
GMR Energy takes Ministry of Power, REC, PFC to court

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It is reported that GMR Energy a subsidiary of the GMR group has challenged in the Delhi High Court its disqualification from bidding for three power transmission projects worth INR 6,800 crore and sought a stay on the tendering process.

As per report GMR Energy has filed three petitions against the ministry of power and two PSUs Rural Electrification Corporation and Power Finance Corporation which had invited bids from the private sector to set up three transmission projects.

According to the petition, GMR Energy was disqualified on the ground that the formula for calculation of Internal Resource Generation one of the criteria for qualification was not correct.

In its petition filed through law firm Link Legal, GMR submitted before the court that it had sought an opinion from the Institute of Chartered Accountants on the issue.

The ICAI said the formula adopted by it for calculation of IRG is correct and acceptable, and in fact, compliant with well established accounting standards, GMR Energy submitted in the petition.

The company submitted that it was disqualified on a faulty criteria adopted for calculating the IRG and requested the court to stay the tendering process.

Admitting it, a division bench comprising Justice B D Ahmed and Justice Veena Birbal has issued notice to the Centre, REC and PFC directing them to file their replies.

(Sourced from Zeenws)

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