Business Plan

JUBILANT INFRASTRUCTRE LIMITED

Multi Year Tariff (MYT) Control Period
(FY 2011-12 to FY 2015-16)

Business Plan of JIL for the MYT Control Period

Index

: List of Abbreviation

Sl. No.	Abbreviation	Expansion
1	CAPEX	Capital Expenditure
2	GERC	Gujarat Electricity Regulatory Commission
3	HT	High Tension
4	JIL	Jubilant Infrastructure Limited
5	kV	Kilo Volt
6	MUs	Million Units
7	MVA	Megavolt Ampere
8	MW	Mega Watt
9	MYT	Multi Year Tariff
10	SEZ	Special Economic Zone
11	T&D Loss	Transmission & Distribution Loss

Introduction

1.0 Company Profile

Jubilant Infrastructure Ltd is a company incorporated in 2008 under the provisions of the Companies Act, 1956 and wholly owned subsidiary company of Jubilant Life Science Ltd. a leading Integrated Pharma and Life science company with global presence having manufacturing g facilities in India in UP, Maharashtra, Karnataka, Gujarat and also in USA and Canada.

Jubilant Infrastructure Ltd is developing a sector specific SEZ for Chemicals at **Vilayat; Dist: Bharuch** over area of about 107 hectres. It has been notified by the Ministry of Commerce and Industry, Government of India vide Notification **No. SO 290 (E) Dtd 11th February 2008** as SEZ for chemicals.

The Ministry of Commerce and Industry, Government of India has approved JIL as a Co-developer to set up infrastructure in JIL vide letter ref No SO 290 (E) Dtd 11th February 2008.

Ministry of Commerce and Industry, Government of India issued notification dated 11-2-2008, applicable to all Special Economic Zones notified under sub-section (1) of section 4 of the Special Economic Zones Act, 2005, wherein Developer of a Special Economic Zone shall be deemed to be a licensee from the date of notification of such Special Economic Zone.

JIL by virtue of notification issued by Government of India obtained the status of Distribution Licensee vide Govt. of India notification dated 11-02-2008.

JIL by virtue of notification issued by Government of India obtained the status of Distribution Licensee vide Govt. of India notification dated 11th February 2008 and payment of Rs. 5.00 Lacs towards initial fee in accordance with the GERC (Fees & charges) Regulation, 2005 which was also endorsed by Hon'ble GERC vide order no GERC / Legal /SEZ/0123 dated 18/01/2011 for Distribution of Electricity in **JIL** SEZ area, **Vilayat**, Gujarat.

2.0 Approach Adopted for Developing Business Plan

Hon'ble Commission had earlier notified the GERC (Terms and Conditions, of Tariff) Regulations on 31st March, 2005 in exercise of powers conferred by Section 45 (2), 61 and 62 read with Section 181 of Electricity Act 2003. Further, the Hon'ble Commission has also notified the Multi Year Tariff Regulation as an appendix to GERC (Terms and Conditions of Tariff) Regulations 2005, in exercise of power conferred under clause (zd), (ze) and (zf) of Section 181 (2) read with section 61 and 62 of Electricity Act, 2003. However now both of these Regulation are superseded by latest MYT Regulations, 2011 and thus Business plan is proposed accordingly.

Here it is considered necessary to point out the fact that the SEZ is in a nascent stage and that the Global and Domestic financial scenario at the time of conceiving and commencing the execution of this SEZ Project and the same as actually appearing today as well as future prospects are different and therefore necessary caution is exercised. This has reflected in its pace of development and the growth projections.

Moreover, looking to a few consumers and a few consumers getting added in future, only single part Tariff, as at present, is proposed to be continued during the MYT Control Period with a request for approving the same by Hon. Commission.

Accordingly the projections are moderate and may change in the time to come.

3.0 Structure of the Business Plan

Since **JIL** is looking after various infrastructural activities , distribution of electricity is also part of it , here the business plan contains the matter related to electricity business only.

