



B H O R U K A P O W E R C O R P O R A T I O N L T D

EXTRACT OF THE MINUTES OF THE MANAGEMENT COMMITTEE MEETING HELD ON
SEPTEMBER 15, 2003 AT THE CORPORATE OFFICE OF THE COMPANY AT 48, LAVELLE
ROAD, BANGALORE .

INVESTMENT IN 9 MW NERIA HYDRO PROJECT ON NETRAVATHI RIVIER

Bhoruka Power Corporation Limited (BPCL) has been in the business of power generation since the year 1992. Power generation is being achieved through non-conventional energy sources and the focused sector chosen by the company is small hydro projects (up to a capacity of 25 MWs).

A proposal has submitted to the committee for invest in one more hydro project on the Netravati River. The project capacity could be around 9 MWs. As hydro is the focused sector for the Company, investment in a small hydro project is an appropriate investment option. The committee made a observation that river Netravati passes through a thick forest and there is always the problem of trash in the high flood season. This problem may affect some times the head and the power generation inspite of taking precautions. Further there is the problem of high investment in a small project due to lack of advantages of scale and also uncertainty of discharges.

Due to all the above problems it is possible that the project may yield lower return than envisaged. In this context the committee has decided to consider income from carbon credits while making investment in the 9 MW small hydro project on Netravati river, which may bring additional revenue to mitigate some of the above hard ships and also make the project certainly viable for implementation.

The committee has further decided to appoint a suitable consultant to develop the necessary documentation for registration of the project under Kyoto Protocol.


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