



Airports Economic Regulatory Authority of India

**In the matter of Multi Year Tariff Proposal and
Annual Tariff Proposal submitted by Indian Oil
SkyTanking Limited for Fuel Farm Services at
Bangalore International Airport, Bengaluru**

New Delhi: 14th March, 2013

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

M/s. Indian Oil Sky Tanking Ltd. (IOSL), had vide their application dated 10.03.2011, submitted their Multi Year Tariff Proposal (MYTP) for the first control period of 5 years commencing from 01.04.2011 for Fuel Farm Services at Bangalore International Airport, Bengaluru(BIA). Further, vide letter dated 15.03.2011 IOSL submitted clarifications on various points raised during the presentation made by them before the Authority. **(collectively Annexure-I)**

2.1 IOSL sought approval for the tariff for Fuel Farm services for the 1st control period based on a “light touch approach” as prescribed in Chapter V of 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 (the Guidelines). IOSL also submitted the Annual Tariff Proposal for 1st tariff year of the current control period.

2.2 As stipulated in the Guidelines, the Authority shall follow a three stage process for determining its approach to the regulation of a regulated service –

- (i) Materiality Assessment;
- (ii) Competition Assessment;
- (iii) Assessment of reasonableness of the User Agreements between the service providers and the users of the regulated services.

2.3 The materiality index with respect to services provided for supply of fuel to aircraft at Bangalore airport, based on the information furnished by the airport for the year 2010-11 is 9.5% which is more than 5% materiality index fixed for assessing the materiality of the subject regulated service. Hence the service is deemed to be “material”.

2.4 The Guidelines provide that where a Regulated Service is being provided at a major airport by two or more Service Provider(s), it shall be deemed “competitive” at that airport and if such service is provided by less than two Service Provider(s), it shall be deemed “not competitive”. The Guidelines also provide that the Authority may in its discretion consider such other additional evidence regarding reasonableness of competition, as it may deem fit and the determination of number of Service Provider(s) at a major airport shall include the Airport Operator, if the Airport Operator is also providing Regulated Service(s) at that major airport.

2.5 In the instant case the Fuel Farm services at Bangalore International Airport (BIAL), Bengaluru is being provided by IOSL. Since the service is provided by one Service Provider, the service is deemed to be “not competitive”.

2.6 Further, an appeal i.e. Appeal No. 12/2011 has been filed by Bangalore International Airport (i.e. BIAL) against the Authority’s Order No.05/2010-11, 12/2010-11 & 17/2010-11 and the Guidelines, i.e. Direction No. 4/2010-11, in which the Hon’ble AERA Tribunal (i.e. Tribunal) vide its order dated 19.10.2011 stated that:

“It is made clear that even if any final order is passed by the respondent Airports Economic Regulatory Authority, the same shall not be given effect to without leave of this Court.”

The above order of the Appellate Tribunal is still in force.

2.7 In its MYTP, IOSL submitted that as per the Guidelines the regulated service for supply of fuel to an aircraft provided at **BIA are** “material and not competitive” . They have further submitted that, however, there are existing reasonable user agreements with the present fuel suppliers at BIA, in view of which the tariff for supply of fuel to aircraft for the current Control Period may be approved under light touch approach.

3. As per the Guidelines, based on the assessment of materiality and competition, **when such regulated service is deemed “material and not competitive”, the Authority** shall then assess the reasonableness of existing User Agreement(s) and where the Authority is assured of the reasonableness of the existing User Agreement(s), the Authority shall determine Tariff(s) for the service providers based on a light touch approach.

4.1 Regarding Reasonableness of User Agreement(s), the Guidelines provide that the Authority shall consider the existing User Agreement(s) as reasonable provided that:

“(i) 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), and

(ii) The User(s) of the Regulated Service(s) have not raised any reasonable objections or concerns in regard to the existing User Agreement(s), which have not been appropriately addressed.

Provided that the Authority may in its discretion consider such other additional evidence regarding reasonableness of User Agreement(s), as it may deem fit.”

4.2 IOSL has submitted copies of agreements with M/s Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd, Bharat Petroleum Corporation Ltd, Shell MRPL A.F.S.P.L. and Reliance Industries Limited and stated that all terms of these agreements are identical.

4.3 IOSL has submitted that the agreements with the suppliers (users) were settled after prolonged negotiations at joint meetings between IOSL and all the users and on terms that were accepted by the users. IOSL has further submitted that during several rounds of consultations held, the users raised various concerns and the agreements that were eventually arrived at have addressed all concerns raised.

5. IOSL, vide letter dated 15.03.2011, submitted that information furnished by them is sensitive to their business and hence requested that only specific pages of the Supplier

Agreement and specific financial formats be uploaded **on the Authority's website.**
(Annexure – II)

6. IOSL have sought approval of the current rate of TPF that is being charged at Bangalore Airport (@ Rs. 1500/KL) that has been applicable since 01.01.2009 and has not been received since then. The breakup of tariff for which approval has been sought is as under:- **(Annexure – III)**

| Item | Fee per KL |
|---------------------------------|------------|
| Airport Operator Fee | Rs. 1067/- |
| Operating Cost and Reserve Fund | Rs. 433/- |
| Total Throughput Fee | Rs. 1500/- |

7.1 Regarding Concession Agreement with BIAL and notification of existing charges, IOSL has submitted the following documents:-

- (i) Copy of Concession Agreement (SPRH Agreement) with BIAL.
- (ii) Letter from BIAL to IOSL and letters from IOSL to BPCL, HPCL, IOCL, Shell MRPL and Reliance Industries Limited regarding Throughput fee payable w.e.f. 01.01.2009 @ Rs. 1500 per KL plus taxes. IOSL have also submitted copies of the invoices raised on the suppliers and copies of receipt of payments thereon. **(Annexure-IV)**

7.2 IOSL have submitted that they fulfill the requisite conditions prescribed under AERA Guidelines and have requested the Authority to adopt a **'Light touch approach'** for the determination of Tariff for the Fuel Farm Services rendered at Bangalore International Airport, Bengaluru. **(Annexure-V)**

8. It is observed that the amount of Throughput Fees and Other Charges is not mentioned in the user agreements. However, as per clause 13.1 of these agreements, it is provided that the operator (IOSL) shall levy and collect from the Supplier, Throughput Fees which shall be notified by the operator i.e. BIAL, to the Supplier (Users) from time to time. Any increase or decrease in the throughput fee shall be subject to the approval of BIAL. Further as per Clause 13.2 of the agreements, subject to prior approval of BIAL, the operator may levy and collect from the supplier, some other fees and charges. IOSL has submitted that these charges have been notified to the users who have been paying the same.

9. The Authority has noted that

- (i) The fuel farm services provided by IOSL at BIAL, is “material and not competitive”;
- (ii) As per the Guidelines, where such **regulated service is “material and not competitive” and the Authority is assured of the reasonableness of the existing User Agreement(s)**, the Authority shall determine the tariffs for

- service provider(s) based on a light touch approach for the duration of the control period.
- (iii) IOSL has submitted that in the User Agreements there is no discrimination amongst the users. Further, IOSL has also stated that these agreements are executed in consultation with the users after incorporating the users' viewpoints.
 - (iv) IOSL has, *inter-alia*, sought determination of 'Throughput Fee' (TPF) as part of its ATP and has submitted that the TPF was informed to the users appropriately and has been accepted by all the users, i.e., the suppliers, in line with the provisions in the Agreements.
 - (v) IOSL has also stated that the TPF of Rs. 1500/Kilolitre is an existing charge which was introduced prior to 01.09.2009 and the same is being paid by all the users.
 - (vi) IOSL has further provided the breakup of this charge of Rs. 1500/KL as - comprising of Rs. 1067/Kilolitre, payable to BIAL towards Airport Operator Fee and Rs. 433/Kilolitre towards operating costs and reserve fund that is retained by IOSL.
 - (vii) The MYTP for aeronautical charges including the Airport Operator Fee component of TPF, in respect of BIAL is under consideration of the Authority. In its MYTP BIAL has factored in the revenue from TPF also.
 - (viii) The Authority has also noted that IOSL has, in its ATP, proposed to keep the operating cost and reserve fund component at Rs. 433/KL. for the current control period.
 - (ix) In view of the above, the Authority has considered the issue of **determination of the "Operating Cost and Reserve Fund Component"** currently at Rs. 433/KL in respect of IOSL.

10. After careful consideration of the submissions made by IOSL, the Authority has tentatively decided to make the following proposal for stakeholder consultation:-

- (i) The tariff proposal, i.e., MYTP and ATP submitted by IOSL in respect of supply of fuel service provided by way of operation of fuel farm at Bangalore airport be **considered. This service is "material and not competitive" at Bangalore airport.** But, since IOSL has entered into user agreements, it was tentatively decided to determine tariffs for supply of fuel service provided by IOSL at Bangalore International Airport under **"Light Touch Approach" for the current control period.**
- (ii) The Authority noted that the IOSL is charging Rs. 1500/KL and has **termed it as "Fuel Throughput Fee". This "Fuel Throughput Fee" has two components – "Airport Operator Fee" (viz., Rs. 1067/KL) and "Operating Cost and Reserve Fund" (viz., Rs. 433/KL).**
- (iii) **The Authority decided that the "Airport Operator Fee" component of the said "Fuel Throughput Fee" charged by IOSL is to be determined as part of exercise of determination of aeronautical tariffs in respect of Bangalore International Airport.**
- (iv) The Authority tentatively decided to determine, for the time being, the **amount of "Airport Operator Fee" at Rs. 1067/KL towards the component of fuel supply service provided by BIAL at Bangalore International Airport, till its final determination as part of aeronautical tariffs in respect of**

Bangalore International Airport, based on the tariff proposal submitted by BIAL. Hence, this amount viz., Rs. 1067/KL, which is being charged by BIAL as Airport Operator Fee, will continue to be charged by it presently. BIAL has been charging this fee since about 2008 and not made any increase thereto.

- (v) **The Authority tentatively decided to determine the “Operating Cost and Reserve Fund” component of the said “Fuel Throughput Fee” at Rs.433/KL for the current control period (w.e.f. 1.04.2011 to 31.03.2016).**
- (vi) **The above tentative decisions are subject to the order of the Hon’ble Appellate Tribunal referred above in para 2.6.**

11. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 10 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. 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.

12. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 10 above, latest by 28.03.2013 at the following address:

Capt. Kapil Chaudhary(Retd.)
Secretary
Airports Economic Regulatory Authority of India
AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003
Email : kapil.chaudhary@aera.gov.in
Tel : 011-24695042
Fax : 011-24695039

Yashwant S. Bhawe
Chairperson

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

AV/TSD/BIAL - FF
10th March 2011

THE SECRETARY
AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AERA Building, Administrative Complex
Safdarjung Airport, NEW DELHI – 110 003.

Kind Attn: Shri Sandeep Prakash

"Without Prejudice"

Dear Sir,

Subject: Submission of Multi Year Tariff Proposal for determination of Tariff for Throughput Fee by IndianOil Skytanking Limited –Fuel Farm Service Provider at Bengaluru International Airport, Bengaluru

Reference may please be made to AERA's letter Reference No. AERA/20019/CGF-G/2010-11/Vol. II/1645 dated 21st February 2011 on the subject requesting us to submit Multi Year Tariff Proposal in terms of the Authority's published Guidelines.

We are pleased to submit our proposal in line with AERA guidelines, 2011 as under:

1. Form (A)
2. Various Forms as per AERA Guidelines contained in Page Nos.1 to 40 (as mentioned in Check List)
3. User Agreements - Copies of Into Plane Agent Agreements with:
IndianOil Corporation Ltd,
Hindustan Petroleum Corporation Ltd,
Bharat Petroleum Corporation Limited,
Reliance Industries Private Limited and
Shell MRPL Aviation Fuels and Services Pvt. Ltd

The above is in line with the Authority's AERA Guidelines, 2011.

It may please be noted that the current rate of Throughput fees being charged at Bangalore Airport is Rs 1500 per KL and this rate is applicable since 1st January 2009 and has not been revised since then.

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

As per the Concession Agreement, the Throughput fees charged to the Suppliers is decided by BIAL. It may please be noted that the Throughput fees is charged from the suppliers who in turn recover the same from the airline customers.

In terms of the AERA guidelines, our services fall under "Material and Non-Competitive" category and further we are having valid agreements with the Suppliers i.e. with the users of our services. The Materiality Assessment and Competition Assessment have been arrived at as under:

1. **Materiality Assessment :**

Materiality Index (MI_F)

$$\begin{aligned} &= \text{Fuel throughput in Kiloliter at Bangalore Airport / Total Fuel Throughput} \\ &\quad \text{in Kilolitres at major Airports X 100} \\ &= 397655 \text{ KL / } 4926539 \text{ KL X 100} \\ &= 8.07 \% \end{aligned}$$

The MI_F is more than 5% and hence the service is deemed as "**Material**".

2. **Competition Assessment:** At Bangalore Airport, there is only one Fuel Farm, operating under Open Access Model and IOSL is the Fuel Farm Operator. IOSL's service is deemed as "Non Competitive" as per the AERA Guidelines. However it may please be noted that IOSL as a Fuel Farm Operator was selected through the process of International Competitive bidding.

3. **User Agreements:** The contract was awarded to IndianOil Skytanking Limited by BIAL on the basis of competitive bidding after having put the same to a public tendering process. The contract between BIAL and ourselves (Concession Agreement) stipulates the terms on which we have been awarded the contract for the period of 20 years. As per the Concession Agreement, the Throughput fees charged to the Suppliers is decided by BIAL.

IndianOil Skytanking has in-turn entered into agreements with the Suppliers (Users) whereby the terms on which the Services would be provided at the airport are detailed. These agreements with the Users stipulate the service level parameters that will have to be maintained by the Fuel Farm Operator. These agreements were settled after prolonged negotiations at joint meetings between ourselves and all the Users and on terms that were accepted by the Users. We have, after prolonged negotiations, entered into contracts with Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited, Reliance Industries Limited and Shell MRPL India Private Limited to provide Fuel Farm Services at the Bangalore airport. IOSL is rendering the services to the above suppliers since 24th May 2008 at new Bangalore International Airport. Copies of these agreements are enclosed herewith. The terms of the agreements are identical for all the Users. We are under an obligation to enter into contracts with any User desirous of availing our Services on a non-discriminatory basis.

There were several rounds of consultations and meetings held between the Users, BIAL and the Fuel Farm Service Providers on several occasions at Bangalore. The several drafts exchanged pursuant to such meetings evidences the long consultations that were undertaken with the stakeholders.

The Users raised various concerns regarding Operators obligations, Non Discrimination, Product Liability, Suspension of Rights & obligations, Right to remedy, withdrawal of suspension, Termination, right to deliver Aviation Fuel, Deliveries to the Facility, Scheduling and Delivery, Tests and Inspections, Operational Matters, risk and amortization of risk, aircraft refueling and related insurance obligations, sharing of responsibilities and liabilities, service parameters, Throughput fees and payments, arbitration and penal clauses on delayed payments, were amongst the several issues that were raised, discussed and agreed upon.

The agreement that was eventually arrived at has addressed all concerns raised. The parties have agreed upon various service level parameters such as ATF Specification, the manner in which the services provided by the Fuel Farm Operator and its quality would be ensured through maintenance of standards in terms of Quality control assurance and operating manuals approved by DGCA and Joint Guidelines issued by the Joint Inspection Group (JIG) internationally and by further providing for monitoring such services through the Joint Co-ordination Committee (JCC) comprising of representatives of airport operator, facility operator, facility owner, , representatives of private sector suppliers, representatives of public sector suppliers, representatives of domestic air carriers and representatives of international air carriers.

From the above, it is clear that we meet the conditions prescribed under the AERA Guidelines for the category of "Material but Non Competitive". The details furnished above demonstrate the validity and reasonableness of the User Agreements. Since we fulfill the above conditions, Fuel Farm Services fall under 'Light touch approach' as per the AERA Guidelines.

4. **Confidentiality of the documents submitted:**

You may kindly note that we are bound to ensure confidentiality of our client agreements and its terms and the disclosure made herein above is to ensure compliance with the AERA Guidelines.

The terms of the Agreements for providing various Services at Bangalore, the commercial terms agreed to between us, as the Fuel Farm Operator and the suppliers, various service parameters and service specifications, are all key Ingredients in determining the quality of services being provided by us at Bangalore Airport.

These specifications cannot be put into public domain for the following reasons:

- a) The performance indicators/specifications are unique to this arrangement;
- b) The specifications set out are quality related specifications, acting as indicators of performance of the Fuel Farm Operator as well as the quality of services being provided by us;
- c) Ours is a service industry and performance specifications and standards are key ingredients to our functioning and we regard these specifications and parameters as our intellectual property and value it as our trade secret;
- d) Such information, if in public domain, is at the risk of being copied by our competitors and also the competitors of our service providers;
- e) As a result of the specifications being copied by our competitors, what is otherwise a 'competitive service' may cease to be so since we will not be able to retain our uniqueness in providing these services; and
- f) As per the terms of our agreement with BIAL and the users, we are under an obligation to keep confidential the terms of all agreements entered into.

For the reasons stated above and to ensure that the distinctiveness and competitive nature of services developed and retained by us for many years is not hampered in any manner by a disclosure of our confidential information, we request that the agreements entered into between us and our service providers or any part thereof, should not be uploaded on your website or made public in any other manner.