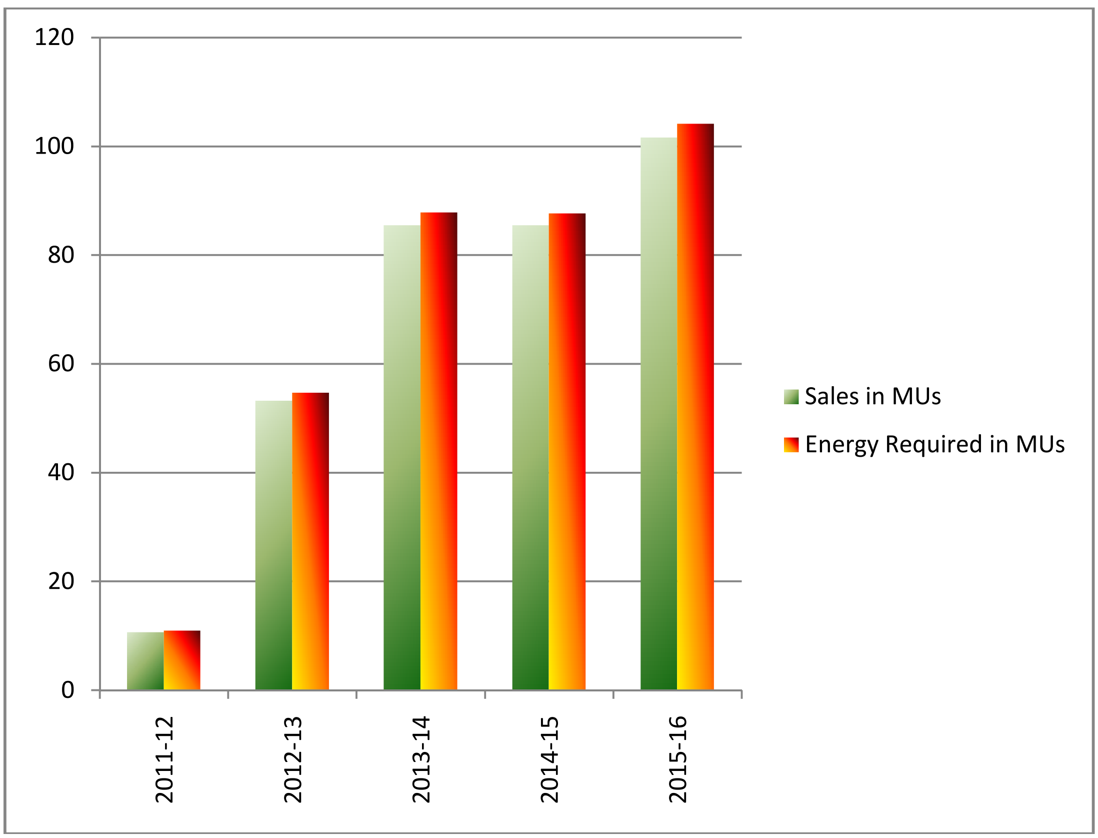
The business plan for the distribution business of JIL for the Multi Year Tariff (MYT) 2nd Control Period (FY 2011-12 to FY 2015-16) covers the following aspects:

- Energy sales projections;
- Load growth details;
- Power procurement plan from short-term and long-term sources;
- Capital expenditure and Financing Plan;
- Tariff Structure

4.0 Energy Sales Projections:

The energy sales forecast for the MYT Control Period is developed based on the inputs received from the existing and future consumers and likely developments in the SEZ area as per the best estimates. The sales forecast for the MYT Control Period for the supply area which contains a sale in MUs , Losses , Energy required , in the table below :

