

## **This is part of India's efforts to diversify its sources of crude oil**

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Minister of Petroleum and Natural Gas & Steel Shri Dharmendra Pradhan met Mr. Igor Sechin, Chairman of the Management Board and CEO, Rosneft and Former Deputy Prime Minister of the Russian Federation today in New Delhi. This visit is aimed at furthering discussions between Rosneft and Indian oil & gas companies. This visit also follows the visit of Hon'ble Prime Minister of India Shri Narendra Modi to Vladivostok as the Chief Guest at the Eastern Economic Forum, and the 20th Annual Bilateral Summit between Prime Minister Modi and President of Russia H.E. Mr. Vladimir Putin.

It may be recalled that India and Russia issued a Joint Statement on Cooperation in Hydrocarbon Sector for 2019-24 during the visit of Hon'ble Prime Minister of India to Russia earlier this month.

During the meeting of Minister Pradhan with CEO, Rosneft, a detailed review of the ongoing cooperation between Indian oil & gas PSUs with Rosneft was undertaken. The developments in energy markets, including global crude oil supplies, in the light of the recent attacks on Saudi Aramco's facilities, was also discussed. In this context, a special focus was on increase of crude oil supplies from Russia to Indian refineries.

The ongoing joint projects in Russia between Indian oil & gas PSUs and Rosneft were also reviewed, specifically Sakhalin-1, Taas-Yuryakhand Vankor fields. In the presence of Minister Pradhan, the Indian Consortium of four oil & gas PSUs (BPRL, IOCL, OVL and OIL) and Rosneft today exchanged a non-binding cooperation agreement, reiterating their interest in participation of the Indian companies in the Eastern Cluster project of Russia.

Another area of discussion was the plan of the consortium of foreign investors, including Rosneft, for the further development of Nayara Energy. The consortium is reviewing an option of a two-fold increase of the refining throughput at the Vadinar Refinery. The first stage consortium commits to investment of USD 850 million towards the building of a petrochemical unit in Vadinar within two years. The consortium is also

planning to expand Nayara Energy's retail presence, which currently has over 5300 retail outlets across the country.

CEO, Rosneft indicated the company's readiness to intensify their cooperation, aimed at the strengthening of energy security in India and in supplying of high-quality feedstock and crude oil to India. Shri Pradhan indicated that further consultations on taxation matters need to be undertaken with Ministry of Finance.

Minister Pradhan recalled that Rosneft is the most important partner of Indian oil & gas companies, with mutually beneficial investment relations both in India and Russia. He welcomed the initiative of Rosneft to increase their investments at their Vadinar refinery, and also assured of support from the Government in facilitating their investments. He also welcomed the ongoing discussions between Indian OMCs and Rosneft to finalize a term-contract for supply of Russian crude oil to India, and mentioned that this is part of India's efforts to diversify its sources of crude oil.

The meeting focussed on bilateral energy cooperation and the establishment of an efficient energy bridge based on the vertical integration concept. This includes participation of the Indian and Russian oil & gas companies in production projects, and investments in refining as well as the joint operations on the global and regional markets.

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