



SMC POWER GENERATION LIMITED

E-13/29, HARSHA BHAWAN, 2ND FLOOR, MIDDLE CIRCLE, CONNAUGHT PLACE, NEW DELHI-110 001
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EXTRACT OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF M/S. SMC POWER GENERATION LIMITED HELD ON THE 18TH MAY, 2003 AT THE REGISTERED OFFICE OF THE COMPANY AT 11.00 A.M.

The Chairman informed the Board that the Company intends to set up a 33 MW Power Plant at their proposed Sponge Iron Plant at Village : Hirma, Dist. : Jharsuguda, State : Orissa.

The Board of Directors desired to put up Captive Power Plant to generate 33 MW Power, based on the Char, Dolochar and Coal as fuel as this route was considered as financially most viable. The Board was also informed that Sponge Iron Kilns existing and proposed will generate Waste Heat which could be used to generate steam capable to generate power up to 16 MW. However, the generation of power from waste heat is subjected to the operation of Sponge Iron Kiln, which has frequent interruption due to the several reasons, thus the cost of generation from WHRB may be higher.

The Chairman informed the Board about the Kyoto Protocol and its Clean Development Mechanism (CDM).

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 the availability of CDM benefits, the company decided to go for setting up of 16 MW (8 MW + 8 MW) WHRB power plant along with 17 MW Coal based FBB based power plant.


After evaluation of the possible CDM benefits Board approved the proposal for setting up 16 MW WHRB based power plant as a CDM benefit and passed the following resolutions :

"RESOLVED THAT Shri M.C. Aggarwal, Chairman & Managing Director or Shri Sandeep Aggarwal, Director of the Company be and is hereby authorized severally 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 UNFCC -CDM Board, etc.

RESOLVED FURTHER THAT the proposal for setting up of 16 MW (8MW + 8MW) WHRB power plant (as a CDM Project) along with 17 MW Coal based FBB power plant is hereby approved.

RESOLVED FURTHER THAT Shri M.C. Aggarwal, Chairman & Managing Director or Shri Sandeep Aggarwal, Director of the Company be and is hereby authorized severally to do all such things and to take all such actions as may be required in this connection."

For : SMC Power Generation Ltd.


Mool Chand Aggarwal
Chairman & Managing Director