



D. OSTWAL & ASSOCIATES

Chartered Accountants

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To whom so ever it may concern:

This is to certify that on the basis of information and explanations provided to us by "SMC Power Generation Ltd." for their 16 MW WHRB captive power project, the calculation of cost of power and IRR at different PLF levels, with different alternatives, shown below and as per comparative analysis sheet are cross-checked and verified and found to be correct:

S.No.	Parameters	WHRB based Power Plant (without CDM) at 66%	WHRB based Power Plant (without CDM) at 71%	WHRB based Power Plant (without CDM) at 76%	WHRB power plant (with CDM)	Coal based power plant	COAL based power plant	
1	Capacity	16	16	16	16	16	33	MW
2	IRR	10.20%	12.39%	14.49%	22.06%	21.91%	23.09%	
3	Average Cost Benefit Ratio	3.49%	5.08%	6.68%	12.71%	13.27%	14.34%	
4	10 years Average unit cost of electricity generation	1,832.55	1704.91	1594.07	861.57	1452.75	1395.189	Rs./MWh
B] The Parameters used for the above.								
1	Investment per MW	45.00	45	45	45.312	35.00	35.00	Million Rs./MWh
2	Number of operational days/Year	350	350	350	350	350	350	days
3	PLF	66%	71%	76%	66%	95%	95%	
a) Variable Cost								
4	Operation and Maintenance Cost/MW	286.48	266.304	248.78	288.47	173.15	173.15	Rs./MWh
5	Deduct CDM Revenue from cost ***	0.00	0	0	-1000.55			
6	Fuel Cost per MWh	0.00	0	0	0	611.73	611.73	Rs./MWh
C] Fixed Cost per annum								
1	Average Manpower cost per MWh	159.77	148.52	138.75	159.77	103.43	50.15	Rs./MWh
2	Depreciation per MW	476.40	442.85	413.72	479.72	257.45	257.28	Rs./MWh
3	Interest	713.89	664.92	622.39	718.29	365.67	365.66	Rs./MWh
4	Backup power cost	407.49	378.79	353.87	407.49	0.00	0.00	Rs./MWh
5	Administrative Exp. First year's Average unit cost of electricity generation	17.90	16.64	15.55	17.90	41.92	46.24	Rs./MWh
6		2,061.93	1918.03	1793.05	1071.09	1,553.35	1504.21	Rs./MWh

Date : 01/02/2008
Place : New Delhi

For D. OSTWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
NEW DELHI
DEEPAK OSTWAL
(PARTNER)