



BKFF
Pvt Ltd.

BPCL-KIAL Fuel Farm Private Limited

Site Office : C/o Kannur International Airport Ltd. Anjarakandy Road, Mattanur, Distt.
Kannur – 670702, Kerala.

BKFFPL/AERA/2019-20/01

To

The Secretary
Airports Economic Regulatory Authority of India
AERA Building
Safdarjung Airport
New Delhi

29th April 2019

Handwritten notes: 17/5/19, AGM(T), 03/05/19, and a signature.

भारतवासी आर्थिक विनियामक प्राधिकरण
एअरपोर्ट, नई दिल्ली-110003
प्राप्त
13743
01/05/2019

Dear Sir/ Madam,

Sub: Order No. 34 / 2018-19 - Fuel Farm Tariff at Kannur International Airport and our letter dated 7th March 2019

We thank the Authority for approving the adhoc tariff for Fuel Farm Operations (including Into Plane operations) at Kannur International Airport for the period till 30th June 2019. The Authority, in the aforementioned Order had asked for submission of updated proposal considering the actual tariff and actual cost of operations, before 31st March 2019. We had earlier submitted in March 2019 that we are in the process of preparation of the updated proposal and that updated MYTP submissions will be submitted for Authority's review before end of April 2019.

Accordingly, we submit herewith our updated MYTP submissions for the Fuel Farm and Into Plane operations at Kannur International Airport. We request the Authority to review the submissions and approve the tariff effective from 1st July 2019 till 31st March 2021, considering the reasons elaborated in the enclosed note.

We remain at your disposal, to clarify any queries on the same.

Thank you,

For BPCL Kannur Fuel Farm Private Limited

Prashanth M Kamath
Chief Executive Officer

Encl: a/a

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BPCL Kannur Fuel Farm Private Limited

**Submission to
Airports Economic Regulatory Authority of India**

**Determination of Tariff for Fuel Farm and Into Plane
Services**

Control Period – FY 2018 - 2019 to FY 2022 – 2023

April 2019

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1. Background

1.1. Overview of Kannur International Airport (KIAL)

Kannur International Airport is a Greenfield airport being setup under the Public Private Partnership ("PPP") model. KIAL has been promoted by Govt. of Kerala with equity participation from PSUs (BPCL and Kerala PSUs), Airport PSUs and private sector participation. The Airport is located close to Mattannur in Kannur district of Kerala. The Airport has been planned for development in phases.

Kannur International Airport Limited (KIAL/ Company) was incorporated on 3rd December 2009 with the objective to establish, operate, manage, undertake and maintain airports and allied aircraft infrastructure facilities in Kannur and / or other parts of India.

The Authorised Share Capital of KIAL is Rs. 1000 Crore and the Paid up Share Capital as of 31st March 2015 is Rs. 864.76 Crores.

KIAL was given the right to construct Kannur International Airport (KIA), in Moorkhanparambu in Kannur District of Kerala vide Government of Kerala (GoK) Government Order MS No. 2/98/Tran dated 17th January 1998.

Ministry of Civil Aviation (MoCA), Government of India (GoI) granted the licence to KIAL for operations of the Airport.

Land for construction and operation of airport was brought in by GoK as part of the Share Capital Contribution.

Kannur International Airport commenced operations on 9th Dec 2018.

1.2. Overview of BPCL-KIAL Fuel Farm Private Limited

BPCL KIAL Fuel Farm Private Limited (BKFFPL) is a Joint Venture Company of BPCL and KIAL with 74:26 equity shareholding respectively. The Company was formed to design, develop, construct, manage, maintain, upgrade and operate the Aviation Fuel farm with allied facilities and hydrant system (at a later stage) at both domestic and international terminals of Kannur International Airport for the supply of ATF on exclusive basis. Accordingly, BKFFPL has the right to operate the fuel farm at the Kannur International Airport for a period of 30 years, extendable by an additional period of 30 years on mutually agreed terms and conditions.

BKFFPL was incorporated as a Private limited Company on 18th May, 2015. The Joint venture Company is promoted by Bharat Petroleum Corporation Limited (a Govt. of India Enterprise under

the Ministry of Petroleum & Natural Gas) and Kannur International Airport Ltd., a company promoted by a Government led consortium.

1.3. Key Facts of Fuel Farm and Into Plane Services

1.3.1. Fuel Farm Infrastructure

BPCL-KIAL Fuel Farm shall be an integral part of the KIAL Airport infrastructure and would be catering exclusively to the ATF demand at the airport. The Company proposes to develop the fuel farm in two phases wherein majority of the infrastructure would be set up under Phase I and additional tanks along with associated infrastructure would be set in Phase II in 3 acres (approx.) of land

- 2 x 45 KL Underground Tank
- 2 x 450 KL Aboveground Tank
- 4 bays Tank Lorry decantation & Refueller Loading (Common) Gantry
- 2 Storey Admin Building
- MCC Room
- Product Pumps
- Associated pipelines

Infrastructure proposed is at a total capital cost of outlay of Rs. 16.05 crores for Phase 1 (Total Cost). The Hydrant system has not been created by the company currently and is proposed in future, based on the growth of Air Traffic Movement and ATF demand at Kannur International Airport.