However, we understand that from a regulatory perspective, it is essential to bring the proposal into public domain in order to determine the tariff, and as such, we do not have any objection to uploading of the tariff proposal determined by us, with references to the agreements between us and the service providers.

We also request you to kindly ensure confidentiality of our financials which are sensitive to our businesses and regarding the client agreements disclosed herein and in any case, not to upload any such information on your websites.

We do trust that you will find the above details to be in line with the AERA Guidelines. It is requested that the Tariff Proposal may please be approved on an urgent basis.

Thanking you,

Yours truly,
For Indian Oil Skytanking Limited,



(T.S. Dupare) 10/02/2011
Chief Executive Officer

Indian Oil Skytanking Limited

Delhi- Into Plane Services

MARKET RETURN RELATED DATA

| Year | Open | High | Low | Average | Close | Market Return | | |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|---------------|---------------|-----------|
| | | | | | | Low | High | Point Est |
| 1 | 2 | 3 | 4 | 5 | 6 | $7=(6-2)/2\%$ | $8=(3-2)/2\%$ | Low |
| 2001 | 3,990.65 | 4,462.11 | 2,594.87 | 3,528.49 | 3,262.33 | -18.25 | 11.81 | -18.25 |
| 2002 | 3,262.01 | 3,758.27 | 2,828.48 | 3,293.38 | 3,377.28 | 3.53 | 15.21 | 3.53 |
| 2003 | 3,383.85 | 5,920.76 | 2,904.44 | 4,412.60 | 5,838.96 | 72.55 | 74.97 | 72.55 |
| 2004 | 5,872.48 | 6,617.15 | 4,227.50 | 5,422.33 | 6,602.69 | 12.43 | 12.68 | 12.43 |
| 2005 | 6,626.49 | 9,442.98 | 6,069.33 | 7,756.16 | 9,397.93 | 41.82 | 42.50 | 41.82 |
| 2006 | 9,422.49 | 14,035.30 | 8,799.01 | 11,417.16 | 13,786.91 | 46.32 | 48.96 | 46.32 |
| 2007 | 13,827.77 | 20,498.11 | 12,316.00 | 16,407.06 | 20,286.99 | 46.71 | 48.24 | 46.71 |
| 2008 | 20,325.27 | 21,206.77 | 7,697.39 | 14,452.08 | 9,647.31 | -52.54 | 4.34 | -52.54 |
| 2009 | 9,720.55 | 17,530.94 | 8,047.17 | 12,789.06 | 17,464.81 | 79.67 | 80.35 | 79.67 |
| 2010 | 17,473.45 | 20,854.55 | 15,651.99 | 18,253.27 | 20,032.34 | 14.64 | 19.35 | 14.64 |
| Average Market Rate of Return | | | | | | 24.69 | 35.84 | 24.69 |

Beta Values Nifty 50 shares traded on www.nseindia.com
 list of HIGH BETA SHARES NSE BSE
 beta values of all the stocks of Nifty 50 Index
 beta values of Indian companies
 beta value of Indian stocks in Nifty 50 Index
 Lined up From highest to Lowest beta Stocks
 All Values as On 11 August 2010
 Beta calculated for the period 01-Aug-2009 to 31-Jul-2010

| Stock NSE Code | Share | Beta |
|----------------|----------------------------------------------|------|
| HINDALCO | Hindalco Industries Ltd. | 1.92 |
| UNITECH | Unitech Ltd. | 1.81 |
| JPASSOCIAT | Jaiprakash Associates Ltd. | 1.72 |
| STER | Sterlite Industries (India) Ltd. | 1.71 |
| TATASTEEL | Tata Steel Ltd. | 1.7 |
| DLF | DLF Ltd. | 1.63 |
| TATAMOTORS | Tata Motors Ltd. | 1.55 |
| ICICIBANK | ICICI Bank Ltd. | 1.5 |
| RELCAPITAL | Reliance Capital Ltd. | 1.38 |
| SAIL | Steel Authority of India Ltd. | 1.37 |
| M&M | Mahindra & Mahindra Ltd. | 1.29 |
| JINDALSTEL | Jindal Steel & Power Ltd. | 1.27 |
| RELINFRA | Reliance Infrastructure Ltd. | 1.27 |
| KOTAKBANK | Kotak Mahindra Bank Ltd. | 1.26 |
| RCOM | Reliance Communications Ltd. | 1.23 |
| SUZLON | Suzlon Energy Ltd. | 1.21 |
| IDFC | Infrastructure Development Finance Co. Ltd. | 1.19 |
| SIEMENS | Siemens Ltd. | 1.17 |
| SBIN | State Bank of India | 1.14 |
| RELIANCE | Reliance Industries Ltd. | 1.13 |
| AXISBANK | Axis Bank Ltd. | 1.1 |
| HCLTECH | HCL Technologies Ltd. | 1.09 |
| RPOWER | Reliance Power Ltd. | 1.06 |
| CAIRN | Cairn India Ltd. | 1.03 |
| LT | Larsen & Toubro Ltd. | 0.97 |
| HDFC | Housing Development Finance Corporation Ltd. | 0.93 |

| | | |
|------------|--------------------------------------|------|
| RANBAXY | Ranbaxy Laboratories Ltd. | 0.86 |
| MARUTI | Maruti Suzuki India Ltd. | 0.83 |
| PNB | Punjab National Bank | 0.8 |
| WIPRO | Wipro Ltd. | 0.8 |
| HEROHONDA | Hero Honda Motors Ltd. | 0.78 |
| ACC | ACC Ltd. | 0.76 |
| TCS | Tata Consultancy Services Ltd. | 0.75 |
| TATAPOWER | Tata Power Co. Ltd. | 0.75 |
| INFOSYSTCH | Infosys Technologies Ltd. | 0.74 |
| HDFCBANK | HDFC Bank Ltd. | 0.72 |
| IDEA | Idea Cellular Ltd. | 0.72 |
| BHEL | Bharat Heavy Electricals Ltd. | 0.71 |
| AMBUJACEM | Ambuja Cements Ltd. | 0.7 |
| ITC | I T C Ltd. | 0.7 |
| ABB | ABB Ltd. | 0.66 |
| BHARTIARTL | Bharti Airtel Ltd. | 0.65 |
| ONGC | Oil & Natural Gas Corporation Ltd. | 0.62 |
| GAIL | GAIL (India) Ltd. | 0.61 |
| NTPC | NTPC Ltd. | 0.57 |
| POWERGRID | Power Grid Corporation of India Ltd. | 0.53 |
| HINDUNILVR | Hindustan Unilever Ltd. | 0.47 |
| CIPLA | Cipla Ltd. | 0.4 |
| SUNPHARMA | Sun Pharmaceutical Industries Ltd. | 0.36 |
| BPCL | Bharat Petroleum Corporation Ltd. | 0.22 |

Beta Value of NSE Junior Nifty Stocks

HDIL Housing Development and Infrastructure Ltd. CONSTRUCTION 1.93
IBREALEST Indiabulls Real Estate Ltd. CONSTRUCTION 1.72
IFCI IFCI Ltd. FINANCIAL INSTITUTION 1.61
RNRL Reliance Natural Resources Ltd. GAS 1.52
JSWSTEEL JSW Steel Ltd. STEEL AND STEEL PRODUCTS 1.49
KOTAKBANK Kotak Mahindra Bank Ltd. BANKS 1.44
IDBI IDBI Bank Ltd. BANKS 1.28
GMRINFRA GMR Infrastructure Ltd. CONSTRUCTION 1.23
SESAGOA Sesa Goa Ltd. MINING 1.17
MOSERBAER Moser Baer India Ltd. COMPUTERS – HARDWARE 1.15
LICHSGFIN LIC Housing Finance Ltd. FINANCE – HOUSING 1.11
IOB Indian Overseas Bank BANKS 1.07
BANKINDIA Bank of India BANKS 1.06
MCDOWELL-N United Spirits Ltd. BREW/DISTILLERIES 1.06
CROMPGREAV Crompton Greaves Ltd. ELECTRICAL EQUIPMENT 1.05
ABIRLANUVO Aditya Birla Nuvo Ltd. TEXTILES – SYNTHETIC 1.02
MRPL Mangalore Refinery & Petrochemicals Ltd. REFINERIES 1
ASHOKLEY Ashok Leyland Ltd. AUTOMOBILES – 4 WHEELERS 0.99
TECHM Tech Mahindra Ltd. COMPUTERS – SOFTWARE 0.94
BHARATFORG Bharat Forge Ltd. CASTINGS/FORGINGS 0.93
BANKBARODA Bank of Baroda BANKS 0.89
ADANIENT Adani Enterprises Ltd. TRADING 0.87
CANBK Canara Bank BANKS 0.87
ANDHRABANK Andhra Bank BANKS 0.81
GLENMARK Glenmark Pharmaceuticals Ltd. PHARMACEUTICALS 0.81
INDHOTEL Indian Hotels Co. Ltd. HOTELS 0.81
TTML Tata Teleservices (Maharashtra) Ltd. TELECOMMUNICATION – SERVICES 0.81
ZEEL Zee Entertainment Enterprises Ltd. MEDIA & ENTERTAINMENT 0.81
MUNDRAPORT Mundra Port and Special Economic Zone Ltd. TRAVEL AND TRANSPORT 0.8
SYNDIBANK Syndicate Bank BANKS 0.8
UNIPHOS United Phosphorous Ltd. PESTICIDES AND AGROCHEMICALS 0.8
BIOCON Biocon Ltd. PHARMACEUTICALS 0.79
PFC Power Finance Corporation Ltd. FINANCIAL INSTITUTION 0.79
UNIONBANK Union Bank of India BANKS 0.75
FEDERALBNK Federal Bank Ltd. BANKS 0.74
CORPBANK Corporation Bank BANKS 0.73
CUMMINSIND Cummins India Ltd. DIESEL ENGINES 0.69
OFSS Oracle Financial Services Software Ltd. COMPUTERS – SOFTWARE 0.68
PATNI Patni Computer Systems Ltd. COMPUTERS – SOFTWARE 0.64
ULTRACEMCO UltraTech Cement Ltd. CEMENT AND CEMENT PRODUCTS 0.58
BAJAJ-AUTO Bajaj Auto Ltd. AUTOMOBILES – 2 AND 3 WHEELERS 0.55
MPHASIS Mphasis Ltd. COMPUTERS – SOFTWARE 0.52
BEL Bharat Electronics Ltd. ELECTRONICS – INDUSTRIAL 0.5
DRREDDY Dr. Reddy's Laboratories Ltd. PHARMACEUTICALS 0.42
HINDPETRO Hindustan Petroleum Corporation Ltd. REFINERIES 0.36
LUPIN Lupin Ltd. PHARMACEUTICALS 0.36
ASIANPAINT Asian Paints Ltd. PAINTS 0.28
CONCOR Container Corporation of India Ltd. TRAVEL AND TRANSPORT 0.28
COLPAL Colgate Palmolive (India) Ltd. PERSONAL CARE 0.26
GLAXO Glaxosmithkline Pharmaceuticals Ltd. PHARMACEUTICALS -0.01

November 25th, 2009 | Tags: [Beta](#), [BSE](#), [Junior nifty](#), [NSE](#), [Stocks](#) | Category: [Uncategorized](#)

15846214-Indian-Oil-Corporation-Investor-Presentation-by-ANIK...
 http://www.scribd.com/doc/4849953/15846214-Indian-Oil-Corporation-Investor-Presentation-by-ANIK...
 File Edit View Favorites Tools Help
 Windows Live Bing What's New Profile Mail Photos Calendar MSN Share Sign in
 Favorites
 15846214-Indian-Oil-Corporation-Investor-Prese... Page Safety Tools

CAPITAL MARKET PERFORMANCE

- Under performed during half of FY09 because of high crude prices
- Sensex falls 40%, O&G falls by 33% whereas IOCL has fallen by 13%. Beta of stock is 0.60.

Acts by Google
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www.google.com/Chrome

Relative Strength Index

| Date | Sensex | O&G | IOCL |
|-------------------|--------|-----|------|
| 1 April 2008 | 100 | 100 | 100 |
| 25 April 2008 | 105 | 105 | 105 |
| 21 May 2008 | 100 | 100 | 100 |
| 12 June 2008 | 95 | 95 | 95 |
| 4 July 2008 | 90 | 90 | 90 |
| 28 July 2008 | 95 | 95 | 95 |
| 20 August 2008 | 100 | 100 | 100 |
| 12 September 2008 | 95 | 95 | 95 |
| 7 October 2008 | 70 | 50 | 60 |
| 31 October 2008 | 75 | 55 | 65 |
| 25 November 2008 | 80 | 60 | 70 |
| 20 December 2008 | 90 | 70 | 80 |
| 14 January 2009 | 100 | 80 | 90 |
| 6 February 2009 | 105 | 85 | 95 |
| 3 March 2009 | 100 | 80 | 90 |
| 27 March 2009 | 105 | 85 | 95 |

Internet | Protected Mode: On 100% 12:12 16-03-2011

IndianOil Skytaking Limited

Bangalore- Fuel Farm

Figs in Rs.

| | |
|--|----------------------------------------------------------------------------------------------------------------------------------------------|
| | <i>Form F14(a): Annual Tariff Proposal for Tariff Year t-Format for providing information on EMAY(ref. Section A1.8 of AppendixI)</i> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------|

| S.N | Particulars | For Tariff Year 2011-12 |
|-----|----------------------------------------|-------------------------|
| 1 | Yield per unit | 1,580.80 |
| 2 | Error Correction term (from year t-2) | |
| 3 | Estimated Maximum Allowed Yield (EMAY) | 1,580.80 |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F1 (a): Historical and Proposed Aggregate Revenue Requirement (ref: AI.2 of Appendix I)

| Sl.N. | Aggregate Revenue Requirement | Last available audited year-2009-10 | Financial year before tariff year-2010-11 | Tariff Year 2011-12 | Tariff Year 2013-14 | Tariff Year 2014-15 | Tariff Year 2015-16 | Tariff Year 2016-17 |
|----------------------------------------|-------------------------------|-------------------------------------|-------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <i>1 Aggregate Revenue Requirement</i> | | | | | | | | |
| | Bangalore-Fuel Farm | 66,49,06,423.53 | 61,91,82,160.24 | 63,96,30,766.86 | 66,84,50,423.42 | 71,15,30,287.26 | 73,68,32,710.57 | 75,65,07,918.60 |
| | TOTAL | 66,49,06,423.53 | 61,91,82,160.24 | 63,96,30,766.86 | 66,84,50,423.42 | 71,15,30,287.26 | 73,68,32,710.57 | 75,65,07,918.60 |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F1 (b): Competition Assessment (ref: A1.3 of Appendix I)

| Sl.No. | Details of competitive facilities |
|--------|---------------------------------------------|
| 1 | <i>Bharat Star Services Private Limited</i> |

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Bangalore- Fuel Farm

Form F5: Cost of Equity and Post-Tax FROR Forecast(ref:Section A1.5 of Appendix I)

| | 2011-12 | | | 2012-13 | | | 2013-14 | | | 2014-15 | | | 2015-16 | | |
|--------------------------------|---------|-------|----------------|---------|-------|----------------|---------|-------|----------------|---------|-------|----------------|---------|-------|----------------|
| | Low | High | Point Estimate | Low | High | Point Estimate | Low | High | Point Estimate | Low | High | Point Estimate | Low | High | Point Estimate |
| Gearing | | | | | | | | | | | | | | | |
| Pre-Tax Cost of Debt | 10.45 | 10.45 | 10.45 | 10.55 | 10.55 | 10.55 | 10.65 | 10.65 | 10.65 | 10.75 | 10.75 | 10.75 | 10.85 | 10.85 | 10.85 |
| Risk-free Rate | 7.50 | 8.00 | 7.50 | 7.50 | 8.00 | 7.50 | 7.50 | 8.00 | 7.50 | 7.50 | 8.00 | 7.50 | 7.50 | 8.00 | 7.50 |
| Equity-risk premium | 17.19 | 28.34 | 17.19 | 17.19 | 28.34 | 17.19 | 17.19 | 28.34 | 17.19 | 17.19 | 28.34 | 17.19 | 17.19 | 28.34 | 17.19 |
| Beta | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 |
| Post-Tax Cost of Equity | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 | 14.26 |
| | | | | | | | | | | | | | | | |
| Post-Tax FROR | | | 12.10 | | | 12.10 | | | 12.10 | | | 12.10 | | | 12.10 |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F6(a) Loan Master (ref Section A1.5 of Appendix I)

Provide details of all debts (all type of debt instruments)

| Particulars | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Secured Loan | | | | | | | |
| Repayments during the year | 2,19,55,489.31 | 3,26,79,509.91 | 6,52,48,552.18 | 7,90,74,498.68 | 10,60,42,705.75 | 12,42,67,817.04 | 12,48,96,269.16 |
| Interest payments during the year | 6,32,73,071.41 | 6,48,44,863.69 | 7,52,28,338.32 | 6,76,08,380.24 | 5,69,58,947.52 | 4,41,38,762.71 | 3,10,01,873.59 |
| Outstanding at the end of the year | 60,64,96,624.32 | 67,95,77,759.68 | 72,00,89,852.78 | 64,10,15,354.10 | 53,49,72,648.35 | 41,07,04,831.30 | 28,58,08,562.15 |
| Working Capital Loans | | | | | | | |
| Repayments during the year | | | | | | | |
| Interest payments during the year | | | | | | | |
| Outstanding at the end of the year | | | | | | | |

