

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

UNSTARRED QUESTION NO:355

ANSWERED ON:02.12.2004

DEMAND OF ROYALTY BY RAJASTHAN GOVERNMENT ON OIL

Meghwal Shri Kailash

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

(a) Whether Rajasthan Government has demanded 20 percent royalty and 50 percent of the profit from the Central Government from the amount of Rs. 13.5 crore which was earned by the sale of the 1 lakh 11 thousand 400 barrel of oil extracted from Saraswati Rageshwari and Mangla oil Field of Sanchaur basin in Barmer to private refineries of Gujarat;

(b) If so, the details thereof and

(c) The action being taken by the Government in this regard?

**Answer**

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

(a) To (c): The Government of Rajasthan in July, 2004 has reported that Cairn Energy India Pty. Ltd. has deposited Rs. 2.70 Crore (20% of Rs.13.5 Crore) with the State Government pending a resolution on the applicability of royalty payment on ` waste oil from well tests`.

The demand by some State Governments (including Government of Rajasthan) to share 50% of the profit petroleum under Production Sharing Contracts (PSCs) with the relevant states has been referred to the 12th Finance Commission.