1.3.2. Model of Operation

The Fuel-Farm has been set up to function under "Open Access" model for use by all eligible Oil Marketing Companies. In Phase 1 the Fuel will be supplied into plane with the help of refuellers. In Phase 2 of the plan, Hydrant lines may be laid and the fuel supply to Aircrafts will be through the Hydrant system as well as refuellers.

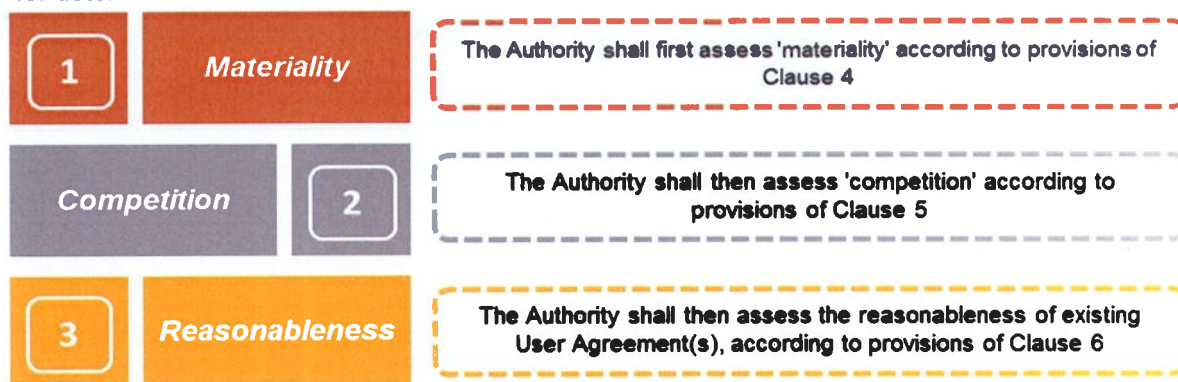
Operations and Maintenance (O&M) of the Fuel Farm and Into-plane services are carried out by BPCL.

2. MYTP submission

- BKFFPL hereby submits the proposal for determination of tariff for Fuel Farm services (including Into-plane activities).
- BKFFPL has submitted the Business Plan together with the relevant forms as prescribed by AERA. These contain details and computations under AERA's methodology of Tariff determination under a Building block approach.
- BKFFPL submits that the tariff determination may be done under "Light Touch" approach as detailed below.

3. Analysis of the "Guidelines" and Application to BPCL-KIAL

- The "guidelines" has prescribed the following three stage procedure for determining the approach for determination of tariff:



- Based on the results of the Authority's review at stage 1, stage 2 and stage 3, the approach for determination of fuel farm and into plane services would be as follows:

Stage	Conditions	Case 1	Case 2	Case 3	Case 4
Stage 1	Is the volume of fuel farm and into plane services handled considered "material"?	X	✓	✓	✓
Stage 2	Is the fuel farm and into plane services service considered competitive?	()	✓	X	X
Stage 3	Are the terms in the existing user agreement for fuel farm and into plane services considered reasonable?	()	()	✓	X
Final Result		Light Touch Approach	Light Touch Approach	Light Touch Approach	Price Cap Approach
Applicable Chapter of the Guidelines		Chapter V	Chapter V	Chapter V	Chapter III and IV

Key:

Symbol	Meaning
✓	Yes

X	No
()	Not Applicable

3.1. Stage 1: Materiality Assessment

3.1.1. Extract of the Guidelines

- The materiality index for service provided for fuel farm and into plane services facility at a major airport "A" shall be defined as:

$$\text{Materiality Index (MI}_F\text{)} = \frac{\text{Fuel throughput in KL at Major Airport A}}{\text{Total Fuel Throughput in KL at all Major Airports}} \times 100$$

- Where '**Fuel throughput in KL**' represents the actual fuel offtake in KL per annum at the major airport A.
- Where '**Total Fuel throughput in KL**' represents the actual fuel offtake in KL per annum at all major airports.
- Due to non-availability of data regarding the fuel throughput in KL in public domain, aircraft movements were considered a close approximation and reflection of the fuel throughput in KL. Hence, in the above formula, keeping other elements constant, fuel throughput in KL was replaced by 'aircraft movements'.
- Where the MI_F , as calculated above is 5% or more at a major airport, the service provided for fuel farm and into plane at major airport A shall be deemed 'material'.
- If MI_c is below 5 %, then service provided for fuel farm and into plane at major airport A shall be deemed 'not material'.
- In addition, fuel throughput in KL as per available information from AERA website for select Airports was used for evaluation.

3.1.2. Applicability to BKFFPL:

- Period considered to arrive at the total aircraft movements handled at the major airports and at KIAL is Apr-17 to Mar-18.
- Source of the data relating to aircraft movements:
<https://www.aai.aero/sites/default/files/traffic-news/Mar2k18annex2.pdf>
- The calculation of the materiality index is as follows:
 - List of major airports is given by the Authority in its website.
<http://aera.gov.in/content/airport.php>
 - Based on these data, the percentage of Kannur's aircraft movement to total aircraft movements in all major airports is determined as follows:

Airport	Aircraft Movements (Apr-17 to Mar-18)	% to total
Delhi	4,41,299	21.82%
Mumbai	3,20,689	15.86%
Bangalore	1,96,560	9.72%
Chennai	1,55,123	7.67%
Hyderabad	1,49,581	7.40%
Kolkata	1,48,802	7.36%
Cochin	68,772	3.40%
Ahmedabad	63,129	3.12%
Pune	56,021	2.77%
Goa	50,567	2.50%
Guwahati	41,172	2.04%
Jaipur	42,289	2.09%
Lucknow	36,413	1.80%
Trivandrum	33,738	1.67%
Calicut	24,910	1.23%
Srinagar	17,918	0.89%
Bhubaneswar	23,155	1.14%
Chandigarh	18,715	0.93%
Coimbatore	21,595	1.07%
Indore	18,692	0.92%
Kannur (proposed)	15,387	0.76%
Mangalore	19,636	0.97%
Nagpur	16,879	0.83%
Patna	21,916	1.08%
Vishakapatnam	19,595	0.97%
TOTAL	20,22,553	100.00%

- In addition to the above, we have also considered the fuel throughput data available in the recent Tariff orders issued by the Authority:

Airport/ Volumes in KL		2018-19	2019-20	2020-21	Source
Delhi	A	18,18,000	18,72,000	19,28,000	Order 32/2017-18
Bangalore	B	6,44,000	6,76,000	7,10,000	Order 29/2017-18
Mumbai	C	16,22,000	16,54,000	16,87,000	Order 30/2017-18
Total	D = A+B+C	40,84,000	42,02,000	43,25,000	
Proposed Fuel Throughput of BKFFPL	E	52,000	55,640	59,534	
% of BKFFPL to 3 main airports	F = E/D	1.27%	1.32%	1.38%	

3.1.3. Conclusion of Materiality Assessment:

- Materiality Index of Kannur airport is below the threshold % of 5% in both cases – i.e from the aircraft movements perspective and the fuel throughput perspective.
- Hence, fuel farm services and into plane services handled in the Kannur Airport is considered “Not Material”.

3.2. Stage 2: Competition Assessment

- Since the services are considered 'not material' as per discussion above, according to table in para 3, stage 2 testing is not considered relevant.

3.3. Stage 3: Reasonableness Assessment

- Since the services are considered 'not material' as per discussion above, according to table in para 3, stage 3 testing is not considered relevant.

3.4. Summary of results of assessment of adherence to "Guidelines"

- The results of the assessment of adherence to guidelines is summarized below:

Stage	Conditions	KIAL
Stage 1	Is the volume of fuel farm and into plane services handled considered "material"?	×
Stage 2	Is the fuel farm and into plane services service considered competitive?	()
Stage 3	Are the terms in the existing user agreement for fuel farm and into plane services considered reasonable?	()

Key:

Symbol	Meaning
✓	Yes
×	No
()	Not Applicable

- Since the services are not material, light touch approach as per Chapter V may be adopted.

4. Building Blocks of MYTP submission – An overview

4.1. Capital Expenditure / Additions to RAB

A total of Rs. 16.05 crores has been incurred in Phase 1 for creating the Infrastructure relating to the Fuel Farm and allied activities. Additionally, in 2020-21, BKFFPL proposes to procure 2 refuellers on its own to support additional volume of operations.

BKFFPL, pursuant to discussion with KIAL, BKFFPL has to construct the Hydrant System at Kannur International Airport. Detailed estimation of the cost and timeline of the said Capital Expenditure Project is underway and has not been finalized at this point of time.

This, at present, is not considered in the tariff computations.

4.2. Means of Finance and FRoR

Construction activity is proposed to be funded by a mix of Equity and Debt in 50:50 ratio.

- Of the total Equity required, Rs. 7.50 crores have been received by the Company as of 31st March 2018.
- A Term loan for Rs. 10 crores have been tied up from bank and drawdown has begun from December 2017. The current applicable rate of Interest on the loan is 8.5% (at floating rate). The loan is to be repaid in 10 years commencing from 2020.
- Considering post tax cost of Equity including Reserves at 16%, and the current loan interest and the gearing, the Fair Rate of Return is computed to be 12.92%, which has been considered in our computations.

4.3. Useful life and Depreciation

Depreciation is computed on a straight-line basis on various category of assets. Useful life applied for different assets is as given below:

Particulars	Book Depreciation
Tanks	3.80%
Admin buildings	3.17%
Service buildings	3.17%
Other (Pipeline/valve/civil/Refuellers electrical etc.)	6.33%

4.4. Operating Expenditure

BPCL carries out the O&M of Fuel Farm and Into plane facilities. Refuellers for Into Plane activities are also deployed by BPCL for which a cost is being recovered from BKFFPL.

An estimated cost payable to BPCL considering BPCL's cost for staff and Maintenance activities and a reasonable margin has been included in estimating the costs.

BKFFPL proposes to incur costs relating to Salary, Insurance and Lease Rent for the area rented from KIAL.