For every loan (actual/proposed, secured/unsecured) the following information should also be provided/indicated

| | | |
|----|-------------------------------------------------------------|-------------------------|
| 1 | Particulars | Secured |
| 2 | Source | Bank Term Loan |
| 3 | Type of Loan(PS/WC) | PS |
| 4 | If PS, then indicate the Project/Apportionment to a Project | For Bangalore-Fuel Farm |
| 5 | Total Loan amount sanctioned-Rs. | |
| 6 | Loan Tenure | 10 years |
| 7 | Interest type(Fixed/Floating) | Floating |
| 8 | If Fixed interest, rate of interest % | N/A |
| 9 | Base rate, if floating interest | SBI PLR -2.45% |
| 10 | Margin, if floating interest | Nil |
| 11 | Are there any Caps/Floor? | No |
| 12 | If above is yes, specify caps floor | N/A |
| 13 | Moratorium Period | |
| 14 | Moratorium effective from | |
| 15 | Repayment Period | 2008-2018 |
| 16 | Repayment Start date | 2008 |
| 17 | Repayment Frequency | Quarterly |
| 18 | Arrangement fees | |
| 19 | Outstanding Loan (as on 31.03.2010) | 60,64,96,624.32 |
| 20 | Other terms | |

| Legend | |
|--------|------------------|
| PS | Project Specific |
| WC | Working Capital |

>Data from this sheet should be linked to all the sheets wherever details about Debt, Interest Charges, Arrangement fees, Cost of debt etc is getting used

Projected values to be provided

Information for last financial year for which audited accounts are available

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F6(b): Summary statement of Interest and Finance Charges (ref: Section A1.5 of Appendix I)

| Sl No. | Particulars | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|----------|-----------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| A | 1 Interest charges on Government Loans, Bonds and Advances | | | | | | | |
| | Government Loans | | | | | | | |
| | Bonds | | | | | | | |
| | Foreign Currency Loans/Credits | | | | | | | |
| | Debentures | | | | | | | |
| | Total | - | - | - | - | - | - | - |
| | 2 Interest on Long Term Loans/Credits from the FI's/Banks/Organisations approved by the government | | | | | | | |
| | Secured | 6,32,73,071.41 | 6,48,44,863.69 | 7,52,28,338.32 | 6,76,08,380.24 | 5,69,58,947.52 | 4,41,38,762.71 | 3,10,01,873.59 |
| | Unsecured | | | | | | | |
| | Total | | | | | | | |
| | Total (1+2) | 6,32,73,071.41 | 6,48,44,863.69 | 7,52,28,338.32 | 6,76,08,380.24 | 5,69,58,947.52 | 4,41,38,762.71 | 3,10,01,873.59 |
| B | Cost of raising finance and Bank Charges on Project Loans | | | | | | | |
| C | Grand Total of Interest and Finance Charges | 6,32,73,071.41 | 6,48,44,863.69 | 7,52,28,338.32 | 6,76,08,380.24 | 5,69,58,947.52 | 4,41,38,762.71 | 3,10,01,873.59 |
| D | Less: Interest and Finance Charges capitalised | | | | | | | |
| E | Net Total of Interest and Finance charges on Project related loans | 6,32,73,071.41 | 6,48,44,863.69 | 7,52,28,338.32 | 6,76,08,380.24 | 5,69,58,947.52 | 4,41,38,762.71 | 3,10,01,873.59 |
| F | Interest on Working Capital Loans | | - | - | - | - | - | - |
| G | Other interest charges (Provide head wise details) | | | | | | | |
| H | Total interest and Finance Charges chargeable to P&L A/c (E+F+G) | 6,32,73,071.41 | 6,48,44,863.69 | 7,52,28,338.32 | 6,76,08,380.24 | 5,69,58,947.52 | 4,41,38,762.71 | 3,10,01,873.59 |

* Projected values to be provided

*Fields in italics are indicative only

*Information for last financial year for which audited accounts are available

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Form F6 (c): Contributions, Grants and subsidies Master (ref: Section AI.5 of Appendix I)

NIL

| Contributions | | | | | | | | | | | | | | | | | | | | | | | |
|---------------|--------|--------------|---------|------|----|---------|------|----|---------|------|----|---------|------|----|---------|------|----|---------|------|----|---------|------|----|
| Particulars | Source | Total Amount | 2009-10 | | | 2010-11 | | | 2011-12 | | | 2012-13 | | | 2013-14 | | | 2014-15 | | | 2015-16 | | |
| | | | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB |
| 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | |
| Grants | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Source | Total Amount | 2009-10 | | | 2010-11 | | | 2011-12 | | | 2012-13 | | | 2013-14 | | | 2014-15 | | | 2015-16 | | |
| | | | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB |
| 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | |
| Subsidies | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Source | Total Amount | 2009-10 | | | 2010-11 | | | 2011-12 | | | 2012-13 | | | 2013-14 | | | 2014-15 | | | 2015-16 | | |
| | | | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB | OB | Add. | CB |
| 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | |

| Legend | |
|--------|------------------------------|
| OB | Opening Balance for the year |
| Add. | Additions during the year |
| CB | Closing Balance for the year |

*Projected values to be provided
Information for the last financial year for which audited accounts are available

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F7: Format for identifying Regulatory Asset Base (ref: Section AI.5 of Appendix I)

| Fixed Asset already commissioned as on 01.04.10 | | | | | | | | |
|--------------------------------------------------------|----------------------------|------------------------|----------------------------------|------------------------|-------------------------|-------------------------------|--------------------------|---------------------------------|
| S.N | Asset Name | Asset Type | Description of the Asset | Commission Date | Useful life(Yrs) | Original cost of Asset | Depreciation Rate | Accumulated Depreciation |
| 1 | Land & Building | Building | Factory and Non Factory Building | Sep-10 | 20.00 | 4,99,94,150.16 | 5.00% | 41,75,323.48 |
| 2 | Plant & Machinery-FFF & HS | Plant and Machinery | EDP | May-08 | 6.17 | 2,49,42,249.04 | 16.21% | 77,53,964.38 |
| | | Plant and Machinery | Instrumentation | Nov-09 | 9.67 | 4,49,47,541.30 | 10.34% | 84,82,458.86 |
| | | Plant and Machinery | Electrical and Hydrant | May-08 | 20.00 | 77,93,75,475.92 | 5.00% | 7,45,82,085.73 |
| 3 | Computers | Computers | Computers | May-08 | 6.17 | 12,19,292.00 | 16.21% | 4,18,842.73 |
| 4 | Office Equipments | Office Equipments | Office Equipments | May-08 | 20.00 | 5,01,561.00 | 5.00% | 75,047.36 |
| 5 | Vehicles | Motor cars | Mini Bus, Other vehicles | Jun-10 | 10.53 | 30,42,082.00 | 9.50% | 6,98,994.35 |
| 6 | Furniture and Fittings | Furniture and Fittings | Furniture and Fittings | May-08 | 15.80 | 14,36,709.00 | 6.33% | 1,47,465.10 |
| 7 | Computer Software | Computer Software | Computer Software | Jul-08 | 3.00 | 4,51,715.00 | 33.33% | 2,25,408.88 |
| | | | | | | 90,59,10,775.42 | | 9,65,59,590.87 |

Form F8(a): Format for providing asset-wise information of stakeholder contributions(ref: Section A1.5 of Appendix I)

| Details of User Contributions for the Assets: NIL | | | | | | | | | | | |
|---------------------------------------------------|-------------------|------------|------------------------------------------------------|------------------|-----------------------------------------|----------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| S.N | Contribution Name | Asset Name | Extent of User Contribution approved for the project | Year of Approval | Tenure for User Contribution Collection | Accumulated Collection Estimated till the beginning of first Tariff Year * | Total Collection Proposed in Tariff Year 1 | Total Collection Proposed in Tariff Year 2 | Total Collection Proposed in Tariff Year 3 | Total Collection Proposed in Tariff Year 4 | Total Collection Proposed in Tariff Year 5 |
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |
| 4 | | | | | | | | | | | |
| 5 | | | | | | | | | | | |

*Projected Values to be provided

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Form F8(b): Format for providing proposed exclusions from RAB(ref: Section A1.5 of Appendix I)

| Details of Proposed excluded Assets from RAB-NIL - ALL ASSETS INCLUDED | | | | | | |
|------------------------------------------------------------------------|------------|------------|--------------------------|-----------------------------|--------------------------------|-------------------------|
| S.N | Asset Name | Book Value | Accumulated Depreciation | Justification for exclusion | Any Land associated with asset | If yes, details of land |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |

Form F10(a): Capital Projects Completed before Review for Roll-forward of RAB(ref: Section A1.5 of Appendix I)

Capital WIP finished by 2010-11 - N/A

| Project Details | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------|--------------|--------------|-----------|---------|------|-------|-----|---------|------|-------|-----|---------|------|-------|-----|---------|------|-------|-----|---------|------|-------|-----|
| S.N | Project Name | Project Type | Conn.Date | 2011-12 | | | | 2012-13 | | | | 2013-14 | | | | 2014-15 | | | | 2015-16 | | | |
| | | | | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP |
| 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | | | | |

| Project Details | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------|--------------|--------------|-----------|---------|------|-------|-----|---------|------|-------|-----|---------|------|-------|-----|---------|------|-------|-----|---------|------|-------|-----|
| S.N | Project Name | Project Type | Conn.Date | 2011-12 | | | | 2012-13 | | | | 2013-14 | | | | 2014-15 | | | | 2015-16 | | | |
| | | | | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP | Capex | Com. | Cdate | WIP |
| 1 | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | | | | |

| Legend | |
|--------------|--------------------------------------------------------------------------------------------------------------|
| Project Name | Project Name should be a unique name or a primary key assigned to a Capex Project |
| Project Type | Type of the Project and the asset class to which the Capex Project belongs |
| Conn.Date | Date on which the Capital Project was commenced |
| Capex | Year-Wise Capex incurred on the Project excluding any Capital receipts like Grants, User Contributions etc.. |
| WIP | Work in Progress at the end of every Tariff Year |
| Com. | Commissioning in a particular Tariff year |
| Cdate | Date of Commissioning in a particular Tariff Year |

*Fields in italics are indicative only

Form F10(B)-Capital Expenditure Projected Plan-10 Year Master(ref Section A1.5of Appendix I)

Note: Information to be provided for 10 year period for all projects either spilling into the period or starting during the period

| Project Details | | 2010-11 | | | | | | | | | | 2011-12 | | | | | | | | | | 2012-13 | | | | | | | | | | 2013-14 | | | | | | | | | | 2014-15 | | | | | | | | | |
|-----------------|---------------------------|---------------|-----------|--------|-------|-----|-----------------|--------|-----|--------|-----|-----------------|--------|-----|--------|-----|-------|--------|-----|--------|-----|---------|--------|-----|--------|-----|-------|--------|-----|--------|-----|---------|--------|-----|--------|-----|--|--|--|--|--|---------|--|--|--|--|--|--|--|--|--|
| S.N | Project Name | Project Type | Comm.Date | Tracex | Troom | WIP | Capex | FinAbw | Com | C.Date | WIP | Capex | FinAbw | Com | C.Date | WIP | Capex | FinAbw | Com | C.Date | WIP | Capex | FinAbw | Com | C.Date | WIP | Capex | FinAbw | Com | C.Date | WIP | Capex | FinAbw | Com | C.Date | WIP | | | | | | | | | | | | | | | |
| 1 | HYDRANT EXPANSION PROJECT | Plant & Mach. | | | | | 14,50,00,000.00 | | | | | 15,72,00,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Legend | |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Name | Project Name should be a unique name or a primary key assigned to a Capex Project |
| Project Type | Type of the Project and the asset class to which the Capex Project belongs |
| Comm.Date | Date on which the Capital Project was commenced |
| Capex | Year-Wise Capex estimated to be incurred on the Project excluding any Capital receipts like Grants, User Contributions etc. |
| WIP | Work in Progress at the end of every Tariff Year |
| Com | Estimated Commissioning in a particular Tariff Year |
| C.Date | Estimated Date of Commissioning in a particular Tariff Year |
| T Capex | Total Capex incurred on the project till the end of previous Control Period excluding any Capital receipts like Grants, User Contributions etc. |
| T Comm | Total Commissioning on the project till the end of Previous Control Period |
| FinAbw | Project-wise Financing Allowances for the year |

* Projected values to be provided
* Fields in Italics are indicative only

Form F10(c): Year-wise Capital Expenditure Financing Plans for next 10 years (ref: Section ALS of Appendix I)

NO ADDITIONAL FINANCING IS PLANNED DURING THIS PERIOD

Note: Information to be provided for 10 year period for all projects wither spilling into the period or starting during the period

| Project Details | | 2011-12 | | | | 2012-13 | | | | 2013-14 | | | | 2014-15 | | | | 2015-16 | | | | 2016-17 | | | | 2017-18 | | | | 2018-19 | | | | 2019-20 | | | | | | | |
|-----------------|---------------------|------------------|----------------|--------------------|------------|------------------|----------------|--------------------|------------|------------------|----------------|--------------------|------------|------------------|----------------|--------------------|------------|------------------|----------------|--------------------|------------|------------------|----------------|--------------------|------------|------------------|----------------|--------------------|------------|------------------|----------------|--------------------|------------|---------|--|--|--|--|--|--|--|
| S.N | Total Capex Planned | Internal Accrual | Equity infused | User Contributions | Total Debt | Internal Accrual | Equity infused | User Contributions | Total Debt | Internal Accrual | Equity infused | User Contributions | Total Debt | Internal Accrual | Equity infused | User Contributions | Total Debt | Internal Accrual | Equity infused | User Contributions | Total Debt | Internal Accrual | Equity infused | User Contributions | Total Debt | Internal Accrual | Equity infused | User Contributions | Total Debt | Internal Accrual | Equity infused | User Contributions | Total Debt | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Legend | |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Total Capex | Total Capex planned indicates the total forecasted capex for all assets during the next 10 years |
| Internal Accrual | Internal Accrual (from free reserves and surplus) in the year |
| Equity infused | Equity infusion planned during the year |
| User Contributions | Representing Development Fees/User Contributions/Capital Grants/Subsidies etc. planned during the year for the Capital Project. |
| Total Debt | Total Debt planned for funding capex during the year |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F10(d): Summary statement of Expenses Capitalised (ref: Section A1.5of Appendix I)

NIL

| Sl. No. | Particulars | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|----------|-------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| A | Interest and Finance Charges Capitalised | | | | | | | |
| B | Cost of Raising Finance and Bank Charges | | | | | | | |
| C | Other Expenses Capitalised | | | | | | | |
| | Employee Expenses | | | | | | | |
| | Administrative and General Expenses | | | | | | | |
| | Utilities and Outsourcing Expenses | | | | | | | |
| | Any other expenses being Capitalised | | | | | | | |
| D | Total Expenses being Capitalised (A+B+C) | | | | | | | |

*Projected values to be provided

Information for the last financial year for which audited accounts are available

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F10(e): Additional Capital Projects Summary (ref: Section A1.5 of Appendix I)

NIL

| Forecast WIP Assets | | | | | | |
|---------------------|---------------------------|---------|---------|---------|---------|---------|
| | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| E | Opening WIP Assets | | | | | |
| | Building | | | | | |
| | Plant and Machinery | | | | | |
| | Electrical Installation | | | | | |
| | Furniture and Fittings | | | | | |
| | | | | | | |
| F | Additions-New WIP | | | | | |
| | Building | | | | | |
| | Plant and Machinery | | | | | |
| | Electrical Installation | | | | | |
| | Furniture and Fittings | | | | | |
| | | | | | | |
| G | WIP Capitalisation | | | | | |
| | Building | | | | | |
| | Plant and Machinery | | | | | |
| | Electrical Installation | | | | | |
| | Furniture and Fittings | | | | | |
| | | | | | | |
| H | Closing WIP Assets | | | | | |
| | Building | | | | | |
| | Plant and Machinery | | | | | |
| | Electrical Installation | | | | | |
| | Furniture and Fittings | | | | | |
| | | | | | | |

*Fields in italics are indicative only

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F11(a): Employee Strength (ref: Section AI.5 of Appendix I)

| S.N | Particulars-with detailed breakup | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|----------|--------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| A | Department-wise Full-Time Employees | | | | | | | |
| | Operations | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| | Maintenance | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | Administration | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| | | | | | | | | |
| | Total | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| B | Department-wise-Part-Time/Contractual Employees | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

*Projected values to be provided

Information for the last financial year for which audited accounts are available

*Fields in italics are indicative only

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F12(a): Historical and Projected Cargo Volumes in Tonnes(ref: Section A1.6 of Appendix I)

