

SC directs Essar Oil to pay Rs 5,198 cr tax dues

The Supreme Court on Thursday directed the Ruias-owned Essar Oil to pay dues of Rs 5,189 crore to Gujarat government towards its tax liability in eight quarterly instalments. The court also imposed an interest of 10 per cent on this amount from January, 2012.

While disposing of the company's plea against the Gujarat High Court order, a Bench led by Justice AK Patnaik said that the principal amount will have to be paid in eight quarterly instalments on reducing balance from January 2, 2013 and the interest will be chargeable on the reducing sum.

The interest on the principal amount, which initially stood as Rs 6,189 crore but the company paid Rs 1,000 crore to show its bonafide before the court, will be charged from January 17 this year when the apex court had dismissed Essar's challenge to the HC order.

Appearing for Essar, senior advocate Mukul Rohatgi, sought for a final resolution of the matter and conceded that the company was ready to pay the balance amount of Rs 5,189 crore in instalments. He, however, asked for a period of five years to make the payment.

Rohatgi added that instead of borrowing from banks, the company would prefer recouping money from its own resources.

(Indian Express)