

**Consultation Paper No.12/2011-12**



**Airports Economic Regulatory Authority of India**

**Multi Year Tariff Proposal of  
Delhi Aviation Fuel Facility Private Limited  
for approval of Fuel Infrastructure Charges at  
IGI Airport, New Delhi**

**New Delhi: 08<sup>th</sup> August, 2011**

**AERA Building  
Administrative Complex  
Safdarjung Airport  
New Delhi – 110 003**

M/s. Delhi Aviation Fuel Facility Private Limited (DAFFPL) had vide their letter No. DAFFPL/AERA dated 09.03.2011 (**Annexure-I**) submitted their Multi Year Tariff Proposal (MYTP) for approval of the Infrastructure charges on light touch approach w.e.f 28.07.2010 and pending approval of the tariff as an interim arrangement sought approval to collect the proposed infrastructure charges from the users since 28.07.2010.

## 1.2 **Brief Background:**

- (i) DAFFPL, vide their letter no.nil dated 26.07.2010, stated that they propose to charge an infrastructure charge (to maximum of) Rs.987.25/KL which will be effected from 28.07.2010; that they have taken over the existing facilities from M/s.Bharat Petroleum Corporation Ltd (BPCL) (storage tanks, hydrants, IT & SCADA systems, equipments, plant, building and ancillary facilities; that they are additionally investing on infrastructure for integrating the existing facility with T-3; that the estimated cost of the project provisionally comes to around Rs.546 crores; that the valuation of assets offered by BPCL was under finalization; and that they have paid an amount of Rs.80 crores to BPCL.
- (ii) Further, the request for approval of charges by was made DAFFPL on 26.07.2010, which was received in the office of the Authority only on 29.07.2010, and the proposed charges were implemented, without waiting for the consideration of the Authority; w.e.f. 28.7.2010, i.e., even before the request was received by the Authority.
- (iii) The Authority, which was in the process of considering the request made by DAFFPL for approval of the new fuel facility infrastructure charges was of the opinion that without the withdrawal of the charges levied by DAFFPL it would not be in a position to effectively discharge its function of determination of the fuel facility infrastructure charges as proposed by them and was further of the opinion that the continuance of the levy of these charges would be a continuing violation of the provisions of the Act.
- (iv) Accordingly, in terms of powers conferred on it under Section 15 read with Section 13 of the Act, the Authority directed DAFFPL to stop charging the fuel facility infrastructure charges, at IGI Airport, New Delhi, with effect from 28.07.2010 until their request for approval of the charges is decided by the Authority. (Direction No. 02/2010-11 dated 15.09.2010)

2.1 Subsequently, DAFFPL have vide their letter No. DAFFPL/AERA dated 09.03.2011 submitted the MYTP seeking approval of the proposed tariff based on light touch approach on their understanding that:

- (i) Service of supply of fuel to aircraft is a material and not competitive service;
- (ii) There are existing Reasonable user agreements with the present fuel suppliers at IGI Airport.

2.2 DAFFPL have **enclosed “Supplier Agreements” along with the MYTP for** considering their proposal on the basis of existing reasonable user agreements. However, it was **observed that the “Supplier Agreements” had been entered into by** the Operator of the fuel farm facility Indian Oil Sky Tanking (IOSL ) with the fuel

suppliers, namely, Indian Oil Corporation Limited (IOCL); Bharat Petroleum Corporation Limited (BPCL); Hindustan Petroleum Corporation Limited (HPCL) and Shell MRPL Aviation Fuels and Services Private Limited (Shell MRPL).

As per Schedule Q of the Concession and Operating Agreement (COA) furnished by DAFFPL, the Supplier Agreement governs how ATF is delivered to, stored and handled in the facility and how the Throughput fee is discharged. Article 22 of the COA provides that the Operator shall enter in to Supplier Agreements with qualified and interested suppliers as determined by DIAL

As per the Guidelines issued by the Authority for determination of Tariff in respect of subject services, the Authority shall consider the existing user agreements as reasonable provided that the service provider submits existing User Agreement(s) between the Service Provider and all the User(s) of the Regulated Service(s), clearly indicating the tariff(s) that are agreed to between the Service Provider and the User(s) of the Regulated Service(s).

2.3 The minutes of the stakeholder consultation meeting held by DAFFPL on 10.02.2011 at New Delhi, **(Annexure-II)** state that DAFFPL had proposed the annual infrastructure charges as Rs.1018/KL. However, the same was finally agreed at the common figure of Rs.987.25/KL with DAFFPL agreeing to share the details with the users. However, breakup of the tariff had not been furnished and this common figure of Rs.987.25/KL was already communicated to the Suppliers vide **DAFFPL's letter dated 27.07.2010 (Annexure-III)**.

2.4 In their application DAFFPL had submitted that though the Annual Infrastructure charges is worked out to be Rs.1018.30/KL, but to honor the existing user agreement Rs.987.25 may be approved w.e.f 28.07.2010 based on light touch approach. Confirmation of agreeing to the infrastructure charges of Rs.987.25, proposed by DAFFPL, is available only from IOCL, vide an email dated 22.02.2011. Further, while DAFFPL had addressed some of the concerns raised by the stakeholders w.r.t the tariff proposed, one of the stakeholder (Essar Oil Ltd) has expressed the need for more transparency regarding the figures shared and have also observed that the airlines should be made part of the consultative process since the costs are finally borne by them.

3.1 In view of the above and also considering that DAFFPL had not submitted certain information as part of the MYTP, vide letter dated 13.04.2011, DAFFPL were informed that on a preliminary scrutiny of the documents, it would, prima-facie **appear, that DAFFPL's claim for being regulated under the "light touch regulation"** was not duly supported by reasonable user agreements, specifically with respect to the user charges and that the MYTP does contain several information which may be furnished to the Authority by 25.04.2011 for further examination.

3.2 DAFFPL vide their letter dated DAFFPL/AERA dated 25.04.2011 (received in on 30.04.2011 **Annexure-IV**), submitted the supporting documents and their response to few queries. However, it was observed that DAFFPL had still not furnished any document/ agreement clearly indicating the tariffs that were agreed to between the Service Provider i.e DAFFPL and the User(s) of the Regulated Service(s).

3.3.1 DAFFPL also made additional submissions vide their letters dated 05.05.2011 and 17.05.2011, 30.05.2011 and 15.06.2011 (**Annexure –V**, collectively).

3.3.2 DAFFPL, vide their submission dated 05.05.2011, stated that one of the suppliers (HPCL) had made payment of the throughput fees of Rs.1549/KL (on an invoice initially raised by IOSL , the Fuel farm operator) and in support of the claim enclosed the copy of the invoices and payment remittance proof. However, it was not clear from the documents submitted whether HPCL had made an unqualified payment or not.

3.3.3 Further, DAFFPL has submitted that HPCL has confirmed the acceptance of infrastructure charges of Rs.987.25. However, the document referred to was an email from GM, HPCL dated 05.05.2011, which was issued after the date of submission of the MYTP by DAFFPL i.e., 09.03.2011.

3.3.4 DAFFPL also stated that IOCL had remitted the payment for Airport operator fees (Rs.561.75) and confirmed the infrastructure charges of Rs.987.25/KL which shows their acceptance of the throughput fees including the infrastructure and other charges by IOCL.

3.3.5 As per DAFFPL, BPCL have also agreed to the proposal and have confirmed vide an email that they will abide by the provisions of the Suppliers agreement in connection with the concession agreement and will pay the infrastructure charges accordingly. However, the email dated 29.04.2011 from BPCL is also post submission of the MYTP by DAFFPL.

3.3.6 DAFFPL have stated that only three PSU oil companies are operating from the IGI Airport, Terminal 3 and the other suppliers namely Reliance Industries Limited (RIL), Essar Oil Limited and Shell MRPL Aviation Fuels and Service Providers have not yet started using the infrastructure facility. Further, DAFFPL have submitted that ***“The existing oil suppliers of IGAI, Terminal -3 have already considered Rs.1549.00/KL (Rs.561.75/KL as Airport Operator Fees and Rs.987.25/KL as Infrastructure and other charges including the operating charges) as throughput fee in their pricing to Airlines customers and same is being recovered by them from Airlines since July 28’2010 onwards.”***

3.4 In view of the above, DAFFPL have submitted that the existing PSU Oil suppliers are in line of agreement to pay the proposed infrastructure charges of Rs.987.25/KL pending approval of this Authority and submitted the following for consideration:

- a) The erstwhile Owner and service provider BPCL used to recover Rs.755/KL as Hydrant charges for IGIA Terminal 2 and Cargo area, and that the same has been confirmed by one of the user of the facility IOCL. BPCL's hydrant charges are prior to the date of 01.09.2009 i.e., before the determination of tariff by AERA.
- b) Additional investment of Rs.211 crores has been made to integrate the facility and creating new hydrant system at Terminal, so the proposed Infrastructure charges of Rs.987.25/KL (increase of Rs.987.25-Rs.755.00=Rs232.25) is reasonable considering the additional investment.



- c) In view of payment embargo DAFFPL has been defaulting in payment of statutory dues, debt servicing, creditors payments, meeting day to day operational expenses and the facility being quite old there is an urgent need to upgrade the infrastructure to maintain safety standard, which is getting delayed due to fund problem.

Hence DAFFPL has requested the Authority for an interim relief.

3.5 DAFFPL, vide letter dated 17.05.2011, submitted that as an implication of the **Authority's** Direction (No.2/2010-11, dated 15.09.2010), DAFFPL is unable to charge infrastructure component of the fuel throughput charges, and as a result is under severe financial crunch and submitted the following for the **Authority's** consideration:

- a) DAFFPL has taken over the erstwhile facility of BPCL on 14.07.2010 and providing uninterrupted fuelling service, which is an essential service at Terminal-3, without inflow of any revenue since 28.07.2010.
- b) The Operator of fuel farm facilities, IOSL, is managing the facilities without any payment of expenditure, since there was no inflow of cash. There are many areas especially related to safety of operation, which require immediate maintenance which is not being undertaken due to financial crisis. Such non-maintenance may jeopardize the total operation of fuel farm and in turn may halt the fuelling operation at airport.
- c) In recent past fuel farm facility has experienced major power failures, one of failures lasted for 58 hours. During the power outage period the total operation was run and managed by genset. The massive power outage was due to ill maintained and old electrical system. The existing system with no additional back up genset, is unable to sustain the requirement of new terminal and due to financial crisis DAFFPL is unable to procure modern equipments to overhaul the existing system.
- d) Recently DAFFPL have experienced leakage in the fuel tanks as they are old and need heavy repair and maintenance. Due to financial scarcity, the old leaking fuel tanks are not being repaired and are being kept out of operation leading to less product storage, less backup stock, hamper the fuelling service at airport.
- e) The Hydrant pits valves at Terminal 2 and cargo terminal are old and do not comply with international standard. IATA has raised concern on these on their various audit of fuel farm. Hydrant pits valves are not being upgraded due to lack of funds.
- f) The fuelling system in the airport is undertaken with various safety precautions and leak detection system is one of them. Due to fund problem DAFFPL is not able to install leak detection in Hydrant system.
- g) There are many issues which need urgent capital expenditure but the same have not been undertaken because of non availability of funds.

3.6 Apart from the aforesaid indicative operational issues which in DAFFPL's assessment may bring the fuelling operation at airport to a halt, DAFFPL also submitted that:

- a) Apart from contribution from equity holders, DAFFPL has taken a loan to fund the project and there is interest burden of Rs.1.75 crore every month. In the past DAFFPL has defaulted in regular payment of interest and as of date **DAFFPL is left with fund for interest payment of May'2011 only**. Further **repayment of principal is going to begin from July1' 2011; however there is no fund to honour the repayment of the principal amount**.
- b) DAFFPL has defaulted in paying the statutory dues like paying Income tax under provision of Income tax and defaulted in regular paying of tax deducted at source.

3.7 Based on the above, DAFFPL have requested this Authority to consider their earlier request for granting of interim relief as in the absence of revenues and any immediate relief, it would be difficult to sustain the operations for any longer time which could adversely affect the fuelling services at T-3, T-2 and Cargo terminal of IGI Airport, New Delhi, which needs to be avoided at all costs. Hence DAFFPL have **requested this Authority to consider DAFFPL's submission and grant an interim relief at the existing rate or any rate which authority may consider appropriate for enabling them to maintain the fuel services at Airport**.

3.8 DAFFPL, have vide their submission dated 30.05.2011 submitted User wise documentary evidence in support of treating their proposal under the light touch approach.

3.9 DAFFPL, have vide additional submission dated 15.07.2011 (**Annexure VI**), reiterated their submissions made in their previous correspondences and have, inter alia, submitted that the existing oil suppliers of IGI Airport, T-3, have considered Rs.1549/KL (Rs.561.75/KL as Airport Operator Fees and Rs.987.25/KL as Infrastructure and other charges including the operating charges ) as throughput fee in their pricing to the Airline customers and the same is being recovered by them from Airlines since 28.07.2010 onwards.

