



# BPCL - KIAL Fuel Farm Private Limited

Reg. Office: C/o Kannur International Airport, Karaperavoor (P.O.) Mattannur  
Dist. Kannur - 670702, Kerala. CIN : U23200KL2015PTC038487  
GSTIN / UIN : 32AAGCB3129A1ZG

Ref: BKFFPL/AERA/2024-25/03

02.01.2025

The Chairman,  
Airports Economic Regulatory Authority of India,  
AERA Building, Safdarjung Airport,  
New Delhi.

Dear Sir,

**Sub: SUBMISSION OF REVISED MYTP FOR DETERMINATION OF TARIFF FOR THE SECOND CONTROL PERIOD (1<sup>st</sup> APRIL 2023 TO 31<sup>st</sup> MARCH 2028)**

We hereby submit the revised Multi Year Tariff Proposal (MYTP) for the determination of tariff for the Second Control Period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2028 in accordance with the AERA letter dated 13.12.2023.

We request you to review the submission and issue the order for revision of tariff as requested.

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

Thanking you,

Yours truly,

For M/S BPCL-KIAL FUEL FARM PRIVATE LIMITED

Martin Jose Emmanuel.  
Chief Financial Officer



Table 1: Capital Expenditure incurred during the First Control Period

Particulars (Rs. in Crores)	2019	2020	2021	2022	2023	Total
	FY19	FY20	FY21	FY22	FY23	
Buildings	5.25	0.09	0.07	-	-	5.41
Computers & Peripherals	0.00	-	-	-	-	0.00
Culverts & Drains	1.06	0.00	-	-	-	1.07
Dead Stock	0.28	0.01	-	-	-	0.29
Electrical Installations & Equipment	1.61	0.01	0.00	-	-	1.62
Furnitures & Fixtures	0.24	0.04	0.00	-	0.00	0.28
Intangible Assets	0.00	-	-	-	-	0.00
Lab Equipment	0.05	-	-	-	-	0.05
Land Improvement	1.81	0.01	-	-	-	1.81
Office Equipment	0.12	-	-	0.00	0.00	0.13
Plant & Machinery	1.79	0.00	0.00	0.00	0.00	1.80
Roads	2.60	0.01	-	-	-	2.60
Tanks	1.86	-	-	-	-	1.86
<b>Total</b>	<b>16.70</b>	<b>0.16</b>	<b>0.08</b>	<b>0.00</b>	<b>0.01</b>	<b>16.94</b>

Table 2: BKFFPL submission of True Up for the FY 2018-19 of the First Control Period

Particulars (Rs. in Crores)	FY19
Opening RAB	0.01
Closing RAB	16.48
<b>Average RAB</b>	<b>8.24</b>
FRR (%)	11.53%
<b>Return on RAB</b>	<b>0.95</b>
Depreciation	0.23
Operating expense	1.70
Tax	-
Return on Security Deposit	-
Less: Other Income	-0.01
<b>Aggregate Revenue Requirement (ARR)</b>	<b>2.86</b>
FIF Income	1.26
<b>Under/(Over) Recovery</b>	<b>1.60</b>
Under/(Over) Recovery carried forward considering compounding at 11.53%, 11.1	<b>3.52</b>

Table 3: Comparison of True-up for the FY 2021-22 and FY 2022-23 of the First Control Period and that computed by the Authority in Order No. 44/2021-22

