



## **PRESS RELEASE**

**4<sup>th</sup> August, 2016  
New Delhi**

### **Payment of differential royalty to State of Assam by ONGC and OIL**

Public Sector Upstream Oil companies i.e. Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGCL) today made a payment to the Government of Assam, towards differential royalty on pre-discount price for the period from 01.02.14 to 31.03.16. The amount paid by OIL is Rs 1,149.24 crore and the amount paid by ONGC is Rs. 300.64 crore. The cheques were handed over by the CMDs of ONGC and OIL to the Hon'ble Chief Minister of Assam, Sri Sarbananda Sonowal, at New Delhi, in the presence of Sri Dharmendra Pradhan, Hon'ble Minister of State (I/C) for Petroleum and Natural Gas, Sri Rajen Gohain, Minister of State for Railways (Govt. of India), Sri Himanta Biswa Sarma, Hon'ble Finance Minister (Govt. of Assam), and Sri Keshab Mahanta, Minister of Water Resources, Science & Tech. and IT (Govt. of Assam), senior officials from Ministry of Petroleum and Natural Gas (MoP&NG) and ONGCL & OIL



*The handing over of Cheques by Mr. D.K Sarraf, CMD, ONGCL and Mr Utpal Bora, CMD, OIL to Sri Sarbananda Sonowal, Hon'ble Chief Minister of Assam, in the presence of Sri Dharmendra Pradhan, Minister of State (I/C) for Petroleum & Natural Gas (Govt. of India), Sri Rajen Gohain, Minister of State for Railways (Govt. of India), Sri Himanta Biswa Sarma, Hon'ble Finance Minister (Govt. of Assam), and Sri Keshab Mahanta, Minister of Water Resources, Science & Tech. and IT (Govt. of Assam), senior officials from Ministry of Petroleum and Natural Gas (MoP&NG) and ONGCL & OIL at New Delhi on 04.08.2016.*

As per statutory provisions, royalty on production of crude oil in the state of Assam is paid by ONGC and OIL to Assam Government. Effective from 2008-09, the royalty to all State Governments including Assam was being paid on post-discount price of crude oil realized by ONGC and OIL from the Public Sector Oil Marketing Companies (OMCs). In view of the litigation arising out of the loss of royalty to State Governments due the discounts being provided by the ONGC and OIL to public sector OMCs and interim decision of the Supreme Court dated 13.02.14, MoP&NG vide letter dated 15.07.16 has decided that ONGC and OIL will pay royalty to all crude oil producing states at pre-discount prices effective 01.02.14, pending the outcome of the SLA (Civil) No. 1596/2014 filed by ONGC Ltd. before the Hon'ble Supreme Court.

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