

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:308  
ANSWERED ON:01.03.2007  
UTILISATION OF ROYALTY AMOUNT  
Vasava Shri Mansukhbhai D.

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) the rationale for providing royalty to oil and gas producing States;
- (b) whether the purpose for which the royalty is given, is not being fulfilled by State Governments;
- (c) if so, whether the Government proposes to make provisions for using the money of royalty for development of the places due to which royalty is given;
- (d) if so, the details thereof; and
- (e) the time by which the final decision is likely to be taken in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

- (a) As per the terms of Oilfields (Regulation & Development) Act 1948 and Petroleum & Natural Gas Rules 1959 as amended from time to time, royalty is payable to respective State Governments for the oil & gas production in the States.
- (b) The purpose has not been specified in Oilfields (Regulation and Development) Act, 1948.
- (c) Utilization of royalty amount, so obtained, is the prerogative of concerned State Governments.
- (d) & (e) do not arise.