

SRI SAI KRISHNA HYDRO ENERGIES PRIVATE LIMITED

Regd. Off: Plot No. 226, Road No. 78, Phase - III, Jubilee Hills,

Hyderabad-500 033

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
M/s SRI SAI KRISHNA HYDRO ENERGIES PRIVATE LIMITED HELD
AT 11.00 A.M. 14TH DAY OF JANUARY, 2005 AT THE REGISTERED
OFFICE OF THE COMPANY.

DIRECTORS PRESENT:

Sarvashri	1.	M. Keshav Reddy	Chairman.
	2.	K. Raghuveer	Director.
	3.	Sri M. Jayanth Reddy	Director

The Chairman, being the required quorum present, commenced the proceedings of the Meeting.

1. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING:

The Minutes of the Previous Board Meeting held on 20th December, 2004 were read, confirmed and signed by the chairman as correct record.

2. REVIEW OF THE PROGRESS OF THE COMPANY:

The Chairman apprised the Board about progress made by Company since last meeting.

3. DEVELOPMENT OF THE PROJECT UNDER KYOTO MECHANISM:

The Chairman of the meeting updated the Board of Directors regarding the progress made in obtaining statutory clearances for setting up of the projects (2x5 MW Luni-II & Luni-III) at Kangra, Himachal Pradesh.

The Chairman also brought to the notice of all the Directors present in the meeting, about the GHG emissions causing global warming and also about CDM. The proposed projects are hydro-electric projects, which contribute to the mitigation of GHG emissions and thus help to avert the global climate change. Many


CHAIRMAN

hydel projects are considering the benefits under the above scheme, for sustainable operation.

The projects experience certain difficulties due to the following factors:

- Lack of sufficient infrastructure during construction due to remote location of the projects.
- Prone to occurrence of earthquakes, land slides and flash floods.
- Risk associated in the project operations with the non-availability of reliable hydrological data.

All this translates into risks with respect to possible cost over-runs and hence possible delays in plant commissioning and additional flow of revenue.

In the view of the above difficulties expected to face by the projects, the Chairman expressed his intention of developing the projects under Clean Development Mechanism (CDM). A project which achieves emission reductions (CERs) is eligible to be registered with the CDM Executive Board and hence generates additional revenue by the sale of CERs. This additional revenue would increase the financial viability of the projects.

So, the Chairman at the meeting proposed to develop the projects under Kyoto mechanism and to register it as a Clean Development Mechanism (CDM) activity. After detailed discussion, the Board unanimously decided to develop the project under Clean Development Mechanism to mitigate the uncertainties to some extent with respect to lack of sufficient infrastructure and requested the Director to explore the possibilities for the same by appointing a Consultant well versed in this field to take up the issue for further processes and thereafter the following resolution was passed:

"RESOLVED THAT the projects of the company be and is hereby developed under Kyoto mechanism and to register it as a Clean Development Mechanism (CDM) activity."

"RESOLVED FURTHER THAT Sri M. Keshav Reddy, Director of the Company, be and is hereby authorised to appoint suitable consultants for the above purpose and also authorised to take necessary steps to give effect to the above resolution."



CHAIRMAN

4. VOTE OF THANKS:

There being no other business to transact, the meeting concluded with a vote thanks to the Chair.

Date:



Chairman.

//CERTIFIED TRUE COPY//

Per Sri Sai Krishna Hydro Energies Pvt. Ltd.



Director