

Bhaskaran & Ramesh

Chartered Accountants

Accion Wind Energy Pvt Ltd
C1-001, Tower C, Ground Floor
The Millenia
No.1 & 2, Murphy Road, Ulsoor
Bangalore 560008

Dear Sir,

Sub : Review of the Projected Profitability Statements

As requested by you, we have carried out a review of the Projected Profitability statements and Cash Flow statements for a period of 20 years for the Wind Turbine Generators, under installation at Anabaru & Arasinagundi in Karnataka, which we understand will be submitted to a validating agency, in connection with the necessary endorsements required under the Clean Development Mechanism (CDM) project cycle.

Two sets of the above statements, (1) representing the position taking into account the effect of the sale of Certified Emission Reductions (CERs) and (2) without considering the CERs have been reviewed by us.

We report that the Projected statements annexed hereto are based on:

1. The various information and explanations given to us
2. Prevailing Power policy of Karnataka, Supply , Operation and Maintenance contracts, Insurance estimates and other documentary evidence made available to us.
3. Conservative estimates provided by your company, drawn from past experience and technical analysis done in house. CER sale price has been based on average of rates in concluded contracts in the market during this period.

The annexed statements and the various assumptions made are in conformity with the prevailing policies and norms and we concur with the conclusions arrived.

Chennai
17.11.2007

for **Bhaskaran & Ramesh**



A. Bhaskaran
Partner

(A Bhaskaran)
M No. 21948

ACCION WIND ENERGY PVT. LTD.
ARASINAGUNDI + ANABARU

Use for sensitivity analysis Use one sensitivity at a time

Measure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
	18	18	18	18	18	18	18	18	18
Base Data									
No. of Windmills	18	18	18	18	18	18	18	18	18
Energy charges (Rs./kWh)	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
CER Revenue (Rs./kWh)	-	-	-	-	-	-	-	-	-
Total Generation	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88
Operating Expenses per WTG									
-Maintenance (Rs./WTG)	10.00	10.00	13.00	13.65	14.33	15.05	15.80	16.59	17.42
-Employee & Admin. Expenses (Rs./WTG)	1.65	1.73	1.82	1.91	2.01	2.11	2.21	2.32	2.44
Total Operating Expenses (Rs./WTG)	11.65	11.73	14.82	15.56	16.34	17.15	18.01	18.91	19.86
Insurance Per Windmill (Rs.Lakhs)	4.07	4.07	4.07	4.07	4.07	4.07	4.07	4.07	4.07
Profit & Loss Statement									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Income									
Sale of Electricity	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92
Expenses									
Operating Expenses	180.00	180.00	234.00	245.70	257.99	270.88	284.43	298.65	313.58
-Maintenance	29.70	31.19	32.74	34.38	36.10	37.91	39.80	41.79	43.88
-Employee Expenses	73.28	73.28	73.28	73.28	73.28	73.28	73.28	73.28	73.28
Depreciation	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47
Interest	1,669.66	1,502.69	1,335.73	1,168.76	1,001.79	834.83	667.86	500.90	333.93
Total Expenses	3,072.11	2,906.63	2,795.22	2,641.59	2,488.63	2,336.37	2,184.84	2,034.09	1,884.14
Profit Before Tax	153.81	319.29	430.70	584.33	737.29	889.55	1,041.08	1,191.83	1,341.78
Tax	17.43	36.18	48.80	66.20	83.54	100.79	117.95	135.03	152.02
Profit After Tax	136.39	283.12	381.90	518.12	653.76	788.77	923.12	1,056.80	1,189.75
Return on Equity (ROE)	2.14%	4.45%	6.00%	8.15%	10.28%	12.40%	14.51%	16.61%	18.71%
Average Return on Equity (ROE)	12.85%								
CASH FLOW STATEMENT									
Inflows	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92
Sale of Electricity	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92



Constant Economic Basis

Rs. Lakhs (unless mentioned otherwise)

