

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri A.K. Basu, Chairperson**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H. Jung, Member**

Petition No.31/2004

In the matter of

Grant of inter-state trading in electricity

And in the matter of

Global Energy Limited

..... **Applicant**

The following were present

1. Shri Sitesh Mukherjee, Advocate, GEL
2. Shri Viswanathan, GEL
3. Shri Harry Dhaul, GEL
4. Shri V. Suresh, GEL

**ORDER
(DATE OF HEARING : 25.4.2006)**

In compliance with the Commission's order dated 16.3.2006, two affidavits have been filed, one by Smt. Laxmi Dhaul and other by Shri Mikhail Dhaul, Directors of the applicant company. Shri Mikhail Dhaul in his affidavit has stated that the applicant who is engaged in the business of generation of electricity, had entered into a Power Purchase Agreement dated 2.1.1997 with Karnataka Power Transmission Corporation Limited (KPTCL), according to which KPTCL was to construct and maintain a 33 kV transmission line from the power plant to 33 kV bay at 110 kV sub-station at Mache, for which payment towards the entire cost of the transmission line had been made by the applicant to KPTCL. However, subsequently, the parties concerned arrived at an arrangement according to which, it was agreed that the applicant would execute the work of construction of the transmission line.

Accordingly, Shri Mikhail Dhaul as Director was involved in the construction of the transmission system, to be ultimately taken over by KPTCL. Shri Mikhail Dhaul has further stated that if for any unforeseen reasons, the transmission system in question is not taken over by KPTCL, the applicant shall cause such system be taken over by a third party and ensure that such system is not exploited commercially and is used only for the purpose of evacuating power from the generating station owned by the applicant. For proper appreciation of the deposition made in the affidavit of Shri Mikhail Dhaul, we feel it necessary to have on record a copy of the agreement dated 2.1.1997 signed between the parties as also subsequent arrangement decided between them. Accordingly, the applicant is directed to file the relevant documents. We further direct that notice be issued to KPTCL, the other party to the agreement, for the next date of hearing.

2. The applicant has placed on record a copy of the order dated 1.2.2006 in Criminal Appeal No.1493/2003 (Central Bureau of Investigation Vs Laxmi Dhaul) passed by the Hon'ble Supreme Court, allowing the Central Bureau of Investigation to proceed to investigate the case in relation with the respondent therein and upon completion thereof submit final form, and the court concerned will apply its mind and pass appropriate order thereupon. Further, the applicant has also placed on record a copy of the order dated 19.5.2005 in IA No.1/2005 in Criminal Petition No.1859/2005 of the Hon'ble High Court of Karnataka whereby the Hon'ble High Court stayed further proceedings before the Special Court Dharwad against Shri Harry Dhaul pending admission of the Criminal Petition. For proper adjudication of the application made by the applicant, we direct that the Secretariat of the Commission shall ascertain the latest status of the two cases from the Central Bureau of Investigation and place it

before the Commission at the next date of hearing. The copy of the status report when received from the Central Bureau of Investigation shall be furnished to the applicant in advance of the date of hearing.

3. The applicant, in the affidavit filed by Smt. Laxmi Dhaul has stated that a suit for damages for “alleged defamation” has been filed by one Shri S.R. Narayanan against Belgundi Cements Limited, Shri Harry Dhaul, Smt. Laxmi Dhaul and Smt. Indu Tendulkar which is pending before the Hon’ble Bombay High Court. At the hearing, a statement was made on behalf of the applicant that the applicant has also filed a suit for damages for defamation against certain officials of Central Bank of India, Mumbai. We direct that complete paper books of these two defamation cases be filed by the applicant on affidavit.

4. The applicant has responded to the suggestions/objections made by Government of Tripura on the public notice issued by the Commission of its proposal to grant licence to the applicant. We direct that a copy of the affidavit filed by the applicant be furnished to the Government of Tripura. A notice may also issue to the State Government for the next date of hearing.

5. The applicant has placed on record the balance sheet for the year 2004-05 along with the schedules. On perusal, it has been noticed that the balance sheet and the schedules do not match and there are certain discrepancies against Reserves & surplus and cash & bank balance. These discrepancies were brought to the notice of learned counsel for the applicant at the hearing. The applicant is directed to file a fresh audited balance sheet for the year 2004-05, duly reconciled.

6. In the affidavit filed by Smt. Laxmi Dhaul it has been stated that Belgundi Cements Limited has filed an appeal before AAIFR against the order dated 28.4.2003 made by BIFR, rejecting the reference filed by Belgundi Cements Limited, not on merits but on technical grounds. We direct that the complete paper books filed by Belgundi Cements Limited before BIFR and AAIFR be placed on record for perusal of the Commission.

7. The above information shall be filed by the applicant latest by 31.5.2006. List this application for further proceedings on 6.6.2006.

**Sd/-
(A.H.JUNG)
MEMBER**

**Sd/-
(BHANU BHUSHAN)
MEMBER**

**Sd/-
(ASHOK BASU)
CHAIRPERSON**

New Delhi dated the 25th April, 2006