N/A

| Year | Domestic | | | | | | | | International | | | | | | | |
|---------|----------|------------|----------|-------|----------|------------|----------|-------|---------------|------------|----------|-------|----------|------------|----------|-------|
| | Loaded | | | | Unloaded | | | | Loaded | | | | Unloaded | | | |
| | General | Perishable | Valuable | Other | General | Perishable | Valuable | Other | General | Perishable | Valuable | Other | General | Perishable | Valuable | Other |
| 2003-04 | | | | | | | | | | | | | | | | |
| 2004-05 | | | | | | | | | | | | | | | | |
| 2005-06 | | | | | | | | | | | | | | | | |
| 2006-07 | | | | | | | | | | | | | | | | |
| 2007-08 | | | | | | | | | | | | | | | | |
| 2008-09 | | | | | | | | | | | | | | | | |
| 2009-10 | | | | | | | | | | | | | | | | |
| 2010-11 | | | | | | | | | | | | | | | | |
| 2011-12 | | | | | | | | | | | | | | | | |
| 2012-13 | | | | | | | | | | | | | | | | |
| 2013-14 | | | | | | | | | | | | | | | | |
| 2014-15 | | | | | | | | | | | | | | | | |
| 2015-16 | | | | | | | | | | | | | | | | |
| 2016-17 | | | | | | | | | | | | | | | | |
| 2017-18 | | | | | | | | | | | | | | | | |
| 2018-19 | | | | | | | | | | | | | | | | |
| 2019-20 | | | | | | | | | | | | | | | | |

*Fields in italics are indicative only
 Applicable for forecasted years only

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Form F12(b): Historical Aircraft Movements (ref : Section A1.6 of Appendix I)

N/A

| Year | Domestic (Landing) | International(Landing) |
|-------------|---------------------------|-------------------------------|
| 2003-04 | | |
| 2004-05 | | |
| 2005-06 | | |
| 2006-07 | | |
| 2007-08 | | |
| 2008-09 | | |
| 2009-10 | | |
| 2010-11 | | |

Projected values to be provided

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Form F12(c): Projected Aircraft Movements (ref: Section A1.6 of Appendix I)

| N/A | | | | | | | |
|---------|--------------------|-------------|--------------|-------------------------|-------------|--------------|--------------------------------|
| Year | Domestic (Landing) | | | International (Landing) | | | Forecast Error Correction band |
| | Optimistic | Most Likely | Conservative | Optimistic | Most Likely | Conservative | |
| 2011-12 | | | | | | | |
| 2012-13 | | | | | | | |
| 2013-14 | | | | | | | |
| 2014-15 | | | | | | | |
| 2015-16 | | | | | | | |
| 2016-17 | | | | | | | |
| 2017-18 | | | | | | | |
| 2018-19 | | | | | | | |
| 2019-20 | | | | | | | |
| 2020-21 | | | | | | | |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Form F12(d): Historical and Projected fuel throughput in kilolitres (ref : Section A1.6 of Appendix I)

| N/A | | | |
|---------|------------------|-----------------------|--------------------------------|
| Year | Domestic Flights | International Flights | Forecast Error Correction Band |
| 2003-04 | | | |
| 2004-05 | | | |
| 2005-06 | | | |
| 2006-07 | | | |
| 2007-08 | | | |
| 2008-09 | | | |
| 2009-10 | | | |
| 2010-11 | | | |
| 2011-12 | | | |
| 2012-13 | | | |
| 2013-14 | | | |
| 2014-15 | | | |
| 2015-16 | | | |
| 2016-17 | | | |
| 2017-18 | | | |
| 2018-19 | | | |
| 2019-20 | | | |

*Fields in italics are indicative only
 Applicable for forecasted years only

Form F13(a): Historical Tariff(s) and Revenue from Regulated Service (ref. Section A1.7 of Appendix I)

| | | Figs in Rs. | | | | | | | | | | | | | |
|--------|---------------------------------|------------------|----------|------------------|----------|------------------|----------|------------------|----------|------------------|----------|------------------|-----------------|------------------|-----------------|
| Sl No. | Particulars | 2003-04 | | 2004-05 | | 2005-06 | | 2006-07 | | 2007-08 | | 2008-09 | | 2009-10 | |
| | | Per unit Tariffs | Revenues | Per unit Tariffs | Revenues | Per unit Tariffs | Revenues | Per unit Tariffs | Revenues | Per unit Tariffs | Revenues | Per unit Tariffs | Revenues | Per unit Tariffs | Revenues |
| A | Revenue from Regulated Services | | | | | | | | | | | | 31,14,31,110.90 | | 59,64,83,181.00 |
| | 24-05-2008 to 31-12-2008 | | | | | | | | | | | 700.00 | | | |
| | 01-01-2009 Till date | | | | | | | | | | | 1,500.00 | | 1,500.00 | |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F13(b): Historical and Projected Revenues from services other than Regulated Services (ref: Section A1.7 of Appendix I)

| NIL | | | | | | | | |
|-----|-------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| S.N | Particulars | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| A | Revenue from services other than Regulated Services | | | | | | | |
| 1 | <i>Revenue from</i> | | | | | | | |
| 2 | <i>Revenue from.....</i> | | | | | | | |
| 3 | <i>Revenue from.....</i> | | | | | | | |
| B | Other Revenues | | | | | | | |
| 1 | <i>Revenues from Interest Income</i> | | | | | | | |
| 2 | <i>Revenue from Any Other Sources(Please Specify)</i> | | | | | | | |
| | Total Revenues | - | - | - | - | - | - | - |

*Projected values to be provided

#Fields in italics are indicative only

^Information for the last financial year for which audited accounts are available

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F14(a): Annual Tariff Proposal for Tariff Year t - Format for providing information on EMAY(ref: Section A1.8 of AppendixI)

| S.N | Particulars | For Tariff Year 2011-12 |
|-----|----------------------------------------|-------------------------|
| 1 | Yield per unit | 1,580.80 |
| 2 | Error Correction term (from year t-2) | |
| 3 | Estimated Maximum Allowed Yield (EMAY) | 1,580.80 |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

| Form F14 (b): Annual Tariff Proposal for Tariff Year t - Format for providing information on Tariff(s) (ref: Section AI.8 of Appendix I) | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------|------------------------|-------------------------------|
| Tariff Heading | Conditions of Tariff | Applicable Discount/Surcharge | Estimated units | Estimated Revenues-Rs. |
| <i>Tariff -Aviation Fuel</i> | Tariff per kilo litre | | 4,05,648.33 | 64,12,48,118.10 |
| <i>Tariff 2</i> | | | | |
| <i>Tariff 3</i> | | | | |
| ... | | | | |
| Total | | | 4,05,648.33 | 64,12,48,118.10 |

* The Service Provider must demonstrate that the Tariff(s) as proposed will ultimately result in a revenue equal to or less than ARR or EMAY, as the case may be
 # Fields in italics are indicative only

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F15: Annual Compliance Statement (ref: Section AI.9 of Appendix I)

| S.N | Particulars | Actuals for the Tariff Year under consideration- 2011-12 |
|----------|--------------------------------------------------------|-------------------------------------------------------------|
| 1 | Yield Per unit | 1,580.80 |
| | Actual WPI during the year | 0% |
| 2 | Actual Maximum Allowed Yield per unit | 1,580.80 |
| | Security Operating Cost Correction term | |
| | Other Mandated Operating Cost Correction term | |
| | Statutory Cost Operating Correction term | |
| | Forecast Error Correction term | |
| | Recovery Error Correction term | |
| 3 | Actual Yield per unit | 1575.00 |
| | Revenues subject to yield cap | 63,88,96,117.59 |
| | Volumes | 4,05,648.33 |
| 4 | Over recovery of allowed yield-Error Correction | |

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

| Form F17: Revenues from Regulated Services recovered during the Tariff Year (ref:Section A1.9 of Appendix I) | | |
|---------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------|
| | Actual -2011-12 | Forecast as per the Multi Year Tariff Order |
| <i>Bangalore-Fuel Farm</i> | 63,88,96,117.59 | |
| Total Revenues from Tariff(s) for Regulated Services | 63,88,96,117.59 | |

Fields in italics are indicative only

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

Form F18: Revenue from Services other than Regulated Services recovered during the Tariff Year (ref: Section A1.9 of Appendix I)

| | | |
|----------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------|
| N/A | | |
| | Actual -2011-12 | Forecast as per the Multi Year Tariff Order |
| <i>Revenue from services other than Regulated Services heading #1</i> | | |
| <i>Revenue from services other than Regulated Services heading #2</i> | | |
| <i>Revenue from services other than Regulated Services heading #3</i> | | |
| <i>Revenue from services other than Regulated Services not identified in the Multi Year Tariff Order</i> | | |
| <i>Total Revenues from Services other than Regulated Services</i> | | |

Fields in italics are indicative only

IndianOil Skytanking Limited
Bangalore- Fuel Farm

Figs in Rs.

| Form F21: RAB Reconciliation Statement (ref:Section A1.9 of Appendix I) | | |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| S.N. | Particulars | Actual for the Tariff Year under consideration 2011-12 |
| 1 | Net fixed assets as per the statutory accounts | 72,34,11,572.54 |
| | <i>Difference between net fixed assets and RAB</i> | |
| | <i>Difference between depreciation in statutory accounts and allowed regulatory depreciation</i> | |
| | <i>Intercompany transfers</i> | |
| | <i>Revaluations in statutory accounts</i> | |
| | <i>Reconciliation adjustment #1</i> | |
| | <i>Reconciliation adjustment #2</i> | |
| 2 | Closing RAB | 72,34,11,572.54 |

Fields in italics are indicative only

+ Applicable only for Service Provider deemed 'material' and 'non competitive'

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

Annexure II

382/Secy/11
17/3/11

AV/TSD/BIAL - FF
15th March 2011

**THE SECRETARY
AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AERA Building, Administrative Complex
Safdarjung Airport, NEW DELHI – 110 003.**

Kind Attn: Shri Sandeep Prakash

"Without Prejudice"

Dear Sir,

Subject: Submission of Multi Year Tariff proposal for determination of Tariff for Fuel Farm Service Fee by IndianOil Skytanking Limited – Fuel Farm Service Operator at BIAL, Bangalore

Reference may please be made to our letter of even reference dated 10th March 2011 on the subject of Fuel Farm Service at BIAL, Bangalore vide which we had submitted our Proposal under Multi Year Tariff Proposal (MYTP) for determination of Tariff for Fuel Farm Service Fee at BIAL, Bangalore.

This also refers to the discussions we had during the Presentation made by us to AERA on 11th March 2011.

As conveyed by you during our discussions on 11th March 2011, we are submitting the clarifications on the points raised by you:

1. **Source of Return on Market Portfolio :**

Return on Market Portfolio is calculated by taking the average of the SENSEX closing values less opening values for the last 10 years from 2001-2010. Worksheet detailing the above is enclosed at **Annexure I**.

2. **Beta Factor :**

Beta is the coefficient that measures the behavior of a company's stock against the market. A zero beta indicates that the stock is independent of the market portfolio. When beta is negative for a company it indicates that the stock of such a company moves in the opposite direction to the market. Beta will vary from company to company based on the behavior that company's stock against that of the market. The market beta is always 1.

Page 1 of 3

Since IOSL is not a listed company, it does not have a Beta value. For calculation purpose, we explored the possibility of considering the beta values of companies rendering Refuelling Services like IOSL, namely IOC, BPC and HPC which are all listed companies. However, even these three oil companies did not have their beta values listed with the company data on the stock exchange websites. Hence the beta values of these companies available during October / November 2010 on an internet search has been considered and average of the same has been taken for the calculation. The source from which these Beta values were obtained are given below:

1. Bharat Petroleum – Source: Nifty 50 shares traded (**Annexure-2a**)
2. Hindustan Petroleum- Source: NSE Junior Nifty Stocks (**Annexure-2b**)
3. Indian Oil Corporation- Investor presentation available on the internet – (www.scribd.com/.../15846214-Indian-Oil-Corporation-Investor-Presentation-by-ANIRUDHA) (**Annexure-2c**)

As given in the AERA guidelines Cost of Equity has been calculated using the Capital Asset Pricing Model (CAPM).

Cost of Equity = Risk Free Rate (Rf) + Beta *(Return on Market Portfolio (Rm) - Risk Free Rate (Rf))

3. **Risk Free Rate :**

Risk Free Rate has been calculated considering Benchmark Yield on 10 year Government of India Bonds. The average yield during October 2009 to September 2010 was about 7.6% which has been considered at 7.50% being the practice adopted by leading Chartered Accountant firms.

4. **Sales Volumes:**

The sales volumes considered in our calculations are based on the actual data for the past period and for future years escalations have been considered based on past trends at New Bangalore International Airport as Fuel Farm Service Provider.

Confidentiality of the documents submitted:

We understand that from a regulatory perspective, it is essential to bring the proposal into public domain in order to determine the tariff, and as such, we do not have any objection to uploading of the tariff proposal determined by us, with reference to the agreements between us and the service providers to the extent of the following:

The following pages of the Supplier Agreement may be uploaded on your website:

Pages 1,25,26,27 & 34 of the said Agreement.

We also request you to kindly ensure confidentiality of our financials which are sensitive to our businesses and request you to upload on your website only the following financial formats submitted by us:

| SN | Form No | Description |
|----|----------------|------------------------------------------------------------------------------------------|
| 1 | Form – F1 (a) | Historical and Proposed Aggregate Revenue Requirement |
| 2 | Form – F1 (b) | Competition Assessment |
| 3 | Form – F5 | Cost of Equity and Post Tax FROR Forecast |
| 4 | Form – F6 | Contributions, Grants and Subsidies Master |
| 5 | Form – F7 | Format for identifying Regulatory Asset Base |
| 6 | Form – F8 (a) | Format for providing Asset-wise information of stakeholder contributions. |
| 7 | Form - F8 (b) | Format for providing proposed exclusions from RAB. |
| 8 | Form – F10 (a) | Capital Projects Completed before Review of roll-forward of RAB |
| 9 | Form – F10(b) | Capital Expenditure Projected Plan- 10 Year Master |
| 10 | Form – F10(c) | Year wise Capital Expenditure Financing Plans for next 10 years |
| 11 | Form – F10(d) | Summary Statement of Expenses Capitalized |
| 12 | Form – F10(e) | Additional Capital Projects Summary |
| 13 | Form – F11(a) | Employee Strength |
| 14 | Form – F12(a) | Historical and Projected Cargo Volumes in Tonnes |
| 15 | Form – F12(b) | Historical Aircraft Movements |
| 16 | Form – F12(c) | Projected Aircraft Movements |
| 17 | Form – F12(d) | Historical and Projected fuel throughput in kilolitres. |
| 18 | Form – F13(a) | Historical Tariff(s) and Revenue from Regulated Service. |
| 19 | Form – F13(b) | Historical and Projected Revenues from services other than Regulated Services. |
| 20 | Form – F14(a) | Annual Tariff Proposal for Tariff Year t – Format for providing Information on EMAY. |
| 21 | Form – 14(b) | Annual Tariff Proposal for Tariff Year t – Format for providing Information on Tariff(s) |
| 22 | Form – F15 | Annual Compliance Statement |
| 23 | Form – F17 | Revenues from Regulated Services recovered during the Tariff Year |
| 24 | Form – F18 | Revenue from Services other than Regulated Services recovered during the Tariff Year |
| 25 | Form - F21 | RAB Reconciliation Statement. |

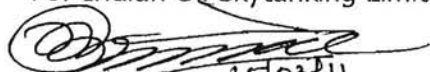
Trust the above clarifies all the issues raised by AERA.

In view of the above submissions, you are kindly requested that the Multi Year Tariff Proposal may please be approved on an urgent basis.

Kindly acknowledge receipt.

Thanking you,

For Indian Oil Skytanking Limited,


(T.S. Dupare) 15/02/11
Chief Executive Officer

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

17th December, 2011

AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA (AERA)
AERA Building, Administrative Complex
Safdarjung Airport, New Delhi 110 003

Kind Attn: Mr. CV Deepak,
OSD-II

"Without Prejudice"

Dear Sir,

Subject: MYTP for Approval of Infrastructure Charges at Fuel Farm Facility of IOSL, Bangalore - reg

Ref: Your letter No. AERA/20015/MYTP-IOSL/FF/BIAL/2011-12/1928 dated 29th November, 2011

Reference may please be made to your letter referred above.

Our point-wise clarifications are as under:

- (i) While the proposal seeks approval of the "Infrastructure charges", the details furnished are in respect of "Throughput Fee". Further, IOSL have in Form 11(f) submitted that there are some "other outflows" in the form of Airport Operator Fee. IOSL may clarify the terms "Throughput Fee", "Infrastructure charges", "Airport Operator Fee", "Concession Fee to Airport Operator" separately along with their scope, and reference in the Supplier and Concession Agreements;

Reply: Reference may please be made to our Multi Year Tariff Proposal for determination of Tariff for Throughput Fee vides our letter No. AV/TSD/BIAL -FF dated 10th March '2011. It may please be observed that we have consistently used the terminology Throughput Fee in our submissions and not infrastructure charges as mentioned in your above referred letter. Subsequently in Authority's letter No AERA/20010/MYTP/IOSL/FF/BIAL/2010-11/779 dated 04th August 2011, the Authority had referred the subject of the letter as, "MYTP- Approval of Infrastructure Charges at Fuel Farm Facility of IOSL, Bangalore" and in our reply to Authority's letter, we had maintained the same subject. It may please be noted that in the Form 11(f) submitted by us, we had only used the term as Airport Operator Fee. We hereby clarify and confirm that our proposal is for approval of Throughput Fee and not for infrastructure charges as mentioned in your letter. It is also evident from the financial submissions made by us to the Authority.