3.10 DAFFPL also submitted that all the fuel suppliers have confirmed the quantity uplifted for the period 28.07.2010 to 31.03.2011 and made a provision in their respective books of accounts @ Rs.987.25/KL on account of Infrastructure charges.

3.11 In view of the above, DAFFPL have submitted that it can be established that the existing oil suppliers are in line of agreement to pay the proposed infrastructure charges of Rs.987.25/KL pending approval of this Authority.

3.12 In the light of the above, DAFFPL have requested the Authority to allow them to levy the infrastructure charges @ Rs.987.25/KL since the charge is in agreement with all the oil suppliers and is also being recovered by the oil suppliers.

3.13 On the other hand, the BPCL have, vide letter No. HO.AV.DAFFL dated 20.06.2011 (**Annexure-VII**), requested for approval of the Authority to pay DAFFL an amount @ Rs.500/KL from 28.07.2010 till date and thereafter at the same rate till the final order is passed.

4.1 The matter has been considered by the Authority, in its 45<sup>th</sup> Meeting held on 04.08.2011, when upon careful consideration of all the material available on record, the Authority has observed that:

- (i) The Oil Companies who are users of the hydrant facility appear to have provisioned for an amount of Rs. 987.25 per KL during the period 28.7.2010 to 31.3.2011. DAFFPL has claimed this to be an evidence to support their claim that all users have agreed to the proposed charge of Rs. 987.25 per KL. However, the position is not unambiguous in as much as the DAFFPL had, suo moto, advised the oil companies of their intention to charge Rs. 987.25 per KL w.e.f. 28.7.2010. Therefore, in order to ensure that the advised amount is recovered, the Oil Companies may have provisioned for the same irrespective of whether they agree with the amount or otherwise.
- (ii) The BPCL, which was earlier operating this facility, has confirmed vide letter ref HOAV.DAFFPL dated 01.10.2010 (**Annexure-VIII**) that before handing over of the facility to DAFFPL they were charging Rs.755/KL as hydrant charges from other users namely IOCL and HPCL.
- (iii) In respect of the charge of Rs. 987.25/KL while there is an agreement by IOCL and HPCL, BPCL has not agreed to the same. BPCL have vide their letter no. HO.AV.DAFFL dated 20.06.2010, requested this Authority for approval of a charge of Rs. 500 per KL. Therefore, one plausible view is that all Users have agreed to pay to the extent of Rs.500/ KL only.
- (iv) However, prima facie, there is no evidence that there is an unambiguous user agreement on any of the rates. Therefore, for the first Control Period, the Authority may have to adopt an intrusive price cap regulation.
- (v) DAFFPL have been rendering services since 28.07.2010 but have not been able to charge for their services. Therefore, there is a need to put in place an arrangement in respect of the period 28.07.2010 to 31.03.2011 so as to ensure safe, economical and viable operations of the fuel supply.
- (vi) Keeping in view the above, on balance, the Authority is of the opinion that continuation of charge of Rs.755/KL, which was being charged by BPCL prior to taking over the facility by DAFFPL w.e.f. 28.07.2010 and upto 31.03.2011 may be the fair option.

4.2 Shri Prabin Dokania, CFO, DAFFL, who was present to assist the Authority, agreed that since the facility has been taken over from BPCL and BPCL was charging Rs.755/KL, for the period 28.7.2010 to 31.3.2011, the Authority may consider this rate as agreed rate. He also requested that for the subsequent period, i.e., 01.04.2011 onwards, the Authority may determine the rates on the basis of their claim made in the proposal.

5. The Authority has, accordingly, decided to make the following proposal for stakeholder consultation:

- (i) The infrastructure charge in respect of the fuel farm services provided by DAFFPL at IGI airport, New Delhi may be determined @ Rs.755/KL for the period 28.07.2010 to 31.03.2011.
- (ii) Prima-facie, there is no evidence that there is an unambiguous user agreement on the rates proposed by DAFFPL. Therefore, for the first control period, the Authority may adopt intrusive price cap regulation.

6. In accordance with the provisions of Section 13(4) of the Act, the proposal contained in para 5 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed with this Consultation Paper. For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

7. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 5 above, latest by **23.08.2011** at the following address:

**Shri Sandeep Prakash**  
**Secretary**  
**Airports Economic Regulatory Authority of India**  
**AERA Building,**  
**Administrative Complex,**  
**Safdarjung Airport,**  
**New Delhi- 110003**  
**Email: [sandeep.prakash@era.gov.in](mailto:sandeep.prakash@era.gov.in), [sandeep.moca@nic.in](mailto:sandeep.moca@nic.in)**  
**Tel: 011-24695040**  
**Fax: 011-24695039**

**Yashwant S. Bhawe**  
**Chairperson**

# DELHI AVIATION FUEL FACILITY (P) LTD.

ANNEXURE-I

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Ref: DAFFPL/AERA

Dated: March 9, 2011

Mr. Sandeep Prakash, ^  
Secretary,  
Airport Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi-110 003.

**Subject : Tariff application as per " Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft Guidelines, 2011"**

Dear Sir,

At the outset DAFFPL would like to thank AERA for issuing the "The Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011", it is very comprehensive and elaborated guidelines and give clarity to service provider. This was possible only with visionary thought, efforts and considering the inputs of stakeholders.

Our understanding based on the guidelines is that

- a) Service of Supply of fuel to aircraft is a **material and not competitive** service
- b) There are existing **Reasonable user agreements** with the present fuel suppliers at IGI Airport ,Delhi

As DAFFPL is fulfilling the above conditions, and based on our understanding, as per chapter 1; para 3.2 (iii) of *Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft Guidelines, 2011*, your good office may approve the tariff of supply of fuel to Aircraft for the control period based on light touch approach as prescribed in Chapter V.

For your consideration in our case, we are submitting the following

- a) User Agreement with existing suppliers
- b) Documents related to stakeholders' s Consultation
- c) Intimation of Infrastructure charges applicable at IGIA to users
- d) All other necessary formats as prescribed in guideline
- e) Tariff petition application
- f) Check list

Your good office may further appreciate the fact that DAFFPL is providing the uninterrupted infrastructure service for supply of fuel to the aircraft w.e.f July 28, 2010 at IGIA without any revenue inflow.

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# DELHI AVIATION FUEL FACILITY (P) LTD.

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Keeping in view the above fact you are requested to

- a) Approve the proposed tariff based on light touch approach effective July 28, 2010.
- b) Pending the final approval of tariff as an interim arrangement, please approve to collect proposed infrastructure charges from users since July 28'2010.

Thanking you.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited



Prabin Dokania  
Chief Financial Officer

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Minutes

ANNEXURE-II

DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061.

MINUTES OF THE CONSULTATION MEETING ON INFRASTRUCTURE CHARGES WITH USERS OF FUEL FARM AT HYDRANT FACILITY AT THE DELHI AIRPORT HELD ON FEBRUARY 10, 2011.

Delhi Aviation Fuel Facility Private Limited (DAFFPL) is a joint venture of Indian Oil Corporation Limited (IOC) Bharat Petroleum Corporation limited (BPCL), and Delhi International Airport private limited (DIAL).

As per the guidelines issued by Airport Regulatory Authority of India (AERA) on 10th January 2011, the company called a consultation meeting with users of fuel farm and hydrant infrastructure at Delhi airport on February 2011 at 11.30 am at Hotel Radisson, National Highway 8, New Delhi.

Notices had been sent to each user separately through post, email and Sms etc. Further a notice has been published in English and Hindi News paper on 5th February 2011.

As per the circular no. 12 issued by AERA on January 5, 2011 wherein it mentioned that the tariff proposed by the company comes under the ambit of "material and non-competitive" and hence can be filed under the tariff after the consultative process with the users.

The meeting was chaired by the Commercial Committee of DAFFPL. The company briefed the users present at the consultation meeting that the fuel farm & hydrant infrastructure facility cost per KL had been worked out Rs. 1018.06 per KL. The company informed the users that the infra charges of Rs. 1018 per KL is based on a Concession Agreement signed between the Company and Delhi International Airport (P) Limited executed September 22, 2009.

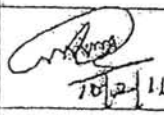

There were observations as to BPCL charging Rs. 755 per KL as the infra charges. The Company mentioned that the cost charged by BPCL were the hydrant charges. It was informed that the company had invested Rs. 310 Crore and the future capex of the Company was Rs. 63.75 Crore.

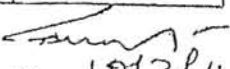
Comments from all the users was sought in order to receive a green signal from AERA in respect of the charges and finalize the cost with respect to throughput fees.

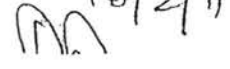
A breakup of the charge of Rs. 1018.06 is sought by RIL and HPCL before a final conclusion on the consultation. The company agreed to share the details with the users and agree at the common figure of Rs. 987.25 per KL.

Once the Company sends the details, comments/ concurrence from the users is to be sent by the users before February 18, 2011 and if required the next meeting would be held on February 22, 2011.

List of Participants is attached.

Name	Designation	Company	Signature
Mr. Rakesh Arora	Sr. Airport Terminal Manager	Indian Oil Corporation Limited	
Mr. Ashok Jadhav	Coordinator-Business Information	Bharat Petroleum Corporation Limited	

Mr. S. MOHANTY HEAD - A/F BUSINESS RIL 

Mr. R. RADHAKRISHNAN HEAD AVIATION HPCL 

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*Minutes*

MINUTES OF THE CONSULTATION MEETING ON INFRASTRUCTURE CHARGES WITH USERS OF FUEL FARM AND HYDRANT FACILITY AT THE DELHI AIRPORT HELD ON FEBRUARY 10, 2011.

Delhi Aviation Fuel Facility Private Limited (DAFFPL) is a joint venture of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation limited (BPCL), and Delhi international Airport private limited (DIAL).

As per the guidelines issued by Airport Regulatory Authority of India (AERA) on 10<sup>th</sup> January 2011, the company called a consultation meeting with users of fuel farm and hydrant infrastructure at Delhi airport on February 10, 2011 at 11.30 am at Hotel Radjsson, National Highway 8, New Delhi.

Notices had been sent to each User separately through post, email and Sms etc. Further a notice has been published in English and Hindi News paper on 5<sup>th</sup> February 2011.

As per the circular no. 12 issued by AERA on January 5, 2011 wherein it mentioned that the tariff proposed by the Company comes under the ambit of "material and non-competitive" and hence can be filed under the light touch after the consultative process with the users

The meeting was chaired by the Commercial Committee of DAFFPL. The company briefed the users present at the consultation meeting that the fuel farm & hydrant infrastructure facility cost per KL had been worked out to Rs. 1018.06 per KL. The Company informed the users that the infra charges of Rs. 1018 per KL is based on the Concession Agreement signed between the Company and Delhi International Airport (P) Limited executed in September 22, 2009.

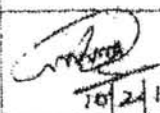
There were observations as to BPCL charging Rs. 755 per KL as the infra charges. The Company mentioned that the cost charged by BPCL were the hydrant charges. It was informed that the company had invested Rs. 310.96 Crore and the future capex of the Company was Rs. 63.75 Crore.


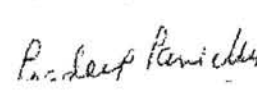
Comments from all the users was sought in order to receive a green signal from AERA in respect of the charges and finalize the cost with respect to throughput fees.

A breakup of the charge of Rs.1018.06 is sought by RIL and HPCL before a final conclusion on the consultation. The company agreed to share the details with the users and agree at the common figure of Rs. 987.25 per KL.

Once the Company sends the details, comments/ concurrence from the users is to be sent by the users before February 18, 2011 and if required the next meeting would be held on February 22, 2011.

List of Participants is attached.

