

Dated: 23rd September 2002

To
The Board of Directors
Nalwa Sponge Iron Limited
Taraimal, Raigarh- 496001

Through: Director Technical



Sub: Approval for Waste Heat Recovery Power plant and associated CDM Benefits.

Sir

It has been observed that the power can be generated from waste heat of DRI Kilns. But there are lots of problems associated with it, like production loss due to tube failure in waste heat recovery boilers. When Gas quantity from DRI comes in lower volume and generation becomes lesser. Super heater tubes gets starved and over heating occurs and tube fails. Economizer tube at the time of start gets acidic condensation from gas thus corrosion takes place and tube fails prematurely.

Put up of this waste heat recovery based power plant will be eligible for carbon credits under the Kyoto protocol. These carbon credits would help to compensate the expenses and loss of production which might occur due to Waste heat recovery boilers tube failure.

Hence we are requesting you to approve the Waste heat recovery power plant taking CDM benefit into consideration.

Thanking you

Putting up for your Kind approval.

Thanking You

With Regards



A.K. Das
Manager Power Plants