

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

UNSTARRED QUESTION NO:2871  
ANSWERED ON:15.03.2001  
OIL REFINERY AT PARADEEP  
BHARTRUHARI MAHTAB

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

- (a) whether the Government of Orissa is unwilling to provide sales tax moratorium for 7 years to oil refinery at Paradeep in Orissa;
- (b) if so, the details in this regard;
- (c) whether Indian Oil Corporation Limited is thinking of shifting the project to some other States; and
- (d) if so, the details with reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a)&(b): Government of Orissa had in December,1998/August,1999 approved exemption/deferment of sale tax on sale of products from the proposed Refinery at Paradeep in Orissa for a period of 11 years. Govt. of Orissa later in February, 2000 restricted sales tax incentive to only those industrial units which will start commercial production before 1.1.2002. Since Paradeep refinery's completion is scheduled in 2003, for competitiveness and viability of the project Government of Orissa has been requested to provide sales tax incentive to the proposed Paradeep refinery.

(c) No, Sir.

(d) Does not arise.