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A.2 In both the pre project and post project scenario the following should be stated clearly:

- 1.The total requirement of steam for paper manufacturing and power generation and total installed capacity including stand bys if any to met it.
- 2.The total requirement of power and how is / was it being met.
3. The total requirement of fuel for 1. and 2. above.

This is important for a detailed comparison as at times the project participants give only partial information and suppress the critical about the pre and post project scenario.

Since, SIL is a Company listed on the Bombay Stock Exchange and its Audited Annual Report is a public document the same may be used to get the fuel consumption, electricity generation and consumption data for the last 3-5 years. As per Indian laws it is mandatory to provide this information in the Directors Report to the shareholders. Also, the same report for the last few years should be used for establishing the reasons conveyed by the Directors for setting up this power plant and the expected benefits to the shareholders.

B.3 Investment barrier: This barrier states that the financial position of SIL was poor due to which it could not arrange loan funds for the project. This means that the loan disbursal was not rejected because it was for a CDM project but because loan proposal for any project would not have been cleared due to poor financial health of SIL. In such an eventuality the only way to finance any project would have been by raising funds from promoter's equity that was done by SIL. So where was the barrier for a CDM project?

Also, if CER revenues were a significant reason for considering this investment, then the detailed Internal Rate of Return calculation with and without CER revenues, as presented to the investors before taking up this investment should be made available for justification.

Technological barrier: Paper mills in Punjab have been using rice husk-fired boilers for more than a decade now. The DOE should ask for a list of all rice husk fired boilers, whether high pressure or low pressure, installed by SIL till now to find out its experience in years in running such boilers. If they have installed more than one such boiler, then all the subsequent boilers that they have installed after the first one have been done despite knowing this technological risk and some of these may not be CDM projects.

Besides, other paper mills in Punjab like Setia Paper Mills, Amrit Paper, Abhishek Industries and others have been running biomass based captive cogeneration plants without CDM benefits since a number of years now.

Other Barriers: Since SIL is already running low pressure boilers on rice husk for their process steam for almost a decade, they already have experience in procuring and storing rice husk for so many years and have handled the problems listed under this barrier even without implementing the CDM project.

Thus, it is clear that all the above barriers stated by SIL are non

existent and it is a business as usual project for it.