

VENKAT & RANGAA

Chartered Accountants

12, Krishnapuri II Street, R.A. Puram, Chennai - 600 028.

Ph: 044-2461 1989/2493 8464 E-mail: venkat_and_ranga@yahoo.com

TO WHOMSOEVER IT MAY CONCERN

We have been requested by M/s. KCP Sugar and Industries Corporation Limited (KCPSICL) to verify and certify the estimated rate of return calculation (over a 20-year period) of their cogeneration project at Vuyyuru, Andhrapradesh.

For the above purpose, we have verified, from relevant records and documents, the assumptions used in the calculation and found them to be correct. Based on our verification, we certify that the enclosed rate of return calculations and sensitivity analysis are performed in accordance with standard accounting principles.

Summary of results:

IRR without considering CDM benefits: 11.2%

IRR with considering CDM benefits: 15.4%

Sensitivity analysis results:

Sensitivity Analysis: IRR in various scenarios			
Parameters	Normal O&M Expenses	10% Increase in O&M Expenses	10% Decrease in O&M Expenses
At Estimated power export	11.2%	11.0%	11.4%
At 10% higher power export	12.4%	12.2%	12.7%
At 10% lower power export	9.9%	9.7%	10.2%

Our certification is confined to the correctness of the calculations in the projections on the basis of assumptions enclosed therein.

We do not express any opinion or provide any assurance as performance of the plant which leads to the achievability of the projections.

For Venkat & Rangaa
Chartered Accountants

Partner

Date: 08.04.2008

Place: Chennai

