

Ensure due oil royalty: Gogoi to Reddy



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Assam chief minister Tarun Gogoi seeks protection of state royalty for oil citing huge loss of revenue. In a letter sent to petroleum minister Sudini Jaipal Reddy, Gogoi said Assam despite being a oil producer state a huge amount of revenue slips from its hands due to payment of crude extraction fee at discounted prices.

According to Gogoi, "Assam being a producer state should not be denied the benefits of its natural resources and made to compensate for the under-recoveries of the Central oil marketing PSUs." He asked the petroleum minister to pass appropriate orders so that the oil companies pay royalty to the state government on the well head price determined by the actual price of equivalent crude oil prevailing in the international market and not on the sale price.

Gogoi said that the loss of revenue is due to under-payment of oil royalty by ONGC and OIL.

CAG also has raised the issue which estimates the loss at Rs 525crore over a period of 11 months during 2008-2009.

The chief minister further demands the Centre's intervention to raise the effective royalty rate from the present 16.66% to 20% by modifying the present royalty calculation formula.

editor

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