

Before the Karnataka Electricity Regulatory Commission

No. 16, C-1, Miller Tank Bed Area, Vasanthanagara, Bengaluru - 560 052.

In the matter of

An Application for approval for Annual Performance Review for FY'18 and Annual Revenue Requirement (ARR) for the Distribution and Retail Supply Business for the control period covering the years 2019-20, 2020-21 and 2021-22 and Tariff Petition for Financial Year 2019-20 of Aequs SEZ Private Limited, Aequs Special Economic Zone, 437/A, Hattarji Village, Hukkeri Taluka, Belagavi - 591243 under Section 61 & 62 of the Electricity Act, 2003 read with relevant Regulations of KERC (Tariff) Regulations including KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006.

BY

Aequs SEZ Private Limited, having Registered Office at No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India and having its Corporate Office at Aequs SEZ, No. 437/A, Hattarji Village, Hukkeri Taluka, Belagavi - 591243.

NOTICE

Aequs SEZ Private Limited (ASEZPL) has filed an application before the Honble Karnataka Electricity Regulatory Commission (Honble Commission) for approval of Annual Performance Review for FY'18 and Annual Revenue Requirement (ARR) for the Distribution and Retail Supply Business for the control period FY'20 to FY'22 and Tariff Petition for FY'20 of Aequs SEZ Private Limited under Section 61 & 62 of the Electricity Act, 2003 read with relevant Regulations of KERC (Tariff) Regulations including KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006. The Honble Commission is in the process of considering the same.

The summary of the application are as below:

1. Annual Performance Review for FY'18

Actual ARR for the year FY'18 is as under:-

Sl. No.	Particulars	INR in Crs.	INR in Crs.
A	INCOME :		
	Revenue from Sale of Power		13.57
B	EXPENDITURE :		
i	Power Purchase Cost	11.23	
ii	Other Costs	2.05	
iii	ROE	0.31	
	Total Gross Expenditure - B1	13.59	
	Less: Other Income - B2	0.06	
	Total Net Expenditure (B = B1 - B2)		13.53
C	Net Profit / (Loss) (A - B)		0.04

1. There is a surplus of INR 0.04 Cr in the Profit & Loss account. In the prayer Honble KERC has been requested to kindly allow this amount to be retained by AEQUS as it has suffered losses in the earlier years. (Accumulated losses as on FY'18 is INR 0.98 Crs)

ii. It is also submitted that as part of the true-up, if any change in the power purchase rate is approved by Honble KERC for FY'18, then the entire increase should be passed on to our consumers.

2. Annual Revenue Requirement for FY'19

A gap of INR (0.38) Cr, expected in the Profit & Loss account, ASEZPL will approach the Honble Commission for true-up of numbers after final audited numbers for FY'19 are ready.

3. Annual Revenue Requirement for FY'20

Projected ARR for the year FY'20 is as under:-

Sl. No.	Particulars	INR in Crs.	INR in Crs.
A	INCOME :		
	Revenue from Sale of Power		17.83
B	EXPENDITURE :		
i	Power Purchase Cost	14.72	
ii	Other Costs	2.86	
iii	ROE	0.53	
	Total Gross Expenditure - B1	18.11	
	Less: Other Income - B2	0.06	
	Total Net Expenditure (B = B1 - B2)		18.05
C	Net Profit / (Loss) (A - B)		(0.22)

i. For FY'20, The GAP is INR (0.22) Crs. which translates to 9 Ps/KWh. of energy sold.

ii. As consumer's interest is paramount, with optimisation in PP, Aequs management, has decided not to pass on this burden to our consumers at this stage.

iii. ASEZPL requests Honble Commission to retain the same power purchase rate for FY'20 also as approved by Honble Commission for FY'19 in tariff order dated 14th May 2018 and if any increase, the same has to be passed on to our consumers through tariff increase.

iv. As any FAC approved by Honble KERC during the course of FY'20 is a pass through, it is neither considered as revenue (refer D2) OR as expenditure (refer D1) in the ARR filed; ASEZPL would pay the supplier and recover the same from our consumers at approved rates fixed by the Commission from time to time.

v. Aequs would strive hard to reduce the above GAP of INR (0.22) Crs in FY'20 through better sales and efficiency improvement. If there is any GAP uncovered for FY'20 as per its audited accounts, Aequs would come before Honble Commission for True-up.

4. FY'20 - Tariff proposals submitted to Honble Commission :

Tariff Category	Type Of Installation	No. Of Cons-Load Slabwise (MVA)	Sanct. Load Slabwise (MU)	EXISTING TARIFF CHARGES		PROPOSED TARIFF CHARGES	
				Particulars	Rate (INR)	Particulars	Rate (INR)
Industrial	Industrial	23	12,260	Fixed Charges / KVA	190.00	Fixed Charges / KVA	190.00
				Energy Charges / KWH	6.50	Energy Charges / KWH	6.50
Common facilities	Common facilities	1	0.340	Fixed Charges / KVA	190.00	Fixed Charges / KVA	190.00
				Energy Charges / KWH	6.50	Energy Charges / KWH	6.50
Construction/ Temporary	Construction/ Temporary	--	--	Fixed Charges / KVA	200.00	Fixed Charges / KVA	200.00
				Energy Charges / KWH	6.00	Energy Charges / KWH	9.00
		24	12,600		23.67		

5. Pursuant to Section 5 of KERC (Tariff) Regulations, 2000, it is hereby notified that persons who are interested in filing their objections to the above petition may file the same with the Receiving Officer, Karnataka Electricity Regulatory Commission, No. 16, C-1, Miller Tank Bed Area, Vasanthanagara, Bengaluru - 560 052 in six sets, with a copy to Authorized Signatory (Infra) ASEZPL, No. 437/A, Hattarji Village, Hukkeri Taluka, Belagavi - 591243 duly supported by an affidavit within 30 days from the date of first publication of this Notification for furnishing replies to the objections. Further, the interested persons shall also indicate whether they want to be heard in person.

6. For reference to those who are interested, copies of the petition will be available for inspection at the Corporate Office of ASEZPL in Belagavi during the working hours.

7. Petition booklets are made available at a cost of INR 200/- per copy for interested persons. If any part of the petition is required, the same may be obtained by paying applicable photocopy charges.

8. Further, the copy of the petition is also made available on the ASEZPL website sez.aequs.com

The figures mentioned in above tables are rounded off to nearest decimals.

For Aequs SEZ Private Limited

Sd/-

Authorised Signatory
No. 437/A, Hattarji Village, Hukkeri Taluka, Belagavi - 591 243

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