

IRR calculations for Petcoke Fired Power Project in Apollo Tyres							
Project parameters							
Initial Investment of the proposed project (1 x 10 MW) (Rs in millions)	430.00						
Production loss during project implementation (Rs in million)							
Year	2005	2006	2007	2008	2009	2010	2011
Expenditure							
Initial investment (equity)	430.00						
Recurring cost							
Cost of insurance (1.5% of project cost) every year		6.45	6.45	6.45	6.45	6.45	6.45
Income Tax on Energy Savings		78.07	84.67	91.79	99.49	107.81	116.79
Total cashflow out (A)	430.00	84.52	91.12	98.24	105.94	114.26	123.24
Income							
Salvage Value of project (10%)		0	0	0	0	0	0
Saving in income tax due to depreciation (35% of depreciated amount)		13.55	13.55	13.55	13.55	13.55	13.55
Savings in operating cost based on following figures. Price of Rs. 12/kg with 8% Escalation, Grid power at price of Rs. 5.3/kWh with 8% escalation Petcoke Price of Rs. 3000/Ton with 8% Escalation Maintenance cost escalation 5% every year	F.C						
	0	223.06	241.91	262.27	284.26	308.02	333.68
Total project income (B)	0	236.60	255.45	275.81	297.80	321.56	347.23
Net cash flow (A-B)	-430.00	152.08	164.33	177.57	191.86	207.31	223.99
IRR of the project	42.90%						

2012	2013	2014	2015	2016	2017	2018	2019	2020
6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45
126.49	136.97	148.30	160.53	173.74	188.01	203.43	220.08	238.06
132.94	143.42	154.75	166.98	180.19	194.46	209.88	226.53	244.51
0	0	0	0	0	0	0	0	43
13.55	13.55	13.55	13.55	13.55	13.55	13.55	13.55	13.55
361.41	391.35	423.70	458.65	496.40	537.17	581.22	628.79	680.18
374.95	404.90	437.25	472.19	509.94	550.72	594.76	642.34	736.73
242.01	261.47	282.50	305.22	329.75	356.26	384.89	415.81	492.21

