

India-Russia Energy Ties Face Scrutiny Amid U.S. Sanctions Push

India's deepening energy relationship with Russia is drawing increasing attention from Washington, following the introduction of the Sanctioning Russia Act of 2025 by U.S. Senator Lindsey Graham. The proposed legislation seeks to penalize countries importing Russian-origin fossil fuels by imposing steep tariffs on their exports to the United States. Senator Graham, a senior Republican and close ally of former President Trump, has explicitly urged India and China to reduce economic engagement with Moscow, framing continued trade as support for Russia's war in Ukraine.

In May 2025, India emerged as the second-largest buyer of Russian fossil fuels, importing an estimated €4.2 billion worth 72% of which was crude oil. These purchases have played a key role in maintaining India's energy security and stabilizing domestic prices amid volatile global markets. As Western sanctions have constrained supplies from countries like Iran and Venezuela, Russian oil has offered India a reliable and cost-effective alternative.

The proposed U.S. bill includes a 180-day waiver provision, which can be granted at the discretion of the President if deemed in the national security interest. While this offers a temporary diplomatic off-ramp, the broader intent of the legislation is clear: to increase pressure on Moscow by restricting its access to international markets and reducing the flow of funds fueling the war in Ukraine.

For India, the potential fallout is significant. Analysts, including Prashant Vashisht of ICRA, warn that removing Russian oil from the global market could trigger a price surge, particularly given the current fragility in global supply chains. Rising tensions in West Asia further compound the risks, making diversification of energy sources both complex and costly.

New Delhi has so far maintained a careful diplomatic posture, emphasizing the importance of strategic autonomy and the need to protect its economic interests. Indian officials have underscored that their decisions are guided by national priorities rather than alignment with any geopolitical bloc. Meanwhile, Russia continues to offer favorable terms to retain India as a key energy partner.

As the legislation moves through the U.S. Senate, the pressure on India is likely to intensify. The outcome will test India's ability to navigate a challenging geopolitical environment balancing its long-standing ties with Russia against a deepening strategic relationship with the United States. The decisions made in the coming months will have lasting implications for India's foreign policy and its role in a rapidly shifting global order.