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SIROHI, SIKAR UNITS SHUT DOWN

Binani Cements Seeks 3 Years to Pay Tax Dues

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JAIPUR

Binani Cements has sought 36 monthly installments to clear tax arrears of Rs 154.51 crore payable to the state's commercial tax department.

The cement manufacturer was forced to shut down manufacturing plants in Sirohi and Sikar districts following freezing of its bank accounts by the department last month.

It claims a monthly loss of Rs 50 crore due to closure of the plants and says its absence from the market has resulted in prices of cement shooting up.

A company statement on Thursday claimed that the company was unable to conduct any banking transactions and hence was not in a position to pay for basic raw material, rail freight, road transportation, excise duty, wages, taxes, duties and other levies.

Binani Cement Ltd president (corporate affairs) RS Joshi told a press conference that the company has requested the state government to be considerate as "the fate of over 3,000 employees and their families is at stake due to no production and sales at units in Pindwara (Sirohi) and NeemKaThana (Sikar)."

Joshi explained that the company is seeking a time-frame of three years for the repayment because of an "adverse financial situation" and "low solvency position". This idea is a "deferred liability mechanism" and has been derived from rule 26 (III) of the VAT Act, 2006, added Joshi.

A commercial taxes official, requesting anonymity, told ET that the company's



TAX OFFICIAL
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proposal is being looked into by an "assessing authority". "We have sought a report from the assessing authority, CTO of the Pali Special Circle, regarding Binani's proposal. The authority is looking into financial details of the company to understand if it can be given such a long time for repayment. If it does not have sufficient liquidity, we will take a call about what is to be done," the official said.