Salary Cost – BKFFPL is as given below

BKFFPL Staff	Rs. In Lacs
Finance/ Secretarial / Others	23.00

Team composition of BPCL - Proposed

Manpower - Fuel Farm	Year 1	Year 2	Year 3	Year 4	Year 5
In charge	1	1	1	1	1
Shift In-Charge	3	4	4	4	4
Junior Officers					
QCS cum Operator	4	4	4	4	4
Housekeeping	1	2	2	2	2
Security Guard	4	4	4	4	4
Maintenance	1	1	1	1	1

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Manpower -Into Plane	Year 1	Year 2	Year 3	Year 4	Year 5
In charge					
Shift In-Charge					
Junior Officers					
QCS cum Operator	11	19	24	29	29
Housekeeping					
Security Guard					
Maintenance					

Considering the above, the total Operating Cost Estimate is as given below

Particulars (Rs. Crores)	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries	0.08	0.25	0.27	0.29	0.31
Admin Charges	0.03	0.11	0.12	0.12	0.13
Rent	0.37	1.12	1.12	1.29	1.29
Insurance	0.01	0.03	0.03	0.03	0.03
Power Charges	0.04	0.13	0.14	0.15	0.16
Operation & Maintenance to BPCL	1.19	4.59	5.20	5.87	6.24
Interest on WC	0.02	0.02	0.02	0.03	0.03
	<u>1.74</u>	<u>6.25</u>	<u>6.98</u>	<u>7.76</u>	<u>8.19</u>

4.5. Fuel Throughput Estimate

Based on internal study carried out by BPCL, BKFFPL estimates the following Fuel Throughput (in Kilo Litres) for the 5 years in the Control period.

FY Ending	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
Total Sales Quantity (KL)	55,640	59,534	63,702	68,161

The actual traffic volume and revenue collected from the period December 2018 to March 2019 is as given below.

Particulars	Dec-18	Jan-19	Feb-19	Mar-19	Total for Four Months
Domestic Sales Volume (in KL)	604.795	900.486	745.59	1705.496	3956.367
International Sales Volume (in KL)	300.014	742.064	763.437	855.313	2660.828
Total Sales (in KL) - Combined Actual Sales Volume (International + Domestic)	904.809	1642.55	1509.027	2560.809	6617.195
REVENUE @ 1900 Per KL) in Crores	0.17	0.31	0.29	0.49	1.26

Considering the month on month growth in volumes and expected increase in traffic, BKFFPL has proposes to continue with the estimates proposed as earlier, for the period April 2019 to March 2023.

4.6. Aggregate Revenue Requirement

Considering the above, BKFFPL has estimated the Aggregate Revenue Requirement to be as follows for the 5 years' period from 2018-19 to 2022-23.

(Amount in Rs. Crore)

FY	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
RAB	7.82	15.22	15.66	16.02	15.01
FROR (Considering return of equity at 16%)	12.92%	12.92%	12.92%	12.92%	12.92%
RAB * FROR	1.01	1.97	2.02	2.07	1.94
Depreciation	0.42	0.84	0.92	1.00	1.00
Opex	1.74	6.24	6.89	7.77	8.20
Tax	0.00	0.53	0.54	0.49	0.59
Aggregate Revenue Requirement	3.17	9.58	10.37	11.33	11.73

The above ARR is estimated based on the proposed Capex, Debt Equity Structure and Operating Expenses. The company requests that the same may be trued up at actuals at the end of the control period.

5. Proposed Tariff

5.1. Revenue Requirement and Tariff derived

Considering the above ARR, the reworked Tariff and the estimated revenue to match the Aggregate Revenue Requirement is as given below

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23	Total
Aggregate Revenue Requirement	Rs. Crore	3.17	9.58	10.37	11.33	11.73	46.17
Discount Rate		1.00	0.89	0.78	0.69	0.62	
Present value of ARR	Rs. Crore	3.17	8.48	8.13	7.87	7.21	34.87
Fuel Throughput estimated (considering Half year for the first year)	KL	6,617	55,640	59,534	63,702	68,161	
Revenue per KL	Rs.	1,900.00	1,846.00	1,846.00	1,846.00	1,846.00	
Estimated Revenue	Rs. Crore	1.26	10.27	10.99	11.76	12.58	46.86
Present value of estimated Revenue	Rs. Crore	1.26	9.10	8.62	8.167	7.74	34.87

In addition to this, the Fuel Throughput fee may be collected directly by the Airport Operator from Oil Marketing Companies or may be collected by BKFFPL from the Oil Marketing Companies and paid to the Airport.

The company requests AERA to approve the proposed tariff considering the above, under Light Touch and allow for tariff as above for the period from July 2019 to March 2021 and allow the tariff to be re-determined for the next control periods considering the ARR and collections during the first control period, based on actual revenues and truing up of all elements of ARR.

5.2. Revenue and Volume comparison with other Airports

Following is a comparison of the Fuel throughput volume and indicative summary of charges at other Airports in comparison to the proposed charges.

Airport	Annual volume (KL)	Infrastructure charge Rs. Per KL	Into Plane charge Rs. Per KL	Fuel Throughput charge Rs. Per KL
Delhi	18,18,000	609.00	200.00	804.00
Mumbai	16,22,000	750.00	268.00	688.00
Bangalore	6,44,000	633.00	268.00	1067.00
Hyderabad	3,15,969	1500.00		670.00
Kannur (Proposed)	55,640	1846		1018.00

Above details have been collated from various public information including AERA Orders issued earlier and Consultation paper issued for of Kannur International Airport.

The above table shows that considering the low annual volume, the Infrastructure charge proposed is comparable with other Airports where Fuel Farms are operated.

BPCL-KIAL Fuel Farm Pvt. Ltd.
Business Plan
Form 1(b) - Competition Assessment

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BPCL-KIAL Fuel Farm Pvt. Ltd.