Name	Designation	Company	Signature
Mr. Rakesh Arora	Sr. Airport Terminal Manager	Indian Oil Corporation Limited	 10/2/11
Mr. Ashok Jadhav	Coordinator-Business Information	Bharat Petroleum Corporation Limited	

Mr. S. Mohanty Head ATF Services RIL  
 Mr. R. Radhakrishnan Head Aviation HPCL  
   
 Pradeep Ranichde

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ANNEXURE - III (Flag I)

ANNEXURE - III

**DELHI AVIATION FUEL FACILITY (P) LTD.**

New Udaan Bhawan, Terminal 3, Opp. ATC Complex, International Terminal  
IGI Airport  
New Delhi-110037

Ref: DAFFPL/2010-11/37

July 27, 2010

To

Mr. R Sareen  
Executive Director  
(Aviation)  
Indian Oil Corporation  
Ltd  
G-9, Ali Yavar Jung  
Marg, Bandra (East)  
Mumbai

Mr. S. Bhattacharya  
General Manager-  
Aviation  
Bharat Petroleum  
Corporation Limited  
A5&6, Sector-1,  
Noida-201301

Mr. R. Radhakrishnan  
General Manager-Aviation  
Hindustan Petroleum  
Corporation Limited  
Hindustan Bhawan, Gr. Floor  
8, Soorji Vallabhdas Marg,  
Ballard Estate  
Mumbai-400001

Sub: Infrastructure and Opex Recovery Charges applicable at Terminal T-3, Terminal-2 and Cargo Terminal of IGI Airport, New Delhi effective from 28th July 2010.

Dear Sir,

Consequent to transfer of terminal operations from T2 into T3 on 28.07.2010, following charges pertaining to fuel throughput shall be payable by you:

a. Infrastructure and Opex Recovery Charges: RS 987.25 per KL

Applicable taxes would be extra.

We have referred the matter about these charges to AERA for its notification. However, till the necessary approval/ confirmation is received by us, these charges shall be collected provisionally from the Suppliers.

Yours truly

*Pradeep Panicker*  
Pradeep Panicker  
Director

Regd. Office: New Udaan Bhawan, Terminal 3, Opp. ATC Complex, International Terminal  
IGI Airport  
New Delhi-110037

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# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

ANNEXURE TO

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Ref: DAFFPL/AERA

Dated: April 25, 2011

Mr. Sandeep Prakash,  
Secretary,  
Airport Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi-110 003.

**Subject: Tariff application of DAFFPL**

Dear Sir,

Reference may please be made to AERA's letter reference AERA/20015/DAFFPL/2010-11/52 dated April 13, 2011 for submission of certain supportive documents and response for few queries in response to DAFFPL application submitted on March 9'2011.

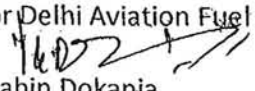
We are attaching point wise response on the information requirement along with this letter.

DAFFPL request your good office to kindly consider DAFFPL's petition under light touch approach and approve the same effective July 28, 2010.

Thanking you.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited

  
Prabin Dokania  
Chief Financial Officer

0000295

Received on  
20/4/2011

(h)  
20/4/2011

(2)



# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

(F/B)  
ANNEXURE - IV

Ref: DAFFPL/AERA

Dated: May 5, 2011

593/11/11  
9/5/11

Pl. examine

Mr. Sandeep Prakash,  
Secretary,  
Airport Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi-110 003.

12/6/11  
08/11

**Subject: Tariff application of DAFFPL**

Dear Sir,

Reference may please be made to our tariff application and subsequent correspondence on the above subject.

12/6/11

We would like to further submit the following for Hon'ble Authority's consideration

- As per suppliers' agreement Clause No 13.1, DAFFPL had intimated about the proposed infrastructure charges to existing fuel suppliers vide letter ref DAFFPL/2010-11/37 dated July 27'2010 (Flag I).
- As per concession agreement, Fuel farm operator -IOSL had initially raised invoices for throughput fees @1549.00/KL to oil companies and one of supplier namely M/s Hindustan Petroleum Corporation Limited (HPCL) had made payment accordingly (Copy of Invoices and payment remittance proof is attached for ready reference- ~~Flag III~~) which shows their acceptance of the throughput rate billed to them. Since Hon'ble authority has directed DAFFPL to stop charging Fuel facility Infrastructure charges, the amount was subsequently adjusted against Airport fees (part of the Throughput fees of Rs 1549.00 per KL), payable to DIAL. Further HPCL has confirmed the acceptance infrastructure charges of Rs.987.25/kl (Copy of mail is enclosed -~~Flag III~~)
- M/s Indian Oil Corporation Limited (IOCL) has remitted the payment for Airport operator fees (Rs.561.75/KL) and confirmed of infrastructure charges of Rs.987.25/KL (copy of their letter enclosed - ~~Flag IV~~). This shows the acceptance of Throughput fees including infrastructure and other charges by IOCL
- M/s Bharat Petroleum corporation Limited (BPCL) had already remitted the payment for Airport operator fees (Rs.561.75/KL) and also confirmed through mail that they will abide by the provisions of the suppliers agreement in connection with concession agreement and will pay the infrastructure and other charges accordingly. This clearly shows the agreement on part of BPCL on the mechanism of Throughput fees and abides by DAFFPL's intimation of Infrastructure charge of Rs.987.25/KL. (~~Flag V~~)

0000296

1





# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

- e) Presently only three PSU oil suppliers are operating from IGA terminal 3 and other suppliers namely Reliance Industries Limited (RIL), Essar Oil Limited and Shell MRPL Aviation Fuels and Services Private Limited has not yet started using the infrastructure facility.
- f) The existing oil suppliers of IGA, Terminal-3 have already considered Rs. 1549.00/KL (Rs.561.75/KL as Airport Operator Fees and Rs.987.25/KL as Infrastructure and other charges including the Operating charges) as throughput fee in their pricing to Airline customers and same is being recovered by them from Airlines since July 28 2010 onwards.

Based on the above facts, it can be established that present Oil suppliers are in line of agreement to pay the proposed infrastructure charges of Rs.987.25/KL pending approval of Hon'ble Authority. DAFFPL would further request Hon'ble Authority to consider the following submissions:

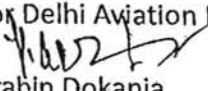
- a) The erstwhile Owner and service provider M/s Bharat Petroleum corporation Limited (BPCL) used to recover Rs.755/KL as Hydrant charges for IGIA Terminal 2 and Cargo area (Copy of letter attached Flag VI), the same was also confirmed by one of the user of facility M/s Indian Oil Corporation Limited(IOCL)(Copy attached- Flag VII). BPCL's hydrant charges are prior to the date of 01.09.2009 i.e before the determination of tariff by AERA.
- b) Further DAFFPL has made additional investment of Rs.211 Crore to integrate the facility and creating new hydrant system at Terminal, so the proposed in Infrastructure charges of Rs.987.25/kl (increase of Rs987.25-755.00=Rs232.25) is reasonable considering that additional investment.
- c) In view of payment embargo DAFFPL has been defaulting in payment of statutory dues, debt servicing, creditors payments, meeting day to day operational expenses. Further the facility is quite old and there is an urgent need to upgrade the infrastructure to maintain safety standard, which is getting delayed due to fund problem. Hence DAFFPL requests Hon'ble Authority for an interim relief.

Keeping in view of all the above facts, DAFFPL request your good office to kindly consider DAFFPL's petition under light touch approach and approve an interim relief till the time Hon'ble Authority approves the proposed infrastructure charges in line with MYTP.

Thanking you.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited

  
Prabin Dokania  
Chief Financial Officer

0000297

2

- 67 -

✓ (Flag I)

**DELHI AVIATION FUEL FACILITY (P) LTD.**

New Udaan Bhawan, Terminal 3, Opp. ATC Complex, International Terminal  
IGI Airport  
New Delhi-110037

Ref: DAFFPL/2010-11/37

July 27, 2010

To

Mr. R Sareen  
Executive Director  
(Aviation)  
Indian Oil Corporation  
Ltd  
G-9, Ali Yavar Jung  
Marg, Bandra (East)  
Mumbai

Mr. S. Bhattacharya  
General Manager-  
Aviation  
Bharat Petroleum  
Corporation Limited  
A5&6, Sector-1,  
Noida-201301

Mr. R. Radhakrishnan  
General Manager-Aviation  
Hindustan Petroleum  
Corporation Limited  
Hindustan Bhavan, Gr. Floor  
8, Soorji Vallabhdas Marg,  
Ballard Estate  
Mumbai-400001

Sub: Infrastructure and Opex Recovery Charges applicable at Terminal T-3, Terminal-2 and Cargo Terminal of IGI Airport, New Delhi effective from 28th July 2010.

Dear Sir,

Consequent to transfer of terminal operations from T2 into T3 on 28.07.2010, following charges pertaining to fuel throughput shall be payable by you:

a. Infrastructure and Opex Recovery Charges: **Rs 987.25 per KL**

Applicable taxes would be extra.

We have referred the matter about these charges to AERA for its notification. However, till the necessary approval/ confirmation is received by us, these charges shall be collected provisionally from the Suppliers.

Yours truly

*Pradeep Panicker*

Pradeep Panicker  
Director

Regd. Office: New Udaan Bhawan, Terminal 3, Opp. ATC Complex, International Terminal  
IGI Airport  
New Delhi-110037

(19)

0000298

Flag II

**STATEMENT OF ACCOUNT**

STATE BANK OF INDIA  
DWARKA  
APRA PLAZA II PLOT NO.14  
CENTRAL MARKET  
Branch Code : 4384  
Branch Phone : 28083504

**INDIANOIL SKYTANKING LTD.**  
FUEL FARM FACILITY  
DELHI INTERNATIONAL AIRPORT  
NONRURAL-INR  
SHAHABAD MOHAMMADPUR  
110061

Account No. : 31252067773  
Product : CA-GEN-PUB OTH-

Currency : INR

Date : 29/09/2010 Time : 14:22:15

E-mail :

Cleared Balance : 3,86,32,391.00Cr

Uncleared Amount : 0.00

Limit : 0.00

Drawing Power : 0.00

Int. Rate : 15.75 % p.a.

Nominee Name :

Statement From 08/07/2010 to 14/09/2010

Page No. : 1

Post Balance Date	Value Date	Details	Chq.No.	Debit	Credit
		BROUGHT FORWARD :			0.00
28/07/10	28/07/10	MICR CA CHQ 63.00Dr		63.00	
26/08/10	26/08/10	DEP TFR 99549.00Cr NEFT SCBL0036001SINO TRF FR 0099511044307 NEFT SCBL0036001SINO			99612.00
31/08/10	31/08/10	TO INTEREST 99548.00Cr		1.00	
01/09/10	01/09/10	DEP TFR 2663049.00Cr NEFT SCBL0036001SINO TRF FR 3197726044305 NEFT SCBL0036001SINO			2563503.00
14/09/10	14/09/10	DEP TFR 38632391.00Cr NEFT SCBL0036001SINO TRF FR 0099511044307 NEFT SCBL0036001SINO			35969342.00



0000299

CLOSING BALANCE :  
3,86,32,391.00Cr

Statement Summary

Dr. Count 2                      Cr. Count 3                      64.00                      3,86,32,455.00

In Case Your Account Is Operated By A Letter Of Authority/Power Of Attorney Holder, Please Check The Transaction With Extra Care.

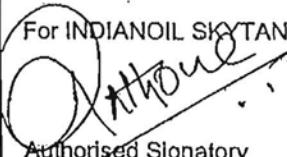
\*\*\* END OF STATEMENT \*\*\*



0000300

# IndianOil Skytanking

ISO 9001:2000, ISO 14001:2004 Certified

INVOICE			
Invoice No. : DEL/SH/004 Date: 08/08/10 Billing Period: From 01/08/10 to 31/08/10	Service Tax Code Category of Service Central Excise Regn. No. PAN No. VAT No.	AABC15709CST001 Storage & Warehouse Service AABC15709CXM001 AABC15709C 29580723313	
To Mr.M.K.Dhingra (Sr.Station Manager) Hindustan Petroleum Corporation Ltd. Palam ASF,Domestic Airport New Delhi - 110037			
Description	Quantity (KL)	Rate (Rs./KL)	Amount (Rs.)
Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel ; (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office)	11,000.000	1,549.00	17,039,000.00
Sub Total :			17,039,000.00
Service Tax 10%			1,703,900.00
Education Cess on Service Tax 2%			34,078.00
Secondary and higher education Cess on Service Tax 1%			17,039.00
Total :			18,794,017.00
Rounded Off			18,794,017.00
Amount: Rupees one crore eighty seven lakh ninety four thousand seventeen only			
Kindly send your payment through RTGS to our following Bank Account: State Bank of India; Address: APRA PLAZA II,Plot No.14,Central Market, Sector 10,Dwarka, NEW DELHI-110045; A/c No.: 31252067773 ; IFSC Code: SBIN0004384; MICR Code: 110002409 by 15th of this month subsequent to which delay interest would be charged.			
For INDIANOIL SKYTANKING LIMITED  Authorized Signatory			

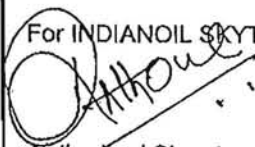
IndianOil Skytanking Ltd. Regd. Office : Fuel Farm Facility, Bangalore International Airport, Devanahalli,  
Bangalore - 560 300. Tel : +91 80 66783204 Fax : +91 80 66783205

