nayara in US tariff crosshairs on exposure to Russia, Venezuela

S DINAKAR

Amritsar, 4 April

Marquee Indian energy companies led by Reliance Industries (RIL) and Russian Rosneft-run Nayara Energy are exposed to the tariff policies of American President Donald Trump because of their purchase of discounted crude oil from Russia and Venezuela and sizeable export revenues from fuel sales to the United States (US).

Trump on April 2 announced a 10 per cent across-the-board tariff on imports from all nations, and in addition imposed reciprocal tariffs on countries that run huge trade surpluses with the US. For India, the import tax was 26 per cent, half the 52 per cent that the US said was the average tariff charged by India on US products. Neighbouring China got 34 per cent, and, after including the existing 20 per cent, it totals 54 per cent.

RIL and Nayara may get a reprieve for now, thanks to lobbying by the American Petroleum Association, which left out energy from the tariff list. Crude oil, refined products, and gas imports have been exempted from reciprocal tariffs because Trump wants to protect domestic pump prices, said Singapore-based energy expert Vandana Hari, offering a lifeline to India's exports of petroleum products worth \$5 billion — around 7 per cent of India's exports to the US. Hari expects the exemption on energy products to continue.

The tariffs appear to contain exemptions for energy, but the scope of that remained unclear till late Wednesday, said UK-based Energy Intelligence. The White House has worded it exemption "for energy and critical minerals that are not available in the US". Analysts said technically speaking petrol and diesel were produced in the US. The White House has not given an official clarification. "Since India does not export electricity or significant energy commodities like coal, oil, or gas to the US, the direct impact of these tariffs on its energy sector is negligible," said Sambitosh Mohapatra, leader, ESG/Climate & Energy, PwC India.

## Reliance exposure

RIL has typically reported gross refining margins much higher than benchmark

Singapore levels or those of state refiners because of the advanced configuration of its Jamnagar refinery, which produces 1.36 million barrels per day and which has the ability to blend and process dirty, acidic oil from Venezuela or Canada. It is also able to export fuels profitably from its plant to Europe and the US by processing discounted oil like Russian Urals.

India exports mainly gasoline, gasoline blends, and jet fuel to the US. RIL made up 91 per cent of the shipments of 67,000 bpd (barrels per day) of fuel exports to the US in

2024, the ship-tracking data showed. Nayara's share was around 5 per cent. This year RIL accounted for 91 per cent of the 23,000 bpd in exports and state-oil firms made up the rest, the Kpler data showed.

But RIL might be slowly losing both its export and sourcing advantages from Trump's tariff policies. Trump imposed a 25 per cent

secondary tariff on countries importing Venezuelan oil from Thursday, and threatened 25-50 per cent on countries importing Russian crude oil if Moscow did not advance peace talks in Ukraine. "If implemented, the likes of India, China, Hungary, Slovakia and other countries in continental Europe might just end up with a stark choice between the convenience and cheapness of Russian oil or access to American markets," said London-based broker PVM. Reliance did not comment on the tariff issue.

RIL imported Russian oil of a record of 600,000 bpd in March, and that was 32 per cent of India's Russian oil imports and 48 per cent of the oil Jamnagar processed last year; and Nayara accounted for 15 per cent of Russian oil imports, according to the data from market intelligence agency Kpler. RIL's Russian sourcing surged after it grabbed a 500,000 bpd term-contract deal from Rosneft for 2025.

The impact of heavily discounted dirty Venezuelan oil on RIL is marginal — last year RIL made up 84 per cent, or 59,000 bpd, of the 70,000 bpd India imported from Venezuela, a fraction of the 334,000 bpd it imported in 2015 and 212,000 bpd in 2019, before Washington's sanctions came into force. Nayara used to source Venezuelan oil prior to the sanctions.

**India may run a \$36 bn trade surplus with the US but incurs a trade deficit in energy, according to the Indian government data. It imports more oil and gas from the US than it exports in the form of petrol, jet fuel, or diesel**

# Oil slips to 4-year low on Opec supply hit

Crude prices, already under pressure from Trump's tariffs and an anticipated increase in Opec+ production in May, plummeted by 8 per cent on Friday, heading towards their lowest close since the peak of the Covid-19 pandemic in 2021. China announced it will impose additional tariffs of 34 per cent on all US goods from April 10. Nations around the world have readied retaliation after Trump raised tariff barriers to their highest in more than a century, leading to a plunge in world

financial markets. Brent futures dived \$5.55, or 7.9 per cent, to \$64.59 a barrel by 10:39

am. ET (14:39 GMT). US West Texas Intermediate crude futures lost \$5.87, or 8.8 per cent, to

\$61.04.

