

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

UNSTARRED QUESTION NO:2353
ANSWERED ON:17.03.2005
ROYALTY RATE ON CRUDE OIL
Patel Shri Kishanbhai Vestabhai

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

- (a) when last royalty rate on crude oil was revised by the Government;
- (b) whether the State Government of Gujarat has requested the Union Government to increase the royalty rate;
- (c) if so, the details in this regard;
- (d) the amount on account of royalty given to the Government of Gujarat during each of the last three years and the amount pending with the Union Government in this regard; and
- (e) the steps taken by the Government for regular payment of royalty to the Government of Gujarat?

Answer

MINISTER OF PETROLEUM & NATRUAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c) : The Royalty rate on crude Oil was last revised vide Government Resolution dated the 17th March, 2003. The revised rates, applicable with effect from 1-4-1998, were decided after taking into account the request of stakeholders including the State Govt. of Gujarat. The State Government had proposed that the rate of royalty should be 40% of net back value or import parity price, whichever is higher.

(d) Royalty is payable to the State Government by the holders of the mining leases granted by the concerned Government. During the last three years, ONGC, as mining lease holder, have paid the following amounts of royalty in addition to Rs 175.91 crore paid towards arrears of royalty on crude oil produced from April, 1998 to March, 2002.:-

Year	Royalty paid- Rs in Crore
2001-02	577.61
2002-03	886.77
2003-04	859.09

Further, the contracting parties to the production sharing contracts have paid the following amounts of royalty :-

Year	Royalty paid- Rs in Lakh
2001-02	897.00
2002-03	4856.00
2003-04	4520.00

(e) The Petroleum & Natural Gas Rules contain adequate provisions to deal with cases of delayed/short payment of royalty. State Governments are competent to take requisite action.