



VARRSANA ISPAT LTD.

Approach and Methodology

We would like to introduce ourselves as the only fully integrated company for Power Transmission Infrastructure in India, capturing the backward and forward supply chain from captive power and steel, to state-of-the-art design and development of niche infrastructure products, to manufacture of highly engineered tower structure.

As on date our group has installed capacity of 36MW of thermal power plant, 46.1 MW of wind energy and 5.5 MW of bio mass with up gradation of the current capacities in the pipeline.

With the encouragement given to "Open Access" in the Electricity Act 2003, there is an added scope for sharing of surplus power available with State Power Utilities, IPPs and Captive Power producers. Further there is an increased awareness amongst major stakeholders to evaluate and identify models to improve efficiency, performance and cost reduction which has led to a higher thrust in evaluating power trading as an option to improve overall performance by utilizing surplus and increase revenue by identifying alternative buyers.

Trading, by nature, is understood to be a business that relies on three core aspects- information & networking, quick decision making and planning & forecasting. Trading also involves other critical aspects like financial management, solvency, etc but these are derivatives of the core aspects. Trading operations require real time monitoring of the system demand and supply and therefore, require people dedicated to such tasks. Trading organization and team needs to take quick decisions and therefore, requires appropriate structure, skills and systems. A trading team with the required skill sets and systems organized to facilitate decision-making is a competitive advantage that is difficult to replicate and therefore, longer lasting. The structure also needs to be flexible in order to respond to the changing trading market scenario. Therefore, it is critical to have a responsive and flexible structure for the trading desk. Trading is a multi-disciplinary function that requires skills from system operations, demand management, supply management as well as financial and project risk analysis. It needs to be manned with people who are or can be trained in such areas. As this will require continuous training and skill set enhancement, dedicating people to the trading desk is important.

As can be seen from above, trading is a function requires complex skill sets, involves significant financial and operational risk, needs strong networking skills and requires constant monitoring of the system as well as external factors.

The organization structure has accordingly been structured on the above parameters viewing the key departments of planning, trading organizations and commercial, finance & accounts and business development. All key personnel are already on the rolls of Varrsana Ispat, details of such are given in annexure 10.

For VARRSANA ISPAT LIMITED

Authorised Signatory

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Varrsana Ispat Limited is geared up to trade in power in the whole of India. We initially plan to target surplus power from Captive Power Plant and participate in Sale Purchase tenders of State Utilities. As our business increases we shall apply to the commission for a license of higher category.

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