



## Appointment

**Sanjay Kumar takes over as MD, IGL**

Sanjay Kumar has taken over as Managing Director of Indraprastha Gas Ltd. (IGL), the largest CNG distribution company of the country, operating

city gas distribution (CGD) networks across 30 districts in four states including NCT of Delhi. Kumar, a Mechanical Engineer from IIT Kharagpur and an MBA, brings to IGL a rich domain experience of over 34 years in gas sector during his tenure in GAIL (India) Ltd. This cross-functional experience since 1988, when he joined GAIL (India) Ltd., has enabled him to gain deep insight of gas and LNG value chain. Before joining the current assignment, Kumar was responsible for overseeing and growing GAIL's gas marketing and transmission business.

**ONGC PROJECT IN RUSSIA**

# Two State Refiners to buy Sakhalin-1 Oil

## Oil's Well Now

**ONGC failed to find buyers in a previous tender two weeks ago**

**ONGC's Russian oil unlikely to face shipping, insurance hurdle: Sources**

**Refiners have been buying Russian oil from traders on a delivered basis**

**Russian oil selling at a \$30 discount to dated Brent**



PSUs are likely to pay in rupees for 1.4 m barrels

**Sanjeev.Choudhary**  
@timesgroup.com

**New Delhi:** Two Indian state-run refiners have won the contract to buy 1.4 million barrels of Russian oil from ONGC's Sakhalin-1 project, according to people familiar with the matter.

ONGC Videsh, overseas arm of the state-run explorer, has a 20% stake in the Sakhalin-1 project in Si-

beria and is responsible for sale of its share of oil from the project. The company didn't receive any bid for its tender to sell 700,000 barrels of oil from Sakhalin-1 two weeks ago.

In a fresh tender last week, ONGC Videsh received multiple bids, according to the people cited above.

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## May Loading

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The companies that bid include Indian Oil, Bharat Petroleum, Hindustan Petroleum and Mangalore Refinery, said the people cited earlier. Two state-run refiners won the bid to buy 700,000 barrels each from ONGC Videsh for May loading, they said. It's not yet clear which companies have won the bids.

Refiners are likely to pay ONGC Videsh in rupees for the oil purchased, they said. Indian refiners have been picking up Russian oil cargoes from various international commodity traders in the past few weeks but do not foresee any payment problems as the energy trade does not face western sanctions. The traders are non-Russian entities.

All recent purchase deals are on a delivered basis, leaving sellers with the responsibility of arranging shipping and insurance for their cargoes. Financiers and insurers have been reluctant to back Russian oil cargoes, fearing the effects of US-led sanctions.

ONGC Videsh's oil from Sakhalin is unlikely to face any shipping or insurance hurdle as

it's the equity oil of an Indian company, said a person familiar with the matter.

### AT A DISCOUNT

There has been talk about creating an alternative mechanism that bypasses the SWIFT framework and dollars to pay for trade between Russia and India. Junior oil minister Rameswar Teli, however, told Parliament on Monday that there is no proposal under consideration from Russia or any other country for the purchase of crude oil in rupees.

State-run GAIL, the country's largest natural gas marketer, is continuing to pay in dollars for the liquefied natural gas (LNG) it imports from Russia's Gazprom, a company executive has said.

Russian oil has traditionally comprised barely 1-2% of Indian refiners' annual crude diet. Its availability at a deep discount at a time when oil prices are going through the roof has made it attractive to Indian refiners.

Russian oil is available at a discount of about \$30 to dated Brent, the international benchmark, which helps offset the expensive freight. It takes about three weeks for Russian cargo to reach India, compared with a week from the Gulf.