Particulars (Rs. in Crores)	Ref.	Order No. 44/2021-22			Actuals			Difference (A-B)
		FY22	FY23	Total (A)	FY22	FY23	Total (B)	
Opening RAB	A	15.23	14.48		15.24	14.33		
Closing RAB	B	14.48	13.74		14.33	13.44		
<b>Average RAB</b>	<b>C=(A+B)/2</b>	<b>14.86</b>	<b>14.11</b>		<b>14.78</b>	<b>13.88</b>		
FRR (%)	D	10.71%	10.71%		11.70%	11.70%		
<b>Return on RAB</b>	<b>E=C*D</b>	<b>1.59</b>	<b>1.51</b>	<b>3.10</b>	<b>1.73</b>	<b>1.62</b>	<b>3.35</b>	<b>-0.25</b>
Depreciation	F	0.74	0.74	<b>1.48</b>	0.90	0.90	<b>1.80</b>	<b>-0.32</b>
Operating expense	G	5.25	5.57	<b>10.82</b>	4.75	5.28	<b>10.03</b>	<b>0.79</b>
Tax	H	-	-	-	-	-	-	-
Return on Security Deposit	I	-	-	-	0.08	0.16	<b>0.24</b>	<b>-0.24</b>
less: Other Income	J	-	-	-	-0.09	-0.11	<b>-0.20</b>	<b>0.20</b>
Under Recovery FY 19-20 and 20-21	K	4.92	-	<b>4.92</b>	4.92	-	<b>4.92</b>	<b>-0.00</b>
<b>Aggregate Revenue Requirement (ARR)</b>	<b>L=sum(E:I)-J+K</b>	<b>12.51</b>	<b>7.83</b>	<b>20.34</b>	<b>12.30</b>	<b>7.85</b>	<b>20.15</b>	<b>0.19</b>
Actual Aero Revenue	M	4.98	11.79	<b>16.77</b>	5.24	10.62	<b>15.86</b>	<b>0.91</b>
<b>Under/(Over) Recovery</b>	<b>N=L-M</b>	<b>7.52</b>	<b>-3.96</b>	<b>3.56</b>	<b>7.06</b>	<b>-2.77</b>	<b>4.29</b>	<b>-0.73</b>
Compounding rate	O	10.71%	10.71%		11.70%	11.70%		
Compounding Factor	P	1.00	0.90		1.25	1.12		
Compounding of ARR	Q=L*P				15.34	8.77	<b>24.11</b>	
Compounding of Aero Revenue	R=M*P				6.54	11.86	<b>18.40</b>	
Shortfall to be recouped	S=Q-R				8.80	-3.09	<b>5.71</b>	
<b>Shortfall carried forward considering compounding at 12.96%</b>					<b>11.24</b>	<b>-3.94</b>	<b>7.30</b>	

Table 4: Operating expenses incurred for the FY 2021-22 and FY 2022-23 of the First Control Period

Particulars (Rs. in Crores)	FY22	FY23
Salaries	0.18	0.15
Land Lease Rent	1.37	1.49
Insurance	0.03	0.02
Power Charges	0.10	0.12
Operator Charges to BPCL	2.92	3.30
Repair and Maintenance	0.00	0.00
Other Expenses	0.15	0.19
<b>Total</b>	<b>4.75</b>	<b>5.28</b>

Table 5: Tax expense incurred for the FY 2021-22 and FY 2022-23 of the First Control Period

Particulars (Rs. in Crores)	Ref.	FY22	FY23
Earning Before Tax	A	-1.25	3.53
Add: Book Depreciation	B	0.90	0.90
Less: IT Depreciation	C	1.35	1.21
<b>Adjusted Profit/(Loss)</b>	<b>D=A+B-C</b>	<b>-1.69</b>	<b>3.22</b>
Opening Losses		-6.65	-8.34
Set Off		-1.69	3.22
Accumulated Losses	E	-8.34	-5.12
<b>Taxable income</b>	<b>F</b>	<b>-</b>	<b>-</b>
<b>Tax as per IT ACT</b>	<b>G=F*25.17%</b>	<b>-</b>	<b>-</b>

Particulars (in KLs)	FY23	FY24
April	2,858	3,755
May	3,038	2,655
June	3,273	2,375
<b>Total</b>	<b>9,170</b>	<b>8,785</b>
<b>% Increase/(decrease)</b>		<b>-4.20%</b>
Fuel throughput for the full year	40,525	35,839
<b>% Increase/(decrease)</b>		<b>-11.56%</b>

Particulars (in KLs)	Go Air Sales Volume	Total Sales Volume	% of Total Sales Volume
January'23	1,418.78	4,003.47	35.44%
February'23	1,238.99	3,435.64	36.06%
March'23	1,339.86	3,849.13	34.81%
<b>Total for Q4 FY23</b>	<b>3,997.63</b>	<b>11,288.24</b>	
April'23	1,183.75	3,754.63	31.53%
May'23	62.07	2,654.99	2.34%
June'23	-	2,375.23	0.00%
<b>Total for Q1 FY24</b>	<b>1,245.82</b>	<b>8,784.85</b>	
<i>Avg. Go Air's share of total sales volume in Q4 FY23</i>			<b>35.44%</b>
<i>Avg. Go Air's share of total sales volume from Jan'23 to Apr'23</i>			<b>34.46%</b>
<i>Decrease in Q1 FY24 total sales volume compared to Q4 FY23</i>			<b>-22.18%</b>

