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GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM & NG

New Delhi 30th September, 1999

Shri. V. Balasubramanian
Group President
M/s. Reliance Industries Limited
Janpath, New Delhi
Fax No. 3714275

SUBJECT: APPLICABILITY OF "TT BUYING RATE" OR "TT SELLING RATE" FOR PAYMENT IN US\$ TO INDIAN COMPANIES PARTNERS OF JV CONSORTIUM IN PSC ENTERED WITH GOVERNMENT OF INDIA IN RESPECT OF CRUDE OIL AND GAS FROM PSC FIELDS.

Sir,

I am directed to refer to your letter No. DLH 293 (a) dated 8th June 1999 on the above subject and to say that the issue has been examined by this Ministry in consultation with the Ministry of Finance which in turn had held consultation with Reserve Bank of India. It is clarified that we are in agreement with the methodology being adopted by Indian Oil Corporation for the notional conversion of US\$ into Indian rupee on the basis of "TT buying rate" in respect of the resident companies to which payment is made only in rupees.

2. The clarification may kindly be noted for guidance and necessary action.

Yours faithfully

(K.C.Katoch)
Under Secretary to Govt. of India

Copy forwarded for information and necessary action to

1. Chairman, IOE, New Delhi

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