**REUTERS**



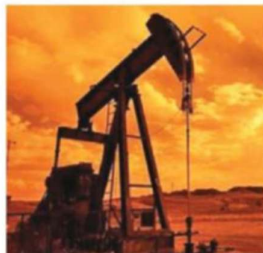


# India may have to raise oil, gas imports from US

RAKESH KUMAR @ New Delhi

THE Donald Trump administration's 27% tariff on India is unlikely to impact oil and gas imports, as these commodities are exempt from the tariffs.

However, India may have to raise its oil and gas imports from the US to balance trade. As per industry analysts, India, in a bid to reduce its trade deficit with the US, will have to increase its purchases of oil and gas from the country. A higher volume of oil and gas imports from the US could result in a reduction in imports from Russia, which has been India's largest supplier for over two years. India recorded a trade surplus (difference between exports and imports) of \$35.32 bil-



lion in goods with the US in 2023-24. To bridge the trade gap, increasing oil and gas imports from the US will be crucial.

"Oil companies would buy oil based on overall economics, but India can increase its oil and gas imports from the US. Especially gas is very competitive as

## Oil imports from US rises to 244,000 bpd in March

India's crude imports from the US reached 244,000 bpd in March, up from 146,000 bpd in February.

India imports 85% of crude from across world, with the US ranking among its top 5 suppliers. Following the Russia-Ukraine war, India raised crude purchases from Russia, leading to a fall in US imports

natural gas (LNG) to India.

India imports 85% of its crude from all over the world, with the US consistently ranking among its top five suppliers. Following the Russia-Ukraine war, India increased its crude purchases from Russia, leading to a fall in imports from the US. Last week, Trump warned of additional tariffs of 25% to 50% on countries buying Russian oil. As per Vortexa data, US crude imports into India rose by 67% in March as against February. At the same time, imports from Russia grew by 11% despite sanctions imposed in January.

India's crude imports from the US reached 244,000 barrels per day (bpd) in March, up from 146,000 bpd in February.

of now from the US," said Prashant Vasisht, senior VP and co-group head of ICRA.

In February 2025, a joint statement by Prime Minister Narendra Modi and Trump emphasised making the US a leading supplier of crude oil, petroleum products, and liquefied

# Falling oil gives room for fuel price cut

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**New Delhi:** Oil prices on Friday hit their lowest since the middle of 2021 as China's return fire against US president Donald Trump's reciprocal tariff rippled across markets, giving the Centre an opportunity to partly cushion the impact by letting state-run fuel retailers reduce pump rates.

Benchmark Brent slipped \$5.6 a barrel or 7.9%, to \$64.6 after hitting \$64.2 intraday. US WTI crude lost \$5.9, or 8.8%, to \$61 after touching \$60.8 a barrel, Reuters reported.

Thursday's decision by Opec+ grouping to hasten

plans to pump up volumes, even as clouds of a trade war and recession started gathering after Trump's April 2 tariff move, exacerbated oil's woes. Goldman Sachs became the latest investment bank to lower forecast for Brent this year by 5.5% to \$69 a barrel citing those fears.

The projection gives a window to cut fuel prices, which will help reduce the inflationary impact of US tariffs on India. Oil minister Hardeep Puri last week agreed expectations of a fuel price cut were "reasonable". "I can tell you seriously if the audience asks when will fuel pri-

**Crude price slipped nearly 8% to \$65 on Friday, lowest since the middle of 2021**

ces come down further, I would say if this trend (low oil prices) continues, there is reasonable expectation (of a fuel price cut)," Puri had said.

Cheaper fuel will lower energy costs for the economy and allow household budgets some breather. Since India meets 85% of its oil requirement through imports, subdued prices will bring down import bill and current account deficit. This will lend support

to the rupee and headroom for social spending to continue.

Oil prices have been declining after April last year, except for brief rallies in June and Sept 2024. But, fuel prices have remained frozen since they were last cut by Rs 2 per litre on March 14, 2024, just ahead of the Lok Sabha polls.

Before that, prices had remained frozen since May 22, 2022 when the Centre reduced excise duty for the second time after Nov 4, 2021. The two reductions together had brought down the excise duty on petrol and diesel by a total of Rs 13 and Rs 16 per litre, respectively.



# Boardroom gaps: PSUs' governance under lens

**KHUSHBOO TIWARI**  
Mumbai, 4 April

Stock exchanges' levy of penalties, ranging from ₹3 lakh to ₹12 lakh, on public-sector undertakings (PSUs) for lapses in board composition for the 2024-25 October-December quarter has brought forth issues of governance.

Last month, 16 PSUs requested bourses to waive these penalties, arguing that these lapses were neither due to negligence nor within their control, as the appointment of directors is managed by the government.