Business Plan

Form 2 - Historical and Projected Balance Sheet

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1	SOURCES OF FUNDS										
A	Share Holders Funds										
a	Share Capital	INR cr	8.03	8.03	9.35	9.35	9.35	9.35	9.35	9.35	9.35
b	Share Premium	INR cr									
c	Reserves and Surplus	INR cr	-0.80	0.96	2.73	4.33	6.27	13.20	20.22	27.90	36.29
B	Loan Funds - Long Term										
a	Secured Loans	INR cr	8.03	8.03	8.54	7.68	6.76	5.84	4.91	3.99	3.07
C	Loan Funds - Short Term										
a	Secured Loans	INR cr	-	0.34	0.34	0.34	0.36	0.77	0.77	0.77	0.78
D	Current liabilities	INR cr	0.43	0.51	0.57	0.64	0.67	0.17	0.17	0.18	0.19
E	Deferred Tax Liability	INR cr	-0.33	-0.14	0.05	0.22	0.43	1.17	1.47	1.49	1.45
	Total Source of Funds	INR cr	15.36	17.72	21.57	22.55	23.83	30.49	36.89	43.68	51.12
2	APPLICATION OF FUNDS										
A	Fixed Assets										
a	Gross Block	INR cr	16.06	16.06	18.70	18.70	18.70	18.70	18.70	18.70	18.70
b	Accumulated Depreciation	INR cr	0.42	1.26	2.18	3.18	4.19	5.19	6.20	7.20	8.21
c	Net Block	INR cr	15.64	14.80	16.52	15.51	14.51	13.50	12.50	11.49	9.48
B	Current Assets										
a	Cash and Bank Balances	INR cr	-0.59	2.08	4.15	6.07	8.29	15.88	23.21	30.92	39.28
b	Other Current Assets	INR cr	0.31	0.84	0.90	0.97	1.03	1.11	1.18	1.27	1.36
	Total Current Assets	INR cr	-0.28	2.92	5.06	7.04	9.33	16.98	24.40	32.19	40.63
	Net Current Assets	INR cr	-0.71	2.41	4.49	6.40	8.65	16.82	24.22	32.01	40.45
	Total Application of Funds	INR cr	15.36	17.72	21.57	22.55	23.83	30.49	36.89	43.68	51.12

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BPCL-KIAL Fuel Farm Pvt. Ltd.
Business Plan
Form F3 - Historical and Projected Profit and Loss Account

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUES														
Revenue from Regulated Services	INR cr	-	-	-	1.26	10.27	10.99	11.76	12.58	13.46	14.41	15.41	16.49	17.65
Total Revenue	INR cr	-	-	-	1.26	10.27	10.99	11.76	12.58	13.46	14.41	15.41	16.49	17.65
EXPENSES														
Payroll costs	INR cr	-	-	-	0.08	0.25	0.27	0.29	0.31	0.33	0.35	0.38	0.41	0.44
Administration and General costs	INR cr	-	-	-	0.03	0.11	0.12	0.12	0.13	0.14	0.15	0.17	0.18	0.19
Other Expenses	INR cr	-	-	-	1.63	5.88	6.51	7.36	7.75	1.59	1.62	1.64	1.68	1.71
Total Expenses	INR cr	-	-	-	1.74	6.24	6.89	7.77	8.20	2.06	2.12	2.19	2.26	2.34
EBITDA	INR cr	-	-	-	-0.48	4.03	4.10	3.99	4.39	11.40	12.28	13.22	14.23	15.30
Depreciation and amortization expenses	INR cr	-	-	-	0.42	0.84	0.92	1.00	1.00	1.00	1.00	1.00	1.00	1.00
EBIT	INR cr	-	-	-	-0.90	3.19	3.18	2.98	3.38	10.40	11.28	12.22	13.22	14.30
Interest	INR cr	-	-	-	0.23	0.72	0.68	0.73	0.65	0.62	0.54	0.47	0.40	0.33
Profit Before Tax	INR cr	-	-	-	-1.13	2.48	2.50	2.26	2.73	9.78	10.73	11.75	12.83	13.97
Current Tax	INR cr	-	-	-	-	0.53	0.54	0.49	0.59	2.11	3.41	4.05	4.47	4.92
Deferred Tax	INR cr	-	-	-	-0.33	0.19	0.19	0.17	0.21	0.74	0.30	0.02	-0.03	-0.08
Net Profit	INR cr	-	-	-	-0.80	1.76	1.77	1.60	1.94	6.93	7.02	7.68	8.39	9.14

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BPCL-KIAL Fuel Farm Pvt. Ltd.

Business Plan

Form F4 - Historical and Projected Cash Flow Statement

		2019	2020	2021	2022	2023
Cash Inflows						
PAT	INR cr	-0.80	1.76	1.77	1.60	1.94
Depreciation	INR cr	0.42	0.84	0.92	1.00	1.00
Deferred Tax	INR cr	-0.33	0.19	0.19	0.17	0.21
Equity Infusion	INR cr	0.53	-	1.32	-	-
Debt Infusion	INR cr	4.67	-	1.32	-	-
WC borrowings	INR Cr	-	0.34	-	-	0.02
TOTAL	INR cr	4.48	3.12	5.52	2.78	3.17
Cash Outflow						
Capex net of margin money	INR cr	5.19	-	2.64	-	-
Increase in NWC	INR cr	-0.12	0.45	0.01	-0.01	0.03
Principal debt repayment	INR cr	-	-	0.80	0.86	0.92
Total	INR cr	5.07	0.45	3.45	0.85	0.96
Opening Cash	INR cr	-	-0.59	2.08	4.15	6.07
Cash Additions	INR cr	-0.59	2.67	2.07	1.92	2.22
Closing Cash	INR cr	-0.59	2.08	4.15	6.07	8.29

