



2. I, Vikram S Annappa, dealing with infrastructure and related Regulatory Affairs of Aequs SEZ Private Limited, duly authorized to make this Affidavit. The approval of the Board of Directors has been obtained vide resolution passed effective dated 23rd Nov 2015.
3. The "Response to preliminary observation on APR-FY21 and ARR for FY23-FY25 " as part of MYT filing before the Honourable Commission , KERC, herein now shown to me are true to the best of my knowledge, and the statements made therein are based on the information that I believe to be true.
4. The averments made in this affidavit and documents stated hereinabove are true to best of my knowledge, no part of it is false and no material has been concealed there from.

Date: 22<sup>nd</sup> Dec 2021

Place: Bangalore

For Aequs SEZ Private Limited,

Vikram Annappa

Authorized signatory



**Identified By**

*(Signature)*  
C. R. Yalagani  
Advocate Belagavi



**SWORN TO BEFORE ME**

*(Signature)*  
SMT. SUREKHA CHOUGULE  
B.A.L.L.B.(Spl.)  
ADVOCATE & NOTARY BELAGAVI

No. of Corrections *Nil*

23 DEC 2021


## AFFIDAVIT

1. I, Sri. Vikram S Annappa, S/o Annappa H, aged about 44 years, Executive Director at Aequs SEZ Private Limited, Hattargi, Belagavi, do solemnly affirm and say as follows.
2. I, Vikram S Annappa, dealing with infrastructure and related Regulatory Affairs of Aequs SEZ Private Limited, duly authorized to make this Affidavit. The approval of the Board of Directors has been obtained vide resolution passed effective dated 23rd Nov 2015.
3. The "Response to preliminary observation on APR-FY21 and ARR for FY23-FY25 " as part of MYT filing before the Honourable Commission , KERC, herein now shown to me are true to the best of my knowledge, and the statements made therein are based on the information that I believe to be true.
4. The averments made in this affidavit and documents stated hereinabove are true to best of my knowledge, no part of it is false and no material has been concealed there from.

Date: 22<sup>nd</sup> Dec 2021

Place: Bangalore

For Aequs SEZ Private Limited,

  
Vikram Annappa  
Authorized signatory



Letter No. ASEZ/2020-21/081

Date: 22<sup>nd</sup> Dec 2021

**To,**

Karnataka Electricity Regulatory Commission,  
No.16, C -1, Miller Tank Bed Area,  
Vasanthanagara, Bengaluru – 560052

**Kind Attention: Secretary, KERC, Bangalore.**

**Subject:** Response to preliminary observations on APR – FY21 and ARR – FY23-FY25 and Retail Supply Tariff for FY23 under MYT frame work.

**References:**

1. Your letter dated 15th Dec 2021 bearing no. B/08/21/1195
2. Our letter dated 30.11.21 bearing no. ASEZ/2021-22/076 , Application for APR - FY 21 and ARR-FY 23-25

Respected Sir,

In reference to clarifications/additional information requested by your kind office through letter dated Your Email Dated 15th Dec 2021, bearing no. B/08/21/1195 we are furnishing below the information/clarification requested.

**Clarification 1: APR for FY21:**

**Observations:**

**a. Reduction in Sales during FY21**

2. The Preliminary observations of the Commission on sales estimates are as follows

i) FY21 sales:

- a. The Commission notes that at page -7 of the filing, 2-consumers are indicated under 'construction activity' consuming 0.37 MU for FY22 upto September, whereas at Table -1, the number of installations is indicated as zero for FY21 under 'Construction'. This shall be reconciled. Further, for FY21 the sales under 'construction activity' are zero. AEQUS SEZ shall clarify as to whether in FY21 no construction activity was going on.

**Aequs SEZ Private Limited**

Corporate Identity Number: U45202KA2007PTC043154

Registered Office: No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India

Corporate Office: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belgaum - 591243

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**Response:**

At page -7 of the filing 2- consumers indicated under construction activity and corresponding electrical consumptions are erroneously mentioned. There were no construction activities going on for FY21.

- b. The total CD for FY21 is indicated as 9303kVA at Page-6, whereas the same is indicated as 9328kVA at Page-19. The data shall be reconciled.

**Response:**

The total CD of FY21 is 9328KVA. In Table no. 1 CD for FY21 is erroneously mentioned. We request Hon'ble commission to consider CD for FY21 as 9328kVA.

- c. The CD for AEQUS Pvt. Ltd., Unit-3, which was 200kVA in FY21 has reduced to 100kVA in FY22. Similarly, for UFI filters the CD has increased from 230kVA to 275kVA. Also in FY22 Deephole Solution India Pvt. Ltd., and AEQUS Automotive Pvt. Ltd., are not included in the list of installations. AEQUS shall clarify as to whether these installations are in existence or otherwise.

