

## **AEQUS-Preliminary observations on Sales**

### **1. APR-18 Sales**

The Commission had in its Tariff Order dated 08.05.2017 had approved sales of 18.69 MU for FY-18, as proposed by AEQUS. The actual sales as per current filing is 18.043 MU indicating a marginal reduction of 0.647 in sales.

However, at page 22, furnishing the details of consumer-wise sales, AQUES has stated that, the approved sales as 16.653 MU instead of 18.69 MU[ Note: At page 24 AEQUS for loss calculation has considered 18.69 MU as sales] and that the sales have increased by 1.39 MU as per actuals. Hence, AEQUS shall reconcile the approved figures and shall resubmit the consumer-wise sales details.

The Commission notes that the total Contract Demand of consumers of AEQUS as on 31.03.2018 is 8.535 MVA and as on September, 2018 it is 9.79 MVA. However, at page -4, of the filing it is stated that at present power upto 5 MVA could be drawn. Eventhough, AEQUS is planning for establishment of a new KPTCL substation, which would take some time, it is not clear how the present CD of 9.79 MVA is being met.i.e. Whether there is overdrawal from the grid or AEQUS is resorting to power cuts?

### **2. ARR-FY20-FY22 sales**

AEQUS in its filing has stated that the FY19 estimates are made considering the actual sales of 10.61 MU upto September, 2018 and estimated sales of 9.97 MU for the next half of the year aggregating to 20.58 MU. It is also submitted that four more consumers are being added during second half of FY19, making the total number of consumers at 22, in FY19, namely Latecoere, Purosil, API (Squad) and Aequs Force Consumer Products P. Ltd. It is submitted that Indo Schottle has completed the industrialization of the plant and for this consumer, the consumption would increase considerably.

Further, it is stated that the estimates for next five years is made based on the inputs provided by each consumer and anticipated growth within the campus. It is also stated that as on October 2018, twenty-six units have registered with the SEZ and that 24 consumers would be in operation in FY20, 26 consumers in FY21 and FY22 and 28 consumers in FY 23 & FY24.

The Commission notes that AEQUS has arrived at sales estimates based on the inputs provided by each consumer. However, AEQUS has not furnished any documents submitted by these consumers in this regard. As such AEQUS shall furnish the requests obtained from the individual consumers or any other documents like minutes of the meeting held with consumers in this regard.

It is observed that:

- a. The CD for AEQUS automotive India P. Ltd. has increased substantially in FY20 to 0.50 MVA from 0.15 MVA. Similarly, for AEQUS Engineered Plastics it is increased to 0.75 MVA from 0.30 MVA.
- b. The CD for ULFI Filters India Ltd and Indo-Schottete Auto parts India P. LTD. has decreased in FY20 in comparison to FY19 estimates.
- c. Eventhough 24 consumers are considered for FY20, CD details are given for 21 consumers only. Similarly, for FY21 it is furnished for 23 consumers only and for FY22 for 25 consumers, out of 26 consumers proposed.
- d. Even though CD for Appolo Aerospace Components India P. Ltd. is indicated as nil, sales of 0.01 MU is considered for all the years.
- e. In the case of New Unit-1 & 2, even though CD for FY20 is nil, sales of 0.16 & 0.54 MU is considered in FY20. Similarly, in the case of New Unit-3 & 4, even though CD for FY21 is nil, sales of 0.55 & 0.41 MU is considered in FY21
- f. In the case of Aerostructure Manufacturing India P Ltd unit-1, even though CD for FY21 is maintained at FY20 level, sales for FY21 have increased and in case of Unit-2 and in the case of AEQUS Automotive India P Ltd, Eventhough CD has increased every year, the sales are retained at FY19 level.
- g. In the case of Quest Global, even though CD for FY21-FY24 is increased with respect to FY20, sales are retained at FY20 level.

- h. In the case of Suaad forging India P Ltd, - Eventhough CD is retained at 3.5 MVA upto FY22, sales have been increased every year.
- i. Aero structures Assemblies even though CD is constant, sales have been increased from FY20 -FY24.

Similar observations are noticed in other consumers also. AEQUS shall explain the reasons for the same and consider revising the sales estimates keeping in view the anticipated demand.

### **3. Demand Side Management:**

The AEQUS shall furnish the annual DSM plan for FY19 & FY20, if any, indicating the various DSM programs taken up/proposed to be taken up. Further, if the cost of such DSM programs is being incurred by AEQUS, the same shall be included in the Capex program

### **4. Wheeling Charges and Cross Subsidy Surcharge:**

AEQUS has submitted that at present there are no consumers opting for Open Access and has requested the Commission to determine the above charges on similar lines as considered in May 2018 Order.

Since, the AEQUS has segregated the cost between distribution and supply, it may consider working out the wheeling charges and CSS considering its own costs.

### **5. RPO Compliance:**

AEQUS shall furnish the status of solar and non-solar RPO compliance for FY18 and also the estimates of RPO to be met in FY19-FY22 and the plan of action to meet the same in FY19.