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

Meanwhile as desired in your letter dated 29th Nov. 2011 we are clarifying the terms as under:

Throughput Fee: Throughput Fee is a Fee chargeable by IOSL to the Suppliers (i.e., HPCL, IOCL, BPCL, etc.,) on per KL basis of the Aviation Fuel withdrawn from the facility by an Into Plane Agent. Further it means the charges levied by the operator (i.e., IOSL) on suppliers for each liter of ATF delivered to Air carrier at the Airport via the Aviation Fuel Facility or Fuel Farm Facility. The Throughput Fee comprises of Airport Operator Fee, Operating Cost and Reserve Fund (Clause 13.1 of the Supplier Agreement and Clause 13.1 of the Operating Agreement of the SPRH Agreement).

Infrastructure Charges: We have not referred this term in our proposal and also it has not been referred in the Concession Agreement or the Suppliers Agreement.

Airport Operator Fee: The fee payable by the Operator (i.e., IOSL) to BIAL for each Kilo Litre of ATF delivered through the Fuel Farm Facility (Clause 1 & 14.3 of the Operating Agreement of the SPRH Agreement).

Concession Fee to Airport Operator: This terminology is same as Airport Operator Fee.

- (ii) IOSL may clarify specify all the charges for which approval is being sought for and specify the breakup of the charges;

Reply: We have sought in our tariff application, approval for Throughput Fees which, as mentioned earlier, comprises of Airport Operator Fee, Operating Cost and Reserve Fund. The breakup of the charges is as under:

[Airport Operator Fee: Rs. 1067/- per KL
Operating Cost and Reserve Fund: Together Rs.433/- per KL
Total Throughput Fee: Rs.1500/- per KL]

- (iii) Copy of the Concession Agreement with Airport Operator and Copy of the notification of the existing charges by IOSL, as prescribed in Clause 13.1 of the supplier Agreement(s) may also be furnished;

Reply: We have already submitted to the Authority a copy of the Concession Agreement (Service Provider Right Holder Agreement) and a copy of the notification of the existing charges by IOSL to the suppliers vide our letter dated 23rd August 2011.

- (iv) Details of stakeholder consultation, if any, that has been conducted prior to notification of the existing charges;

It may please be noted that due consultation process was followed with the users while finalizing the Suppliers' Agreements (User Agreements) and the concerns of

suppliers have been addressed and incorporated in the Suppliers agreement. The User Agreements are based on the guidelines given in the Service Provider Right Holders Agreement executed between BIAL and IOSL. The subject agreement envisages the mechanism of User charges & Service Levels and the User Agreements have drawn the Mechanism of user charges and service levels from Concession Agreement.

It is pertinent to mention here that the user agreements are identical for all the users and there is no discrimination amongst the users for these agreements. Further, as mentioned above, the user agreements were finalized and executed in consultation with the users after incorporating their view points. The Throughput Fee rates were also informed to the users appropriately and the same have been accepted by all the Suppliers in line with the provisions of the agreement. **It may please be noted that the Throughput charge of Rs 1500 per KL, is an existing charge which was introduced prior to 01.09.2009 and the same is being paid by all the users.**

We had also submitted to the Authority, the copies of invoices raised on the suppliers at the above mentioned rate of Rs 1500 per KL and copies of receipt of payments from the suppliers for the said invoices vide our letter dated 23rd August 2011.

The above aspects clearly demonstrate the validity and reasonableness of the user agreements and the same has also been covered in our covering letter AV/TSD/BIAL-FF dated 10th March 2011.

The above information is furnished without prejudice to our rights and contentions in the matter, subject to the SPRH Agreement dated 1st March 2006 with BIAL as well as the outcome of the Appeal No.12 of 2011 filed by BIAL before the AERAAT.

Thanking you

Yours truly,

For IndianOil Skytanking Limited,



(T.S. DUPARE)
Chief Executive Officer

Bangalore International Airport Limited

118 Gayathri Lakefront
Outer Ring Road, Hebbal
Bangalore 560 024 India

T +91 80 2354 0000 F +91 80 23333400 www.bialairport.com



Annexure - IV

Bengaluru
INTERNATIONAL
AIRPORT

December 18, 2008

Dr. Ravi Kumar
CEO
IndianOil Skytanking Ltd,
Bangalore 560 300.

Dear Dr Ravi Kumar,

Subject: Revision of Throughput Fees and Airport Operator Fees

Please refer to the Operating Agreement (Aviation Fuel Facility at the New Bangalore International Airport) with BIAL and our letter of 25th February 2008 on the subject. Also, please refer to your letters of 26th September 2008 and 13th November 2008.

We would like to inform you that BIAL is in agreement with your revised Projected Yearly Throughput of ATF estimated at 414,000 kL instead of 500,000 kL projected earlier. We also understand that operating costs have been higher than your projections, as indicated in your above letters.

BIAL, therefore, agrees to your request to revise the Throughput Fee. The Throughput Fee from 1st January 2009 should not exceed a maximum of Rs. 1500.00 per kL exclusive of taxes, based on the method of calculation in the Agreement. The Airport Operator Fee exclusive of any taxes from 1st January 2009 shall now be Rs. 1067.00 per kL. Also, BIAL would request you to transfer Rs. 50.00 per kL towards Reserve Fund appropriation from 1st January 2009, as provided in the Operating Agreement. This reserve fund will provide for the future capital expenditure related to development of a lab, repair of fuel farm pavement etc. Kindly provide monthly statements of transfer to the fund account.

Kindly acknowledge the receipt of this communication.

Yours sincerely,
For Bangalore International Airport Ltd.,

Ashutosh Chandra
Head - Aviation Contracts and Airline Marketing

-330-

IndianOil Skytanking

Ref.: BPC/08-09
Date: 19/12/08

To
Bharat Petroleum Corporation Limited
A 5&6, Sector-1,
Noida - 201 301
Uttar Pradesh

Kind Attn.: GM & Head Aviation SBU

Dear Sir,

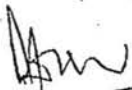
Re: Revision of Throughput Fees and Into-plane Services Fees w.e.f. 1st January, 2009

Kindly note that the Fees for our services is revised with effect from 1st January, 2009 as follows:

1. The Throughput Fees for Services towards Storage and Handling of Aviation Turbine Fuel, as per Clause 13 of the Suppliers Agreement, is Rs.1500 per KL + Taxes (as applicable);
2. The Into-Plane Services Fees, as per Clause 3 of the Into-Plane Agent Agreement, is as follows:
 - a. For Fuelling Aircraft: Rs.200 per KL + Taxes (as applicable);
 - b. For Defuelling Aircraft:
 - i. Within 48 hours: Rs.200 per KL + Taxes (as applicable);
 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);
 - c. For Refuelling Defuelled product into an Aircraft:
 - i. Within 48 hours: Rs.220 per KL + Taxes (as applicable);
 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);

Thanking You,

Yours faithfully,
For IndianOil Skytanking Limited,



R. Ravikumar
CEO

Cc.: to Raju Bhanoth, STN. Manager - Aviation.

-331-

IndianOil Skytanking

Ref.: HPC/08-09

Date: 19/12/08

To
Hindustan Petroleum Corporation Limited
Aviation SBU, Hindustan Bhavan,
8, Shoorji Vallabhdas Marg,
Ballard Estate,
Mumbai 400 001

Kind Attn.: DGM(I/C) Aviation and Head SBU

Dear Sir,


Re: Revision of Throughput Fees and Into-plane Services Fees w.e.f. 1st January, 2009

Kindly note that the Fees for our services is revised with effect from 1st January, 2009 as follows:

1. The Throughput Fees for Services towards Storage and Handling of Aviation Turbine Fuel, as per Clause 13 of the Suppliers Agreement, is Rs.1500 per KL + Taxes (as applicable);
2. The Into-Plane Services Fees, as per Clause 3 of the Into-Plane Agent Agreement, is as follows:
 - a. For Fuelling Aircraft: Rs.200 per KL + Taxes (as applicable);
 - b. For Defuelling Aircraft:
 - i. Within 48 hours: Rs.200 per KL + Taxes (as applicable);
 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);
 - c. For Refuelling Defuelled product into an Aircraft:
 - i. Within 48 hours: Rs.220 per KL + Taxes (as applicable);
 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);

Thanking You,

Yours faithfully,
For IndianOil Skytanking Limited,



R.Ravikumar
CEO

Cc.: to M. G. Suresh, Senior Aviation Officer.

IndianOil Skytanking

Ref.: IOC/08-09

Date: 19/12/08

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

Kind Attn.: Executive Director (Aviation)

Dear Sir,

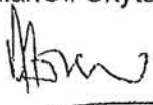
Subject: Revision of Throughput Fees and Into-plane Services Fees w.e.f. 1st January, 2009

Kindly note that the Fees for our services is revised with effect from 1st January, 2009 as follows:

1. The Throughput Fees for Services towards Storage and Handling of Aviation Turbine Fuel, as per Clause 13 of the Suppliers Agreement, is Rs.1500 per KL + Taxes (as applicable);
2. The Into-Plane Services Fees, as per Clause 3 of the Into-Plane Agent Agreement, is as follows:
 - a. For Fuelling Aircraft: Rs.200 per KL + Taxes (as applicable);
 - b. For Defuelling Aircraft:
 - i. Within 48 hours: Rs.200 per KL + Taxes (as applicable);
 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);
 - c. For Refuelling Defuelled product into an Aircraft:
 - i. Within 48 hours: Rs.220 per KL + Taxes (as applicable);
 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);

Thanking You,

Yours faithfully,
For IndianOil Skytanking Limited,



R.Ravikumar
CEO

Cc.: to P. Veerarasu, Chief Airport Terminal Manager.

IndianOil Skytanking

Ref.: SHELL/08-09

Date: 19/12/08

To

Shell MRPL Aviation Fuels and Services Private Limited
3rd Floor, RMZ Centennial – Campus B,
8 B, Kundanahalli Main Road,
Bangalore – 560 048

Kind Attn.: Chief Executive Officer

Dear Sir,

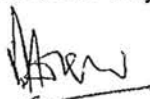
Sub.: Revision of Throughput Fees and Into-plane Services Fees w.e.f. 1st January, 2009

Kindly note that the Fees for our services is revised with effect from 1st January, 2009 as follows:

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2. The Into-Plane Services Fees, as per Clause 3 of the Into-Plane Agent Agreement, is as follows:
 - a. For Fuelling Aircraft: Rs.200 per KL + Taxes (as applicable);
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 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);
 - c. For Refuelling Defuelled product into an Aircraft:
 - i. Within 48 hours: Rs.220 per KL + Taxes (as applicable);
 - ii. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);

Thanking You,

Yours faithfully,
For IndianOil Skytanking Limited,



R.Ravikumar
CEO

Cc.: to S. Chockalingam, CFO.

- 334 -

IndianOil Skytanking

Ref.: RIL/09-10

Date: 19/12/08 & 01/08/09

To

Reliance Industries Limited
3rd Floor, Maker Chambers IV,
222 Nariman Point,
Mumbai – 400 021

Kind Attn.: President – New Business

Dear Sir,

Sub.: Revision of Throughput Fees and Into-plane Services Fees w.e.f. 1st January, 2009

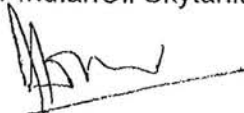
Kindly note that the Fees for our services is revised with effect from 1st January, 2009 as follows:

3. The Throughput Fees for Services towards Storage and Handling of Aviation Turbine Fuel, as per Clause 13 of the Suppliers Agreement, is Rs.1500 per KL + Taxes (as applicable);
4. The Into-Plane Services Fees, as per Clause 3 of the Into-Plane Agent Agreement, is as follows:
 - d. For Fuelling Aircraft: Rs.200 per KL + Taxes (as applicable);
 - e. For Defuelling Aircraft:
 - iii. Within 48 hours: Rs.200 per KL + Taxes (as applicable);
 - iv. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);
 - f. For Refuelling Defuelled product into an Aircraft:
 - iii. Within 48 hours: Rs.220 per KL + Taxes (as applicable);
 - iv. Beyond 48 hours: Rs.240 per KL+ Taxes (as applicable);

Other terms and conditions of the agreements(Suppliers Agreement and Into-Plane Agent Agreement dated July 15, 2008) remain same.

Thanking You,

Yours faithfully,
For IndianOil Skytanking Limited,


R.Ravikumar
CEO

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

23rd August, 2011

AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA (AERA)
AERA Building, Administrative Complex
Safdarjung Airport, New Delhi 110 003

Kind Attn: Mr. CV Deepak,
OSD-II

"Without Prejudice"

Dear Sir,

Subject: MYTP - Approval of Infrastructure Charges at Fuel Farm Facility of IOSL, Bangalore - reg

Ref: Your letter No. AERA/20010/MYTP/IOSL/FF/BIAL/2010-11/779 dated 4th August, 2011

We have received your above referred letter requesting information in support of the IOSL's proposal.

The following are our comments on the above proposal:

It may please be noted that (due consultation process was followed with the users while finalizing the Suppliers' agreement (User Agreements) and the concerns of suppliers have been addressed and incorporated in the Suppliers agreement. The User Agreements are based on the guidelines given in the Service Provider Right Holders Agreement executed between the BIAL and IOSL. The subject agreement envisages the Mechanism of User charges & Service Levels and the User Agreements have drawn the Mechanism of user charges and service levels from Concession Agreement.)

(It is pertinent to mention here that the user agreements are identical for all the users and there is no discrimination amongst the users for these agreements. Further, as mentioned above, the user agreements were finalized and executed in consultation with the users after incorporating their view points. The Throughput rates were also informed to the users appropriately and the same have been accepted by all the Suppliers in line with the provisions of the agreement. It may please be noted that the Throughput charge of Rs 1500 per KL, is an existing charge which was introduced prior to 01.09.2009 and the same are being paid by all the users.)

(We are also enclosing the copies of invoices raised on the suppliers at the above mentioned rate of Rs 1500 per KL and copies of receipt of payments from the suppliers for the said invoices which have been reflected in our bank statements in the form of RTGS / NEFT transfers. We hereby submit that the proof of payment for the invoices made by the suppliers testify that they have agreed to the above mentioned rates.)

FLAG-I

The above aspects which demonstrates the validity and reasonableness of the user agreements, has also been covered in our covering letter AV/TSD/BIAL-FF dated 10th March 2011.

(The above points justify the reasonableness and unambiguous nature of the user agreements.)

We are also submitting the requisite information as per the enclosure.

We hope we have adequately replied to all the points raised and request that your approval for the Multi Year Tariff Proposal submitted by us for determination of Tariff for Throughput fees at Bangalore International Airport may kindly be expedited at the earliest as per the rates proposed in our MYTP.

Thanking you

Yours truly,
For IndianOil Skytanking Ltd.,


22/08/2011
(T.S. DUPARE)
Chief Executive Officer

IndianOil Skytanking

ISO 9001:2000, ISO 14001:2004 Certified

INVOICE

| | | |
|--------------------------------------------------------------------------------------------------|--------------------------|-----------------------------|
| Invoice No. : 215 | Service Tax Code | AABCI5709CST001 |
| Date: 02/09/10 | Category of Service | Storage & Warehouse Service |
| Billing Period: From 01/09/10 to 30/09/10 | Central Excise Regn. No. | AABCI5709CXM001 |
| To | PAN No. | AABCI5709C |
| Bharat Petroleum Corporation Limited, A-5 & 6, Sector - 1, Noida - 201301 Uttar Pradesh | VAT No. | 29580723313 |

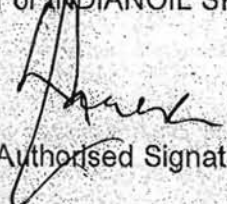
| Description | Quantity (KL) | Rate (Rs./KL) | Amount (Rs.) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------------|
| 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) | 6,500.000 297.378 | 1,500.00 1,500.00 | 9,750,000.00 446,067.00 |
| Sub Total | | | 10,196,067.00 |
| Service Tax - 10% | | | 1,019,607.00 |
| Education Cess on Service Tax - 2% | | | 20,392.00 |
| Secondary and higher education Cess on Service Tax - 1% | | | 10,196.00 |
| Total : | | | 11,246,262.00 |
| Rounded Off | | | 11,246,262.00 |

Amount: Rupees one crore twelve lakh forty six thousand two hundred sixty two only

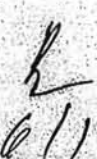
Kindly send your payment through RTGS to our following Bank Account: Punjab National Bank
Address: Sadashiv Nagar Branch, 380, Kamatachi Court, Sadashiv Nagar, Bangalore - 560080
A/c No.: 1062002100015154 ; IFSC Code: PUNB0106200; MICR Code: 560024008
by 15th of this month subsequent to which delay interest would be charged

* Kindly do not deduct TDS, copy of the TDS Exemption Certificate from Income Tax Department has already been given to you

For INDIANOIL SKYTANKING LIMITED


Authorised Signatory



 (Bernard, BPCL)
6/11

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

INVOICE

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------|
| Invoice No. : 270 Date: 02/03/11 | Service Tax Code Category of Service | AABCI5709CST001 Storage & Warehouse Service |
| Billing Period: From 01/03/11 to 31/03/11 | Central Excise Regn. No. | AABCI5709CXM001 |
| To Hindustan Petroleum Corporation Limited Aviation SBU, Hindustan Bhavan, 8, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai 400 001 | PAN No. VAT No. | AABCI5709C 29580723313 |

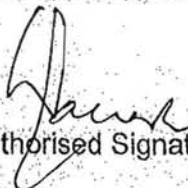
| Description | Quantity (KL) | Rate (Rs./KL) | Amount (Rs.) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|--------------|
| Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel : _____ | 5,200.000 | 1,500.00 | 7,800,000.00 |
| Adjustment for Feb'11 _____ (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office) | (422.846) | 1,500.00 | (634,269.00) |
| Sub Total : | | | 7,165,731.00 |
| Service Tax 10% | | | 716,573.00 |
| Education Cess on Service Tax 2% | | | 14,331.00 |
| Secondary and higher education Cess on Service Tax 1% | | | 7,166.00 |
| Total : | | | 7,903,801.00 |
| Rounded Off | | | 7,903,801.00 |

Amount: Rupees seventy nine lakh three thousand eight hundred one only

Kindly send your payment through RTGS to our following Bank Account: Punjab National Bank; Address: Sadashiv Nagar Branch, 380, Kamatachi Court, Sadashiv Nagar, Bangalore - 560080; A/c No.: 1062002100015154 ; IFSC Code: PUNB0106200; MICR Code: 560024008 by 15th of this month subsequent to which delay interest would be charged.