**Response:**

AEQUS Pvt Ltd unit-3 is into business of supplying precision system machine components for the aerospace sector. Due to COVID 19 outbreak, customers forecasted demand for the aerospace components reduced drastically which has led to reduction of their CD from 200kVA in FY21 to 100 kVA in FY22.

UFI unit into the business of manufacturing of filtration systems on a global scale that cover a wide range of fields including the automotive, aerospace technology. The sale for FY22 is projected to increase based on the anticipated business growth and strategy towards utilization of maximum plant capacity hence CD has increased from 230kVA to 275kVA.

In FY22 Deephole Solution India Pvt. Ltd has changed their name to VP Aero Solutions Pvt Ltd. Hence the corresponding data has been mentioned under the name of VP Aero Solutions Pvt Ltd.

In FY21, Aequs Automotive Pvt Ltd has surrendered the load and terminated the power supply agreement effective from 30<sup>th</sup> June'20. Hence the demand and sale forecast from FY22 onwards is considered as zero. Hence the same is not included in the list.

ii) FY22 sales

AEQUS SEZ has revised the sales for FY22 to 24.664MU as against 22.898MU approved by the Commission in the Tariff Order dated, 09.06.2021. AEQUS shall furnish the working details for the same.

**Response:**

The variance analysis for FY22 sales with respect to FY22 approved sales as per the Tariff order dated 09.06.2021 is illustrated below. Compared to the projections submitted as a part of ARR for FY22 for the year, energy sale is higher than the approved numbers. Further consumer wise analysis shows that, there is anticipated increase forecasted in consumption of energy by consumers such as Aerospace Processing India Pvt Ltd Unit-1, Aequs Pvt Ltd Unit 3 , Aequs Pvt. Ltd Unit 4 , VP Aero Solutions Pvt. Ltd, Indoschottele Autoparts India Pvt Ltd, Purosil Performance Hose LLP, Latecoere India Private Limited, Aequs Force Consumer Products Pvt Ltd. On the other hand , energy consumption of Aerostructure Manufacturing India Pvt Ltd Unit 1, Aequs Pvt Limited Unit 2, QuEST Global Engineering Services Pvt Ltd, Aequs Engineered Plastics Pvt Ltd, Aerostructure Manufacturing India Pvt Ltd Unit 3, Aerospace Processing India Pvt Ltd Unit-2 are estimated lower consumption than the approved.

Sl. No.	Unit	Energy Consumption MUs (KWH)	
		FY22	FY22
		Approved	Provsional
<b>Industrial Units</b>			
1	Aerospace Processing India Pvt Ltd Unit-1	2.05	2.21
2	Aerostructure Manufacturing India Pvt Ltd Unit 1	2.85	2.69
3	Aerostructure Manufacturing India Pvt Ltd Unit 2	2.93	3.39
4	Aequs Pvt Limited Unit 2	0.74	0.64
5	Aequs Pvt Limited Unit 3	0.23	0.31
6	Aequs Pvt Limited Unit 4	1.06	1.29
7	QuEST Global Engineering Services Pvt Ltd	0.25	0.24
8	VP Aero Solutions Pvt ltd .	0.12	0.13
9	UFI Filters India Pvt Ltd	0.35	0.35
10	Indoschottele Autoparts India Pvt Ltd	2.32	2.69
11	SQuAD forging India Pvt Ltd	1.45	1.44
12	Aerostructure Assemblies India Pvt Ltd	0.14	0.14
13	Aequs Engineered Plastics Pvt Ltd	3.30	3.13
14	FTWZ - Apollo Aerospace Components India Pvt Ltd.	0.00	0.01
15	All Metal Services (AMS)	0.07	0.08
16	Aerostructure Manufacturing India Pvt Ltd Unit 3 (FMS)	0.92	0.87
17	Aerospace Processing India Pvt Ltd Unit-2	0.33	0.28
18	Purosil Performance Hose LLP	0.23	0.28
19	Latecoere India Private Limited	0.17	0.25
20	Aequs Force Consumer Products Pvt Ltd (AFCPPL)	2.43	3.30
21	Inspiron Enterprise-FTWZ	0.00	0.00
22	Sandvik Asia Private Limited-FTWZ	0.00	0.00
23	Walter Tools India Private Limited-FTWZ	0.00	0.00
24	Unique Tooling Solutions P Ltd-FTWZ	0.00	0.00
25	Aubert & Duval Engineering India Pvt. Ltd	-	0.00
26	New Unit -1 (Project Wheel)	0.08	0.00
<b>Total (A)</b>		<b>22.02</b>	<b>23.73</b>
1	Aequs Common Facility		
<b>Total (B) #6</b>		<b>0.85</b>	<b>0.93</b>
1	Construction Facilities		
<b>Total (C) #0</b>		<b>0.02</b>	<b>0.00</b>
<b>Total Consumers for FY22 (A)+(B)+( C)</b>		<b>22.898</b>	<b>24.664</b>

### **Clarification 3: ARR for FY23-25:**

#### **Observations:**

Sales estimate for FY23 to FY25:

AEQUS has submitted that to develop realistic forecast, it has approached consumer's business Heads and Electrical Department. Based on the estimate provided by the consumers and the present consumption pattern, sales for various consumers are estimated. It is stated that the aerospace industry would take 3 to 4 years to recover from the impact of COVID. Further, it is submitted that average CAGR of 6% is considered for the control period.

