

**MINUTES OF MEETING**

**Members present:**

1. Shri M.L. Pareek
2. Shri R.A. Goel
3. Shri Sandeep Bansal

Minutes of the meeting held on 01.11.2004 at our Pitam Pura Office, regarding New Steel Plant at Jharsuguda (Orissa).

**1. SPONGE IRON PLANT:**

Shri M.L. Pareek suggested that the company should go for Kiln of 350 TPD capacity. The reputed suppliers of the Plants are :

- A. M/s. Beekay Engineering, Bhilai
- B. M/s. Tata Growth Shop (Tisco unit)
- C. M/s. Hari Machine Tools, Rajgangpur

**2. POWER PLANT:**

Shri M.L. Pareek suggested that power requirement of the steel complex should be met by our own Power Plant. He had mentioned that in steel project, captive power generation could be achieved through two routes namely (A) Installation of AFBC Boiler and (B) WHRB Boiler.

Shri M.L. Pareek mentioned that with 2 x 350 TPD Kiln 16 MW of power could be generated from WHRB route. In generation of power through WHRB route, no fuel is required. Waste gases generated from Sponge Iron manufacturing can be used for generation of power by installing WHRB Boiler.

Shri M.L. Pareek also mentioned that in such type of Power Plant, individual boiler has to be installed with every Kiln and the power generation will be possible only when Kilns will be running and there will be productions of Sponge Iron and generation of power will depend on the quantum of Sponge Iron produced.

Shri M.L. Pareek further mentioned that the Sponge Iron Kilns will have a periodical shutdown for cleaning of accretion deposited and for maintenance as well. After running for some time due to deposition of accretion the Sponge Iron production gets reduced and thus power generation also gets reduced.

During shutdown there will be no generation at all. In this type of power generation units generally annually a capacity utilisation of 60 to 65% could be achieved. There will be fluctuation in generation proportionate to the fluctuation in Sponge Iron production.



AFBC route:

In this type of power generation units, especially designed boiler can be installed, which can be operated on following materials :

- A. Waste of Coal Washery Division;
- B. Waste of Sponge Iron Division - char / dolochar;
- C. Fines generated during crushing of coal for Sponge Iron manufacturing.

By utilising combination of above three fuels, the cost of raw material for power generation comes down substantially in comparison to other Thermal Power Plant. The advantage of this type of power unit is a continuous and uniform power generation. In this type of Captive Power Plant annual capacity utilisation of more than 95% could be achieved easily.

Shri M.L. Pareek also suggested that the cost of installation of Power Plant through the WHRB route is higher in comparison of AFBC route as separate boiler is to be installed and all electronics components and pipe lining is to be done separately for each boiler.

Shri M.L. Pareek further mentioned that the maximum power generation through WHRB route with 2 x 350 TPD Kilns could be 16 MW maximum and thus to meet the balance requirement of power AFBC has to be installed.

Shri M.L. Pareek also mentioned that effective cost of generation per unit through WHRB route is higher than AFBC route even though no raw material is required for WHRB.

However, Shri M.L. Pareek mentioned that generation of power through WHRB is environmental friendly and saves emission of carbon dioxide. He also mentioned that this type of generation is eligible for CDM benefits. Also mentioned that presently he is pursuing the registration of WHRB Power Plant for CDM benefits for SMC Power Generation Ltd. He mentioned that CDM benefits can help the company to cover the additional cost involve in generation through WHRB route over AFBC.

3. STEEL MELTING CAPACITY:

Shri M.L. Pareek advised steel melting capacity through induction route should be established simultaneously with Power Plant. Concast should be put up so that billet could be produced in place of ingot which will give the better realisation of at least 1000 rupees per metric ton.

4. COAL WASHERY:

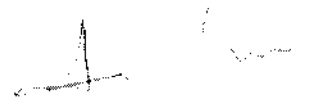
Shri M.L. Pareek mentioned that the coal washery should be installed with the plant so that the coal received from mines could be washed. A better quality of coal could be given to Sponge Iron division. Washed coal to Sponge Iron Kiln will improve the capacity utilisation of Sponge Iron and simultaneously power plant through WHRB routes will also be improved.



(M.L. PAREEK)



(R.A. GOEL)  
Exe. Director (Comml.)



(SANDEEP BANSAL)  
Manager (Finance)