0000301



# IndianOil Skytanking

ISO 9001:2000, ISO 14001:2004 Certified

INVOICE			
Invoice No. : DEL/SH/007 Date: 06/09/10	Service Tax Code Category of Service	AABCI5709CST001 Storage & Warehouse Service	
Billing Period: From 01/09/10 to 30/09/10	Central Excise Regn. No.	AABCI5709CXM001	
To Mr.M.K.Dhingra (Sr.Station Manager) Hindustan Petroleum Corporation Ltd. Palam ASF,Domestic Airport New Delhi - 110037	PAN No. VAT No.	AABCI5709C 29580723313	
Description	Quantity (KL)	Rate (Rs./KL)	Amount (Rs.)
Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel : Adjustment for Aug'10 (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office)	10,000.000 (890.438)	1,549.00 1,549.00	15,490,000.00 (1,379,288.46)
Sub Total :			14,110,711.54
Service Tax 10%			1,411,071.00
Education Cess on Service Tax 2%			28,221.00
Secondary and higher education Cess on Service Tax 1%			14,111.00
Total :			15,564,114.54
Rounded Off			15,564,115.00
Amount: Rupees one crore fifty five lakh sixty four thousand one hundred fifteen only			
Kindly send your payment through RTGS to our following Bank Account: State Bank of India; Address: APRA PLAZA II,Plot No.14,Central Market, Sector 10,Dwarka, NEW DELHI-110045; A/c No.: 31252067773 ; IFSC Code: SBIN0004384; MICR Code: 110002409 by 15th of this month subsequent to which delay interest would be charged.			
<p>For INDIANOIL SKYTANKING LIMITED</p>  <p>Authorised Signatory</p>			

**IndianOil Skytanking Ltd.** Regd. Office : Fuel Farm Facility, Bangalore International Airport, Devanahalli,  
Bangalore - 560 300. Tel : +91 80 66783204 Fax : +91 80 66783205

0000302

8

# IndianOil Skytanking

ISO 9001:2000, ISO 14001:2004 Certified

## INVOICE

Invoice No. : DEL/SH/003 Date: 05/08/10	Service Tax Code Category of Service	AABC15709CST001 Storage & Warehouse Service	
Billing Period: From 28/07/10 to 31/07/10	Central Excise Regn. No.	AABC15709CXM001	
To Mr. M.K. Dhingra (Sr. Station Manager), Hindustan Petroleum Corporation Ltd, Palam ASF, Domestic Airport New Delhi - 110037	PAN No. VAT No.	AABC15709C 29580723313	
Description	Quantity (KL)	Rate (Rs./KL)	Amount (Rs.)
Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel : (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD-7) have already been sent to your local office)	1,531.018	1,549.00	2,371,546.88
Sub Total :			2,371,546.88
Service Tax 10%			237,155.00
Education Cess on Service Tax 2%			4,743.00
Secondary and higher education Cess on Service Tax 1%			2,372.00
Total :			2,615,816.88
Rounded Off			2,615,817.00

0000303

- 42 -

8

Flag III



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Preview Invite

Infrastructure charges

X Inbox X

R Radhakrishnan to me, S

show de

Dear Shri Prabir Dokania,

This has reference to your telecon with me on the subject.

We are agreeable to the proposed infrastructure charges of Rs. 987.25 per KLD same is approved by AERA.

Regards,

अर.राधाकृष्णन
R.RADHAKRISHNAN
General Manager and Head Aviation SBU
Hindustan Petroleum Corporation Ltd
Mobile:+919820244320

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The Website address of HPCL is www.hindustanpetroleum.com

Reply Reply to all Forward

Delhi Aviation Fuel Facility Pvt. Ltd. to pradeep.p show details 8:38 PM (13

Dear Sir

Many thanks for your support !

0000304





R Radhakrishnan rradhakrishnan@hpcl.co.in  
to"Delhi Aviation Fuel Facility Pvt. Ltd." <daffpl@gmail.com>  
ccS S Bramhe <ssbramhe@hpcl.co.in>  
dateThu, May 5, 2011 at 8:32 PM  
subjectInfrastructure charges  
mailed-byhpcl.co.in  
hide details 8:32 PM (12 hours ago)

Dear Shri Prabir Dokania,

This has reference to your telecon with me on the subject.

We are agreeable to the proposed infrastructure charges of Rs. 987.25 per KL by DAFFPL provided the same is approved by AERA.

Regards,

□□.□□□□□□□□□□

R.RADHAKRISHNAN

General Manager and Head Aviation SBU

Hindustan Petroleum Corporation Ltd.

Mobile:+919820244320

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The Website address of HPCL is [www.hindustanpetroleum.com](http://www.hindustanpetroleum.com)

0000306

----- Forwarded message -----  
 From: RSITHARTHAN@indianoil.co.in  
 Date: 22-02-2011 15:44  
 Subject: Re: Fwd: Minutes of Meeting of User consultation and summary of Infrastructure charges  
 To: "Delhi Aviation Fuel Facility Pvt. Ltd." <dnffpl@gmail.com>  
 Cc: agrawal sunil <agravals1842@bharatpetroleum.in>, pradeep.panicker@nrmgroup.in, RSITHARTHAN@indianoil.co.in

Dear Sir,

[Redacted]

सदर  
Regards

(शैलेश धर)  
 (Shailesh Dhar)  
 वरिष्ठ प्रबंधक (विमानन)  
 Sr. Manager (Aviation)  
 9833383969

From: "Delhi Aviation Fuel Facility Pvt. Ltd." <dnffpl@gmail.com>  
 To: RSITHARTHAN@indianoil.co.in  
 Cc: pradeep.panicker@nrmgroup.in, agrawal sunil <agravals1842@bharatpetroleum.in>, RSITHARTHAN@indianoil.co.in  
 Date: 22-02-2011 15:44  
 Subject: Fwd: Minutes of Meeting of User consultation and summary of Infrastructure charges

Dear Mr. Dhar

Greetings from DAFFPL !

A line of confirmation on the proposed Infrastructure charges will be highly appreciated.

Regards  
Prabhu

49

0000307

12

Flag V

Prabin Dokania - CFO DAFFPL

Subject: FW: Addendum of Suppliers agreement

From: Bhattacharya S B [mailto:bhattacharyasb@bharatpetroleum.in]  
 Sent: Friday, April 29, 2011 6:34 PM  
 To: Prabin Dokania - CFO DAFFPL  
 Cc: RSITHARTHAN@indianoil.co.in; ssbramhe@hpcl.co.in; Pradeep Panicker; 'RSAREEN@indianoil.co.in'  
 (RSAREEN@indianoil.co.in); rradhakrishnan@hpcl.co.in; 'tsdupare@indianoilskytanking.co.in'  
 (tsdupare@indianoilskytanking.co.in); agrawal sunil  
 Subject: Addendum of Suppliers agreement

Ref your mail below our comments on the draft addendum of Suppliers agreement are given below:

We have considered the Concession and Operating agreement dated 22<sup>nd</sup> Dec 2009. In terms of Article 27 of the said agreement, the Operator (IOSL) is to calculate the Throughput fees in accordance with Schedule E for each litre of ATF uplifted into an air carrier.

The Supplier agreement (Article 13) between IOSL and BPCL dated 13<sup>th</sup> July 2010 also provides that IOSL shall levy and collect from the Supplier a fee, as notified by DIAL/DAFFPL from time to time.

In view of the aforesaid, BPCL is of the view that Concession agreement clearly stated as to how the throughput fees will be determined and collected in terms of the said agreement. Hence there is no necessity for execution of any further agreement as suggested by DAFFPL

Syamal B Bhattacharya

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0000308

13



भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(भारत सरकार का उपक्रम)  
विमानन व्यवसाय इकाई



BHARAT PETROLEUM CORPORATION LTD.  
(A GOVT. OF INDIA ENTERPRISE)  
Aviation Business Unit

Flng VI

Ref HOAV.DAFFPL

Date : 01/10/2010

To  
Shri Prabin Dokania  
Chief Financial Officer  
Delhi Aviation Fuel Facilities Pvt Ltd. (DAFFPL)

Dear Sir

This has reference to your letter DAFFPL/AERA/1 dated 22<sup>nd</sup> September'2010 received on 27<sup>th</sup> September'2010 regarding Infrastructure Charges.

As you are aware that BPCL was owner of hydrant facility at IGIA Terminal 2 (T2) consisting of storage facility and Hydrant network spread at T2 and Cargo Area. This facility however, is sold to DAFFPL w.e.f. 14<sup>th</sup> July'2010. BPCL used to bring product to the storage facility at T2 through its dedicated pipeline from Bijwasan installation and used to consume and also sell ATF to IOC & HPC for supplying Jet Fuel to their customers.

For supplying jet fuel to IOC/HPC customers, BPCL used to recover product price which includes cost of ATF and ₹ 755 per KL as hydrant charges. We confirm that till transfer of the Hydrant & Storage facility at T2, BPCL used to recover the above hydrant charges from IOC & HPC.

Trust this clarifies the matter.

Yours truly,

For Bharat Petroleum Corporation Limited

S. K. Agrawal  
Team Leader (Pricing & Commercial) - Avn

0000309

रजिस्टर्ड ऑफिस : भारत भवन, 4 एवं 6 करीमबाग रोड, बेलार्ड इस्टेट, मुम्बई - 400 001 भारत  
Registered Office Bharat Bhavan, 4 & 6, Currimbhoy Road, Ballard Estate, Mumbai - 400 001, India

14



Flag VII

इंडियन ऑयल कॉर्पोरेशन लिमिटेड  
 प्रधान कार्यालय  
 इंडियन ऑयल भवन, जी-9, अली यावर जंग मार्ग,  
 बांद्रा (पूर्व), मुंबई - 400 051.

Indian Oil Corporation Limited

Head Office  
 Indian Oil Bhavan, G-9, All Yavar Jung Marg,  
 Bandra (East), Mumbai - 400 051.  
 Phones : 2642 3272 / 2640 0926  
 DID : 2644 1077 / 2644 1101  
 Fax : 2640 0606 / 2644 1541



विपणन प्रभाग  
 Marketing Division

Ref.No.: AV/RS/DAFFPL

7<sup>th</sup> Oct, 2010

Delhi Aviation Fuel Facility Private Ltd.  
 New Udaan Bhawan, Terminal 3,  
 Opposite ATC Complex,  
 IGI Airport,  
 New Delhi - 110 037

**Sub : Infrastructure Charges at Terminal T-3, IGI Airport New Delhi**

Dear Sir,

This has reference to your letter DAFFPL/ AERA/3 dated 30<sup>th</sup> September, 2010. In this connection, it may please be noted that before the fuel farm facilities at erstwhile NITC AFS were transferred to DAFFPL, the fuel facilities were owned and operated by BPCL. Towards the cost of operating these facilities, the charges levied on industry basis were as under :

Element	Amount (Rs./ KL)
AFS Cost (including Into Plane Charges)	1215.00
Hydrant Charges	755.00
<b>Total</b>	<b>1970.00</b>

However, the amount mentioned for the existing infrastructure charge, in the DAFFPL letter dated July 26, 2010 addressed to AERA was Rs. 1750 per KL.

The charges now proposed in the new dispensation are as under :

Element	Amount (Rs/ KL)	
	Basic	Including Service Tax of 10.3%
Into Plane Charges	149.00	164.00
Infrastructure Charges (including hydrant cost and operating cost)	987.25	1089.00
<b>Total</b>		<b>1253.00</b>

0000310

15

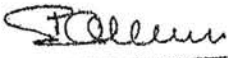
There was no separate element as "Into Plane Fees" in the earlier charges, and the AFS Cost of Rs. 1215 per KL included the costs towards into plane operations.

It may also be noted that the Infrastructure Cost of Rs. 987.25, proposed for the new arrangement, includes the Hydrant Cost and the facility operating costs. Under the new arrangement, the AFS cost or the Hydrant Charges are no longer being levied by the oil companies and the total charges towards these elements is Rs. 1253 per KL only which is much less than the earlier cost of Rs. 1970 per KL.

With above, we hope that we have clarified our position in the matter.

Thanking you,

Yours faithfully,  
for Indian Oil Corporation Ltd.



(R SAREEN)  
Executive Director (Aviation)

OC

OC

0000311

16

2/2

# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Ref: DAFFPL/AERA

Dated: May 17, 2011

Mr. Sandeep Prakash,  
Secretary,  
Airport Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi-110 003.