* Kindly do not deduct TDS, copy of the TDS Exemption Certificate from Income Tax Department has already been given to you.

For INDIANOIL SKYTANKING LIMITED


Authorised Signatory



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IndianOil Skytanking

ISO 9001:2000, ISO 14001:2004 Certified

INVOICE

| | | |
|---------------------------------------------------------------------------------------------|--------------------------|-----------------------------|
| Invoice No. : 181 | Service Tax Code | AABC15709CST001 |
| Date: 03/05/10 | Category of Service | Storage & Warehouse Service |
| Billing Period: From 01/05/10 to 31/05/10 | Central Excise Regn. No. | AABC15709CXM001 |
| To Indian Oil Corporation Limited Bangalore AFS HAL Airport Bangalore - 560 017 | PAN No. | AABC15709C |
| | VAT No. | 29580723313 |

| Description | Quantity (KL) | Rate (Rs./KL) | Amount (Rs.) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|---------------------------------|
| Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel : Adjustment for Apr'10 (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office) | 14,000.000 (695.607) | 1,500.00 1,500.00 | 21,000,000.00 (1,043,410.50) |
| Sub Total : | | | 19,956,589.50 |
| Service Tax 10% | | | 1,995,659.00 |
| Education Cess on Service Tax 2% | | | 39,913.00 |
| Secondary and higher education Cess on Service Tax 1% | | | 19,957.00 |
| Total : | | | 22,012,118.50 |
| Rounded Off | | | 22,012,119.00 |

Amount: Rupees two crore twenty lakh twelve thousand one hundred nineteen only

Kindly send your payment through RTGS to our following Bank Account: Punjab National Bank; Address: Sadashiv Nagar Branch, 380, Kamatachi Court, Sadashiv Nagar, Bangalore - 560080; A/c No.: 1062002100015154 ; IFSC Code: PUNB0106200; MICR Code: 560024008 by 15th of this month subsequent to which delay interest would be charged.

* Kindly do not deduct TDS, copy of the TDS Exemption Certificate from Income Tax Department will be provided to you shortly.

For INDIANOIL SKYTANKING LIMITED

Ranjay
Authorised Signatory



Ranjay A/S 12/02

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

INVOICE

| | | |
|-----------------------------------------------|--------------------------|-----------------------------|
| Invoice No. : 254 | Service Tax Code | AABCI5709CST001 |
| Date: 03/01/11 | Category of Service | Storage & Warehouse Service |
| Billing Period: From 01/01/11 to 31/01/11 | Central Excise Regn. No. | AABCI5709CXM001 |
| To | PAN No. | AABCI5709C |
| ShellMRPL Aviation Fuels and Services Pvt Ltd | VAT No. | 29580723313 |

FF-102, Prestige Sigma,
Vittal Mallya Road,
Bangalore-560001

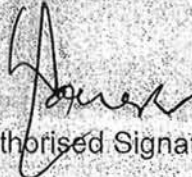
| Description | Quantity (KL) | Rate (Rs./KL) | Amount (Rs.) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel | 6,500.000 | 1,500.00 | 9,750,000.00 |
| Adjustment for Dec'10 (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office) | (325.090) | 1,500.00 | (487,635.00) |
| Sub Total : | | | 9,262,365.00 |
| Service Tax 10% | | | 926,237.00 |
| Education Cess on Service Tax 2% | | | 18,525.00 |
| Secondary and higher education Cess on Service Tax 1% | | | 9,262.00 |
| Total : | | | 10,216,389.00 |
| Rounded Off | | | 10,216,389.00 |

Amount: Rupees one crore two lakh sixteen thousand three hundred eighty nine only

Kindly send your payment through RTGS to our following Bank Account: Punjab National Bank; Address: Sadashiv Nagar Branch, 380, Kamatachi Court, Sadashiv Nagar, Bangalore - 560080; A/c No.: 1062002100015154; IFSC Code: PUNB0106200; MICR Code: 560024008 by 15th of this month subsequent to which delay interest would be charged.

* Kindly do not deduct TDS, copy of the TDS Exemption Certificate from Income Tax Department has already been given to you.

For INDIANOIL SKYTANKING LIMITED


Authorised Signatory



P. Madhusudan

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

INVOICE

| | | |
|-------------------------------------------|--------------------------|-----------------------------|
| Invoice No. : 264 | Service Tax Code | AABC15709CST001 |
| Date: 03/02/11 | Category of Service | Storage & Warehouse Service |
| Billing Period: From 01/02/11 to 28/02/11 | Central Excise Regn. No. | AABC15709CXM001 |
| To | PAN No. | AABC15709C |
| Reliance Industries Ltd., | VAT No. | 29580723313 |

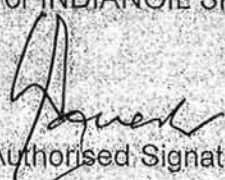

Village: Meghpar/Padana,
Taluka Lalpur,
Dist. Jamnagar, Gujarat - 361 280
Place of Service Provided: IndianOil Skytanking Ltd, Fuel Farm Facility, Bangalore International Airport,
Devanahalli, Bangalore

| Description | Quantity (KL) | Rate (Rs./KL) | Amount (Rs.) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|--------------|
| Throughput Fees for services towards Storage and Handling of Aviation Turbine Fuel | 12.000 | 1,500.00 | 18,000.00 |
| Adjustment for Jan'11 (Raised as per Clause 13 of the Suppliers Agreement) (Necessary delivery documents (RD 7) have already been sent to your local office) | (7.211) | 1,500.00 | (10,816.50) |
| Sub Total : | | | 7,183.50 |
| Service Tax 10% | | | 718.00 |
| Education Cess on Service Tax 2% | | | 14.00 |
| Secondary and higher education Cess on Service Tax 1% | | | 7.00 |
| Total : | | | 7,922.50 |
| Rounded Off | | | 7,923.00 |

Amount: Rupees seven thousand nine hundred twenty three only

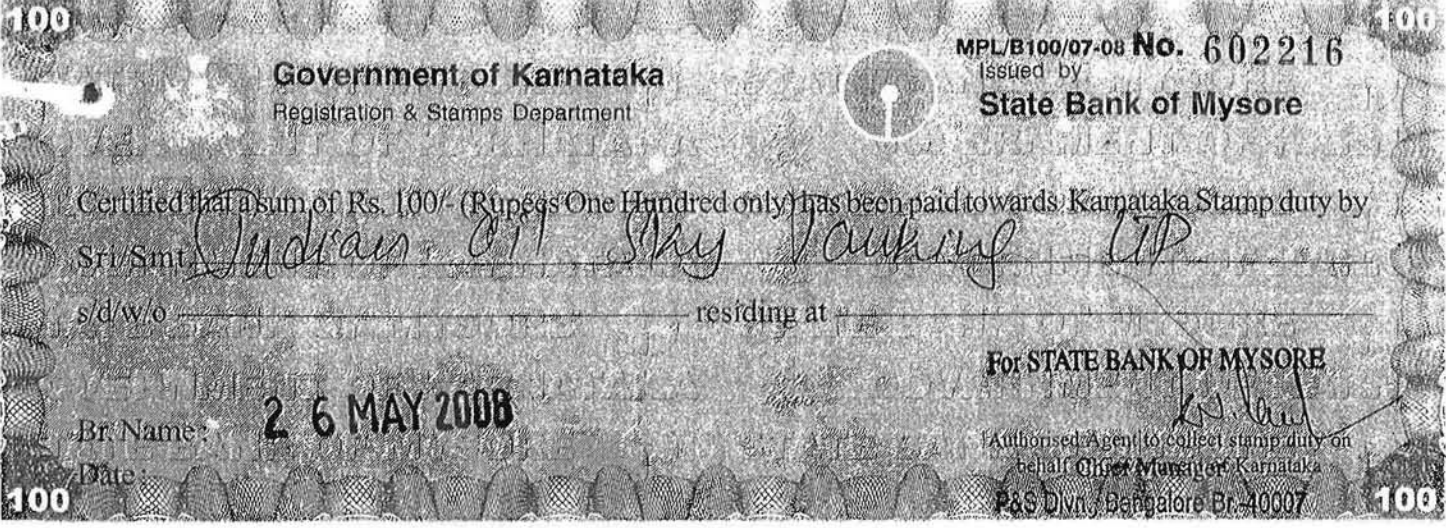
Kindly send your payment through RTGS to our following Bank Account: Punjab National Bank; Address: Sadashiv Nagar Branch, 380, Kamatachi Court, Sadashiv Nagar, Bangalore - 560080; A/c No. : 1062002100015154 ; IFSC Code: PUNB0106200; MICR Code: 560024008 on or before 15th of this month. Interest at applicable rate will be levied in case of delay in payment after this due date.

* Kindly do not deduct TDS, copy of the TDS Exemption Certificate from Income Tax Department has already been given to you.

For INDIANOIL SKYTANKING LIMITED

 Authorised Signatory


Received original
4/2

-765-



SUPPLIER AGREEMENT

THIS AGREEMENT is made on this the 30th day of May, 2008, at Bangalore

BETWEEN

Indian Oil Skytanking Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Registered Office at No.16/11, Gowda Samaja Sadan, 1st 'C' Main Road, Ganganagar Extension, Bangalore 560 032 represented herein by its Chief Executive Officer, Mr. R. Ravikumar, hereinafter referred to as the **Operator**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and assigns;

AND

Bharat Petroleum Corporation Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Office at A 5 & 6, Sector -1, Noida - 201301, Uttar Pradesh represented herein by its GM & Head Aviation SBU, Mr. S. P. Mathur, hereinafter referred to as the **Supplier**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

The Operator and the Supplier are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**" as the context may require.

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 Aviation Fuel withdrawn from the Facility by the Supplier through an Into Plane Agent. The throughput fee shall be notified by the Operator to the Supplier from time to time. Any increase or decrease in the throughput fee shall be subject to the approval of BIAL. 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 BIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of Aviation Fuel within the Facility (other than Aviation Fuel 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.

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, 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 Aviation Fuel in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated by any product delivered to the Facility by the Supplier which is not Aviation Fuel;
- (d) any costs associated with any inspection of the Supplier's laboratory testing or other facilities or procedures by the Operator which is required (in the reasonable opinion of the Operator) to ensure that any product loaded into a Dedicated Supply Pipeline or a Dedicated Supply Vehicle is Aviation Fuel;
- (e) any costs passed on to the Operator by Other Suppliers who have suffered a loss as a result of the Supplier disrupting the supply schedule (eg., by the supply of off-specification product); and

property tax and/or income tax that would be payable by the Operator.

- 13.8 **Lien:** The Operator shall be entitled to a lien on all quantities of ATF in the Facility, to the extent of any money due from the Supplier pursuant to this Agreement.

14. Operating Gains and Operating Losses

Operating Gains and Operating Losses shall be distributed amongst the Supplier and all Other Suppliers on the last day of each Month in the proportion which the aggregate withdrawals of Aviation Fuel for their account during such Month bears to the aggregate withdrawals of Aviation Fuel from the Facility during such Month. Provided however, any Operating Losses that may exceed the maximum limit set for such Operating Losses shall be investigated and appropriately assigned to the defaulting party/parties at product cost inclusive of applicable taxes.

15. Liabilities and indemnities

- 15.1 Liabilities in respect of claims arising, in connection with or out of Aircraft Refuelling (including but not limited to losses, claims or liabilities related to the quality of ATF, supply of ATF to the Facility and withdrawal of ATF from the Facility, use of any Facility Capital Assets or ITP assets for Aircraft Refuelling, irrespective of whether or not such loss is occasioned by any act or failure of the Supplier, Operator, BIAL, Into Plane Agent or any other agent, contractor, employee or licensee of any such persons, in whatsoever capacity, shall be borne by the Supplier. For the avoidance of doubt, BIAL, the Operator, Into Plane Agent, and their affiliates (including any shareholders, subsidiaries or eventual parent companies thereof as well as any Directors, employees of such entities) shall have no liability whatsoever in respect of any claims arising in the context of Aircraft Refuelling.
- 15.2 Subject to the provisions of Clause 6.5.3, all other damage, loss or liabilities, including third party claims, arising from the discharge of the responsibilities of the Operator, SPRH, Into Plane Agent or BIAL under this Agreement and any liability for any damages, awards, penalties, costs and expenses incurred by the Operator and SPRH, shall be borne by the Supplier.
- 15.3 The Supplier shall additionally enter into an "Indemnification Agreement", in the form attached herewith as **Schedule A**.
- 15.4 Insurance: The Supplier shall, at its cost, secure adequate insurance to cover all such liabilities as detailed in Clause 15.1 and 15.2 and against all risks arising from the handling, input and storage of ATF into the Facility as provided for in the

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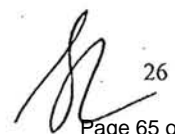
(f) All costs incurred by the Operator as specified in Clause 6.1.2 and Clause 6.1.3 above.

13.4 **No deductions:** Each payment to be made under this Agreement shall be made without set off or counterclaim and free and clear of and without any deduction or withholding of any kind whatsoever. If any Applicable Law should nevertheless require the Supplier to make any such deduction or withholding, the Supplier shall, except in the case of Income Tax deductible at source on payments due to the Operator from the Supplier, pay such additional amount as may be necessary to ensure that the Operator receives a net amount equal to the full amount which it would have received had payment not been made subject to any such deduction or withholding.

13.5 **Remittances:** The Throughput Fees, Fees, Charges & Reimbursements (**Payments**) shall be made to such account(s) and/or bank(s) as the Operator may notify to the Supplier and through Real Time Gross Settlement (RTGS) or such other means as the Operator may specify from time to time. The Supplier shall ensure that all Payments are made within a period of eight days from the date on which the Operator has raised its bills. The Operator shall raise bills for all Throughput Fees on the 7th of every calendar month. Such bill shall raise a demand for all Throughput Fees that has become payable for the period upto the 7th of that calendar month and for all expected accrual of Throughput Fees for the remainder of such calendar month (the projection being made on the basis of a reasonable forecast of the expected accrual of Payments from the Supplier to the Operator). The Supplier shall ensure that payments due on such bills shall be paid on or before the 15th of such calendar month. Any adjustment that may be required at the end of the calendar month, on the basis of the actual accrual of Throughput Fees, shall be made in the bill for the next succeeding calendar month. The obligation of the Supplier to make the Payments in terms of this Clause is notwithstanding any dispute in this regard.

13.6 **Delay Interest:** Without prejudice to any other rights or remedies to which the Operator may be entitled, the Supplier shall be liable to payment of interest on any delayed payments at the Delay Interest Rate, for the period of such delay in remitting the Payment due. All accrued interest shall be compounded to the outstanding amount on a monthly basis.

13.7 **Taxes and duties on withdrawals:** The Supplier shall reimburse/indemnify the Operator against any taxes or duties payable in respect of or in connection with the activities carried out by the Operator, under this Agreement. It is clarified that the obligation imposed herein shall not extend to the payment of



IN WITNESS WHEREOF the Parties have caused this Agreement in three original copies to be executed the day and year first above written.

SIGNED for and on behalf of
Indian Oil Skytanking Limited
by: Dr. R. Ravi Kumar
Chief Executive Officer

)
)
)
)


30/5/08

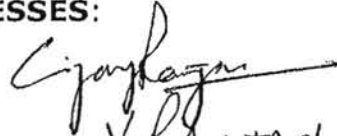
SIGNED for and on behalf of
Bharat Petroleum Corporation Limited
by: Mr. S. P. Mathur
GM & Head Aviation SBU

)
)
)
)


30/5/2008

भारत पेट्रोलियम कॉर्पोरेशन लि.
Bharat Petroleum Corporation L.

WITNESSES:

1) 
V. RANJAN
BPCL
ASX6, SECTOR-1
Name & Address: NTPA
Pin - 201301

2) 
30/5/08

Name & Address: S. ANNAPURAM-7,
APT. NO. 013 VISHAY NAW SOW
EMMAW RPE LAYOUT, BANGALORE 40

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SUPPLIER AGREEMENT

THIS AGREEMENT is made on this the 30th day of May, 2008, at Bangalore

BETWEEN

Indian Oil Skytanking Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Registered Office at No.16/11, Gowda Samaja Sadan, 1st 'C' Main Road, Ganganagar Extension, Bangalore 560 032 represented herein by its Chief Executive Officer, Mr. R. Ravikumar, hereinafter referred to as the **Operator**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-Interest and assigns;

AND

Hindustan Petroleum Corporation Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Office at Aviation SBU, Hindustan Bhavan, 8, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai - 400 001 represented herein by its DGM (I/C) Aviation and Head SBU, Mr. K. Srinivas, hereinafter referred to as the **Supplier**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

The Operator and the Supplier are hereinafter referred to individually as a **"Party"** and collectively as the **"Parties"** as the context may require.

