

Date: 31 January 2006

Phoenix Software Limited,
4/1, Red Cross Place,
Kolkata 700 001, India

Attn: Mr. P.K. Banerjee, Director (Project)

Sub: Engagement Letter – CDM Advisory Services

Dear Sir,

This letter will confirm Ernst & Young Pvt Ltd's ('E&Y') engagement to act as advisor to Phoenix Software Limited regarding matters related to Kyoto Protocol under United Nation Framework Convention on Climate Change (UNFCCC). This letter shall constitute an engagement agreement ("*the Agreement*") between Phoenix Software Limited ("*the Company*") and Ernst & Young and sets out our understanding of the services you require us to provide. The Supplemental Terms and Conditions (Annexure-1) and Dispute Resolutions Procedures (Annexure-2), provide further details of our respective responsibilities and form part of this engagement letter.

1.0 Introduction

The Company has informed E&Y that they have undertaken the development of a project activity - the Technopolis, a Green IT infrastructure which would attain occupancy by June,06. The project activity has been developed taking into consideration energy efficient options, which are not considered in other budgeted buildings. This technology contributes to reduced electrical energy consumption, thereby resulting in indirect GHG emission reductions. Moreover, as informed by the Company this project activity is the first Green IT Infrastructure in India and involves very high investment.

The Company hereby appoints E&Y to assist the Company in getting the potential benefits of the GHG abatement project under the Clean Development Mechanism (CDM) of the Kyoto Protocol.

2.0 Scope of Services

Scope of services of E&Y is detailed below in this section.

2.1 Preparation of Project Idea Note (PIN)

The PIN document will test in brief suitability of the project as a CDM project. E&Y will assist in preparation of the PIN document which will be delivered to the Company.

2.2 Preparation of PDD

E&Y will assist the Company to prepare Project Design Document (PDD) based on the guidelines of the United Nations Framework Convention on Climate Change (UNFCCC). The Company would provide E&Y all the technical information/data required for preparing the PDD. Following documents would be prepared:

