



**EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS OF M/S. SHYAM DRI LTD. HELD ON 15TH DAY OF JANUARY
2004 AT THE REGISTERED OFFICE OF THE COMPANY AT 11:00 A.M.**

The Chairman informed the Board that to meet the captive power requirement, the Company intends to set up a 60 MW Power Plant at their proposed Sponge Iron Plant in phased manner at Village: Pandloi & Nishanbanga P.O. Lapanga/Rengali, Sambalpur District, Orissa State.

Members of the Board discussed the proposal for setting up power plant. The Board was appraised that the Coal Mines are in proximity to plant site and thus availability of coal is at competitive prices which makes coal based power plant most suitable. Board was also appraised that during production of Sponge Iron there will be substantial generation of Char/Dolochar, which on burning in specially designed boilers can generate substantial heat which can be utilized for steam generation for power generation.

During further discussion Chairman informed to the Board that during manufacturing of planned sponge iron capacity (first phase) waste flue gases generated can be utilized in specially designed waste heat recovery boilers to generate steam capable to generate about 18 to 20 MW electricity.

The Chairman also informed the power generation from this route is fluctuating as the same is subjected to operation of Sponge Iron Kilns, which has frequent, interruption due to several reasons and thus the Cost of Generation from WHRB may be Higher.

The Chairman also informed the power generation from this route is eligible for CDM benefit under Kyoto Protocol by getting the registration of the project as CDM project with UNFCCC.

The Board discussed the CDM benefits and the revenue to be earned by the company by sale of carbon benefits under the Kyoto Protocol, and concluded that these may most likely compensate the additional expenses involved in setting up and operating the waste heat recovery based Power Plant. Thus in view of availability of CDM benefits, the Company decided to go for setting up of 18 to 20 MW WHRB power plant along with Coal based FBB based Power plant.

After evaluation of the possible CDM benefits Board approved the proposal for setting up 18 to 20 MW WHRB based Power Plant on CDM benefit and passed the following resolutions:

SHYAM DRI POWER LIMITED



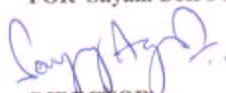
"RESOLVED THAT Shri Sanjay Agrawal, Director, of the company be and is hereby authorized to explore the availability of CDM benefits and get necessary approvals and sanctions at the earliest from various State and Central Government departments and international agency such as State Pollution Control Board, Electricity Board and UNFCCC-CDM Board etc."

"RESOLVED FURTHER THAT the proposal for setting up of 15 to 20 MW WHRB power plant (as a CDM Project) along with Coal based FBB Power plant is hereby approved."

"RESOLVED FURTHER THAT Shri Sanjay Agrawal, Director of the Company be and is hereby authorised to do all such things and to take all such actions as may be required in this connection."

"RESOLVED FURTHER THAT Shri Sanjay Agrawal, Director of the Company be and is hereby authorised to appoint a competent consultant for the purpose of the availing CDM benefits."

**CERTIFIED TRUE COPY,
FOR Shyam DRI Power Ltd.**


DIRECTOR

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