

¹[THE SCHEDULE

(See section 6A)

RATES OF ROYALTY

1. CRUDE OIL:

(1) PRODUCTION FROM AREAS OUTSIDE NEW EXPLORATION LICENSING POLICY (NELP) REGIME

A. NOMINATION BLOCKS

(i) from 1.4.1993 to 31.3.1996: @ Rs. 539.20 Per Metric Tonne

(ii) from 1.4.1996 to 31.3.1998: @ Rs. 603.95 Per Metric Tonne

B. PRODUCTION FROM AREAS AWARDED ON NOMINATION BASIS TO NATIONAL OIL COMPANIES (NOCs), EXPLORATION BLOCKS AWARDED TO PRIVATE/ JOINT VENTURE CONTRACTORS PRIOR TO NEW EXPLORATION LICENSING POLICY (NELP) AND ONLAND DISCOVERED FIELDS AWARDED TO PRIVATE/JOINT VENTURE CONTRACTORS:

(i) from 1.4.1998 to 31.3.2002 : Monthly average rate per Metric Tonne as per Statement appended;

(ii) With effect from 1.4.2002:

(a) On land areas: @ 20% of Well Head Price

(b) Shallow water offshore areas (upto 400 Mtr water depth): @ 10% of Well Head Price

(c) Deep water offshore areas (> 400 Mtr. Water depth) : @ 5 % of well head price during first 7 years after commercial production and normal rates as applicable to Shallow water areas (upto 400 Mtr. Water depth) during other periods.

(d) Heavier Crude Oils of 25° API and less : 2.5% lesser than the applicable rates as above

(e) Reduced rates of royalty, as may be notified by the Government from time to time, will be levied on production from fields under Enhanced Oil Recovery (EOR)/ Improved Oil Recovery (IOR).

C. PRODUCTION FROM OFFSHORE DISCOVERED FIELDS AWARDED TO PRIVATE /JOINT VENTURE CONTRACTORS:

At the rates as specified in respective Production Sharing Contracts (PSCs)

(2) PRODUCTION FROM AREAS UNDER NELP REGIME:

At the rates determined in accordance with the provisions under respective Production Sharing Contracts (PSCs).

²[(3) Production from contracts awarded under Bid Round-1 of Discovered Small Field Policy, 2015:]

(a) ³[12.5 per cent of the value of crude oil receivable from the buyer in respect of production from on-shore contracts.

(b) 10 per cent of the value of crude oil receivable from the buyers in respect of production from deep water off-shore (>400 meters water depth) contracts for the first seven years after commercial production in the contract area and normal rates as applicable to shallow water (up to 400 meters water depth) contracts during remaining periods.]

1. Ins. by Act 39 of 1969, s. 4 (w.e.f. 1-1-1968).

2. Ins. by S.O. 173(E), dated 15. 01. 2016.

3. Ins. by S.O. 173(E), dated 15.01. 2016.

¹[(4) Production form contracts awarded under Bid Round-II of Discovered Small Field Policy and Hydrocarbon Exploration and Licensing Policy (HELP):

(a) for on-land blocks: 12.5%

(b) for shallow water : 7. 5%

(c) for deep water : no royalty shall be payable for the first seven years from the date of commercial production of crude oil from deep water and shall be payable at 5% thereafter.

(d) for ultra deep water: no royalty shall be payable for the first seven years from the date of commercial production of crude oil form ultra deep water and shall be payable at 2% thereafter.]

²[(5) Concessional rates of royalty in case of early commercial production from contract areas awarded under Hydrocarbon Exploration and Licensing Policy:

For contract areas awarded under Hydrocarbon Exploration and Licensing Policy in respect of bids invited on or after the coming into force of this paragraph, concessional rates of royalty shall apply if there is early commencement of commercial production as below:

(A) In case of on-hand blocks:

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 11.25%

(b) in Category—II Basins: 10%

(c) in Category—III Basins: 8.75%

(B) In case of shallow water blocks;

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 6.75%

(b) in Category—II Basins: 6%

(c) in Category—III Basins: 5.25%

(C) In case of deep water blocks;

If commercial production is commenced within five years from the effective date as specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

(a) in Category—I Basins: 4.5%

(b) in Category—II Basins: 4%

(c) in Category—II Basins: 3.5%

(D) In case of ultra deep water blocks:

If commercial production is commenced within five years from the effective date specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

(a) in Category—I Basins: 1.8%

1. Ins. by S.O. 367(E), dated 14.1.2019.

2. Ins. by S.O. 1597, dated 11.4.2019.

- (b) in Category—II Basins: 1.6%
- (c) in Category—III Basins:1.4%.]