AEQUS shall furnish the working details for arriving at 6% growth. AEQUS shall also clarify as to whether the above growth rate is applied individually to each consumer.

**Response:**

As submitted in Para 6.4 Page 37 of the filing, AEQUS has judiciously approached all the consumers to understand their growth plans and energy needs and same has been reviewed and normalized with the present consumption trends for each of the consumer with best possible estimates. Hence the increase in the consumption is derived from the inputs shared by consumers. As per the forecast derived from the aforementioned procedure, there is a slight increase in demand for FY23 (3%) & FY24 (4.5%) and then it significantly picks up only is FY25 (11.5%). Consequently the CAGR over the control period translates to 6% which has been mentioned in our filings. We have not applied CAGR of 6% individually to each consumer, instead the CAGR is derived based on the customer inputs and normalization for consumption trends to bring about the annualized growth rate over the control period.

**Clarification 3.a :**

- a. At Table-29 the total number of installations for FY25 should be 35 and not 36.

**Response:**

We request Hon'ble Commission to kindly refer below table for total number of installations for FY23 to FY25. The total number of installations come to 37.

<b>Projected Consumer Growth Chart</b>			
Financial Year >>	FY 23	FY 24	FY 25
Industrial and Allied Consumers	26	28	29
Common Facilities	7	7	7
Construction	1	1	1
<b>Total</b>	<b>34</b>	<b>36</b>	<b>37</b>

**Clarification 3.b:**

At Page 148 the number of installations is indicated as 33 for the control period, whereas in Table-29 it is indicated as 34 to 36 for the control period.

**Response:**

We request Hon'ble Commission to kindly consider below table for number of installations by referring the page 148.



<b>Projected Consumer Growth Chart</b>			
Financial Year >>	FY 23	FY 24	FY 25
Industrial and Allied Consumers	26	28	29
Common Facilities	7	7	7
Construction	1	1	1
<b>Total</b>	<b>34</b>	<b>36</b>	<b>37</b>

**Clarification 3.c:**

In the annexure, data is furnished for consumers at Sl. No. 21, 14,18,17,15,11,7,12,10,13,8,19 and 16 only. AEQUS shall furnish the details obtained from other consumers regarding the sales estimates for the control period.

**Response:**

We request Hon'ble commission to refer the letters enclosed copies of the emails /letters from our consumers regarding their energy consumption projections for the control period.

**Clarification 4: Wheeling Charges and Cross Subsidy Surcharge:**

**Observations:**

AEQUS may consider working out the wheeling charges, CSS and Additional Surcharge considering its own costs and furnish the same to the commission.

**Response:**

On the above issue, we would like to bring to kind notice of Honorable Commission that at page no.66 (Chapter 13 point no. 11) we have submitted as under :-

KERC, in its order dated 9th June 2021 had passed orders, applying the Wheeling charges as determined for HRECS to Aequs also. Besides, the Cross subsidy surcharges as determined for all the ESCOMs was made applicable to AEQUS also.

In this connection, we would like to reiterate that we are a small licensee and we do not have any consumers opting for the open access as of now. We therefore Request the Hon'ble Commission to pass the order for Wheeling charges and Cross Subsidy surcharge on similar lines considered by the KERC in 9<sup>th</sup> June 2021 order.

We request Honorable Commission to kindly take note of this request and pass appropriate order for wheeling charges and cross subsidy charges.

**Clarification 5: RPO Compliance:**

**Observations:**

The AEQUS SEZ shall furnish RPO compliance for FY21.

**Response:**

As per KERC notification No. Y/02/17 dated 28.11.2017, any deemed licensee procuring bulk power partly or wholly from the area of ESCOM are deemed to have complied with the RPO to the extent of such from the ESCOM, if such ESCOM has complied with RPO. Therefore, we request the Hon'ble Commission to take note of this and pass appropriate orders.

Besides in FY21 order, KERC while working out ASEZ input power procurement from HRECS/HESCOM has bundled energy wherein our input power has solar allocation also, which clearly signifies that RPO issues are being addressed while approving the PP cost.

We request Honourable Commission to take this in record and inform us if any further information or clarification needed.

Thanking you.

Yours faithfully,

**For Aequs SEZ Pvt. Ltd.**

  
Vikram S Annappa

(Authorized Signatory)