	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	18 3.40	18 3.40	18 3.40	18 3.40	18 3.40	18 3.40	18 3.40	18 3.40	18 3.40	18 3.40	18 3.40
	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88
	18.29 2.56	19.21 2.69	20.17 2.82	21.18 2.96	22.23 3.11	23.35 3.27	24.51 3.43	25.74 3.60	27.03 3.78	28.38 3.97	29.80 4.17
	20.85 4.07	21.89 4.07	22.99 4.07	24.14 4.07	25.35 4.07	26.61 4.07	27.94 4.07	29.34 4.07	30.81 4.07	32.35 4.07	33.97 4.07
	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92
329.26 46.07	345.72 48.38	363.01 50.80	381.16 53.34	400.22 56.00	420.23 58.80	441.24 61.74	463.30 64.83	486.47 71.48	486.47 68.07	510.79 71.48	536.33 75.05
73.28	73.28	73.28	73.28	73.28	73.28	73.28	73.28	73.28	73.28	73.28	73.28
1,119.47 166.97	1,119.47 0.00	1,119.47 0.00	1,119.47 0.00	1,119.47 0.00	1,119.47 0.00	1,119.47 0.00	1,119.47 0.00	1,119.47 0.00	1,119.47 0.00	1,051.62 0.00	- 0.00
1,735.05	1,586.85	1,606.56	1,627.25	1,648.97	1,671.78	1,695.74	1,720.88	1,747.29	1,747.29	1,707.17	684.67
1,490.87	1,639.07	1,619.36	1,598.67	1,576.95	1,554.14	1,530.18	1,505.04	1,505.04	1,478.63	1,518.75	2,541.25
168.92	185.71	183.47	461.95	458.26	908.76	900.62	892.07	892.07	883.09	873.67	863.77
1,321.95	1,453.36	1,435.89	1,136.72	1,118.69	645.38	629.57	612.97	612.97	595.54	645.08	1,677.48
20.78%	22.85%	22.57%	17.87%	17.59%	10.15%	9.90%	9.64%	9.64%	9.36%	10.14%	
3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92
3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92



1,490.87	1,639.07	1,619.36	1,598.67	1,576.95	1,554.14	1,530.18	1,505.04	1,478.63	1,518.75	2,541.25
1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,051.62	-
2,610.33	2,758.53	2,738.83	2,718.14	2,696.41	2,673.60	2,649.65	2,624.50	2,598.09	2,570.37	2,541.25
0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,610.33	2,758.53	2,738.83	2,718.14	2,696.41	2,673.60	2,649.65	2,624.50	2,598.09	2,570.37	2,541.25
(4,437.13)	(1,826.81)	-	-	-	-	-	-	-	-	-
(1,826.81)	931.73	2,738.83	2,718.14	2,696.41	2,673.60	2,649.65	2,624.50	2,598.09	2,570.37	2,541.25
168.92	185.71	183.47	181.13	178.67	176.08	173.37	170.52	167.53	172.07	287.92
-	316.69	930.93	923.90	916.51	908.76	900.62	892.07	883.09	873.67	863.77
-	316.69	930.93	923.90	916.51	908.76	900.62	892.07	883.09	873.67	863.77
-	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
168.92	185.71	183.47	181.13	178.67	176.08	173.37	170.52	167.53	172.07	287.92
0.00	824.45	943.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	461.95	458.26	908.76	900.62	892.07	883.09	873.67	863.77
168.92	185.71	183.47	461.95	458.26	908.76	900.62	892.07	883.09	873.67	863.77
21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202
1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,052	1,052
1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,052	1,052
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0



ACCION WIND ENERGY PVT. LTD.
ARASINAGUNDI + ANABARU

Use for sensitivity analysis Use one sensitivity at a time

Base Data	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Measure									
No. of Windmills	18	18	18	18	18	18	18	18	18
Energy charges (Rs./kWh)	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
CER Revenue (Rs./kWh)	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41
Total Generation	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88
Operating Expenses per WTG									
-Maintenance (Rs./WTG)	10.00	10.00	13.00	13.65	14.33	15.05	15.80	16.59	17.42
-Employee & Admin. Expenses (Rs./WTG)	1.65	1.73	1.82	1.91	2.01	2.11	2.21	2.32	2.44
Total Operating Expenses (Rs./WTG)	11.65	11.73	14.82	15.56	16.34	17.15	18.01	18.91	19.86
Insurance Per Windmill (Rs.Lakhs)	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14
Profit & Loss Statement									
Income									
Sale of Electricity	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93
Expenses									
Operating Expenses	180.00	180.00	234.00	245.70	257.99	270.88	284.43	298.65	313.58
-Maintenance	29.70	31.19	32.74	34.38	36.10	37.91	39.80	41.79	43.88
-Employee Expenses	74.45	74.45	74.45	74.45	74.45	74.45	74.45	74.45	74.45
Insurance	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47
Depreciation	1,669.66	1,502.69	1,335.73	1,168.76	1,001.79	834.83	667.86	500.90	333.93
Interest	3,073.27	2,907.79	2,796.39	2,642.76	2,489.80	2,337.53	2,186.01	2,035.25	1,885.31
Total Expenses	541.65	707.13	818.54	972.17	1,125.13	1,277.39	1,428.92	1,579.67	1,729.62
Profit Before Tax	61.37	80.12	92.74	110.15	127.48	144.73	161.90	178.98	195.97
Tax	480.28	627.02	725.80	862.02	997.65	1,132.66	1,267.02	1,400.70	1,533.65
Profit After Tax	7.55%	9.86%	11.41%	13.55%	15.68%	17.81%	19.92%	22.02%	24.11%
Return on Equity (ROE)	15.69%								
Average Return on Equity (ROE)									
CASH FLOW STATEMENT									
Inflows									
Sale of Electricity	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93
	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93	3,614.93