The violations include failing to meet the minimum requirements for independent directors and women directors on their boards. Additional alleged shortcomings include issues with the quorum of board meetings and the composition of key committees, such as the audit committee, nomination and remuneration committee, and stakeholders relationship committee.

While such lapses are not new, the latest round of penalties has once again put the limelight on corporate governance standards at listed PSUs.

Under the Securities and Exchange Board of India (Sebi) regulations, listed companies, including PSUs, must ensure that at least one-third of their board comprises independent directors to maintain impartiality. The rules also mandate the appointment of at least one woman director.

With many such vacancies persisting for extended



**Violations include failing to meet the minimum requirements for independent directors and women directors on boards**

periods, regulatory experts have urged a stronger focus on governance within PSUs.

They have highlighted that PSUs struggle to separate ownership, which is often with the government, from management. "Continuous interference and disproportionate influence being exerted on the functioning of the board will disincentivise and demotivate the board and reduce board members to rubber stamps," said M Damodaran, chairperson of Excellence Enablers, adding that a board with the right members can be trusted to act in the interest of all shareholders.

Addressing PSU governance concerns at a recent board meeting, Sebi Chairman Tuhin Kanta Pandey emphasised, "We urge the relevant government departments, and through them the PSUs, to comply with these norms and

appoint the required independent directors. I am hopeful for improvement."

A July 2024 report by Stakeholders Empowerment Services, which analysed 200 listed companies on environmental, social, and governance parameters, revealed that all 20 firms failing to comply with norms on independent directors and board composition were PSUs.

Sucharita Basu, founding and managing partner of Aquilaw, attributed this non-compliance to "bureaucratic delays and government control over director appointments".

She noted, "While Sebi regulations and the Companies Act provide clear legal provisions, enforcement remains inconsistent." To strengthen governance, Basu recommended fixed timelines for appointments, ensuring true independence of directors, and stricter penalties for violations.

Another report by Institutional Investor Advisory Services (IIAS) in March 2024, analysing BSE 100 companies, said that all seven non-compliant firms on regulatory requirements for board independence were PSUs, including a bank.

"The government had an objective when it sold these firms, which was broader than fundraising. It included getting the right processes and governance structures. They are failing in this. If the PSUs don't get it right, why should the regulators expect the private sector to behave differently?" said Amit Tandon, founder and managing director of IIAS.



# रिलायंस और नायरा एनर्जी को फिलहाल राहत

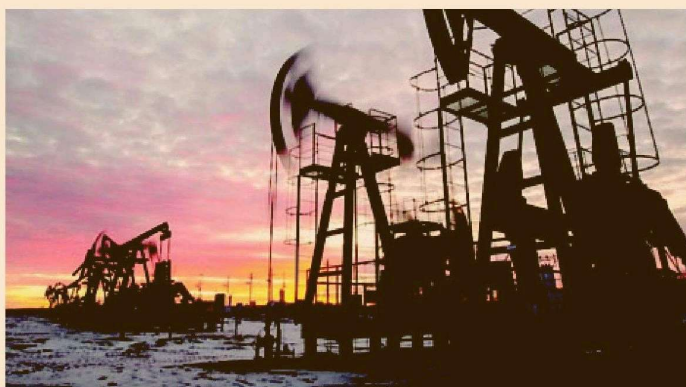
एस दिनकर  
अमृतसर, 4 अप्रैल

रिलायंस इंडस्ट्रीज और रूसी कंपनी रोसनेफ्ट द्वारा संचालित नायरा एनर्जी के नेतृत्व वाली प्रमुख भारतीय ऊर्जा कंपनियां अमेरिकी राष्ट्रपति डॉनल्ड ट्रंप की टैरिफ नीतियों के प्रति बेहद संवेदनशील हैं, क्योंकि वे रूस और वेनेजुएला से रियायती कच्चे तेल की खरीद पर निर्भर हैं और अमेरिकी बाजार में तेल की बिक्री से उन्हें बड़ा निर्यात राजस्व हासिल होता है।

ट्रंप ने कल सभी देशों से आयात पर 10 फीसदी टैरिफ लगाने की घोषणा की। इसके अलावा उन देशों पर भी यह शुल्क लगाया जिनका अमेरिका के साथ भारी व्यापार अधिशेष है। भारत पर 26 प्रतिशत आयात कर लगाया गया जो ट्रंप प्रशासन के अनुसार अमेरिकी उत्पादों पर भारत के औसत आयात शुल्क 52 प्रतिशत का आधा है। पड़ोसी देश चीन पर 34 फीसदी जवाबी शुल्क लगाया गया और मौजूदा 20 प्रतिशत को शामिल करने से यह कुल 54 प्रतिशत हो गया।