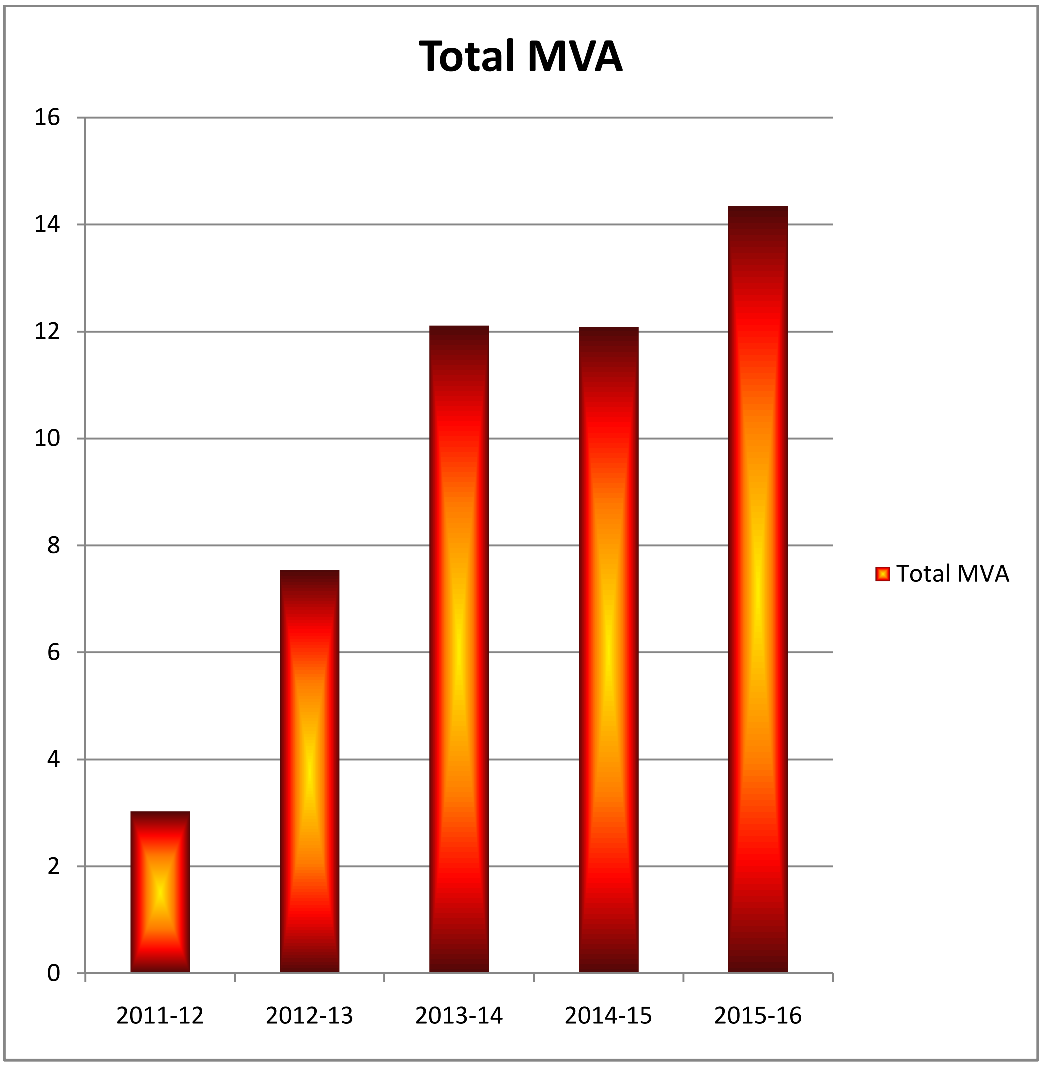
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Sales in MUs	10.69	53.22	85.48	85.48	101.61
Loss in MUs	0.32	1.49	2.39	2.22	2.54
Energy Required in MUs	**11.01**	**54.71**	**87.87**	**87.70**	**104.15**



Above is based on existing data as well as present low growth rate as JIL is in budding stage.

The probable load growth Detail is planned out as under :

Demand in MW	2011-12	2012-13	2013-14	2014-15	201516
HT category JIL Infra.					
Total MVA	**3.03**	**7.54**	**12.11**	**12.08**	**14.35**



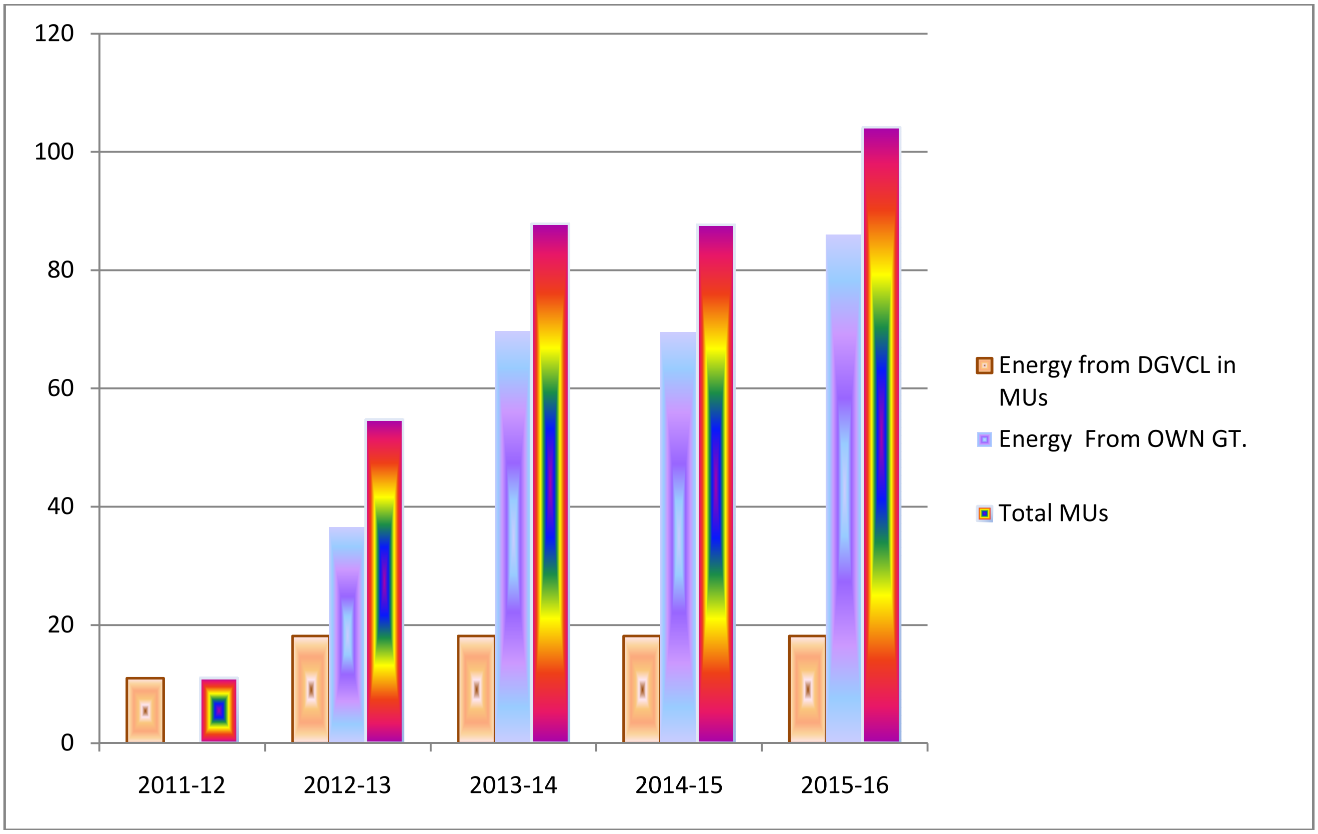
5.0 Power Procurement Plan From Short-Term And Long-Term Sources;