Constant Economic Basis
Rs. Lakhs (unless mentioned otherwise)

	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	18	18	18	18	18	18	18	18	18	18	18
	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
	0.41										
	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88	94.88
	18.29	19.21	20.17	21.18	22.23	23.35	24.51	25.74	27.03	28.38	29.80
	2.56	2.69	2.82	2.96	3.11	3.27	3.43	3.60	3.78	3.97	4.17
	20.85	21.89	22.99	24.14	25.35	26.61	27.94	29.34	30.81	32.35	33.97
	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 20
3,614.93	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92
329.26	345.72	363.01	381.16	400.22	420.23	441.24	463.30	486.47	510.79	536.33	536.33
46.07	48.38	50.80	53.34	56.00	58.80	61.74	64.83	68.07	71.48	75.05	75.05
74.45	74.45	74.45	74.45	74.45	74.45	74.45	74.45	74.45	74.45	74.45	74.45
1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,051.62	-
166.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,736.22	1,588.02	1,607.72	1,628.41	1,650.14	1,672.95	1,696.90	1,722.05	1,748.46	1,708.34	1,708.34	685.83
1,878.71	1,637.90	1,618.20	1,597.51	1,575.78	1,552.97	1,529.02	1,503.87	1,477.46	1,517.58	1,517.58	2,540.09
212.86	185.57	183.34	461.75	458.06	908.36	900.22	891.67	882.70	873.27	873.27	863.38
1,665.85	1,452.33	1,434.85	1,135.76	1,117.72	644.61	628.80	612.20	594.77	644.31	644.31	1,676.71
26.19%	22.83%	22.56%	17.86%	17.57%	10.13%	9.89%	9.62%	9.35%	10.13%	10.13%	
3,614.93	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92
3,614.93	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92	3,225.92



1,878.71	1,637.90	1,618.20	1,597.51	1,575.78	1,552.97	1,529.02	1,503.87	1,477.46	1,517.58	2,540.09
1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,119.47	1,051.62	-
2,998.18	2,757.37	2,737.66	2,716.97	2,695.25	2,672.43	2,648.48	2,623.33	2,596.93	2,569.20	2,540.09
0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,998.17	2,757.36	2,737.66	2,716.97	2,695.25	2,672.43	2,648.48	2,623.33	2,596.93	2,569.20	2,540.09
(946.56)	-	-	-	-	-	-	-	-	-	-
2,051.60	2,757.36	2,737.66	2,716.97	2,695.25	2,672.43	2,648.48	2,623.33	2,596.93	2,569.20	2,540.09
212.86	185.57	183.34	181.00	178.54	175.95	173.24	170.39	167.40	171.94	287.79
697.34	937.23	930.53	923.50	916.11	908.36	900.22	891.67	882.70	873.27	863.38
697.34	937.23	930.53	923.50	916.11	908.36	900.22	891.67	882.70	873.27	863.38
1.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
212.86	185.57	183.34	181.00	178.54	175.95	173.24	170.39	167.40	171.94	287.79
1,011.93	1,132.05	1,207.48	923.50	916.11	908.36	900.22	891.67	882.70	873.27	863.38
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
212.86	185.57	183.34	181.00	178.54	175.95	173.24	170.39	167.40	171.94	287.79
21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202	21,202
1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,052	1,052
1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,052	1,052
0	0	0	0	0	0	0	0	0	0	0

