

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

UNSTARRED QUESTION NO:4331
ANSWERED ON:22.12.2005
ACQUISITION OF LAND FOR REFINERY IN PARADIP
Gamang Shri Giridhar

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

- (a) whether the land has been acquired for setting up the refinery in Paradip;
- (b) if so, the compensation paid to the land owners;
- (c) whether any agreement has been signed between Government of Orissa and Indian Oil Corporation Limited with regard to compensations, Sales Tax exemptions and other related matters; and
- (d) if so, the details thereof?

Answer

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

- (a) Indian Oil Corporation Limited (IOCL) has acquired 3,347 acre of land for Paradip Refinery Project.
- (b) IOCL has paid an amount of Rs.57.5 crore to the Orissa Industrial Infrastructure Development Corporation (IDCO), a Government of Orissa Enterprise, nominated for carrying out land acquisition work for the refinery project on behalf of IOCL. The above amount included Rs. 40.3 crore towards compensation to land owners.
- (c) & (d): An Memorandum of Undersigned (MoU) was signed between the Orissa Government and IOCL on 16.02.2004 for the implementation of the project based on fiscal incentives agreed to by the Orissa Government. Compensation to the land owners had already been finalized before signing the MoU. Salient features of the MoU include a package of incentives given by the Orissa Government, including the deferment of Sales Tax on products of the refinery for 11 years from the commencement of commercial production and exemption of Entry Tax on crude oil & construction materials.