**Subject: Interim Relief in reference to fuel infrastructure charges**

Dear Sir,

Reference may please be made to our tariff application and subsequent correspondence on the above subject. As an implication of your order Dated September 15, 2010, Delhi Aviation Fuel Facility (P) Ltd ("DAFFPL") is unable to charge infrastructure component of the fuel throughput charges, and as a result is under severe financial crunch. We would like to further submit the following for Hon'ble Authority's consideration

- a) DAFFPL has taken over the erstwhile facility of Bharat Petroleum Corporation (BPCL) on 14<sup>th</sup> July 2010 and providing uninterrupted fuelling service, which is an essential service at Terminal-3, without inflow of any revenue since July 28 2010.
- b) The Operator of fuel farm facilities, IOSL, is managing the facilities without any payment of expenditure, since there was no inflow of cash. There are many areas especially related to safety of operation, which require immediate maintenance which is not being undertaken due to financial crisis. Such non- maintenance may jeopardize the total operation of fuel farm and in turn may halt the fuelling operation at airport.
- c) In recent past fuel farm facility has experienced major power failures, one of failures lasted for 58 hours. During the power outage period the total operation was run and managed by genset. The massive power outage was due to ill maintained and old electrical system. The existing system with no additional back up genset, is unable to sustain the requirement of new terminal. Again due to financial crisis DAFFPL is unable to procure modern equipments to overhaul the existing system.
- d) Recently we have experienced leakage in the fuel tanks as they are old and need heavy repair & maintenance. Due to financial scarcity, the old leaking fuel tanks are not being repaired and are being kept out of operation leading to less product storage, less backup stock, hamper the fuelling service at airport.
- e) The Hydrant pits valves at Terminal 2 and cargo terminal are old and do not comply with international standard. IATA has raised concern on these on their various audit of fuel farm. Hydrant pits valves are not being upgraded due to lack of funds.
- f) The fuelling system in the airport is undertaken with various safety precautions and leak detection system is one of them. Due to fund problem DAFFPL is not able to install leak detection in Hydrant system.

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## DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

- g) There are many issues which need urgent capital expenditure but the same have not been undertaken because of non availability of funds

Apart from the aforesaid indicative operational issues which in DAFFPL's objective assessment may bring the fuelling operation at airport to a halt, DAFFPL would like to submit the following

- h) Apart from contribution from equity holders, DAFFPL has taken huge loan a from bank to fund the project and there is interest burden of 1.75 crore every month. In the past DAFFPL has defaulted in regular payment of interest. As of date DAFFPL is left with fund for interest payment of May'2011 only. Further repayment of principal is going to begin from July 1' 2011; however there is no fund to honour the repayment of the principal amount.
- i) DAFFPL has defaulted in paying the statutory dues like paying Income tax under provision of Income tax and defaulted in regular paying of tax deducted at source.

Based on the above facts, we would once again request the Authority to consider our earlier request for granting of interim relief. The Authority may kindly appreciate that in the absence of revenues and of any immediate relief, it would be difficult for DAFFPL to sustain the operations for any longer time. We apprehend that such an unfortunate situation could adversely affect the fuelling services at T-3, T-2 and Cargo terminal of IGI Airport, Delhi, which needs to be avoided at all costs.

DAFFPL requests this Hon'ble Authority to consider DAFFPL's submission and grant an Interim relief at the existing rate or any rate which authority may consider appropriate for enabling us to maintain the fuel services at Airport.

Looking forward for your support.

Thanking you.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited

  
Prabin Dokania  
Chief Financial Officer

CC: CEO,DIAL- For information .

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# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Ref: DAFFPL/AERA

Dated: May 30, 2011

Mr. Sandeep Prakash,  
Secretary,  
Airport Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi-110 003.

**Subject: Tariff application of DAFFPL**

Dear Sir,

reference may please be made to our tariff application and subsequent correspondence reference DAFFPL/AERA dated May5'2011, whereas DAFFPL has submitted documentary support for treating its MYTP under light touch approach.

We would like to further submit the following

Oil Company	Particular
Indian Oil Corporation Limited (IOCL)	<ul style="list-style-type: none"> <li>Signed the user agreement</li> <li>Intimated consent through Email on the proposed infrastructure charges of Rs.987.25/KL</li> <li>Confirmation on Rs.987.25 as infrastructure charges while closing the annual accounts (Copy Enclosed as Annexure A)</li> </ul>
Bharat Petroleum corporation Limited (BPCL)	<ul style="list-style-type: none"> <li>Signed the user agreement</li> <li>Confirmation to abide the supplier agreement/concession, Further suppliers agreement states charges has to be intimated by DAFFPL/DIAL and same was intimated</li> <li>Confirmation on Rs.987.25 as infrastructure charges while closing the annual accounts (Copy Enclosed as Annexure B)</li> </ul>
Hindustan Petroleum Corporation Limited (HPCL)	<ul style="list-style-type: none"> <li>Signed the user agreement</li> <li>Intimated consent through Email on the proposed infrastructure charges of Rs.987.25/KL</li> <li>Confirmation on Rs.987.25 as infrastructure charges while closing the annual accounts (Copy Enclosed as Annexure C)</li> </ul>

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## DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061


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The above fact established that the all the existing users are in confirmation for the proposed infrastructure charges of Rs.987.25/KL.

Keeping in view of all the above facts, DAFFPL request your good office to kindly consider DAFFPL's petition under light touch approach and approve an interim relief till the time Hon'ble Authority approves the proposed infrastructure charges in line with MYTP.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited

  
Prabin Dokania  
Chief Financial Officer

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# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Ref: DAFFPL/AERA

Dated: June 15, 2011

Mr. Sandeep Prakash,  
Secretary,  
Airport Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi-110 003.

**Subject: Multi Year Tariff Proposal (MYTP) for 2011-16 –reg.**

Dear Sir,

Reference may please be made to your letter F.NO-AERA/20015/DAFFPL/2010-11 dated June'9, 2010 by which certain additional information was asked with respect to our tariff application and subsequent correspondence on the above subject.

We are enclosing point wise reply along the supporting documents as Annexures, for Hon'ble Authority's consideration and speedy approval of our tariff application.

DAFFPL further request your good office to kindly consider DAFFPL's petition for an interim relief till the time Hon'ble Authority approves the proposed infrastructure charges in line with MYTP.

Thanking you.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited

  
Prabin Dokania  
Chief Financial Officer



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# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Ref: DAFFPL/AERA

Dated: July 15, 2011

Mr. Sandeep Prakash,

Secretary,

Airport Economic Regulatory Authority of India,

AERA Building,

Administrative Complex,

Safdarjung Airport,

New Delhi-110 003.

**Subject: Tariff application of DAFFPL**

Dear Sir,

Reference may please be made to our tariff application submitted on March 9'2011 and subsequent correspondence and response to queries raised by Hon'ble Authority on the above subject.

We would like to further submit the following for Hon'ble Authority's consideration

- a) As per suppliers' agreement Clause No 13.1, DAFFPL had intimated about the proposed infrastructure charges of Rs. 987.25 /KL to existing fuel suppliers vide letter ref DAFFPL/2010-11/37 dated July 27'2010 (**Flag I**).
- b) As per concession agreement, Fuel farm operator –IOSL had initially raised invoices for throughput fees @1549.00/KL to oil companies and one of supplier namely M/s Hindustan Petroleum Corporation Limited (HPCL) had made payment accordingly (Copy of Invoices and payment remittance proof is attached for ready reference- **Flag II**) which shows their acceptance of the throughput rate billed to them. Since Hon'ble authority has directed DAFFPL to stop charging Fuel facility Infrastructure charges, the amount was subsequently adjusted against Airport fees (part of the Throughput fees of Rs 1549.00 per KL), payable to DIAL. Further HPCL has confirmed the acceptance infrastructure charges of Rs.987.25/kl Copy of letter is enclosed –**Flag-III**)
- c) M/s Indian Oil Corporation Limited (IOCL) and confirmed of infrastructure charges of Rs.987.25/KL (copy of their letter enclosed – **Flag IV**). This shows the acceptance of Throughput fees including infrastructure and other charges by IOCL
- d) M/s Bharat Petroleum corporation Limited (BPCL) had already remitted the payment for Airport operator fees (Rs.561.75/KL) and also confirmed through mail that they will abide by the provisions of the suppliers agreement in connection with concession agreement and will pay the infrastructure and other charges accordingly. This clearly shows the agreement on part of BPCL on the mechanism of Throughput fees and abides by DAFFPL's intimation of Infrastructure charge of Rs.987.25/KL. (**Flag V**)
- e) Presently only three PSU oil suppliers are operating from IGAI terminal 3 and other suppliers namely Reliance Industries Limited (RIL), Essar Oil Limited and Shell MRPL Aviation Fuels and Services Private Limited has not yet started using the infrastructure facility.
- f) The existing oil suppliers of IGAI, Terminal-3 have already considered Rs. 1549.00/KL (Rs.561.75/KL as Airport Operator Fees and Rs.987.25/KL as Infrastructure and other charges

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## DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

including the Operating charges) as throughput fee in their pricing to Airline customers and same is being recovered by them from Airlines since July 28'2010 onwards.

- g) Further all the fuel suppliers have confirmed the quantity uplifted for the period July 28 '2010 to March '2011 and made a provision in the respective books of accounts @987.25/KL on account of Infrastructure Charges. **(Flag VI)**

Based on the above facts, it can be established that present Oil suppliers are in line of agreement to pay the proposed infrastructure charges of Rs.987.25/KL pending approval of Hon'ble Authority.

DAFFPL would further request Hon'ble Authority to consider the following submissions:

- a) The erstwhile Owner and service provider M/s Bharat Petroleum corporation Limited (BPCL) used to recover Rs.755/KL as Hydrant charges for IGIA Terminal 2 and Cargo area (Copy of letter attached **Flag VII**), the same was also confirmed by one of the user of facility M/s Indian Oil Corporation Limited (IOCL) (Copy attached- **Flag VIII**). BPCL's hydrant charges are prior to the date of 01.09.2009 i.e before the determination of tariff by AERA.
- b) Further DAFFPL has made additional investment of Rs.211 Crore to integrate the facility and creating new hydrant system at Terminal, so the proposed in Infrastructure charges of Rs.987.25/kl (increase of  $Rs987.25-755.00=Rs232.25$ ) is reasonable considering that additional investment.

Keeping in view of all the above facts, DAFFPL request your good office to kindly allow charging Infrastructure charges @987.25/KL since the charge is in agreement with all the oil suppliers and being recovered by them.

Thanking you.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited

  
Prabin Dokania  
Chief Financial Officer

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Flag (I)

**DELHI AVIATION FUEL FACILITY (P) LTD.**

New Udaan Bhawan, Terminal 3, Opp. ATC Complex, International Terminal  
IGI Airport  
New Delhi-110037

Ref: DAFFPL/2010-11/37

July 27, 2010

To

Mr. R Sareen  
Executive Director  
(Aviation)  
Indian Oil Corporation  
Ltd  
Q-9, Ali Yavar Jung  
Marg, Bandra (East)  
Mumbai

Mr. S. Bhattacharya  
General Manager-  
Aviation  
Bharat Petroleum  
Corporation Limited  
A5&6, Sector-1,  
Noida-201301

Mr. R. Radhakrishnan  
General Manager-Aviation  
Hindustan Petroleum  
Corporation Limited  
Hindustan Bhawan, Gr. Floor  
8, Soorji Vallabhdas Marg,  
Ballard Estate  
Mumbai-400001

**Sub:** Infrastructure and Opex Recovery Charges applicable at Terminal T-3, Terminal-2 and Cargo Terminal of IGI Airport, New Delhi effective from 28th July 2010.

Dear Sir,

Consequent to transfer of terminal operations from T2 into T3 on 28.07.2010, following charges pertaining to fuel throughput shall be payable by you:

- a. Infrastructure and Opex Recovery Charges: Rs 987.25 per kL

Applicable taxes would be extra.

We have referred the matter about these charges to AERA for its notification. However, till the necessary approval/ confirmation is received by us, these charges shall be collected provisionally from the Suppliers.

Yours truly

*Pradeep Panicker*  
Pradeep Panicker  
Director

Regd. Office: New Udaan Bhawan, Terminal 3, Opp. ATC Complex, International Terminal  
IGI Airport  
New Delhi-110037

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a particular report cannot be provided in electronic format the information shall initially be provided in writing and shall be confirmed in electronic format as soon as possible thereafter.

**11.8 Sampling:** For the purpose of verifying the quality of any ATF withdrawn from the Facility each of the Into-Plane Agents shall have the right at all reasonable times to take samples of ATF in accordance with the Quality Control, Assurance and Operating Manual. Such samples shall be taken in the presence of a duly authorised representative of the Operator.

**11.9 Complaints:** Complaints of defect in quality of any ATF withdrawn shall only be admissible if made in writing to the Operator within fourteen (14) days after withdrawal.

