GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

ORDER

WHEREAS, a Memorandum of Understanding (hereinafter stated as MoU) was signed on 16th February, 2004 between the Governor of Odisha (hereinafter referred to as the Government of Odisha) and Indian Oil Corporation Limited (hereinafter referred to as IOCL) for setting up of a 9 MMTPA crude oil grass root refinery at Abhayachandrapur, Paradeep, Dist. Jagatsinghpur;

AND WHEREAS, the IOCL has been issued with a notice dated 29.12.2016 as to why the fiscal incentive mentioned in Clause-1 of ARTICLE-II of the MoU relating to interest free loan equivalent to the Sales Tax payable to the State of Odisha on the finished products of Paradeep Refinery during first 11 (eleven) years from the commencement of the commercial production, should not be withdrawn in public interest;

AND WHEREAS, the IOCL submitted its written reply to the said show-cause notice on 17th January, 2017 and prayed for giving an opportunity of personal hearing to substantiate their stand;

AND WHEREAS, an opportunity of personal hearing was given to the IOCL on 09.02.2017;

AND WHEREAS, having gone through the written show-cause reply dated 17.01.2017 and the submissions made by the IOCL during personal hearing on 09.02.2017, the reply submitted by the IOCL in the matter is not found satisfactory;

NOW THEREFORE, the Government of Odisha hereby withdraw Clause-1 of ARTICLE-II of the MoU dated 16.02.2004 executed between the Government of Odisha and the IOCL so far as it relates to grant of interest free loan equivalent to the Sales Tax payable to the State of Odisha in the finished products of Paradeep Refinery during first 11 (eleven) years from the commencement of the commercial production, in public interest.

Principal Secretary to Government
Finance Department

[Signature]