Particulars (in KLs)	FY23	FY24	FY25
April	2,858	3,755	3,464
May	3,038	2,655	3,512
June	3,273	2,375	3,968
July	3,372	2,601	3,956
August	3,500	2,768	4,134
September	3,134	2,505	3,911
October	2,996	2,821	3,627
November	3,386	3,206	3,524
December	3,679	3,338	-
January	4,003	3,367	-
February	3,436	3,149	-
March	3,849	3,298	-
<b>Total</b>	<b>40,525</b>	<b>35,839</b>	<b>30,096</b>
<b>% Increase/(decrease)</b>		<b>-11.56%</b>	<b>-16.02%</b>
Fuel throughput for the full year	40,525.30	35,838.58	47,532.00
<b>% Increase/(decrease)</b>		<b>-11.56%</b>	<b>32.63%</b>

Table 8: Fuel Throughput Forecasted by BKFFPL

Particulars (in KL)	FY 24	FY25	FY26	FY27	FY28	Total
Fuel Throughput	35,839	47,532	55,800	58,590	61,520	259,280

Table 9: Capital Assets/Additions to RAB forecasted by BKFFPL

Particulars (Rs. in Crores)	Ref.	FY24	FY25	FY26	FY27	FY28	Total
<b>Tanks</b>	<b>A</b>	-	-	-	-	-	-
<b>Buildings</b>	<b>B</b>	-	0.27	0.10	-	-	0.37
Earth pit	1	-	0.05	-	-	-	0.05
Office Space	2	-	0.08	-	-	-	0.08
Drainage and Alteration of Gantry	3	-	0.14	-	-	-	0.14
Rainwater Harvesting system	4	-	-	0.10	-	-	0.10
<b>Other (Pipeline/valve/civil/electrical etc.)</b>	<b>C</b>	<b>0.01</b>	<b>0.16</b>	<b>0.49</b>	-	-	<b>0.66</b>
Upgradation of existing CCTV system	5	-	0.04	-	-	-	0.04
Coupling	6	-	0.06	-	-	-	0.06
Solar light system	7	-	-	0.09	-	-	0.09
Furniture,Audio/Visuals /TV/Computers	8	0.00	0.01	0.40	-	-	0.41
AC for documentation room	9	0.01	-	-	-	-	0.01
Computers & Printers	10	-	0.03	-	-	-	0.03
Colour Printer	10	-	0.00	-	-	-	0.00
Water Cooler	11	-	-	-	-	-	-
TV Screen and camera for VC	12	-	0.02	-	-	-	0.02
<b>Total</b>	<b>A+B+C</b>	<b>0.01</b>	<b>0.43</b>	<b>0.59</b>	-	-	<b>1.03</b>

Table 11: Depreciation on Capital Assets and Additions to RAB

Particulars (Rs. in Crores)	FY24	FY25	FY26	FY27	FY28	Total
Tanks	0.07	0.07	0.07	0.07	0.07	0.35
Buildings	0.23	0.21	0.22	0.22	0.22	1.11
Other (Pipeline/valve/civil/electrical etc.)	0.58	0.57	0.63	0.68	0.67	3.15
<b>Total</b>	<b>0.89</b>	<b>0.86</b>	<b>0.92</b>	<b>0.98</b>	<b>0.97</b>	<b>4.61</b>

Table 12: Average RAB for the Second Control Period

Particulars (Rs. in Crores)	FY24	FY25	FY26	FY27	FY28	Total
Opening RAB	13.44	12.55	11.77	11.82	10.84	
Additions (Table 10)	0.00	0.08	0.97	-	-	1.05
Deletions	-	-	-	-	-	-
Depreciation (Table 13)	0.89	0.86	0.92	0.98	0.97	4.61
Closing RAB	12.55	11.77	11.82	10.84	9.87	
<b>Average RAB</b>	<b>13.00</b>	<b>12.16</b>	<b>11.80</b>	<b>11.33</b>	<b>10.36</b>	

