

1.1 Form Template for (HP, Uttarakhand and NE states SHP Less than 5MW) Assumptions Parameters

S. No.	Assumption Head	Sub-Head	Sub-Head (2)	Unit	HP, Uttarakhand, NE States Less than 5 MW
1	Power Generation	<u>Capacity</u>	Installed Power Generation Capacity	MW	1
			Capacity Utilization Factor	%	45%
			Auxiliary Consumption	%	1%
			Deration Factor	%	0.00%
			Useful Life	Years	35
2	Project Cost	Capital Cost/MW	Power Plant Cost	Rs Lacs/MW	700
3	Financial Assumption	<u>Debt: Equity</u>	Tariff Period	Years	35
			Debt	%	70%
			Equity	%	30%
			Total Debt Amount	Rs Lacs	490
			Total Equity Amout	Rs Lacs	210
		<u>Debt Component</u>	Loan Amount	Rs Lacs	490
			Moratorium Period	years	0
			Repayment Period(inclcd Moratorium)	years	10
			Intrest Rate	%	14.29%
		<u>Equity Component</u>	Equity amount	Rs Lacs	210
			Return on Equity for first 10 years	% p.a	19%
			RoE Period	Year	10
			Return on Equity 11th year onwards	% p.a	24.00%
Weighted average of ROE		22.57%			
Discount Rate (equiv. to WACC) 11th year onwards		16.8%			
4	Financial Assumptions	<u>Fiscal Assumptions</u>	Income Tax	%	33.99%
			MAT Rate (for first 10 years)	%	16.995%
			80 IA benefits	Yes/No	Yes
		<u>Depreciation</u>	Depreciation Rate for first 10 years	%	7.00%
			Depreciation Rate 11th year onwards	%	0.80%
Years for 7% rate		10			
5	Working Capital	<u>For Fixed Charges</u>	O&M Charges	Months	1
			Maintenance Spare	(% of O&M exepenses)	15%
			Receivables for Debtors	Months	2
		<u>For Variable Charges</u>	Intrest On Working Capital	%	13.79%
7	Operation & Maintenance	<u>O&M Expense</u>	power plant	% of base capital cost	0%
			Total O & M Expenses	Lakh	21
			Escalation	%	5.72%

10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90

10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
34.64	36.63	38.72	40.94	43.28	45.75	48.37	51.14	54.06	57.15	60.42	63.88	67.53	71.40	75.48
49.00	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60
3.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.13	3.39	3.50	3.63	3.76	3.90	4.05	4.20	4.37	4.54	4.73	4.92	5.13	5.35	5.58
39.90	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40
131.17	96.01	98.22	100.56	103.04	105.65	108.42	111.34	114.43	117.70	121.15	124.80	128.66	132.74	137.06

10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
0.89	0.94	0.99	1.05	1.11	1.17	1.24	1.31	1.39	1.46	1.55	1.64	1.73	1.83	1.93
1.26	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.11	0.09	0.09	0.09	0.10	0.10	0.10	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.14
1.02	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29
3.36	2.46	2.52	2.58	2.64	2.71	2.78	2.85	2.93	3.02	3.10	3.20	3.30	3.40	3.51

0.248	0.212	0.182	0.156	0.133	0.114	0.098	0.084	0.072	0.061	0.053	0.045	0.039	0.033	0.028
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25	26	27	28	29	30	31	32	33	34	35
1	1	1	1	1	1	1	1	1	1	1
3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90

25	26	27	28	29	30	31	32	33	34	35
79.80	84.36	89.19	94.29	99.68	105.38	111.41	117.79	124.52	131.65	139.18
5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.82	6.08	6.35	6.64	6.95	7.27	7.61	7.97	8.35	8.75	9.17
50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40	50.40
141.62	146.44	151.54	156.93	162.63	168.65	175.02	181.75	188.87	196.39	204.35

25	26	27	28	29	30	31	32	33	34	35
2.04	2.16	2.29	2.42	2.55	2.70	2.85	3.02	3.19	3.37	3.57
0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.15	0.16	0.16	0.17	0.18	0.19	0.19	0.20	0.21	0.22	0.24
1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29
3.63	3.75	3.88	4.02	4.17	4.32	4.48	4.66	4.84	5.03	5.24

0.024	0.021	0.018	0.015	0.013	0.011	0.010	0.008	0.007	0.006	0.005
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Determination of Accelerated Depreciation for (HP, Uttarakhand and NE states SHP Less than 5MW)

Depreciation amount	90%
Book Depreciation rate	5.28%
Tax Depreciation rate	80%
Income Tax (MAT)	17%
Income Tax (Normal Rates)	33.99%
Capital Cost	700.0

Years ----->	Unit	1	2	3	4	5	6	7	8	9	10
Book Depreciation	%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%
Book Depreciation	Rs Lakh	36.96	36.96	36.96	36.96	36.96	36.96	36.96	36.96	36.96	36.96

Accelerated Depreciation											
Opening	%	100%	60%	12%	2%	0%	0%	0%	0%	0%	0%
Allowed during the year	%	40%	48.00%	9.60%	1.92%	0.38%	0.08%	0.02%	0.00%	0.00%	0.00%
Closing	%	60%	12%	2.40%	0.48%	0.10%	0.02%	0.00%	0.00%	0.00%	0.00%
Accelerated Deprn.	Rs Lakh	280.00	336.00	67.20	13.44	2.69	0.54	0.11	0.02	0.00	0.00

Net Depreciation Benefit	Rs Lakh	243.04	299.04	30.24	-23.52	-34.27	-36.42	-36.85	-36.94	-36.96	-36.96
Tax Benefit	Rs Lakh	41.30	50.82	5.14	-4.00	-5.82	-6.19	-6.26	-6.28	-6.28	-6.28
Energy generation	MU	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Per unit benefit	Rs/Unit	1.06	1.30	0.13	-0.10	-0.15	-0.16	-0.16	-0.16	-0.16	-0.16
Discounting Factor		1.00	0.86	0.73	0.63	0.54	0.46	0.39	0.34	0.29	0.25

Levellised benefit	0.23	Rs/Unit
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