The required power at present is made available from Dakshin Gujarat Vij Company Limited received as HT consumer of DGVCL but it is limited to present Contract Demand only. For additional power requirement from DGVCL, JIL being a Deemed Licensee for the SEZ area, now it would not be obligatory on the part of DGVCL to cater to the growing demand. Therefore we have envisaged operating our own Gas Turbine Generators of **4.95 MW, 4.8 MW and 5.0 MW** capacity to meet phase wise future energy requirement.

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Energy from DGVCL in MUs	**11.01**	**18.14**	**18.14**	**18.14**	**18.14**
Energy From OWN GTs.	**0.00**	**36.57**	**69.73**	**69.56**	**86.00**
Total MUs	**11.01**	**54.71**	**87.87**	**87.70**	**104.15**

Here it would be pertinent to point out that consequent upon the ever increasing spot gas prices with poor availability of Gas under the APM (Administered Price mechanism), the cost of power generation and consequently the Tariffs are showing conspicuous rising trend. However, we are hopeful that in future, gas prices may come down to a rational/affordable level and during the truing up process, the tariffs would be readjusted accordingly.

Moreover, JIL also putting up all sincere efforts to explore the feasibility of procuring power at a reasonable cost from other sources as may be available from time to time.


120
100
80
60
40
20
0
2011-12
2012-13
2013-14
2014-15
2015-16
Energy from DGVCL in MUs
Energy From OWN GT.
Total MUs

6.0 Capital Expenditure Plan for JIL

The Capital Expenditure would be the key aspect of the distribution plan of TEL-D.The quality and reliable supply would have an impact on the progress and development of the JILSEZ area. Keeping this in mind, JIL has planned to establish the state of the art distribution network for ensuring reliable and quality power to the consumers in the JIL. The network is proposed to be developed with underground cables up to 11 kV. The year wise Capital Expenditure proposed by JIL is as follows:

	TABLE 16: CAPEX Roll Out Plan :				**(Rs in Lacs)**	
	Description	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
A	**EHV (220 kV & 66kV)**					
	EHV Transmission line	536				
	EHV Transmission cable					
	EHV Substation		250			
	Land Cost		25			
	Civil Cost		13			
	Total	**536**	**288**			
B	**HT (33kV & 11kV) & NETWORK**					
	33kV HT cable Network					
	11kV HT cable Network	923	80	80		100
	33/11kV HT Substation					
	Land Cost					
	Civil Cost					
	Total					
C	**Others**					
	Turbine	3100				900
	Automation & SCADA					
	Testing and Measuring Equipment					
	Meters & AMR					
	IT					
	Miscellaneous					
	Buildings & other civil work					
	Total	**4,559**	**368**	**80**		**1,000**

7.0 Financing Plan :

The entire capital expenditure incurred by **JIL** has been funded through its own resources i.e. through equity infusion and through consumer contributions.

JIL has considered the debt-equity in 70:30 ratio indicated by National Tariff Policy excluding the Service Line Contribution (SLC) which will be received from the consumers at actual.

In case of **JIL**, with the exception of capital expenditure undertaken through consumers contribution, balance of the investment in project till date has been made through equity contribution and hence, the normative loan has been computed as 70 % of Opening balance of Gross Fixed Assets (Net of Consumer Contribution).

Based on the normative debt estimated as specified in preceding para, the interest liability is calculated at 10.50 %.

More details regarding the business, Customers existing and projected, Tariffs etc. are furnished under the Petition.