Table 13: FRoR for Second Control Period

Particulars (Rs. in Crores)	Ref.	FY 24	FY25	FY26	FY27	FY28
Opening Equity	A	9.00	9.00	9.00	9.00	9.00
Closing Equity	B	9.00	9.00	9.00	9.00	9.00
<b>Average Equity</b>	<b>C=Avg(A:B)</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>
Opening Debt	D	9.96	8.88	2.68	-	-
Closing Debt	E	8.88	2.68	-	-	-
<b>Average Debt</b>	<b>F=Avg(D:E)</b>	<b>9.42</b>	<b>5.78</b>	<b>1.34</b>	-	-
Gearing (%)	G=F÷(C+F)	51.14%	39.10%	12.95%	0.00%	0.00%
Cost of Debt (%)	H	9.96%	8.52%	0.00%	0.00%	0.00%
Cost of Equity (%)	I	16.00%	16.00%	16.00%	16.00%	16.00%
<b>FRoR (%)</b>	<b>J=H*G+I*(1-G)</b>	<b>12.91%</b>	<b>13.08%</b>	<b>13.93%</b>	<b>16.00%</b>	<b>16.00%</b>
<b>Average FRoR (%)</b>	<b>K=Avg of J</b>	<b>12.99%</b>		<b>15.31%</b>		

Table 14: Operating and Maintenance Expenditures for the Second Control Period

Particulars (Rs. in Crores)	FY24	FY25	FY26	FY27	FY28	Total
Salaries	0.09	0.09	0.13	0.14	0.16	0.61
Land Lease Rent	1.63	1.77	1.93	2.11	2.30	9.74
Insurance	0.02	0.01	0.01	0.01	0.02	0.07
Utility Charges	0.13	0.13	0.14	0.16	0.17	0.74
Operator Charges to BPCL	3.15	3.58	5.49	6.25	7.46	25.93
Repair and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Other Expenses	0.14	0.20	0.31	0.33	0.35	1.34
<b>Total</b>	<b>5.16</b>	<b>5.79</b>	<b>8.02</b>	<b>9.01</b>	<b>10.46</b>	<b>38.44</b>

Table 16: Return on Security Deposit submitted by BKFFPL for Second Control Period

Particulars (Rs. in Crores)	FY24	FY25	FY26	FY27	FY28	Total
Security Deposit	1.12	1.12	1.12	1.12	1.12	
Return on SD at 16%	0.18	0.18	0.18	0.18	0.18	0.90

Table 17: Taxes submitted by BKFFPL for the Second Control Period

Particulars (Rs. in Crores)	Ref.	FY24	FY25	FY26	FY27	FY28	Total
Earning Before Tax	A	2.41	5.26	5.52	5.29	4.62	23.10
Add: Book Depreciation	B	0.89	0.86	0.92	0.98	0.97	4.61
Less: IT Depreciation	C	1.08	0.97	0.92	0.87	0.78	4.61
<b>Adjusted Profit/(Loss)</b>	<b>D=A+B-C</b>	<b>2.22</b>	<b>5.15</b>	<b>5.52</b>	<b>5.40</b>	<b>4.81</b>	<b>23.11</b>
Opening Losses	F	-5.12	-2.90	-	-	-	
Set Off	G	2.22	2.90	-	-	-	
Carry Forward of Accumulated Losses	H=F+G	-2.90	-	-	-	-	
<b>Taxable income</b>	<b>I=D-G</b>	<b>-</b>	<b>2.25</b>	<b>5.52</b>	<b>5.40</b>	<b>4.81</b>	<b>17.98</b>
<b>Tax as per IT ACT</b>	<b>J=I*25.17%</b>	<b>-</b>	<b>0.57</b>	<b>1.39</b>	<b>1.36</b>	<b>1.21</b>	<b>4.53</b>