रिलायंस और नायरा को फिलहाल राहत मिली है, जिसका श्रेय अमेरिकी पेट्रोलियम एसोसिएशन की कोशिशों को जाता है, जिसने ऊर्जा को आयात शुल्क सूची से बाहर रखवाया।

सिंगापुर स्थित ऊर्जा विश्लेषक वंदना हरि ने कहा कि अमेरिकी कच्चे तेल, परिष्कृत उत्पादों और गैस आयात को जवाबी शुल्क से छूट दी गई है क्योंकि ट्रंप घरेलू पेट्रोल कीमतों को सुरक्षित बनाना चाहते हैं जो भारत के 5



रिलायंस और नायरा को मिली इस फौरी राहत का श्रेय अमेरिकी पेट्रोलियम एसोसिएशन की कोशिशों को जाता है, जिसने ऊर्जा को आयात शुल्क सूची से बाहर रखवाया है

अरब डॉलर मूल्य के पेट्रोलियम उत्पादों के निर्यात (अमेरिका को भारत के कुल निर्यात का करीब 7 फीसदी) के लिए सकारात्मक है। हरि ने कहा कि उनका मानना है कि ऊर्जा उत्पादों पर छूट बरकरार रहेगी।

## रिलायंस का निवेश

रिलायंस ने आमतौर पर बेंचमार्क सिंगापुर या सरकारी रिफाइनरियों की तुलना में ज्यादा सकल रिफाइनिंग मार्जिन दर्ज किया है। उसकी जामनगर रिफाइनरी की क्षमता 13.6 लाख बैरल प्रतिदिन है और उसकी संरचना आधुनिक है। इससे उसके पास वेनेजुएला या कनाडा के एसिडिक या डर्टी कच्चे तेल को संसाधित करने की क्षमता है। इसके अलावा

वह रूसी यूराल जैसे रियायती कच्चे तेलों का प्रसंस्करण करके अपने संयंत्र से यूरोप और अमेरिका को ईंधन निर्यात करने में सक्षम थी।

भारत अमेरिका को मुख्य रूप से पेट्रोल, पेट्रोल मिश्रण और जेट ईंधन का निर्यात करता है। शिप ट्रैकिंग डेटा से पता चला है कि 2024 में अमेरिका को 67,000 बीपीडी ईंधन निर्यात की शिपमेंट में रिलायंस का हिस्सा 91 प्रतिशत था। नायरा का हिस्सा लगभग 5 प्रतिशत था। इस साल रिलायंस की भागीदारी 23,000 बीपीडी निर्यात में 91 प्रतिशत थी जबकि बाकी हिस्सा सरकारी तेल कंपनियों का था।

लेकिन रिलायंस ट्रंप की टैरिफ नीतियों के कारण धीरे-धीरे अपने निर्यात और सोर्सिंग लाभ, दोनों को गंवा रही है। ट्रंप ने कल

वेनेजुएला से आयात करने वाले देशों पर 25 फीसदी का सेकंडरी टैरिफ लगाया और रूसी कच्चा तेल आयात करने वाले देशों पर 25-50 फीसदी टैरिफ की धमकी (अगर रूस ने यूक्रेन के साथ शांति वार्ता को जल्द आगे नहीं बढ़ाया तो) दी।

## भारत का व्यापार घाटा

सरकार के आंकड़ों के अनुसार भारत का भले ही अमेरिका के साथ 36 अरब डॉलर का व्यापार अधिशेष हो लेकिन ऊर्जा व्यापार में उसे व्यापार घाटा होता है। भारत अमेरिका को पेट्रोल, जेट ईंधन या डीजल के रूप में जितना निर्यात करता है, उससे कहीं ज्यादा तेल और गैस का आयात करता है।

सीमा शुल्क आंकड़ों पर आधारित बिजनेस स्टैंडर्ड की गणना के अनुसार अमेरिका के साथ तेल और गैस व्यापार में भारत का व्यापार घाटा लगभग 7.5 अरब डॉलर है। अगर इसमें अन्य ऊर्जा आयातों जैसे पेट्रोलियम कोक (सीमेंट इकाइयों, बिजली संयंत्रों और उद्योगों में ईंधन के रूप में उपयोग किया जाने वाला कार्बन पदार्थ) और कोयला शामिल किया जाए, तो अमेरिका के साथ ऊर्जा व्यापार घाटा लगभग 12-13 अरब डॉलर है। सीमा शुल्क आंकड़ों के अनुसार भारतीय कंपनियों ने 4.4 अरब डॉलर मूल्य के 51 लाख टन ईंधन का निर्यात किया। लेकिन अमेरिका से 78.6 लाख टन कच्चा तेल और 1.37 करोड़ टन पेट्रोलियम उत्पादों का आयात हुआ जिनका मूल्य क्रमशः 5.4 अरब डॉलर और 3.9 अरब डॉलर था।