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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 Aviation Fuel withdrawn from the Facility by the Supplier through an Into Plane Agent. The throughput fee shall be notified by the Operator to the Supplier from time to time. Any increase or decrease in the throughput fee shall be subject to the approval of BIAL. 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 BIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of Aviation Fuel within the Facility (other than Aviation Fuel 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.

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, 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 Aviation Fuel in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated by any product delivered to the Facility by the Supplier which is not Aviation Fuel;
- (d) any costs associated with any inspection of the Supplier's laboratory testing or other facilities or procedures by the Operator which is required (in the reasonable opinion of the Operator) to ensure that any product loaded into a Dedicated Supply Pipeline or a Dedicated Supply Vehicle is Aviation Fuel;
- (e) any costs passed on to the Operator by Other Suppliers who have suffered a loss as a result of the Supplier disrupting the supply schedule (eg., by the supply of off-specification product); and

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(f) All costs incurred by the Operator as specified in Clause 6.1.2 and Clause 6.1.3 above.

13.4 **No deductions:** Each payment to be made under this Agreement shall be made without set off or counterclaim and free and clear of and without any deduction or withholding of any kind whatsoever. If any Applicable Law should nevertheless require the Supplier to make any such deduction or withholding, the Supplier shall, except in the case of Income Tax deductible at source on payments due to the Operator from the Supplier, pay such additional amount as may be necessary to ensure that the Operator receives a net amount equal to the full amount which it would have received had payment not been made subject to any such deduction or withholding.

13.5 **Remittances:** The Throughput Fees, Fees, Charges & Reimbursements (**Payments**) shall be made to such account(s) and/or bank(s) as the Operator may notify to the Supplier and through Real Time Gross Settlement (RTGS) or such other means as the Operator may specify from time to time. The Supplier shall ensure that all Payments are made within a period of eight days from the date on which the Operator has raised its bills. The Operator shall raise bills for all Throughput Fees on the 7th of every calendar month. Such bill shall raise a demand for all Throughput Fees that has become payable for the period upto the 7th of that calendar month and for all expected accrual of Throughput Fees for the remainder of such calendar month (the projection being made on the basis of a reasonable forecast of the expected accrual of Payments from the Supplier to the Operator). The Supplier shall ensure that payments due on such bills shall be paid on or before the 15th of such calendar month. Any adjustment that may be required at the end of the calendar month, on the basis of the actual accrual of Throughput Fees, shall be made in the bill for the next succeeding calendar month. The obligation of the Supplier to make the Payments in terms of this Clause is notwithstanding any dispute in this regard.

13.6 **Delay Interest:** Without prejudice to any other rights or remedies to which the Operator may be entitled, the Supplier shall be liable to payment of interest on any delayed payments at the Delay Interest Rate, for the period of such delay in remitting the Payment due. All accrued interest shall be compounded to the outstanding amount on a monthly basis.

13.7 **Taxes and duties on withdrawals:** The Supplier shall reimburse/indemnify the Operator against any taxes or duties payable in respect of or in connection with the activities carried out by the Operator, under this Agreement. It is clarified that the obligation imposed herein shall not extend to the payment of

property tax and/or income tax that would be payable by the Operator.

- 13.8 **Lien:** The Operator shall be entitled to a lien on all quantities of ATF in the Facility, to the extent of any money due from the Supplier pursuant to this Agreement.

14. Operating Gains and Operating Losses

Operating Gains and Operating Losses shall be distributed amongst the Supplier and all Other Suppliers on the last day of each Month in the proportion which the aggregate withdrawals of Aviation Fuel for their account during such Month bears to the aggregate withdrawals of Aviation Fuel from the Facility during such Month. Provided however, any Operating Losses that may exceed the maximum limit set for such Operating Losses shall be investigated and appropriately assigned to the defaulting party/parties at product cost inclusive of applicable taxes.

15. Liabilities and indemnities

- 15.1 Liabilities in respect of claims arising, in connection with or out of Aircraft Refuelling (including but not limited to losses, claims or liabilities related to the quality of ATF, supply of ATF to the Facility and withdrawal of ATF from the Facility, use of any Facility Capital Assets or ITP assets for Aircraft Refuelling, irrespective of whether or not such loss is occasioned by any act or failure of the Supplier, Operator, BIAL, Into Plane Agent or any other agent, contractor, employee or licensee of any such persons, in whatsoever capacity, shall be borne by the Supplier. For the avoidance of doubt, BIAL, the Operator, Into Plane Agent, and their affiliates (including any shareholders, subsidiaries or eventual parent companies thereof as well as any Directors, employees of such entities) shall have no liability whatsoever in respect of any claims arising in the context of Aircraft Refuelling.
- 15.2 Subject to the provisions of Clause 6.5.3, all other damage, loss or liabilities, including third party claims, arising from the discharge of the responsibilities of the Operator, SPRH, Into Plane Agent or BIAL under this Agreement and any liability for any damages, awards, penalties, costs and expenses incurred by the Operator and SPRH, shall be borne by the Supplier.
- 15.3 The Supplier shall additionally enter into an "Indemnification Agreement", in the form attached herewith as **Schedule A**.
- 15.4 Insurance: The Supplier shall, at its cost, secure adequate insurance to cover all such liabilities as detailed in Clause 15.1 and 15.2 and against all risks arising from the handling, input and storage of ATF into the Facility as provided for in the

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IN WITNESS WHEREOF the Parties have caused this Agreement in three original copies to be executed the day and year first above written.

SIGNED for and on behalf of
Indian Oil Skytanking Limited
by: Dr. R. Ravi Kumar
Chief Executive Officer

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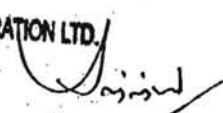

30/05/08

SIGNED for and on behalf of
Hindustan Petroleum Corporation Limited
by: Mr. K. Srinivas
DGM(I/C) Aviation and Head SBU

For HINDUSTAN PETROLEUM CORPORATION LTD.

K. SRINIVAS
Constituted Attorney

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30.05.08

WITNESSES:

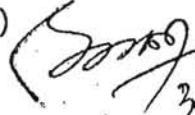
1)



Name & Address:

S. S. Bramha
HPCL, MUMBAI.

2)


30/05/08

Name & Address:

Sriram Murthy, J.
Apt No. 013, Vijay mansion
I main, RPC LAYOUT, BANGALORE. 560040

Notified that a sum of Rs. ***** 100.00 /- (Rupees ONE HUNDRED and paise ZERO only)*****

***** has been paid towards Karnataka Stamp duty by

Sh/Smt. INDIAN OIL SKYTANKING LTD:*****

s/d/w of ***** residing at Bangalore *****

Br. Name Bangalore Branch 007

Date/Time 28/04/2008 01:16:11 PM

Pr. M. Devendra Kumar number

01/145



SUPPLIER AGREEMENT

THIS AGREEMENT is made on this the 22nd day of May, 2008, at Bangalore

BETWEEN

Indian Oil Skytanking Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Registered Office at No.16/11, Gowda Samaja Sadan, 1st 'C' Main Road, Ganganagar Extension, Bangalore 560 032 represented herein by its Chief Executive Officer, Mr.R.Ravikumar, hereinafter referred to as the Operator, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and assigns;

AND

Indian Oil Corporation Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Registered Office at Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai 400 051 represented herein by its Executive Director - Aviation, Mr.R.Sareen, hereinafter referred to as the Supplier, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

The Operator and the Supplier are hereinafter referred to individually as a "Party" and collectively as the "Parties" as the context may require.

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 Aviation Fuel withdrawn from the Facility by the Supplier through an Into Plane Agent. The throughput fee shall be notified by the Operator to the Supplier from time to time. Any increase or decrease in the throughput fee shall be subject to the approval of BIAL. 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 BIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of Aviation Fuel within the Facility (other than Aviation Fuel 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.

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, 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 Aviation Fuel in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated by any product delivered to the Facility by the Supplier which is not Aviation Fuel;
- (d) any costs associated with any inspection of the Supplier's laboratory testing or other facilities or procedures by the Operator which is required (in the reasonable opinion of the Operator) to ensure that any product loaded into a Dedicated Supply Pipeline or a Dedicated Supply Vehicle is Aviation Fuel;
- (e) any costs passed on to the Operator by Other Suppliers who have suffered a loss as a result of the Supplier disrupting the supply schedule (eg., by the supply of off-specification product); and

- (f) All costs incurred by the Operator as specified in Clause 6.1.2 and Clause 6.1.3 above.
- 13.4 **No deductions:** Each payment to be made under this Agreement shall be made without set off or counterclaim and free and clear of and without any deduction or withholding of any kind whatsoever. If any Applicable Law should nevertheless require the Supplier to make any such deduction or withholding, the Supplier shall, except in the case of Income Tax deductible at source on payments due to the Operator from the Supplier, pay such additional amount as may be necessary to ensure that the Operator receives a net amount equal to the full amount which it would have received had payment not been made subject to any such deduction or withholding.
- 13.5 **Remittances:** The Throughput Fees, Fees, Charges & Reimbursements (**Payments**) shall be made to such account(s) and/or bank(s) as the Operator may notify to the Supplier and through Real Time Gross Settlement (RTGS) or such other means as the Operator may specify from time to time. The Supplier shall ensure that all Payments are made within a period of eight days from the date on which the Operator has raised its bills. The Operator shall raise bills for all Throughput Fees on the 7th of every calendar month. Such bill shall raise a demand for all Throughput Fees that has become payable for the period upto the 7th of that calendar month and for all expected accrual of Throughput Fees for the remainder of such calendar month (the projection being made on the basis of a reasonable forecast of the expected accrual of Payments from the Supplier to the Operator). The Supplier shall ensure that payments due on such bills shall be paid on or before the 15th of such calendar month. Any adjustment that may be required at the end of the calendar month, on the basis of the actual accrual of Throughput Fees, shall be made in the bill for the next succeeding calendar month. The obligation of the Supplier to make the Payments in terms of this Clause is notwithstanding any dispute in this regard.
- 13.6 **Delay Interest:** Without prejudice to any other rights or remedies to which the Operator may be entitled, the Supplier shall be liable to payment of interest on any delayed payments at the Delay Interest Rate, for the period of such delay in remitting the Payment due. All accrued interest shall be compounded to the outstanding amount on a monthly basis.
- 13.7 **Taxes and duties on withdrawals:** The Supplier shall reimburse/indemnify the Operator against any taxes or duties payable in respect of or in connection with the activities carried out by the Operator, under this Agreement. It is clarified that the obligation imposed herein shall not extend to the payment of

property tax and/or income tax that would be payable by the Operator.

- 13.8 **Lien:** The Operator shall be entitled to a lien on all quantities of ATF in the Facility, to the extent of any money due from the Supplier pursuant to this Agreement.

14. Operating Gains and Operating Losses

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15. Liabilities and indemnities

- 15.1 Liabilities in respect of claims arising, in connection with or out of Aircraft Refuelling (including but not limited to losses, claims or liabilities related to the quality of ATF, supply of ATF to the Facility and withdrawal of ATF from the Facility, use of any Facility Capital Assets or ITP assets for Aircraft Refuelling, irrespective of whether or not such loss is occasioned by any act or failure of the Supplier, Operator, BIAL, Into Plane Agent or any other agent, contractor, employee or licensee of any such persons, in whatsoever capacity, shall be borne by the Supplier. For the avoidance of doubt, BIAL, the Operator, Into Plane Agent, and their affiliates (including any shareholders, subsidiaries or eventual parent companies thereof as well as any Directors, employees of such entities) shall have no liability whatsoever in respect of any claims arising in the context of Aircraft Refuelling.
- 15.2 Subject to the provisions of Clause 6.5.3, all other damage, loss or liabilities, including third party claims, arising from the discharge of the responsibilities of the Operator, SPRH, Into Plane Agent or BIAL under this Agreement and any liability for any damages, awards, penalties, costs and expenses incurred by the Operator and SPRH, shall be borne by the Supplier.
- 15.3 The Supplier shall additionally enter into an "Indemnification Agreement", in the form attached herewith as **Schedule A**.
- 15.4 Insurance: The Supplier shall, at its cost, secure adequate insurance to cover all such liabilities as detailed in Clause 15.1 and 15.2 and against all risks arising from the handling, input and storage of ATF into the Facility as provided for in the

IN WITNESS WHEREOF the Parties have caused this Agreement in three original copies to be executed the day and year first above written.

SIGNED for and on behalf of)
Indian Oil Skytanking Limited)
by: Dr. R. Ravi Kumar)
Chief Executive Officer)

[Signature]
22/5/08



SIGNED for and on behalf of)
Indian Oil Corporation Limited)
by: Mr. R. Sareen)
Executive Director - Aviation)

[Signature]
22/05/08

WITNESSES:

1)

2)

[Signature]
22/5/08

Name & Address:

(T. S. DUPARE)
Chief Manager (AVN)

Indian Oil Corporation Ltd
G-9, Aliyawan Jung Mang,
Indian Oil Bhawan,
BANDRA (East)
Mumbai - 51

[Signature]
22/5/08

Name & Address:

(K. TRIPATHI)
CFO & CS

Indian Oil Skytanking Ltd.

18/11, 1st Floor, Gowda Samaja Sadana Complex,
1st 'C' Main Road, Ganganagar Extn.,
Bengaluru - 560 032.

Government of Karnataka
Registration & Stamps Department

Issued by
State Bank of Mysore

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Specified that a sum of Rs ***** 100.00/- (Rupees ONE HUNDRED and paise ZERO only)*****

***** has been paid towards Karnataka Stamp duty by

/Smt. INDIAN OIL SKYTANKING LTD *****

(w of ***** residing at Bangalore *****

Name Bangalore Branch 007

Date/Time 28/04/2008 01:46:03 PM

Pr. M. Devendra Kumar member



MPL07-08/08E331

SUPPLIER AGREEMENT

THIS AGREEMENT is made on this the 25th day of June, 2008, at Bangalore

BETWEEN

Indian Oil Skytanking Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Registered Office at No.16/11, Gowda Samaja Sadan, 1st 'C' Main Road, Ganganagar Extension, Bangalore 560 032 represented herein by its Chief Executive Officer, Mr. R. Ravikumar, hereinafter referred to as the **Operator**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and assigns;

AND

Shell MRPL Aviation Fuels and Services Private Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Office at 3rd Floor, RMZ Centennial - Campus B, 8 B, Kundanahalli Main Road, Bangalore - 560 048 represented herein by its Chief Executive Officer, Mr. Sanjay Varkey, hereinafter referred to as the **Supplier**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

The Operator and the Supplier are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**" as the context may require.

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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 Aviation Fuel withdrawn from the Facility by the Supplier through an Into Plane Agent. The throughput fee shall be notified by the Operator to the Supplier from time to time. Any increase or decrease in the throughput fee shall be subject to the approval of BIAL. 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 BIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of Aviation Fuel within the Facility (other than Aviation Fuel 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.

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, 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 Aviation Fuel in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated by any product delivered to the Facility by the Supplier which is not Aviation Fuel;
- (d) any costs associated with any inspection of the Supplier's laboratory testing or other facilities or procedures by the Operator which is required (in the reasonable opinion of the Operator) to ensure that any product loaded into a Dedicated Supply Pipeline or a Dedicated Supply Vehicle is Aviation Fuel;
- (e) any costs passed on to the Operator by Other Suppliers who have suffered a loss as a result of the Supplier disrupting the supply schedule (eg., by the supply of off-specification product); and

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(f) All costs incurred by the Operator as specified in Clause 6.1.2 and Clause 6.1.3 above.

13.4 **No deductions:** Each payment to be made under this Agreement shall be made without set off or counterclaim and free and clear of and without any deduction or withholding of any kind whatsoever. If any Applicable Law should nevertheless require the Supplier to make any such deduction or withholding, the Supplier shall, except in the case of Income Tax deductible at source on payments due to the Operator from the Supplier, pay such additional amount as may be necessary to ensure that the Operator receives a net amount equal to the full amount which it would have received had payment not been made subject to any such deduction or withholding.

13.5 **Remittances:** The Throughput Fees, Fees, Charges & Reimbursements (**Payments**) shall be made to such account(s) and/or bank(s) as the Operator may notify to the Supplier and through Real Time Gross Settlement (RTGS) or such other means as the Operator may specify from time to time. The Supplier shall ensure that all Payments are made within a period of eight days from the date on which the Operator has raised its bills. The Operator shall raise bills for all Throughput Fees on the 7th of every calendar month. Such bill shall raise a demand for all Throughput Fees that has become payable for the period upto the 7th of that calendar month and for all expected accrual of Throughput Fees for the remainder of such calendar month (the projection being made on the basis of a reasonable forecast of the expected accrual of Payments from the Supplier to the Operator). The Supplier shall ensure that payments due on such bills shall be paid on or before the 15th of such calendar month. Any adjustment that may be required at the end of the calendar month, on the basis of the actual accrual of Throughput Fees, shall be made in the bill for the next succeeding calendar month. The obligation of the Supplier to make the Payments in terms of this Clause is notwithstanding any dispute in this regard.

