

Dated.....6/10/2005.....

**Krisbi Rasayan**  
**P.O. Rautal**  
**District Balasore,**  
**Orissa**  
**India**

**Attn: Mr. Atul Chauriyal (Managing Director)**

**Sub: Engagement letter – Climate Change Advisory Services**

Dear Sir,

This letter will confirm Ernst & Young Pvt Ltd's ("E&Y") engagement to act as advisor to **Krisbi Rasayan** regarding matters related to Kyoto Protocol under United Nations Framework Convention on Climate Change (UNFCCC). This letter shall constitute an engagement agreement ("*the Agreement*") between **Krisbi Rasayan ("the Company")** and Ernst & Young and sets out our understanding of the services you require us to provide. The Services Terms and Conditions (Exhibit-B) and Dispute Resolution Procedures (Exhibit-C), 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 a greenhouse gas abatement project at Puri, India by manufacturing compost for use in the agricultural fields. The Company has informed E&Y that the project activity has faced financial and technological barriers and is the first of its kind in India.

The Company has informed E&Y that the above mentioned project activities face financial and/or technological barriers and the project activity financing has taken into consideration the revenue that could be made available under Clean Development Mechanism.

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/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:

###### **2.2.1 Baseline Study**