Table 18: Aggregate revenue requirement (ARR) for the Second Control Period

Particulars (Rs. in Crores)	Ref.	FY24	FY25	FY26	FY27	FY28	Total
Average RAB	A	13.00	12.16	11.80	11.33	10.36	
FROR (Considering return of equity at 16%)	B	12.99%	12.99%	15.31%	15.31%	15.31%	
<b>RAB * FROR</b>	<b>C=A*B</b>	<b>1.69</b>	<b>1.58</b>	<b>1.81</b>	<b>1.73</b>	<b>1.59</b>	<b>8.40</b>
Depreciation	D	0.89	0.86	0.92	0.98	0.97	4.61
Opex	E	5.16	5.79	8.02	9.01	10.46	38.44
Tax	F	-	0.57	1.39	1.36	1.21	4.53
Return on Security Deposit	G	0.18	0.18	0.18	0.18	0.18	0.90
less: Other Income	H	-0.26	-0.24	-0.03	-0.03	-0.03	-0.60
<b>Aggregate Revenue Requirement</b>	<b>I=C+D+E+F+G-H</b>	<b>7.65</b>	<b>8.74</b>	<b>12.28</b>	<b>13.23</b>	<b>14.37</b>	<b>56.27</b>

Table 19: BKFFPL's submission for True-up of the period from 1st April 2023 till 31st March 2025

Particulars (Rs. in Crores)	Ref.	FY24	FY25	Total
Opening RAB	A	13.44	12.55	
Closing RAB	B	12.55	11.77	
<b>Average RAB</b>	<b>C=Avg(A:B)</b>	<b>13.00</b>	<b>12.16</b>	
FRoR (%)	D	12.99%	12.99%	
<b>Return on RAB</b>	<b>E=C*D</b>	<b>1.69</b>	<b>1.58</b>	<b>3.27</b>
Depreciation	F	0.89	0.86	1.74
Operating expense	G	5.16	5.79	10.95
Tax	H	-	0.57	0.57
Return on Security Deposit	I	0.18	0.18	0.36
Less: Other Income	J	-0.26	-0.24	-0.50
<b>Aggregate Revenue Requirement (ARR)</b>	<b>K=E+F+G+H+I-J</b>	<b>7.65</b>	<b>8.74</b>	<b>16.39</b>
Existing tariff in Rs. per Kl	L	2,620.00	2,620.00	
Fuel Throughput in KL	M	35,839	47,532	
<b>FIF Income</b>	<b>N=L*M</b>	<b>9.39</b>	<b>12.45</b>	<b>21.84</b>
<b>Under/(Over) recovery</b>	<b>O=K-N</b>	<b>-1.74</b>	<b>-3.72</b>	<b>-5.46</b>
Compounding Factor	$P=(1+D)^t$	1.28	0.89	
Under/(Over) recovery carried forward	<b>Q=O*P</b>	<b>-2.22</b>	<b>-3.29</b>	<b>-5.51</b>

Table 20: Estimated Revenue submitted by BKFFPL for the Second Control Period

Particulars (Rs. in Crores)	Ref.	FY26	FY27	FY28	Total
Aggregate Revenue Requirement (refer Table 19)	A	12.28	13.23	14.37	39.88
Under/(Over) Recovery*	B	5.31	-	-	5.31
<b>Net Aggregate Revenue Requirement</b>	<b>C=A+B</b>	<b>17.59</b>	<b>13.23</b>	<b>14.37</b>	<b>45.19</b>
FRoR (refer Table 14)	D	15.31%	15.31%	15.31%	
Discount Factor	$E=1/(1+D)^t$	1.00	0.87	0.75	
<b>Present value of ARR</b>	<b>F=C*E</b>	<b>17.59</b>	<b>11.47</b>	<b>10.81</b>	<b>39.87</b>
Fuel Throughput (refer Table 7)	G	55,800	58,590	61,520	175,910
Revenue per KL	H	2,608.04	2,608.04	2,608.04	
Estimated Revenue	I=G*H	14.55	15.28	16.04	45.88
<b>Present Value of Estimated Revenue</b>	<b>J=I*E</b>	<b>14.55</b>	<b>13.25</b>	<b>12.07</b>	<b>39.87</b>

Table 21: Tariff Rates Proposed for the Second Control Period

Particulars	PV of Revenue	Fuel Infrastructure Fee
FY24	Rs. 11.99 Crores	Rs. 2620 per KL
FY25	Rs. 11.02 Crores	Rs. 2620 per KL
FY26	Rs. 39.87 Crores	Rs. 2608.04 per KL
FY27		
FY28		