

Anil Ambani group produces pact copy in court

Part of the much talked about Memorandum of Understanding (MoU) between the Ambani brothers was placed in the Bombay High court Wednesday.

Ram Jethmalani, counsel for Anil Ambani's Reliance Natural Resources Ltd (RNRL), submitted the MoU along with an affidavit to the court.

To which Harish Salve, counsel for Mukesh Ambani's Reliance Industries Ltd (RIL), said he had a right to cross-examine the document.

The two counsels united in saying that the contents of the documents should not be made public.

RNRL is relying on this MoU in its case against RIL to settle the terms of supply of gas from the Krishna-Godavari basin off the Andhra Pradesh coast by RIL to RNRL's power projects.

The MoU records the arrangement between the two brothers as part of the demerger scheme and also notes what needs to be done in future.

The high court has adjourned the hearing of the case till Oct 15.

According to the Anil Ambani group, RIL had contracted to supply 12 million standard cubic metres of gas per day (MMSCMD) to the state-run National Thermal Power Corp (NTPC) at \$2.34 per unit, and it was agreed that if the gas was not supplied, it would be sold to RNRL.

RIL had also agreed to supply the next 28 MMSCMD of gas to his company for power and other projects, also at \$2.34 million British thermal units (mmbtu), for 17 years, the group said.

'In other words, the supply of gas to Reliance Natural was contracted at the prevailing market price - determined through rigorous process of international competitive bidding and on the same terms and conditions as the NTPC contract,' Anil Ambani had said recently.

The earlier interim order, in which the court restrained RIL from selling the gas or from entering into any contract with a third party, has lapsed. RIL was subsequently planning to start production from the basin.

The court had also restrained RIL from entering into contracts to sell the gas from this basin - known in official jargon as KG-D6 gas - with companies other than RNRL and the state-run National Thermal Power Corp (NTPC).

It had also asked the two sides to settle the dispute within four months, but they failed to reach an agreement within the stipulated timeframe.

RNRL has claimed at least half of the 80 million standard cubic metres of gas per day that is envisaged from the fields off the Andhra Pradesh coast - said to be the country's biggest source of hydrocarbons today.

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