	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
	Low Point Estimate	High Point Estimate	Low Point Estimate	High Point Estimate	Low Point Estimate
Gearing	% 19.41%	% 43.61%	% 49.75%	% 44.04%	% 38.65%
Pre-tax cost of debt	% 8.50%	% 8.50%	% 8.50%	% 8.50%	% 8.50%
Post -tax cost of Equity	% 16.00%	% 16.00%	% 16.00%	% 16.00%	% 16.00%
Weighted Average Gearing	% 41.10%				
Weighted Average Cost of Debt	% 8.50%				
Post - Tax FIRR	% 12.92%				

Tariff Year 1 2019 Tariff Year 2 2020 Tariff Year 3 2021 Tariff Year 4 2022 Tariff Year 5 2023

Loan Funds - Long Term

Repayments during the year	INR cr	-	-	0.80	0.86	0.92
Interest payments during the year	INR cr	0.58	0.68	0.67	0.69	0.61
Outstanding at the end of the year	INR cr	8.03	8.03	8.54	7.68	6.76

Loan Funds - Short Term

Repayments during the year	INR cr					
Interest payments during the year	INR cr	0.02	0.02	0.02	0.03	0.03
Outstanding at the end of the year	INR cr	-	0.34	0.34	0.34	0.36

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

1	Particulars	
2	Source	
3	Type of Loan (PS/ WC)	Loan from Bank
4	If PS, then indicate the project/ apportionment to a project	Term Loan
5	Total Loan Amount Sanctioned Rs cr	Rs. 10 crore
6	Loan Tenure	10 years
7	Interest Type(Fixed /Floating)	Floating
8	If Fixed interest, rate of interest %	-
9	Base Rate, if floating interest	8.15%
10	Margin, if Floating interest	0.35%
11	Are there any Caps/Floor?	
12	If above is yes, specify caps floor	
13	Moratorium Period	
14	Moratorium effective from	
15	Repayment period	2020 - 2030
16	Repayment start Date	Q1, 2020
17	Repayment frequency	Quarterly
18	Arrangement Fees	
19	Outstanding Loan	
20	Other Terms	INR cr Rs. 444 lacs as of March 2018

Form F6(b) - Summary Statement of Interest and Finance Charges

Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
2019	2020	2021	2022	2023

A 1	Interest charges on Government Loans, Bonds And Advances						
	Government Loans	INR cr					
	Bonds	INR cr					
	Foreign Currency Loans / Credits	INR cr					
	Debentures	INR cr					
	Total	INR cr					
A 2	Interest on Long Term Loans/Credits from the Fis/banks/organizations approved by the Government						
	Long Term Funds	INR cr	0.58	0.68	0.67	0.69	0.61
	Short Term Funds	INR cr	0.02	0.02	0.02	0.03	0.03
	Total	INR cr	0.60	0.70	0.69	0.72	0.64
	Total (A1 + A2)	INR cr	0.60	0.70	0.69	0.72	0.64
B	Cost of raising finance & Bank Charges on project loans*	INR cr					
C	Grand Total Of Interest & Finance Charges A +B	INR cr	0.58	0.68	0.67	0.69	0.61
D	Less: Interest & Finance Charges Capitalized	INR cr	0.35	0.00	0.02	0.00	0.00
E	Net Total of Interest and Finance Charges on Project related Loans	INR cr	0.94	0.68	0.69	0.69	0.61
F	Interest on Working Capital Loans	INR cr	0.02	0.02	0.02	0.03	0.03
G	Other Interest charges (Provide head-wise details)	INR cr	0.02	0.02	0.02	0.03	0.03
H	Total Interest and finance charges chargeable to P & L account (E+F+G)	INR cr	0.95	0.70	0.72	0.72	0.64

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BPCI-MAL Fuel Farm Pvt. Ltd.
Business Plan
Form F8(b) - Format for providing proposed exclusions from RAB

Asset Name	Value (INR Cr)	Accumulated Depreciation (INR Cr)	Justification for exclusion	Any land associated with asset	If yes, details of the land
Land					
Buildings and Civil Works					
Electrical Installations, AC, Office Equipment					
Computer and Accessories					
Furniture & Fittings					

		Tariff Year 1 2019	Tariff Year 2 2020	Tariff Year 3 2021	Tariff Year 4 2022	Tariff Year 5 2023
A	Opening RAB	INR cr				
	Buildings & Civil Works	INR cr	0.00	2.21	2.14	2.06
	Plant and Equipment	INR cr	0.00	13.43	12.66	14.45
B	Additions- WIP Capitalization	INR cr	0.00	15.64	14.80	16.52
	Buildings & Civil Works	INR cr	2.24	0.00	0.00	0.00
	Plant and Equipment	INR cr	13.81	0.00	2.64	0.00
C	Disposals / Transfers	INR cr	16.06	0.00	2.64	0.00
	Buildings & Civil Works	INR cr				
	Plant and Equipment	INR cr				
D	Depreciation Charges	INR cr	0.00	0.00	0.00	0.00
	Buildings & Civil Works	INR cr	0.04	0.07	0.07	0.07
	Plant and Equipment	INR cr	0.38	0.77	0.85	0.93
Closing RAB (A+B-C-D)		INR cr	0.42	0.84	0.92	1.00
	Buildings & Civil Works	INR cr	2.21	2.14	2.06	1.99
	Plant and Equipment	INR cr	13.43	12.66	14.45	13.52
	Total	INR cr	15.64	14.80	16.52	15.51
Average RAB		INR cr	7.82	15.22	15.66	16.02
						15.01

