



OSWAL COTTON MILLS LTD.

Nahar

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TRUE COPY OF THE ABSTRACT / RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN ITS MEETING HELD ON 11TH JANUARY, 2001

The Chairman informed the board that technical team of the company has made a study and recommended the management to set up a Rice Husk based Co-generation plant at the unit of the company. He requested Mr. A.P.Singh, Chief Engineer to explain the matter to the Board.

Mr.A.P.Singh, Chief Engineer placed before the board the papers pertaining to proposed Rice Husk based Co-generation plant to be set up at Oswal Cotton Mills Ltd., Village Jalalpur, Lalru, Punjab. He further explained that in the company the current scenario is to use low pressure FO fired boilers (12 TPH) for meeting the steam requirement of the plant and power supply from PSEB Grid to meet the electricity requirement of the plant. It is therefore proposed to set up a Rice Husk based Co-generation plant for meeting the steam and captive power requirement of the manufacturing unit.

Mr. S.S. Aich, General Manager explained various technical and maintenance problems envisaged after implementation of Rice Husk based Co-generation plant.

Mr. A.P.Singh informed that under Kyoto protocol some developed countries have agreed to financially support such environment friendly projects being set up in developing countries, which reduce Green House Gases (GHG) emission. The saving on account of GHG emission reduction is converted into carbon credits. The proposed project envisages GHG emission reduction by implementing Rice Husk based co-generation system replacing power supplied by fossil fuel dominated grid and Furnace oil based boilers. Hence this project may be eligible for carbon credits and revenues generated through sale of these would offset the technical and maintenance risks associated with the proposed project and make the project quite viable.

Mr. A.P.Singh also informed that he has already apprised Sh. Kamal Oswal, Director of the company about the possibility of getting carbon revenues by implementing the project through internal memo dated 3.11.2000. The matter was discussed and thereafter the following resolution was passed:-

"RESOLVED THAT the consent of the Board be and is hereby accorded for setting up of a Rice Husk based Co-generation plant at Oswal Cotton Mills Limited, Village Jalalpur, Lalru, Punjab. "

Certified to be true copy
For OSWAL COTTON MILLS LIMITED

Director