2. CASING HEAD CONDENSATE:

(1) PRODUCTION FROM AREAS OUTSIDE NEW EXPLORATION LICENSING POLICY (NELP) REGIME

A. NOMINATION BLOCKS

- (i) from 1.4.1993 to 31.3.1996: @ Rs. 539.20 Per Metric Tonne
- (ii) from 1.4.1996 to 31.3.1998: @ Rs. 603.95 Per Metric Tonne

B. PRODUCTION FROM AREAS AWARDED ON NOMINATION BASIS TO NATIONAL OIL COMPANIES (NOCS), EXPLORATION BLOCKS AWARDED TO PRIVATE/ JOINT VENTURE (PRIVATE /JOINT VENTURE) CONTRACTORS PRIOR TO NELP AND ONLAND DISCOVERED FIELDS AWARDED TO PRIVATE/JOINT VENTURE CONTRACTORS:

- (i) from 1.4.1998 to 31.3.2002 : Monthly average rate per Metric Tonne as per Statement appended:
- (ii) With effect from 1.4.2002:
 - (a) On land areas: @ 20% of Well Head Price.
 - (b) Shallow water offshore areas (upto 400 Mtr water depth): @ 10% of Well Head Price.
 - (c) Deep water offshore areas (> 400 Mtr. Water depth): @ 5% of well head price during first 7 years after commercial production and normal rates as applicable to Shallow water areas (upto 400 Mtr. Water depth) during other periods.
 - (d) Reduced rates of royalty, as may be notified by the Government from time to time, will be levied on production from fields under Enhanced Oil Recovery (EOR)/ Improved Oil Recovery (IOR).

C. PRODUCTION FROM OFFSHORE DISCOVERED FIELDS AWARDED TO PRIVATE /JOINT VENTURE CONTRACTORS:

At the rates as specified in respective Production Sharing Contracts (PSCs).

(2) PRODUCTION FROM AREAS UNDER NELP REGIME:

\At the rates determined in accordance with the provisions under respective Production Sharing Contracts (PSCs).

¹[(3) Production from contracts awarded under Bid Round-II of Discovered Small Field Policy, 2015:]

- ²[(a) 12.5 per cent of the value of condensate receivable from the buyer in respect of production from on-shore contracts.
- (b) 10 per cent of the value of condensate receivable from the buyers in respect of production from off-shore shallow water (up to 400 meters water depth) contracts.
- (c) 5 per cent of the value of condensate receivable from the buyers in respect of production from deep water offshore (>400 meters water depth) contracts for the first seven years after commercial production in the contract area and normal rates as applicable to shallow water (up to 400 meters water depth) contracts during remaining periods.]

1. Ins. by S.O. 173 (E), dated 15.1.2016 and further substituted by S.O. 367(E), dated 14.1.2019.

2. Ins. by S.O. 173(E), dated 15.1.2016.

¹[(4) In respect of production from contracts awarded under Bid Round-II of Discovered Small Field Policy and Hydrocarbon Exploration and Licensing Policy (HELP) all the provisions of royalty on crude oil shall apply *mutatis mutandis* to condensates.”]

²[(5) In respect of early commencement of commercial production from contract areas awarded under Hydrocarbon Exploration and Licensing Policy in respect of bids invited on or after the coming into force of this paragraph, all the provisions of concessional rates of royalty applicable for crude oil shall apply *mutatis mutandis* to condensates.]

³[3. NATURAL GAS:

(1) 10% of the value of the natural gas obtained at well-head.