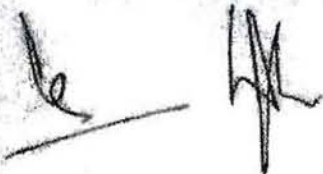
## **12. Custody**

**12.1 Delivery to Facility:** The Operator shall take custody of any ATF delivered to the Facility when it enters the Facility on passing the inlet flange of the Facility and shall hold such ATF as bailee for the Supplier with freedom to make available for withdrawal Deliverable Quantities of similar product, the ATF which was initially delivered having lost its identity by being commingled with other product.

**12.2 Withdrawals by Into-Plane Agents:** Custody of ATF shall be released by the Operator to the relevant Into-Plane Agent as it passes through the relevant hydrant pit valve connection or at the outlet flange at the loading bay connecting the hose of the refuelling vehicle (as the case may be).

## **13. Throughput Fees and Payments**

**13.1 Throughput fees:** The Operator shall levy and collect from the Supplier a fee (*Throughput Fee*) per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from



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the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.

13.2 Other fees and charges: Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
- (b) the supply of services ancillary to the operation of the Facility.

Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier.

13.3 Reimbursement: The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated

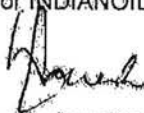





# IndianOil Skytanking

ISO 9001:2000, ISO 14001:2004 Certified

Flag 2

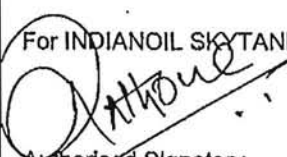
INVOICE			
Invoice No. : DEL/SH/003	Service Tax Code	AABC15709CST001	
Date: 05/08/10	Category of Service	Storage & Warehouse Service	
Billing Period: From 28/07/10 to 31/07/10	Central Excise Regn. No.	AABC15709CXM001	
To	PAN No.	AABC15709C	
Mr.M.K.Dhingra (Sr.Station Manager)	VAT No.	29580723313	
Hindustan Petroleum Corporation Ltd.			
Palam ASF, Domestic Airport			
New Delhi - 110037			
Description	Quantity (KL)	Rate (Rs./KL)	Amount (Rs.)
Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel : (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office)	1,531.018	1,549.00	2,371,546.88
Sub Total :			2,371,546.88
Service Tax 10%			237,155.00
Education Cess on Service Tax 2%			4,743.00
Secondary and higher education Cess on Service Tax 1%			2,372.00
Total :			2,615,816.88
Rounded Off			2,615,817.00
Amount: Rupees twenty six lakh fifteen thousand eight hundred seventeen only			
Kindly send your payment through RTGS to our following Bank Account: State Bank of India; Address: APRA PLAZA II, Plot No.14, Central Market, Sector 10, Dwarka, NEW DELHI-110045; A/c No.: 31252067773 ; IFSC Code: SBIN0004384; MICR Code: 110002409 by 15th of this month subsequent to which delay interest would be charged.			
For INDIANOIL SKYTANKING LIMITED			
 Authorised Signatory			

**IndianOil Skytanking Ltd.** Regd. Office : Fuel Farm Facility, Bangalore International Airport, Devanahalli,  
Bangalore - 560 300. Tel: +91 80 66783204 Fax : +91 80 66783205

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# IndianOil Skytanking

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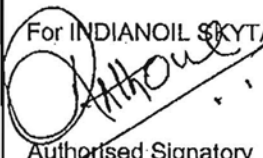
INVOICE			
Invoice No. : DEL/SH/004 Date: 08/08/10	Service Tax Code Category of Service Central Excise Regn. No.	AABC15709CST001 Storage & Warehouse Service AABC15709CXM001	
Billing Period: From 01/08/10 to 31/08/10	PAN No. VAT No.	AABC15709C 29580723313	
To Mr.M.K.Dhingra (Sr.Station Manager) Hindustan Petroleum Corporation Ltd. Palam ASF,Domestic Airport New Delhi - 110037			
Description	Quantity (KL)	Rate (Rs./KL)	Amount (Rs.)
Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel : (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office)	11,000.000	1,549.00	17,039,000.00
Sub Total :			17,039,000.00
Service Tax 10%			1,703,900.00
Education Cess on Service Tax 2%			34,078.00
Secondary and higher education Cess on Service Tax 1%			17,039.00
Total :			18,794,017.00
Rounded Off			18,794,017.00
Amount: Rupees one crore eighty seven lakh ninety four thousand seventeen only			
Kindly send your payment through RTGS to our following Bank Account: State Bank of India; Address: APRA PLAZA II,Plot No.14,Central Market, Sector 10,Dwarka, NEW DELHI-110045; A/c No.: 31252067773 ; IFSC Code: SBIN0004384; MICR Code: 110002409 by 15th of this month subsequent to which delay interest would be charged.			
For INDIANOIL SKYTANKING LIMITED  Authorised Signatory			

**IndianOil Skytanking Ltd.** Regd. Office : Fuel Farm Facility, Bangalore International Airport, Devanahalli,  
Bangalore - 560 300. Tel : +91 80 66783204 Fax : +91 80 66783205

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# IndianOil Skytanking

ISO 9001:2000, ISO 14001:2004 Certified

INVOICE			
Invoice No. : DEL/SH/007 Date: 06/09/10	Service Tax Code Category of Service	AABCI5709CST001 Storage & Warehouse Service	
Billing Period: From 01/09/10 to 30/09/10	Central Excise Regn. No.	AABCI5709CXM001	
To Mr.M.K.Dhingra (Sr.Station Manager) Hindustan Petroleum Corporation Ltd. Palam ASF,Domestic Airport New Delhi - 110037	PAN No. VAT No.	AABCI5709C 29580723313	
Description	Quantity (KL)	Rate (Rs./KL)	Amount (Rs.)
Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel : Adjustment for Aug'10 (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office)	10,000.000 (890.438)	1,549.00 1,549.00	15,490,000.00 (1,379,288.46)
Sub Total :			14,110,711.54
Service Tax 10%			1,411,071.00
Education Cess on Service Tax 2%			28,221.00
Secondary and higher education Cess on Service Tax 1%			14,111.00
Total :			15,564,114.54
Rounded Off			15,564,115.00
Amount: Rupees one crore fifty five lakh sixty four thousand one hundred fifteen only			
Kindly send your payment through RTGS to our following Bank Account: State Bank of India; Address: APRA PLAZA II,Plot No.14,Central Market, Sector 10,Dwarka, NEW DELHI-110045; A/c No.: 31252067773 ; IFSC Code: SBIN0004384; MICR Code: 110002409 by 15th of this month subsequent to which delay interest would be charged.			
For INDIANOIL SKYTANKING LIMITED  Authorised Signatory			

IndianOil Skytanking Ltd. Regd. Office : Fuel Farm Facility, Bangalore International Airport, Devanahalli,  
Bangalore - 560 300. Tel : +91 80 66783204 Fax : +91 80 66783205

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**STATEMENT OF ACCOUNT**

STATE BANK OF INDIA  
DWARKA  
APRA PLAZA II PLOT NO.14  
CENTRAL MARKET  
Branch Code : 4384  
Branch Phone : 28083504

**INDIANOIL SKYTANKING LTD.**  
FUEL FARM FACILITY  
DELHI INTERNATIONAL AIRPORT  
NONRURAL-INR  
SHAHABAD MOHAMMADPUR  
110061

**Account No. : 31252067773**  
**Product : CA-GEN-PUB OTH-**

**Currency : INR**

**Date : 29/09/2010**                      **Time : 14:22:15**

**E-mail :**

**Cleared Balance :**            3,86,32,391.00Cr

**Uncleared Amount :**                      0.00

**Limit :**                      0.00

**Drawing Power :**                      0.00

**Int. Rate : 15.75 % p.a.**

**Nominee Name :**

**Statement From 08/07/2010 to 14/09/2010**

**Page No. : 1**

Post Balance Date	Value Date	Details	Chq.No.	Debit	Credit
-------------------	------------	---------	---------	-------	--------

BROUGHT FORWARD :  
0.00

28/07/10	28/07/10	MICR CA CHQ 63.00Dr		63.00	
26/08/10	26/08/10	DEP TFR 99549.00Cr NEFT SCBL0036001SINO TRF FR 0099511044307 NEFT SCBL0036001SINO			99612.00
31/08/10	31/08/10	TO INTEREST 99548.00Cr		1.00	
01/09/10	01/09/10	DEP TFR 2663049.00Cr NEFT SCBL0036001SINO TRF FR 3197726044305 NEFT SCBL0036001SINO			2563501.00
14/09/10	14/09/10	DEP TFR 38632391.00Cr NEFT SCBL0036001SINO TRF FR 0099511044307 NEFT SCBL0036001SINO			35969342.00



0009325



CLOSING BALANCE :  
3,86,32,391.00Cr

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**Statement Summary**

Dr. Count 2

Cr. Count 3

64.00

3,86,32,455.00

In Case Your Account Is Operated By A Letter Of Authority/Power Of Attorney Holder, Please Check The Transaction With Extra Care.

\*\*\* END OF STATEMENT \*\*\*



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0000326



# हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार उपक्रम) रजिस्टर्ड ऑफिस : 17, जमशेदजी टाटा रोड, मुंबई - 400 020.

## HINDUSTAN PETROLEUM CORPORATION LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE) REGISTERED OFFICE : 17, JAMSHEDJI TATA ROAD, MUMBAI 400 020.

विमानत एसबीयू, हिन्दुस्तान भवन, 8, शुरजी वल्लभदास मार्ग, मुंबई - 400 001. दूरभाष : +91-22-2263 7000 फेक्स : +91-22-2261 1776  
Aviation SBU : Hindustan Bhavan, 8 Shoorji Vallabhdas Marg, Mumbai - 400 001. Tel.: 91-22-2263 7000 Fax : 91-22-2261 1776

AVN:DAFFPL

March 7, 2011

CFO  
Delhi Aviation Fuel Facility (P) Limited  
IGI Airport,  
N Delhi- 110061

Sub: Infrastructure charges at IGI Airport, Delhi

Dear Sir,

As per the presentations made during consultation meeting, we had sought for some additional information to justify the proposed infrastructure charges, which was provided by DAFFPL. Subsequently, we had suggested appointment of an independent body to review and validate the same. However, based on our subsequent discussions with you, we are given to understand that the Infrastructure Charges of Rs.987.25/KL proposed to be levied for usage of the Fuel Hydrant Facility at IGI Airport has been reviewed and agreed upon by M/s Indian Oil Corpn. Ltd.

In view of above, we also concur to the proposed infrastructure Charges of Rs. 987.25/ KL w.e.f. July 28, 2010 at IGI Airport, New Delhi.

Thanking You,

Very truly yours,

S. S. Bramhe  
Ch. Mgr - Aviation



HP Aviation



0000327



Search-Mail Search-the-Web Show Create

- Mail
- Contacts
- Tasks

Compose mail

- Inbox
- Buzz
- Starred
- Important
- Sent Mail
- Drafts

- Personal
- Travel
- 6 more ▾

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« Back to Inbox Archive Report-spam Delete Move-to Label

Infrastructure charges X Inbox X

R Radhakrishnan to me, S show de

Dear Shri Prabir Dokania,

This has reference to your telecon with me on the subject.

We are agreeable to the proposed infrastructure charges of Rs. 987.25 per KL I same is approved by AERA.

Regards,

आर.राधाकृष्णन  
 R.RADHAKRISHNAN  
 General Manager and Head Aviation SBU  
 Hindustan Petroleum Corporation Ltd  
 Mobile:+919820244320

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The Website address of HPCL is www.hindustanpetroleum.com

Reply Reply to all Forward

Delhi Aviation Fuel Facility Pvt. Ltd. to pradeep.panick., agrawal, show de

Dear Sir



12/12/11  
इंडियन ऑयल कॉर्पोरेशन लिमिटेड

प्रधान कार्यालय

इंडियन ऑयल भवन, जी-9, अली यावर जंग मार्ग,  
बान्द्रा (पूर्व), मुंबई - 400 051.

Indian Oil Corporation Limited

Head Office

Indian Oil Bhavan, G-9, Ali Yavar Jung Marg,  
Bandra (East), Mumbai - 400 051.

Phone : 2644 7000

Fax : 2655 2557



विपणन प्रभाग

Marketing Division

AV/RS/DAFFPL

February 24, 2011

CFO,  
Delhi Aviation Fuel Facility Pvt. Ltd.  
Aviation Fuelling Station,  
Shahbad Mohammad Pur,  
IGI Airport,  
New Delhi-110061

**Sub : Infrastructure Charges – Aviation Fuel Facility at Terminal T-3, IGI Airport**

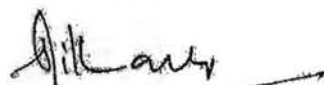
Dear Sir,

This has reference to the stakeholders' consultation meeting on Infrastructure charges for Fuel Farm and Hydrant Facility at Delhi Airport, held on February 10, 2011.

