

Mr. Rajesh Kumar Sethi
Chair, CDM Executive Board
UNFCCC Secretariat
CDMinfo@unfccc.int

21st November 2008

Dear Mr. R.K. Sethi

Re: Initial response to the request for review for the CDM project activity ““Blended cement with increased blend” at Orient cement’s Devapur and Jalgaon plants in India” (0456) for the monitoring period 01/04/2007 to 31/03/2008.

SGS has been informed that the request for issuance for the CDM project activity “Blended cement with increased blend” at Orient cement’s Devapur and Jalgaon plants in India (0456) for the monitoring period 01/04/2007 to 31/03/2008 is under consideration for review because three requests for review have been received from members of the Board.

The requests for review are based on the reasons outlined below. SGS would like to provide an initial response to the issues raised by the requests for review:

Request for Review 1-2, Issue 1:

The monitoring report stated that the cement grinding capacity is being upgraded to 3 million tonnes/year in Devapur Unit and to 2.22 million tonnes/year in Jalgaon Unit. However, the capacity stated in the registered PDD is 1.7 and 0.7 million tonnes/ year for the two Units respectively. Further clarification is required on how the DOE verified that the project was implemented in accordance with the PDD. In particular the DOE is requested to explain in detail what the impact of these higher production levels would have been on the assessment of additionality at the moment of registration of the project.

SGS’ Response to Issue 1:

The DOE would like to bring in the kind notice of the chair that the capacity enhancement is not yet complete and is likely to be commissioned and in the monitoring report it has been clearly stated that the capacity addition is supposed to be completed only by December 2008, whereas the crediting period is from 01/04/2007 to 31/03/2008, and this capacity addition is nowhere effecting the current crediting period for which the issuance is requested.

Furthermore a completely separate, mutually exclusive and independent investment conceived by the PP in December 2007 for installation of line 3 at Devapur and line 2 at Jalgaon (including separate fly ash handling and storing facility). This investment decision is completely disconnected and dissociated from the registered CDM project facilities and project boundary at the two facilities and the two investments are separate and physically distinctly apart.

Therefore the interpretation of the monitoring report statement on the creation of new capacity in 2007 does not infringe upon the performance of the existing CDM project as per the registered PDD and will not have do so in the future as well as the project boundaries are distinct and these can be verified from individual plant records in future.



Request for Review 1-2, Issue 2:

The calibration dates for all measuring instruments are required to be provided.

SGS' Response to Issue 2:

Please find attached the list of the measuring equipments along with the calibration dates (Annex 1) for Devpur and Jalgaon unit.

We feel that the clarification sought by board members has been taken into account. We do however apologize if this was not sufficiently clear from the earlier verification and certification report.

Nikunj Agarwal (+91 98717 94661) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

Yours sincerely,

Nikunj Agarwal

Lead Auditor

Nikunj.agarwal@sgs.com

T: +91 124 239 99 90 to 98 Extn: 166

M: +91 98717 94661

Sanjeev Kumar

Technical Reviewer

Sanjeev.Kumar@sgs.com

T: +91 124 239 99 90 to 98 Extn: 219

M: +91 98717 94628

Encl:

Annex 1 – Excel Sheets for the Calibration Detail