(2) Production of natural gas from contracts awarded under Bid Round-I of Discovered Small Field Policy, 2015:

(a) 10% of the value of natural gas receivable from the buyer in respect of production from on-shore contracts and off-shore shallow water (up to 400 meters water depth) contracts;

(b) 5% of the value of natural gas from the buyers in respect of production from deep water off-shore (>400 meters water depth) contracts for the first seven years after commercial production in the contract area and normal rates as applicable to shallow water (up to 400 meters water depth) contracts during remaining periods.

(3) Production from contracts awarded under Bid Round-II of Discovered Small Field Policy and Hydrocarbon Exploration and Licensing Policy (HELP):

(a) for on-land blocks: 10%

(b) for shallow water : 7.5%

(c) for deep water : no royalty shall be payable for the first seven years from the date of commercial production of crude oil from deep water and shall be payable at 5% thereafter.

(d) for ultra deep water: no royalty shall be payable for the first seven years from the date of commercial production of crude oil from ultra deep water and shall be payable at 2% thereafter.

⁴[(4) Concessional rates of royalty in case of early commercial production from contract areas awarded under Hydrocarbon Exploration and Licensing Policy:

For contract areas awarded under Hydrocarbon Exploration and Licensing Policy in respect of bids invited on or after the coming into force of this paragraph, concessional rates of royalty shall apply if there is early commencement of commercial production as below:

(A) In case of on-land blocks:

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 9%

(b) in Category—II Basins: 8%

(c) in Category—III Basins: 7%

(B) In case of shallow water blocks;

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 6.75%

1. Ins. by S.O. 367(E), dated 14.1.2019.

2. Ins. by S.O. 1597(E), dated 11.4.2019.

3. Subs. by S.O. 367(E), dated 14.1.2019.

4. Ins. by S.O. 1597(E), dated 11.4.2019.

- (b) in Category—II Basins: 6%
- (c) in Category—III Basins: 5.25%

(C) In case of deep water blocks;

If commercial production is commenced within five years from the effective date as specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

- (a) in Category—I Basins: 4.5%
- (b) in Category—II Basins: 4%
- (c) in Category—II Basins: 3.5%

(D) In case of ultra deep water blocks:

If commercial production is commenced within five years from the effective date specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

- (a) in Category—I Basins: 1.8%
- (b) in Category—II Basins: 1.6%
- (c) in Category—III Basins: 1.4%

(5) Additional production from existing Administered Price Mechanism field (APM Fields):

The additional production of gas from APM Fields over and above Business as Usual (BAU) scenario which has been evaluated by third party expert agency and approved by Directorate General of Hydrocarbons shall be eligible in rates of royalty by ten per cent of the existing applicable rates.]

¹[Note 1: ²[(1) The well head price of crude oil and casing head condensate for nominated blocks shall be determined by making the following deductions from the sale price of crude oil and casing head condensate:

(a) in case of Oil and Natural Gas Corporation Limited.

- i. three thousand nine hundred and fifty—five rupees per metric tonne for On share; and
- ii. two thousand two hundred and twenty—six rupees per metric tonne for Off shares.

(b) in case of Oil India Limited, two thousand eight hundred and twenty eight rupees per metric tonne.]

(2) The amounts specified in clause (1) shall be the post-well head cost which shall be valid for a period of three years with effect from ³[1st April, 2021] or such period till the revised rates are notified.

(3) Oil Industry Development Cess and Education Cess thereon shall not form part of post well head cost.

(4) Royalty will be calculated on cum-royalty basis as under:

$$\text{Royalty amount} = \frac{\text{Well head price} \times \text{royalty rate}}{(100 + \text{royalty rate}).]}$$

1. Subs. by GSR. 559(E), dated 20.8.2007.
 2. Subs. by S.O. 4382(E), dated 20.10.2021.
 3. *ibid.*,

Note 2: Since consultations with the concerned State Governments took some time, it has become necessary to revise the rate of royalty with retrospective effect. The oil producing States stand to benefit and other States are not likely to be adversely affected.

