

Supreme Court rejects Essar Oil's plea in tax case

Essar Energy Plc said the country's supreme court dismissed its unit Essar Oil's petition to review an earlier verdict that asked Essar Oil not to defer the payment of \$1.24 billion in sales tax.

London-listed Essar Energy said the decision would not have any new impact on the company's business.

Essar Oil, 87 percent owned by Essar Energy, had deferred \$1.24 billion under a tax benefit provided by the western state of Gujarat, where the company's Vadinar refinery is located.

On Jan. 17, the court ruled against Essar Energy, saying its India-listed business Essar Oil will no longer be able to defer payment of the sales tax.

A month later, Essar Oil filed a petition asking the court to review its judgement.

Essar Energy also said Essar Oil has already recognised the sales tax liability in its accounts for the quarter ended Dec. 31.

Shares of Essar Oil closed down 5 percent at 56.70 rupees on Wednesday on the National Stock Exchange.

(Economic Times)