Form F10(a) - Capital Projects Completed before current Review for Roll forward of RAB

Please refer to form F10(b)

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	Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
Total Capital Planned	0.00	8.03	8.03	8.03	8.03
	Internal Accrual	Equity Infused	User Contribution Debt Internal Equity Accrual	User Total Internal Equity Accrual	User Total Internal Equity Accrual
	8.03	8.03	8.03	8.03	8.03

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BPCL Retail Fuel Farm Pvt. Ltd.
Business Plan
Form F10(d) - Summary Statement of Expenses Capitalized

		Tariff Year 1 2019	Tariff Year 2 2020	Tariff Year 3 2021	Tariff Year 4 2022	Tariff Year 5 2023
A	Interest and Finance Charges Capitalized	INR cr	0.35	-	0.0	-
B	Cost of Raising Finance & Bank Charges	INR cr				
C	Other Expenses Capitalized	INR cr				
	Employee Expenses	INR cr				
	Administrative and General Expenses	INR cr				
	Utilities and outsourcing Expenses	INR cr				
	Any other expenses being capitalized	INR cr				
D	Total Expenses Being Capitalized (A+B+C)	INR cr	0.35	-	0.0	-

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BPCL Retail Fuel Farm Pvt. Ltd.						
Business Plan						
Form F10(e) - Additional Capital Projects Summary						
			Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4
			2019	2020	2021	2022
						Tariff Year 5
						2023
A	Opening WIP Assets	INR cr				
	Buildings & Civil Works	INR cr	1.32			
	Plant and Equipment	INR cr	9.54			
	Total	INR cr	10.86	0.00	0.00	0.00
B	Additions - New WIP	INR cr				
	Buildings & Civil Works	INR cr	0.92			
	Plant and Equipment	INR cr	4.28	0.00	2.64	
	Total	INR cr	5.19	0.00	2.64	0.00
C	WIP Capitalization	INR cr				
	Buildings & Civil Works	INR cr	2.24	0.00	0.00	0.00
	Plant and Equipment	INR cr	13.81	0.00	2.64	0.00
	Total	INR cr	16.06	0.00	2.64	0.00
D	Closing WIP Assets	INR cr				
	Buildings & Civil Works	INR cr	0.00	0.00	0.00	0.00
	Plant and Equipment	INR cr	0.00	0.00	0.00	0.00
	Total	INR cr	0.00	0.00	0.00	0.00

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BPCL-KIAL Fuel Farm Pvt. Ltd.
Business Plan
Form F11(a) - Employee Strength

		Tariff Year 1 2019	Tariff Year 2 2020	Tariff Year 3 2021	Tariff Year 4 2022	Tariff Year 5 2023
A	Department-wise Full-Time Employees					
	Managing Director and Executive Directors	#				
	MD's office	#				
	Airport Operations/Elec/IT	#				
	Operations	#				
	IT & Communication	#				
	Electrical Engineering	#				
	Cargo Employees	#				
	Security	#				
	ARFF	#				
	CSO/ARFF	#				
	Secretarial	#				
	Human Resource	#				
	Finance	#				
	Public relations & Corp Communication	#				
	Duty Free	#				
	Civil Eng.	#				
	Commercial	#				
	Civil Eng. - Airport Works	#				
	Civil Eng. - LUP works	#				
	Total	#				
B	Department Part-Time/Contractual Employees					
	Managing Director and Executive Directors	#				
	MD's office	#				
	Airport Operations/Elec/IT	#				
	Operations	#				
	IT & Communication	#				
	Electrical Engineering	#				
	Cargo Employees	#				
	Security	#				
	ARFF	#				
	CSO/ARFF	#				
	Secretarial	#				
	Human Resource	#				
	Finance	#				
	Public relations & Corp Communication	#				
	Duty Free	#				
	Civil Eng.	#				
	Commercial	#				
	Civil Eng. - Airport Works	#				
	Civil Eng. - LUP works	#				
	Total	#				

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BPCL-KIAL Fuel Farm Pvt. Ltd.							
Business Plan							
Airport - Form F11(b) - Payroll Related Expenditure and Provision							
			Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5
			2019	2020	2021	2022	2023
A	Salary, wages & bonus	INR cr	0.08	0.25	0.27	0.29	0.31
B	Contribution to provident fund	INR cr					
	Provision for Contribution to Employee State						
C	Insurance	INR cr					
D	Gratuity and leave benefits	INR cr					
E	Staff welfare expenses	INR cr					
F	New employee expenses	INR cr					
1	Grand Total	INR cr					
2	Employee expenses Capitalized	INR cr					
3	Net Employee Expenses	INR cr	0.08	0.25	0.27	0.29	0.31