As already informed vide our email dated 22.02.2011, we confirm that we are agreeable to the proposed Infrastructure Charges of Rs. 987.25 per KL.

Thanking you,

Yours Faithfully,  
for Indian Oil Corporation Ltd.

  
(R Sitharthan) 24/2/2011  
DGM (Aviation)  
for ED (Aviation)

पंजीकृत कार्यालय : 'इंडियन ऑयल भवन,' जी-9, अली यावर जंग मार्ग, बान्द्रा (पूर्व), मुंबई - 400 051. (भारत)  
Regd. Office : 'Indian Oil Bhavan,' G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400 051 (INDIA).

0000329



DHARSHAILESH@indianoil.co.in to me, agrawal, pradeep.panick., RSITHARTHAN

show details Feb 22

Dear Sir,

We are agreeable to the proposed infrastructure charges of Rs. 987.25 per KL

□□□□

Regards

(□□□□□ □□ )

(Shailesh Dhar)

□□□□□□ □□□□□□□□ (□□□□□□□)

Sr. Manager (Aviation)

9833383969

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Flag - D

भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(भारत सरकार का उपक्रम)  
विमानन व्यवसाय इकाई



BHARAT PETROLEUM CORPORATION LTD.  
(A GOVT. OF INDIA ENTERPRISE)  
Aviation Business Unit

HO.AV.DAFFL

May 5, 2011

To,

The CFO  
Delhi Aviation Fuel Facility Limited.  
Delhi

Throughput charges (including infrastructure charges)

1. We have considered the Concession and Operating agreement dated 22<sup>nd</sup> Dec 2009. In terms of Article 27 of the said agreement, the Operator (IOSL) is to calculate the Throughput fees in accordance with Schedule E for each litre of ATF uplifted into an air carrier.
2. The Supplier agreement (Article 13) between IOSL and BPCL dated 13<sup>th</sup> July 2010 also provides that IOSL shall levy and collect from the Supplier a fee, as notified by DIAL/DAFFPL from time to time.
3. In view of the aforesaid, BPCL is of the view that
  - (a) Since BPCL is party to the aforesaid agreements, the said two agreements are binding on all parties (including BPCL) to those Agreements. Hence no further agreement for determining throughput charges is required.
  - (b) Needless to mention that the terms of the said agreement is subject to applicable laws, and/or statutes and anything suggested by Statutory Authority or any Court of Law are the terms of the aforesaid agreements will also be equally binding upon all parties to the aforesaid contract.
4. Trust BPCL could clarify its position and all parties to the aforesaid agreement will also act accordingly.

Thanking you,

Yours sincerely,  
for Bharat Petroleum Corporation Limited

S B Bhattacharya  
General Manager (Aviation)

0000331

रजिस्टर्ड ऑफिस : भारत भवन, 4 एवं 6 करीमभाय रोड, बेलार्ड इस्टेट, मुम्बई - 400 001. भारत  
Registered Office : Bharat Bhavan, 4 & 6, Currimbhoy Road, Ballard Estate, Mumbai - 400 001, India

Subject

FW: Addendum of Suppliers agreement

**From:** bhattacharya s b [mailto:bhattacharyasb@bharatpetroleum.in]  
**Sent:** Friday, April 29, 2011 6:34 PM  
**To:** Prabin Dokania – CFO DAFFPL  
**Cc:** RSITHARTHAN@indianoil.co.in; ssbramhe@hpcl.co.in; Pradeep Panicker; 'RSAREEN@indianoil.co.in'  
(RSAREEN@indianoil.co.in); rradhakrishnan@hpcl.co.in; 'tsdupare@indianoilskytanking.co.in'  
(tsdupare@indianoilskytanking.co.in); agrawal sunil  
**Subject:** Addendum of Suppliers agreement

Ref your mail below our comments on the draft addendum of Suppliers agreement are given below:

We have considered the Concession and Operating agreement dated 22<sup>nd</sup> Dec 2009. In terms of Article 27 of the said agreement, the Operator (IOSL) is to calculate the Throughput fees in accordance with Schedule E for each litre of ATF uplifted into an air carrier.

The Supplier agreement (Article13) between IOSL and BPCL dated 13<sup>th</sup> July 2010 also provides that IOSL shall levy and collect from the Supplier a fee, as notified by DIAL/DAFFPL from time to time.

In view of the aforesaid, BPCL is of the view that Concession agreement clearly stated as to how the throughput fees will be determined and collected in terms of the said agreement.

Syamal B Bhattacharya

\*\*\*\*\*Disclaimer\*\*\*\*\*  
\*\*\*\*\* The information contained in this message is BPCL's Confidential and Proprietary information and is intended only for the use of the recipient(s) named above. If the reader of this message is not the intended recipient, he/she is hereby notified that any use, dissemination, distribution, or copying of this communication or any of its content is strictly prohibited. In such case, please advise the sender immediately and delete it from your system. Further acknowledge that any views expressed in this message are those of the individual sender and no binding nature of the message shall be implied or assumed unless the sender does so expressly with due authority of BPCL.

Flap VI



**DELHI AVIATION FUEL FACILITY PRIVATE LIMITED**  
Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi - 110061

**Receivable Confirmation Request - Balance**

March 31<sup>st</sup> 2011.

To,

Bharat Petroleum Corporation Limited

Dear Sir/Madam,

Our CAG auditor Giri & Bansal are auditing our financial statements and wish to obtain direct confirmation of amounts outstanding as of March 31<sup>st</sup> 2011. Compare the information below with your records on that date and confirm that this information agrees with your records on that date or note the details of any discrepancies in the space provided below. Then please sign this request and return to following address.

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi - 110061.

Our record on 31<sup>st</sup> March 2011 showed Rs. 37,80,55,737.95 (Rupees Thirty seven crore eighty lakh fifty five thousand seven hundred thirty seven and ninety five paise) balance as receivable from you (As per Annexure I).

Your prompt attention to this request will be appreciated.

Sincerely,



Delhi aviation Fuel Facility Private Limited.

(Please do not detach)

**CONFIRMATION**

The information as stipulated above by Delhi Aviation Fuel Facility Private Limited is correct except as noted as below.

We have created the liability for fuel supplied of 382938.20 KL @ 987.25  
However this rate is subject to approval by AERA (Airport Economic Regulatory  
Authority)

Signed

Date 26.04.2011

Company S. K. AGRAWAL  
Team Leader (Pricing & Commercial) Aviation  
Bharat Petroleum Corporation Ltd.  
A-5 & 6, Sector-1, Noida-201 301 (U.P.)

0939033





DAFFPL

# DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi - 110061

## Annexure - 1

Period	Fuel Supplied In KL	Rate/KL	Amount
From 28 <sup>th</sup> July 2010	3,537.30	987.25	3,492,199.43
August 2010	38,925.30	987.25	38,428,999.46
September 2010	39,941.03	987.25	39,431,784.83
October 2010	43,744.87	987.25	43,187,119.95
November 2010	56,493.02	987.25	55,772,734.98
December 2010	48,515.64	987.25	47,897,061.64
January 2011	44,831.97	987.25	44,260,356.33
February 2011	50,005.56	987.25	49,367,988.12
March 2011	56,943.51	987.25	56,217,483.21
<b>Total</b>	<b>3,82,938.20</b>		<b>37,80,55,737.95</b>



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INDIAN OIL CORPORATION LIMITED  
 (MARKETING DIVISION)  
 Northern Region EV 2010-11

Schedule R-1: Disclosure of Transactions with Related Parties  
 PARTS: OIL, BULK AVIATION FUEL FACILITY (BVF) etc.

Name of Related party	SALES	Purchase of Products/Services	Disabling Expenses	Settlement of Expenses	Outstanding Receivable	Outstanding Payable	Nature of transaction
<b>Related Parties</b>							
DAFFPL	501333,229.84	Services @ Rs. 987,256.61	NIL	NIL	NIL	494941230.33	THROUGHPUT CHGS
DAFFPL	2000,014.43	Purchase of Product on 48th Dec 2010	N/A	70000000.00	NIL	5615113.00	PRODUCT RETURNED
TOTAL						500556343.33	

5185195\*

*[Handwritten signature]*

FOR DAFFPL



*[Handwritten signature]*  
 FOR INDIAN OIL CORPORATION  
 12/12/10

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**DELHI AVIATION FUEL FACILITY PRIVATE LIMITED**

Aviation Fueling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi - 110061

**Receivable Confirmation Request - Balance**

March 31<sup>st</sup> 2011.

To,

Indian Petroleum Corporation Limited

Dear Sir/Madam,

Our CA&A auditor GRI & Baneal are auditing our financial statements and wish to obtain direct confirmation of amounts outstanding as of March 31<sup>st</sup> 2011. Compare the information below with your records on that date and confirm that this information agrees with your records on that date or note the details of any discrepancies in the space provided below. Then please sign this request and return to following address.

Aviation Fueling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi - 110061.

Our records on 31<sup>st</sup> March 2011 showed Rs. 143,116,283.28 (Rupees Fourteen crore thirty one lakh thirty six thousand two hundred eighty three and twenty nine paise) balance as receivable from you (As per Annexure B).

Your prompt attention to this request will be appreciated.

Sincerely,



Delhi Aviation Fuel Facility Private Limited.

(Please do not detach)

**CONFIRMATION**

The information as stipulated above by Delhi Aviation Fuel Facility Private Limited is correct except as noted as below.

Amount shown in the statement is subject to the approval of Rs 987.25 /kl by AERP.

Signed: Gaurav Date: 15.04.2011

Company: IPCL  
**GAURAV GARG**  
Dy. Manager Finance  
Indian Petroleum Corp. Ltd.  
Patnam A/C  
New Delhi-110037

0000336

File No. V/T

भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(भारत सरकार का उपक्रम)  
विमानन व्यवसाय इकाई



BHARAT PETROLEUM CORPORATION LTD.  
(A GOVT. OF INDIA ENTERPRISE)  
Aviation Business Unit

Ref HOAV.DAFFPL

Date : 01/10/2010

To  
**Shri Prabin Dokania**  
**Chief Financial Officer**  
**Delhi Aviation Fuel Facilities Pvt Ltd. (DAFFPL)**

Dear Sir

This has reference to your letter DAFFPL/AERA/1 dated 22<sup>nd</sup> September'2010 received on 27<sup>th</sup> September'2010 regarding Infrastructure Charges.

As you are aware that BPCL was owner of hydrant facility at IGIA Terminal 2 (T2) consisting of storage facility and Hydrant network spread at T2 and Cargo Area. This facility however, is sold to DAFFPL w.e.f. 14<sup>th</sup> July'2010. BPCL used to bring product to the storage facility at T2 through its dedicated pipeline from Bijwasan installation and used to consume and also sell ATF to IOC & HPC for supplying Jet Fuel to their customers.

For supplying jet fuel to IOC/HPC customers, BPCL used to recover product price which includes cost of ATF and ₹ 755 per KL as hydrant charges. We confirm that till transfer of the Hydrant & Storage facility at T2, BPCL used to recover the above hydrant charges from IOC & HPC.

Trust this clarifies the matter.

Yours truly,

**For Bharat Petroleum Corporation Limited**

**S. K. Agrawal**  
**Team Leader (Pricing & Commercial) - Avn**

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रजिस्टर्ड ऑफिस : भारत भवन, 4 एवं 6 करीमभाँय रोड, बेलार्ड इस्टेट, मुम्बई - 400 001 भारत  
Registered Office : Bharat Bhavan, 4 & 6, Currimbhoy Road, Ballard Estate, Mumbai - 400 001, India



F. No. VIII

इंडियन ऑयल कॉर्पोरेशन लिमिटेड

प्रधान कार्यालय  
इंडियन ऑयल भवन, जी-9, अली यावर जंग मार्ग,  
बांद्रा (पूर्व), मुंबई - 400 051.

Indian Oil Corporation Limited

Head Office  
Indian Oil Bhavan, G-9, All Yavar Jung Marg,  
Bandra (East), Mumbai - 400 051.  
Phones : 2642 3272 / 2640 0926  
DID : 2644 1077 / 2644 1101  
Fax : 2640 0606 / 2644 1541



विपणन प्रभाग  
Marketing Division

Ref.No.: AV/RS/DAFFPL

7<sup>th</sup> Oct, 2010

Delhi Aviation Fuel Facility Private Ltd.  
New Udaan Bhawan, Terminal 3,  
Opposite ATC Complex,  
IGI Airport,  
New Delhi - 110 037

**Sub : Infrastructure Charges at Terminal T-3, IGI Airport New Delhi**

Dear Sir,

This has reference to your letter DAFFPL/ AERA/3 dated 30<sup>th</sup> September, 2010. In this connection, it may please be noted that before the fuel farm facilities at erstwhile NITC AFS were transferred to DAFFPL, the fuel facilities were owned and operated by BPCL. Towards the cost of operating these facilities, the charges levied on industry basis were as under :

Element	Amount (Rs./ KL)
AFS Cost (including Into Plane Charges)	1215.00
Hydrant Charges	755.00
<b>Total</b>	<b>1970.00</b>

However, the amount mentioned for the existing infrastructure charge, in the DAFFPL letter dated July 26, 2010 addressed to AERA was Rs. 1750 per KL.