¹[**Note 3:** The post well head cost for the purpose of calculating well head price of crude oil or casing head condensate for cases other than nominated blocks of Oil and Natural Gas Corporation Limited or Oil India Limited and for natural gas in all cases other than Administered Price Mechanism gas of Oil and Natural Gas Corporation Limited or Oil India Limited shall be determined as under:

(1) Per unit rate of post well head cost, that is, per metric tonne or barrel for crude oil or casing head condensate and per Million Metric British Thermal Unit for natural gas shall be determined based on actual post well head expenditure reported in previous year's audited accounts.

(2) In case of production from a new field under the Production Sharing Contract, the post well head cost for the first year may be provisionally estimated by the lessee and duly certified by the Directorate General of Hydro -carbons and final adjustments shall be made within one hundred twenty days from the end of the first year, based on the audited accounts of the first year.

(3) Oil Industry Development Cess and Education Cess, Depreciation expense, Income Tax, surcharge thereon and profit petroleum shall not be allowed as expenditure under post well head cost.

(4) Full records shall be maintained and got audited by lessees or procedures to assess the actual post well head cost incurred in previous year.

²[(5) Royalty shall be computed on ex-royalty basis :

Provided that for crude oil produced from production sharing contracts signed with private or joint-venture contractors prior to New Exploration Licensing Policy, royalty shall be computed on cum-royalty basis.]

³**Note 4.** For the purposes of the concessional rates of royalty for crude oil, condensates and natural gas, the categorization of sedimentary basins of India shall be as under:

Category-I	Category-II	Category-III
1. Krishna-Godavari Basin	1. Suarashtra Basin	1. Kerala-Konkan Basin
2. Mumbai Offshore basin	2. Kutch Basin	2. Bengal-Purnea Basin`
3. Assam Shelf Basin	3. Vindhyan Basin	3. Ganga-Punjab Basin
4. Rajasthan Basin	4. Mahanadi Basin	4. Pranhita-Godavari Basin
5. Cauvery Basin	5. Andaman-Nicobar Basin	5. Satpura-South Rewa-Damodar Basin
6. Assam-Arakan Fold Belt		6. Himalayan Foreland
7. Cambay Basin		7. Chhattisgarh Basin
		8. Narmada Basin
		9. Spiti-Zankar Basin
		10. Deccan Syncline Basin
		11. Cuddapah Basin
		12. Karewa Basin
		13. Bhima-Kaladgi Basin
		14. Bastar Basin

1. Ins. by GSR.559(E), dated 20 August, 2007

2. Ins. by GSR 559(E), dated 20 August, 2007 and substituted by S.O. 615(E), dated 28 August, 2009.

3. Note 4 and Table ins. by S.O. 1597(E), dated 11 August, 2019.

STATEMENT OF MONTHLY AVERAGE RATES OF ROYALTY PAYABLE AS PER METRIC TONNE ON CRUDE OIL & CASING HEAD CONDENSATE AS MENTIONED AT 1 (1) (B) (i) ABOVE.

Details of Monthly Royalty Rates

Month	Royalty rates (Rs./MT)	Month	Royalty rates
Apr-98	411.31	Apr-00	1055.88
May-98	409.46	May-00	1037.69
Jun-98	414.09	Jun-00	915.75
Jul-98	431.35	Jul-00	1100.28
Aug-98	415.32	Aug-00	1165.03
Sep-98	450.01	Sep-00	1126.65
Oct-98	431.35	Oct-00	1180.45
Nov-98	483.15	Nov-00	1331.69
Dec-98	462.8	Dec-00	1279.89
Jan-99	406.53	Jan-01	1298.23
Feb-99	368.45	Feb-01	973.71
Mar-99	398.67	Mar-01	1009.02
Apr-99	374.77	Apr-01	1104.29
May-99	511.06	May-01	1040.62
Jun-99	569.64	Jun-01	1091.19
01 Jul to 14 JUL-99	569.64	Jul-01	1165.5
15 Jul to 31 JUL-99	580.74	Aug-01	1171.05
Aug-99	602.17	Sep-01	1066.21
Sep-99	706.54	Oct-01	1113.39
Oct-99	769.29	Nov-01	1106.76
Nov-99	858.7	Dec-01	904.03
Dec-99	846.99	Jan-02	808.29
Jan-00	942.11	Feb-02	815.29
Feb-00	958.91	Mar-01	815.77
Mar-00	965.39		