	Tariff Year 1 2019	Tariff Year 2 2020	Tariff Year 3 2021	Tariff Year 4 2022	Tariff Year 5 2023
A Administrative Charges					
Rent	INR cr 0.45	1.36	1.37	1.56	1.58
Power Charges	INR cr 0.37	1.12	1.12	1.29	1.29
Admin charges	INR cr 0.04	0.13	0.14	0.15	0.16
Repairs and Maintenance	INR cr 0.03	0.11	0.12	0.12	0.13
B Legal Charges / Auditor's Fees					
Auditor's Fees	INR cr 0.00	0.00	0.00	0.00	0.00
C Consultancy / Advisory Expenses					
Professional Charges	INR cr 0.00	0.00	0.00	0.00	0.00
D Other Charges					
Insurance Costs	INR cr 1.22	4.64	5.25	5.93	6.31
O&M Cost to Service Provider	INR cr 0.01	0.03	0.03	0.03	0.03
Miscellaneous Expenses	INR cr 1.19	4.59	5.20	5.87	6.24
E Grand Total	INR cr 1.66	5.99	6.62	7.49	7.89
F Administrative and General expenses Capitalized	INR cr 0.00	0.00	0.00	0.00	0.00
G Net A&G Expenses (E) - (F)	INR cr 1.66	5.99	6.62	7.49	7.89

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CL-KIAL Fuel Farm Pvt. Ltd.

Business Plan

Report - Form F11(d) - Repair and Maintenance Expenditure

Total R&M costs for buildings, Plant & Machinery	Tariff Year 1					Tariff Year 2					Tariff Year 3					Tariff Year 4					Tariff Year 5				
	2019					2020					2021					2022					2023				
	-					-					-					-					-				

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BPCL-KIAL Fuel Farm Pvt. Ltd.
Business Plan
Airport - Form F11(e) - Utilities and Outsourcing Expenditure

	Tariff Year 1 2019	Tariff Year 2 2020	Tariff Year 3 2021	Tariff Year 4 2022	Tariff Year 5 2023
A Utilities Cost					
Power Charges	0.04	0.13	0.14	0.15	0.16
Units Consumed					
Effective Unit Rate					
Power Costs					
Water Charges					
Units Consumed					
Effective Unit Rate					
Water Costs					
Fuel generator costs					
B Department Wise Outsourcing Costs					
Housekeeping Charges					
Security Charges					
Duty Free Management					
1 Grand Total	0.04	0.13	0.14	0.15	0.16
2 Utilities and Outsourcing Expenses Capitalized					
3 Net Utilities and Outsourcing Expenses (1) - (2)	0.04	0.13	0.14	0.15	0.16

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BPCI-KIAL Fuel Farm Pvt. Ltd.									
Business Plan									
Airport - Form F11(f) - Other Outflows									
		Last available Audited Year		Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4	Tariff Year 5	
		2017	2018	2019	2020	2021	2022	2023	
A Cost of Goods Sold	INR cr								
Vehicle Running & Maintenance expenses	INR cr								
Consumables	INR cr								
Other operational expenses	INR cr								
CUTE operating expenses	INR cr								
Grand Total	INR cr								

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BPCL-KIAL Fuel Farm Pvt. Ltd.			
Shared Till			
Airport - Form F12(b) - Historical aircraft movements			
		Domestic landing	International landing
2017-18			
2018-19			
2019-20		Not applicable	
2020-21			
2021-22			
2022-23			

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BPCL-KIAL Fuel Farm Pvt. Ltd.									
Shared Till									
Airport - Form F12(c) - Projected Aircraft movements									
			Domestic landing			International landing			Forecase error correction band
			Optimistic	Most likely	Conservative	Optimistic	Most likely	Conservative	
	2017-18								
	2018-19								
	2019-20								
	2020-21				Not applicable				
	2021-22								
	2022-23								

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BPCL-KIAL Fuel Farm Pvt. Ltd.						
Shared Till						
Airport - Form F12(d) - Historical and Projected Fuel throughput in kilolitres						
			Domestic Flights	International flights	Total	Forecase error correction band
	2017-18					
	2018-19				6,617	
	2019-20				55,640	
	2020-21				59,534	
	2021-22				63,702	
	2022-23				68,161	

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BPCL-KIAL Fuel Farm Pvt. Ltd.					
Shared Till					
Airport - Form F13(b) - Historical projected revenues from services other than regulated services					
		Tariff Year 1	Tariff Year 2	Tariff Year 3	Tariff Year 4
		2019	2020	2021	2022
A	Revenues from services other than regulated services				
		NIL			
B	Other Revenues				

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BPCL-KIAL Fuel Farm Pvt. Ltd.					
Shared Till					
Airport - Form F14(a) - Historical projected revenues from services other than regulated services					
			For tariff year t		
1	Yield per unit				
2	Error correction term				
3	Estimated Maximum allowed yield		1846.0	Rs. Per KL	

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BPCL-KIAL Fuel Farm Pvt. Ltd.						
Shared Till						
Airport - Form F14(b) - Annual Tariff Proposal for tariff year t						
			Conditions of Tariff	Applicable discount/surcharge	Estimated units	Estimated revenues
					For the period	For the period
1	Fuel Farm Charge including Into Plane		Rate per KL		253654.14	46.86
	(Details given herein is for period of 5 years)					