

recommended an escalation of 5% on the Unit price every year. While, many SEBs have not yet fully implemented this recommendation, KPTCL has accepted most of the recommendations of MNES for implementation, and has issued clear policies for the purchase of power from the sugar plants.

In the latest policy on the purchase of power from the sugar plants, KPTCL has **considered a purchase price of Rs.2.25 per Unit for the year 1994-1995. They have also announced that the purchase price for the first year of operation of the plant will be worked out on the above basis and the purchase price for the first ten (10) years of operation will be with an escalation of 5% every year over the previous year's purchase price.** As per the new policy, the purchase price in 2003-2004, the year in which the plant will go on commercial operation, will be Rs.3.49 per Unit and this will be escalated by 5% every year, till 2013-2014, the 10<sup>th</sup> year of operation of the plant.

The above prices are appropriately considered in the financial analysis.

#### **21.6 Fuel, Electricity, Steam for sugar plant:**

BASL's Unit #2 is an already operating sugar plant with one 80 TPH boiler and a 16 MW TG system, and the 120 TPH boiler and the 20 MW TG system is planned to be implemented along with the enhancement of the crushing capacity of the sugar plant from the present level of 5000 TCD to 7500 TCD.

The new 20 MW TG along with the 16 MW TG will meet with the entire steam and power requirement of the sugar plant at its full 7500 TCD (in 24 hours) crushing capacity and both the systems, during the seasonal operation, will run with only the bagasse generated in the sugar plant.

#### **21.7 Repairs And Maintenance Cost**

**The repairs and maintenance cost for this project is assumed as 2.00% of the total project cost which works out to Rs.107.20 lakhs.** The salaries and wages of the operation and maintenance personnel of the boiler and TG plant is separately considered and the same has been worked out as Rs.100.0 lakhs, including a provision of Rs.10.0 lakhs for contract labour.