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- 15.2 Subject to the provisions of Clause 6.5.3, all other damage, loss or liabilities, including third party claims, arising from the discharge of the responsibilities of the Operator, SPRH, Into Plane Agent or BIAL under this Agreement and any liability for any damages, awards, penalties, costs and expenses incurred by the Operator and SPRH, shall be borne by the Supplier.
- 15.3 The Supplier shall additionally enter into an "Indemnification Agreement", in the form attached herewith as **Schedule A**.
- 15.4 Insurance: The Supplier shall, at its cost, secure adequate insurance to cover all such liabilities as detailed in Clause 15.1 and 15.2 and against all risks arising from the handling, input and storage of ATF into the Facility as provided for in the



IN WITNESS WHEREOF the Parties have caused this Agreement in three original copies to be executed the day and year first above written.

SIGNED for and on behalf of
Indian Oil Skytanking Limited
by: Dr. R. Ravi Kumar
Chief Executive Officer

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)
)
)

[Signature]
25/6/2008



SIGNED for and on behalf of
**Shell MRPL Aviation Fuels
and Services Private Limited**
by: Mr. Sanjay Varkey
Chief Executive Officer

)
)
)
)

[Signature]
25/6/2008



WITNESSES:

1) *[Signature]*
SANJAY SAHAY
25/06/2008

Name & Address:

Flat no 77, Block D-5,
KENDRIYA - VIHAR,
YELLAHANKA,
BANGALORE - 560-064

2) *[Signature]*
C.S. CHOCOLACINA
25/6

Name & Address:

SHELL MRPL
Bangalore

100

Government of Karnataka
Registration & Stamps Department

MPL/A100/07-08 No. 291127
Issued by
State Bank of Mysore

Certified that a sum of Rs. 100/- (Rupees One Hundred only) has been paid towards Karnataka Stamp duty by
Sri/Smt. Madhan Oil Sky Tanking Htl
s/d/w/o _____ residing at _____

19 JUL 2008

Br Name: **STATE BANK OF MYSORE**
Dr. Ambedkar Veedhi Branch

Date _____

Authorized Agent to collect stamp duty on
behalf of Government of Karnataka

100

SUPPLIER AGREEMENT

THIS AGREEMENT is made on this the 15th day of July, 2008, at Mumbai

BETWEEN

IndianOil Skytanking Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Registered Office at No.16/11, Gowda Samaja Sadan, 1st 'C' Main Road, Ganganagar Extension, Bangalore 560 032 represented herein by its Chief Executive Officer, Mr. R. Ravikumar, hereinafter referred to as the **Operator**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and assigns;

AND

Reliance Industries Limited, a Company formed under the provisions of the Companies Act, 1956 and having its Office at 3rd Floor, Maker Chambers IV, 222 Nariman Point, Mumbai - 400 021 represented herein by its President - New Business, Mr. A. Janakiraman, hereinafter referred to as the **Supplier**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

The Operator and the Supplier are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**" as the context may require.



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 Aviation Fuel withdrawn from the Facility by the Supplier through an Into Plane Agent. The throughput fee shall be notified by the Operator to the Supplier from time to time. Any increase or decrease in the throughput fee shall be subject to the approval of BIAL. 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 BIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of Aviation Fuel within the Facility (other than Aviation Fuel 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.

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- (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, 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 Aviation Fuel in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated by any product delivered to the Facility by the Supplier which is not Aviation Fuel;
- (d) any costs associated with any inspection of the Supplier's laboratory testing or other facilities or procedures by the Operator which is required (in the reasonable opinion of the Operator) to ensure that any product loaded into a Dedicated Supply Pipeline or a Dedicated Supply Vehicle is Aviation Fuel;
- (e) any costs passed on to the Operator by Other Suppliers who have suffered a loss as a result of the Supplier disrupting the supply schedule (eg., by the supply of off-specification product); and



(f) All costs incurred by the Operator as specified in Clause 6.1.2 and Clause 6.1.3 above.

13.4 **No deductions:** Each payment to be made under this Agreement shall be made without set off or counterclaim and free and clear of and without any deduction or withholding of any kind whatsoever. If any Applicable Law should nevertheless require the Supplier to make any such deduction or withholding, the Supplier shall, except in the case of Income Tax deductible at source on payments due to the Operator from the Supplier, pay such additional amount as may be necessary to ensure that the Operator receives a net amount equal to the full amount which it would have received had payment not been made subject to any such deduction or withholding.

13.5 **Remittances:** The Throughput Fees, Fees, Charges & Reimbursements (**Payments**) shall be made to such account(s) and/or bank(s) as the Operator may notify to the Supplier and through Real Time Gross Settlement (RTGS) or such other means as the Operator may specify from time to time. The Supplier shall ensure that all Payments are made within a period of eight days from the date on which the Operator has raised its bills. The Operator shall raise bills for all Throughput Fees on the 7th of every calendar month. Such bill shall raise a demand for all Throughput Fees that has become payable for the period upto the 7th of that calendar month and for all expected accrual of Throughput Fees for the remainder of such calendar month (the projection being made on the basis of a reasonable forecast of the expected accrual of Payments from the Supplier to the Operator). The Supplier shall ensure that payments due on such bills shall be paid on or before the 15th of such calendar month. Any adjustment that may be required at the end of the calendar month, on the basis of the actual accrual of Throughput Fees, shall be made in the bill for the next succeeding calendar month. The obligation of the Supplier to make the Payments in terms of this Clause is notwithstanding any dispute in this regard.

13.6 **Delay Interest:** Without prejudice to any other rights or remedies to which the Operator may be entitled, the Supplier shall be liable to payment of interest on any delayed payments at the Delay Interest Rate, for the period of such delay in remitting the Payment due. All accrued interest shall be compounded to the outstanding amount on a monthly basis.

13.7 **Taxes and duties on withdrawals:** The Supplier shall reimburse/indemnify the Operator against any taxes or duties payable in respect of or in connection with the activities carried out by the Operator, under this Agreement. It is clarified that the obligation imposed herein shall not extend to the payment of



property tax and/or income tax that would be payable by the Operator.

- 13.8 **Lien:** The Operator shall be entitled to a lien on all quantities of ATF in the Facility, to the extent of any money due from the Supplier pursuant to this Agreement.

14. Operating Gains and Operating Losses

Operating Gains and Operating Losses shall be distributed amongst the Supplier and all Other Suppliers on the last day of each Month in the proportion which the aggregate withdrawals of Aviation Fuel for their account during such Month bears to the aggregate withdrawals of Aviation Fuel from the Facility during such Month. Provided however, any Operating Losses that may exceed the maximum limit set for such Operating Losses shall be investigated and appropriately assigned to the defaulting party/parties at product cost inclusive of applicable taxes.

15. Liabilities and indemnities

- 15.1 Liabilities in respect of claims arising, in connection with or out of Aircraft Refuelling (including but not limited to losses, claims or liabilities related to the quality of ATF, supply of ATF to the Facility and withdrawal of ATF from the Facility, use of any Facility Capital Assets or ITP assets for Aircraft Refuelling, irrespective of whether or not such loss is occasioned by any act or failure of the Supplier, Operator, BIAL, Into Plane Agent or any other agent, contractor, employee or licensee of any such persons, in whatsoever capacity, shall be borne by the Supplier. For the avoidance of doubt, BIAL, the Operator, Into Plane Agent, and their affiliates (including any shareholders, subsidiaries or eventual parent companies thereof as well as any Directors, employees of such entities) shall have no liability whatsoever in respect of any claims arising in the context of Aircraft Refuelling.
- 15.2 Subject to the provisions of Clause 6.5.3, all other damage, loss or liabilities, including third party claims, arising from the discharge of the responsibilities of the Operator, SPRH, Into Plane Agent or BIAL under this Agreement and any liability for any damages, awards, penalties, costs and expenses incurred by the Operator and SPRH, shall be borne by the Supplier.
- 15.3 The Supplier shall additionally enter into an "Indemnification Agreement", in the form attached herewith as **Schedule A**.
- 15.4 Insurance: The Supplier shall, at its cost, secure adequate insurance to cover all such liabilities as detailed in Clause 15.1 and 15.2 and against all risks arising from the handling, input and storage of ATF into the Facility as provided for in the

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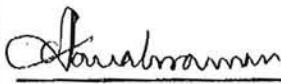
IN WITNESS WHEREOF the Parties have caused this Agreement in three original copies to be executed the day and year first above written.

SIGNED for and on behalf of
IndianOil Skytanking Limited
by: Dr. R. Ravi Kumar, Chief Executive Officer

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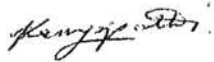
SIGNED for and on behalf of
Reliance Industries Limited
by: Mr. A. Janakiraman
President - New Business

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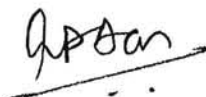


WITNESSES

1) Name & Address: KAMALESH TRIPATHI)
CFO & CS, Indian Oil Skytanking Ltd.)
16/11, Gowda Samaja Salara,)
1st C Main Road, Gangannagar Extn,)
Bangalore - 560032.)

) 

2) Name & Address: AP Das)
Reliance Corporate Park)
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Thane Belapur Road.)
Navi Mumbai - 400701.)

) 

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

Annexure V

1960 / 13/12/11 -

AV/TSD/BIAL - FF
12th December 2012

THE SECRETARY
AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AERA Building, Administrative Complex
Safdarjung Airport, NEW DELHI – 110 003.

Kind Attn: Capt. Kapil Chaudhary

Dear Madam,

Subject: Submission of Multi Year Tariff Proposal for determination of Tariff for Throughput Fee by IndianOil Skytanking Limited –Fuel Farm Service Provider at Bengaluru International Airport, Bengaluru

Reference may please be made to AERA's letter Reference No. AERA/20019/CGF-G/2010-11/Vol. II/1645 dated 21st February 2011 on the subject directing us to submit Multi Year Tariff Proposal in terms of the Authority's published Guidelines.

Subsequent to the above, we had submitted our MYTP proposal vide our Letter of even reference dated 10th March 2011 and further clarifications vide our Letter of even reference dated 15th March 2011.

AERA had sought additional information in support of our proposal vide Letter No. AERA/20010/MYTP/IOSL/FF/BIAL/2010-11/779 dated 4th August 2011. The same was submitted vide our letter dated 23rd August 2011.

Further, AERA vide Letter No. AERA/20015/MYTP-IOSL/FF/BIAL/2011-12/1928 dated 29th November 2011 sought more information, which was submitted vide our Letter dated 17th December 2011.

Reference may also please be made to the discussions the undersigned had with you on 6th December 2012 at your office. As discussed, we would like to reiterate our earlier request for adopting "Light Touch Approach" for determination of Tariff for Throughput Fee to be charged for Fuel Farm Services rendered by IOSL at BIA, Bengaluru. Based on the discussions, we are submitting below the points of justification for adopting "Light Touch Approach":

1. AERA Order No. 12/2010-11 dated 5th January 2011 issued on 10th January 2011, contained the Guidelines issued by AERA for Determination of Tariff for various aeronautical services provided, including for Supply of Fuel to Aircraft.

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2. The services rendered by IOSL at Fuel Farm at Bangalore International Airport, Bengaluru are covered under Scenario (b) of Clause 6.1 (ii) of the aforesaid AERA Order (given in page 6 of 13 of the above referred AERA Order No. 12 of 10th January 2011) which is reproduced below:

"Service is deemed to be material and competitive and the Authority is assured of the reasonableness of the user agreements" - Light Touch Regulation.

3. The same is further justified under the following paragraphs:

It may please be noted that the current rate of Throughput fees being charged at Bangalore Airport is Rs 1500 per KL. This rate is applicable since 1st January 2009 and has not been revised since then.

As per the Concession Agreement (Service Provider Rights Holder Agreement), entered into between BIAL and IOSL, the rate of Throughput fees charged to the Suppliers is decided by BIAL. It may please be noted that the Throughput fees is charged from the suppliers who in turn recover the same from the airline customers.

The detailed justifications for considering our services under Light Touch Regulation are as under:

1. **Materiality Assessment :**

As the MI_F is more than 5%, hence the service is deemed as "**Material**".

2. **Competition Assessment:**

At Bangalore Airport, there is only one Fuel Farm, operating under Open Access Model and IOSL is the Fuel Farm Operator. As per AERA Guidelines, IOSL's service would be deemed as "Non Competitive". However, on the matter of Competition Assessment, we would like to submit the following:

- I. As per International Practice followed world over, under "Open Access Model", there is **only one Common Fuel Farm** Operational at the Airport which would be accessed by all suppliers for storage and supply of fuel to the various Airlines. Since this international concept of "Open Access Model" was introduced in India for the first time at Bangalore International Airport, IOSL was appointed as the Fuel Farm Operator. As such, it would not be technically possible to have more than one Operator of a Fuel Farm that is operated on Open Access basis.
- II. However it may please be noted that IOSL was selected as Operator of Fuel Farm at Bangalore airport, through the process of International Competitive bidding.
- III. As may kindly be appreciated, the competition element is already taken care of in the system, as IOSL was selected as Operator of the Fuel Farm

through a Competitive bidding process and therefore all the benefits of competition are already built in the system.

- IV. The Fuel Farm operations are designed to be constructed as one facility at the airport and operated by a single Operator. Such system avoids the duplication of facilities and ultimately the costs.
- V. As all suppliers at the airport use the facility, the fuel farm facility is optimally utilised. Underutilization of assets which occur if different fuel farms are constructed / operated can be eliminated in Open Access model. As a result, cost of operation will come down drastically and fuel can be delivered to the aircrafts at an optimal cost which ultimately benefit the customers and other stakeholders.
- VI. AERA is requested to take a considered view in the matter regarding competition assessment, as in this case due to bringing the best International Practice to the country the concept of Open Access Model was introduced, as a means of enabling the users to opt for fuel Supplier of their own choice and for providing services to the Suppliers on a more transparent and non-discriminatory basis. The introduction of this modern system, which is beneficial to all stakeholders, and as per which there can be only one Operator of the Fuel Farm, cannot be held against IOSL, as in 'service rendered by IOSL is Non Competitive' as per AERA Guidelines."

In view of the above, the service provided by IOSL for Operation of Fuel Farm at Bangalore airport, can be considered as "Competitive"

3. Reasonableness of User Agreements:

The contract was awarded to IndianOil Skytanking Limited by BIAL on the basis of competitive bidding after having put the same to a public tendering process. The contract between BIAL and IOSL (Concession Agreement) stipulates the terms on which we have been awarded the contract for the period of 20 years. As per the Concession Agreement, the Throughput fees charged to the Suppliers is decided by BIAL.

The discussions with Suppliers were detailed, with several rounds of consultations and meetings held between the Users, BIAL and the Fuel Farm Service Providers on several occasions at Bangalore. The several drafts exchanged pursuant to such meetings evidences the long consultations that were undertaken with the stakeholders.

All the concerns of the Users with regard to various clauses of the agreement were discussed and addressed, to the satisfaction of all the stakeholders, whereafter the Agreements have been entered into between IOSL and all the Suppliers. The parties have agreed upon various service level parameters such as ATF Specification, the manner in which the services provided by the Fuel Farm Operator and its quality would be ensured through maintenance of standards in terms of Quality control assurance and operating manuals approved by DGCA

and Joint Guidelines issued by the Joint Inspection Group (JIG) internationally and by further providing for monitoring such services through the Joint Co-ordination Committee (JCC) comprising of representatives of airport operator, facility operator, facility owner, representatives of private sector suppliers, representatives of public sector suppliers, representatives of domestic air carriers and representatives of international air carriers.

After detailed discussions and negotiations, as mentioned above, IOSL has entered into agreements with all the Suppliers namely, Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited, Reliance Industries Limited and Shell MRPL India Private Limited to provide Fuel Farm Services at the Bangalore airport. IOSL has been rendering the services to the full satisfaction of above suppliers since 24th May 2008 at new Bangalore International Airport. The terms of the agreements are identical for all the Users, and the charges levied for the services have been agreed to by all the Suppliers and are being paid regularly by them, without any demur or protest. We are under an obligation to enter into contracts with any User desirous of availing our Services on a non-discriminatory basis.

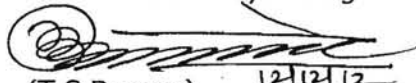
The details regarding procedure for prolonged discussions and deliberations carried out with all the Suppliers, as furnished above, and the fact that agreements with Suppliers are in place for over four years now, with complete compliance by all concerned, **demonstrate the validity and reasonableness of the User Agreements.**

As may please be appreciated from the above, it is clear that IOSL fully meets the conditions prescribed under Scenario (b) of Clause 6.1 (ii) of the AERA Order No.12/2010-11 dated 10.01.2011 containing the AERA Guidelines, namely the services rendered by IOSL at Fuel Farm of Bangalore International Airport are **"Material and Competitive"** and also the **"reasonableness of the User Agreements"**, is also established.

In view of the above, since we fulfill the requisite conditions prescribed under AERA Guidelines, the Authority is requested to kindly adopt a **'Light touch approach'** for the determination of Tariff for the Fuel Farm Services rendered by IOSL at Bangalore International Airport at Bengaluru. It is also requested that the Tariff Proposal may please be approved on an urgent basis for the entire control period (5 years) commencing from 2010-11.

Thanking you,

Yours truly,
For Indian Oil Skytanking Limited,


(T.S. Dupare) 12/12/12
Chief Executive Officer

cc: AVP Head - Airline Marketing & Aviation contracts,
BIAc

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