The charges now proposed in the new dispensation are as under :

Element	Amount (Rs/ KL)	
	Basic	Including Service Tax of 10.3%
Into Plane Charges	149.00	164.00
Infrastructure Charges (including hydrant cost and operating cost)	987.25	1089.00
<b>Total</b>		<b>1253.00</b>

पंजीकृत कार्यालय : 'इंडियन ऑयल भवन', जी-9, अली यावर जंग मार्ग, बांद्रा (पूर्व), मुंबई - 400 051. (भारत)  
Regd. Office : 'Indian Oil Bhavan', G-9, All Yavar Jung Marg, Bandra (East), Mumbai - 400 051. (INDIA)

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There was no separate element as "Into Plane Fees" in the earlier charges, and the AFS Cost of Rs. 1215 per KL included the costs towards into plane operations.

It may also be noted that the Infrastructure Cost of Rs. 987.25, proposed for the new arrangement, includes the Hydrant Cost and the facility operating costs. Under the new arrangement, the AFS cost or the Hydrant Charges are no longer being levied by the oil companies and the total charges towards these elements is Rs. 1253 per KL only which is much less than the earlier cost of Rs. 1970 per KL.

With above, we hope that we have clarified our position in the matter.

Thanking you,

Yours faithfully,  
for Indian Oil Corporation Ltd.

  
\_\_\_\_\_  
(R SAREEN)

Executive Director (Aviation)

Annexure (6) (VI)

Page IV

----- Forwarded message -----  
From: [REDACTED]  
Date: [REDACTED]  
Subject: Re: Fwd: Minutes of Meeting of User consultation and summary of Infrastructure charges  
To: "Delhi Aviation Fuel Facility Pvt. Ltd." <dnffl@gmail.com>  
Cc: agrawal sunil <agrawalsk1842@bharatpetroleum.in>, pradeep naricker@bmmgroup.in, RSITHARTHAN@indianoil.co.in

Dear Sir,

[REDACTED]

सदर  
Regards

(शैलेश धर)  
(Shallesh Dhar)  
वरिष्ठ प्रबंधक (विमानन)  
Sr. Manager (Aviation)  
9833383969

From: "Delhi Aviation Fuel Facility Pvt. Ltd." <dnffl@gmail.com>  
To: DHAASMAN.FSH@indianoil.co.in  
Cc: agrawalsk1842@bharatpetroleum.in, agrawal sunil <agrawalsk1842@bharatpetroleum.in>, RSITHARTHAN@indianoil.co.in  
Date: 22-02-2011 15:44  
Subject: Fwd: Minutes of Meeting of User consultation and summary of Infrastructure charges

Dear Mr. Dhar

Greetings from DAFFPL !

A line of confirmation on the proposed Infrastructure charges will be highly appreciated.

Regards  
Prabhu

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0000307

12



# DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Ref: DAFFPL/AERA

Dated: July 15, 2011

Mr. Sandeep Prakash,

Secretary,

Airport Economic Regulatory Authority of India,

AERA Building,

Administrative Complex,

Safdarjung Airport,

New Delhi-110 003.

**Subject: Tariff application of DAFFPL**

Dear Sir,

Reference may please be made to our tariff application submitted on March 9'2011 and subsequent correspondence and response to queries raised by Hon'ble Authority on the above subject.

We would like to further submit the following for Hon'ble Authority's consideration

- a) As per suppliers' agreement Clause No 13.1, DAFFPL had intimated about the proposed infrastructure charges of Rs. 987.25 /KL to existing fuel suppliers vide letter ref DAFFPL/2010-11/37 dated July 27'2010 (Flag I).
- b) As per concession agreement, Fuel farm operator –IOSL had initially raised invoices for throughput fees @1549.00/KL to oil companies and one of supplier namely M/s Hindustan Petroleum Corporation Limited (HPCL) had made payment accordingly (Copy of Invoices and payment remittance proof is attached for ready reference- Flag II) which shows their acceptance of the throughput rate billed to them. Since Hon'ble authority has directed DAFFPL to stop charging Fuel facility Infrastructure charges, the amount was subsequently adjusted against Airport fees (part of the Throughput fees of Rs 1549.00 per KL), payable to DIAL. Further HPCL has confirmed the acceptance infrastructure charges of Rs.987.25/kl Copy of letter is enclosed –Flag-III)
- c) M/s Indian Oil Corporation Limited (IOCL) and confirmed of infrastructure charges of Rs.987.25/KL (copy of their letter enclosed – Flag IV). This shows the acceptance of Throughput fees including Infrastructure and other charges by IOCL
- d) M/s Bharat Petroleum corporation Limited (BPCL) had already remitted the payment for Airport operator fees (Rs.561.75/KL) and also confirmed through mail that they will abide by the provisions of the suppliers agreement in connection with concession agreement and will pay the infrastructure and other charges accordingly. This clearly shows the agreement on part of BPCL on the mechanism of Throughput fees and abides by DAFFPL's intimation of Infrastructure charge of Rs.987.25/KL. (Flag V)
- e) Presently only three PSU oil suppliers are operating from IGAI terminal 3 and other suppliers namely Reliance Industries Limited (RIL), Essar Oil Limited and Shell MRPL Aviation Fuels and Services Private Limited has not yet started using the infrastructure facility.
- f) The existing oil suppliers of IGAI, Terminal-3 have already considered Rs. 1549.00/KL (Rs.561.75/KL as Airport Operator Fees and Rs.987.25/KL as Infrastructure and other charges

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## DELHI AVIATION FUEL FACILITY (P) LTD.

(Joint venture of IOCL, BPCL and DIAL)

Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

including the Operating charges) as throughput fee in their pricing to Airline customers and same is being recovered by them from Airlines since July 28'2010 onwards.

- g) Further all the fuel suppliers have confirmed the quantity uplifted for the period July 28 '2010 to March '2011 and made a provision in the respective books of accounts @987.25/KL on account of Infrastructure Charges. (Flag VI)

Based on the above facts, it can be established that present Oil suppliers are in line of agreement to pay the proposed infrastructure charges of Rs.987.25/KL pending approval of Hon'ble Authority. DAFFPL would further request Hon'ble Authority to consider the following submissions:

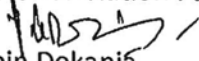
- a) The erstwhile Owner and service provider M/s Bharat Petroleum corporation Limited (BPCL) used to recover Rs.755/KL as Hydrant charges for IGIA Terminal 2 and Cargo area (Copy of letter attached Flag VII), the same was also confirmed by one of the user of facility M/s Indian Oil Corporation Limited (IOCL) (Copy attached- Flag VIII). BPCL's hydrant charges are prior to the date of 01.09.2009 i.e before the determination of tariff by AERA.
- b) Further DAFFPL has made additional investment of Rs.211 Crore to integrate the facility and creating new hydrant system at Terminal, so the proposed infrastructure charges of Rs.987.25/kl (increase of  $Rs.987.25 - 755.00 = Rs.232.25$ ) is reasonable considering that additional investment.

Keeping in view of all the above facts, DAFFPL request your good office to kindly allow charging Infrastructure charges @987.25/KL since the charge is in agreement with all the oil suppliers and being recovered by them.

Thanking you.

Yours sincerely,

For Delhi Aviation Fuel Facility Private Limited

  
Prabin Dokania  
Chief Financial Officer

0000318

भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(भारत सरकार का उपक्रम)  
विमानन व्यवसाय इकाई



BHARAT PETROLEUM CORPORATION LTD.  
(A GOVT OF INDIA ENTERPRISE)  
Aviation Business Unit

HO.AV.DAFFL

20/06/2011

The Secretary,  
Airport Economic Regulatory Authority of India  
AERA Building, Administrative Complex  
Safdarjung Airport  
New Delhi - 110 003

Dear Sir,

Re: DAFFPL's Request dated 28.7.2010 seeking your approval for levying Infrastructural and Opex charges and your Order No. AERA/20015/FT/2010-11 (02/2010-11) dated 15.09.2010

1. This is in reference to our copy of your order No AERA/20015/FT/2010-11 (02/2010-11) dated 15<sup>th</sup> Sep 2010 (copy enclosed) directing M/s Delhi Aviation Fuel Facility Private Limited (DAFFPL) to stop charging fuel facility infrastructure charges at IGI airport, New Delhi w.e.f. 28.07.2010 until DAFFPL's request for approval to levy such charges is decided by the Authority.
2. You are aware that BPCL had signed a Concession and Operating Agreement dated 23<sup>rd</sup> December 2009 in which the basis for any tariff and/or charges levied or to be levied for providing services had been agreed. The said Agreement (subject to its terms being in terms of law and your approval) is binding upon BPCL.
3. Since time is being taken by the Authority, to consider DAFFPL's request for approval of levying charges, as stated above, DAFFPL has informed that they are facing extreme financial difficulties.
4. In the circumstances above, subject to final order to be passed in DAFFPL's request dated 28.7.2010, may we have your approval to pay DAFFPL a sum calculated at the rate of Rs.500/ per KL of ATF supplied by BPCL to Aircraft from 28.7.2010 till date and thereafter at the same rate till the final order is passed.

Not enclosed

31/05/2011  
28/6/11  
on leave

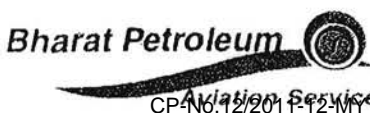
13-11  
28/6/11

29/6/2011  
OSR II

Surbatta Chandra

0000340

रजिस्टर्ड ऑफिस भारत भवन, 4 एवं 6 करीमभाय रोड, बेलार्ड इस्टेट मुम्बई - 400 001 भारत  
Registered Office : Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai - 400 001 India



विमानन मुख्यालय  
प्लॉट ए - 5 एवं 6, सेक्टर - 1, नोएडा - 201 301  
फोन : +91 120 2474480 / 482  
फैक्स : +91 120 2474481 / 483

Aviation Head Office :  
Plot A - 5 & 6, Sector - 1, Noida - 201 301  
Phone : +91 120 2474480 / 482  
Fax : +91 120 2474481 / 483



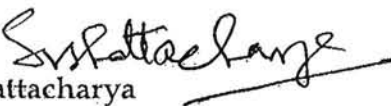
Strategic Partner

5. Needless to mention that the aforesaid payment is subject to your final order on subject and either the amount paid will be refunded or additional amount will be paid in terms of the final order.
6. Grateful for your consent to the aforesaid payment on the terms mentioned above.

We look forward to your consent to the above proposal.

Thanking You

Yours sincerely  
For Bharat Petroleum Corporation Limited

  
S B Bhattacharya  
GM Aviation

CC: CFO; DAFFPL: For your information

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भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(भारत सरकार का उपक्रम)  
विमानन व्यवसाय इकाई



BHARAT PETROLEUM CORPORATION LTD.  
(A GOVT OF INDIA ENTERPRISE)  
Aviation Business Unit

Ref HOAV.DAFFPL

Date : 01/10/2010

To  
Shri Prabin Dokania  
Chief Financial Officer  
Delhi Aviation Fuel Facilities Pvt Ltd. (DAFFPL)

Dear Sir

This has reference to your letter DAFFPL/AERA/1 dated 22<sup>nd</sup> September'2010 received on 27<sup>th</sup> September'2010 regarding Infrastructure Charges.

As you are aware that BPCL was owner of hydrant facility at IGIA Terminal 2 (T2) consisting of storage facility and Hydrant network spread at T2 and Cargo Area. This facility however, is sold to DAFFPL w.e.f. 14<sup>th</sup> July'2010. BPCL used to bring product to the storage facility at T2 through its dedicated pipeline from Bijwasan installation and used to consume and also sell ATF to IOC & HPC for supplying Jet Fuel to their customers.

For supplying jet fuel to IOC/HPC customers, BPCL used to recover product price which includes cost of ATF and ₹ 755 per KL as hydrant charges. We confirm that till transfer of the Hydrant & Storage facility at T2, BPCL used to recover the above hydrant charges from IOC & HPC.

Trust this clarifies the matter.

Yours truly,

For Bharat Petroleum Corporation Limited

S. K. Agrawal  
Team Leader (Pricing & Commercial) - Avn

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रजिस्टर्ड ऑफिस : भारत भवन, 4 एवं 6 करीमबाँय रोड, बेलार्ड इस्टेट, मुम्बई - 400 001 भारत  
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