

APPROACH & METHODOLOGY FOR ESTABLISHMENT OF TRADING ARRANGEMENTS

M/s JAIN ENERGY LTD, Raipur, having their registered office at 5th Floor, Premlata – 39, Shakespeare Sarani, KOLKATA - 700 017 are in the process of setting up a Steel Plant and Power Plant in Orissa. The company now intends to enter into trading of interstate power as has now been made possible due to the relevant provisions of Electricity Act 2003, and also looking to the present power scenario. There is a good scope of power transaction in the state as well as out side the state owing to the fact that tremendous industrial activities & power generation projects are in progress on account of conducive atmosphere. A good number of Large / Mega independent Power Producers (IPPs) / (CPPs) are coming up in various states, in near future to meet the shortfall of the power, hence scope of inter-state power trading is certainly very bright.

The promoters of JAIN ENERGY LTD, are very resourceful & financially quite sound. The core objective of the group is to be a dominant player in the Infrastructure industry that extends to Realty sector and consequential or obligatory involvement in hospitality and facility management. Initial thrust of the group was in road construction, which is still the major revenue earner of the group. In the road construction, contracts get mainly executed through Jain Infraprojects Limited [JIL]. In this segment JIL has positioned itself mainly in the state highways, PWD/CPWD road building, widening and maintenance.

The sponge iron unit under the banner of Jain Steel &Power Project [JSPL] is at Jharsaguda in the state of Orissa. The project is in two phases. Existing sponge Iron unit forms the first phase while the second phase envisages steel making and a billet plant followed by Rolling Mill. The project would generate 8MW of electric power from back steam pressure.

The company has planned to have four departments to carryout the trading business smoothly and in a professional manner. There are:

1. **Planning Department:** To visualise both short term & long-term requirements in the power deficit states, and plan for tie-ups with generators in surplus states and end-users in deficit states.

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2. **Contracting Department:** This department will, on inputs from planning department, approach and negotiates with the generators as well as with the end-users and finalize the PPA's.
3. **Operations Department:** Will arrange for open access by liaisoning with various State & Central statutory bodies, for the tied up generators and end-users; and then take care of the scheduling of the Power Transfer and keep all real time records and maintain the website.
4. **Commercial Department:** Will take care of all billings, invoicing and accounting.

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