
Essar Steel seeks refund of INR 366.74 crore from oil PSUs

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BS reported that Essar Steel has filed a fresh application in the Supreme Court seeking refund of around INR 366.74 crore paid to state-run oil companies in excess of the contracted price for regasified liquefied natural gas supplied to it.

Asking for the refund, Essar Steel has alleged that GAIL India, Indian Oil Corporation and Bharat Petroleum Corporation Ltd had arbitrarily and illegally increased the prices of RLNG charged from it under the existing long term contracts having a fixed price.

A bench headed by Justice Dalveer Bhandari has tagged the application with the main petitions filed by Essar Steel, Essar Power and Gujarat State Petroleum Corporation Ltd challenging a Gujarat High Court judgment which upheld the Union Government's notification facilitating pool pricing of RLNG.

The directive of March 6th 2007 under the purported policy decision would disturb the concluded contract by rewriting the terms between the parties, the application stated.

Questioning the impugned policy, Essar counsel Mahesh Agarwal said that the same had been framed only as short term stop gap arrangement to benefit one entity, i.e. Ratnagiri Gas & Power Ltd in Maharashtra.

The application stated that it submitted that the contractual prices have been increased with the sole purpose of subsidizing the price of RLNG for RGPL.

(Sourced from Business Standards)

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