



27/07/2026

DIRECTOR - Airports Economic Regulatory Authority of India
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110003

Dear Sir,

This has reference to Consultation Paper (CP) No. 03/2026-27 dated 17 July 2026 for FIC for IndianOil Skytanking Private Limited (IOSPL) at Kempegowda International Airport, Bengaluru

At the outset, we wish to inform that Shell MRPL Aviation Fuels & Services Limited (SMAFSL) (shellmrpl.co.in) is a 50:50 Joint Venture Company formed in 2008 between Shell Gas B.V., a global leader in marketing aviation fuel and operating airport fuelling facilities and Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary of Oil and Natural Gas Corporation Limited, India's largest national oil company.

Shell MRPL Aviation Fuels & Services Limited is the second largest fuel supplier of Jet Fuel at Bangalore airport & has significant volumes across various south Indian airports.

Given below are our views on AERA's Observation in the Consultation Paper

Para 5.2.5(vi)

AERA has proposed, under Para 5.2.5(vi) of the Consultation Paper, limiting the storage facility to two tanks instead of the three tanks originally proposed, resulting in a reduction of approximately 6,500 KL in storage capacity.

We respectfully request AERA to reconsider this recommendation and permit the construction of all three tanks as originally envisaged. The satellite tank farm has to be viewed in terms of an independent location in terms of aviation fuel farm operations to cater to the quality requirements of the aviation fuel handling with separate manpower and concomitant infrastructure. Restricting the facility to only two tanks may inadvertently result in operational constraints not only for



Shell MRPL but also for other suppliers who would be required to defer product positioning into the fuel farm whenever one tank is occupied by continuous pipeline receipt and the remaining tank is engaged in aircraft supply or quality assurance activities. Our considerations for the recommendation of the three tank configuration for the satellite farm are given as follows:

- Aviation fuel is non-replaceable entity:

- Aviation fuel is a non-replaceable entity as compared to other elements and the entire redundancy in terms of quality and quantity needs to be built-up on the ground whereas all other elements in terms of manpower and equipment have design redundancy
- In the foreseeable future, there is no drop-in replacement for the aviation fuel & hence all the infrastructure design does not have an expiry life in terms of non-usage or planned obsolescence
- The proposed three-tank configuration is not intended merely to enhance storage capacity but is a fundamental operational requirement for ensuring the safe, efficient, and reliable functioning of the fuel farm.
- As per established aviation fuel quality control practices and industry standards, tank truck receipts and pipeline receipts cannot be undertaken simultaneously into the same storage tank. Each receipt mode is subject to independent sampling, testing, settling, and quality assurance procedures before the product can be released for into-plane operations. These requirements are critical to maintaining the integrity of ATF and ensuring compliance with stringent aviation fuel quality standards.
- Further, maintaining dedicated storage flexibility is an important safeguard against product contamination and adulteration risks. Aviation fuel specifications demand the highest standards of product integrity, and any inadvertent mixing of batches, incomplete settling, or operational compulsion arising from inadequate storage capacity can increase the risk of off-specification product entering the supply chain.





- EI 1540 recommendations on tankage:
 - EI 1540 (Design, construction, commissioning, maintenance and testing of aviation fuelling facilities, section 3.3- design for the tankage & number of tanks) recommends consideration for the peak demand, tank major integrity testing future development of the airport & other factors while deciding on the tankage.
 - While permitting the third tank may entail a marginal increase in capital expenditure, such an increase must be viewed in the context of the critical safety, operational, and quality assurance functions that the additional tank serves.
- BIAL aspiring to becoming second largest airport of the country after Delhi:
 - <https://www.google.com/amp/s/www.thehindu.com/news/national/karnataka/bangalore-international-airport-limited-confidentthat-bengaluru-airport-will-be-secondlargest-in-india/article71222027.ece/amp/>
 - BIAL aspires to become second largest airport of the country needs to have adequate infrastructure which is comparable to that of DAFFPL at New Delhi.
 - The proposed fuel infrastructure (including 3 tanks at the satellite farm) amounts to ~ 40,000 KL which is 25 % less than the existing DAFFPL fuel infrastructure which has 51,000 KL fuel storage capacity.
 - Three storage tankage enables safe isolation of tanks for inspection, maintenance, or emergency response without compromising continuity of fuel supply. The additional tank therefore strengthens the facility's ability to comply with internationally accepted HSSE practices and supports a safer operating environment.

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- DAFFPL fuel farm configuration:

Tank details	Capacity (KL)
VF-201	6000
VF-202	6000
VF-203	6000
VF-204	6000
VF-205	9000
VF-206	9000
VF-207	9000
Total	51000

- As can be seen DAFFPL storage tank capacity is much higher than the BIAL tank capacity and hence the proposed three tankage configuration is line with the aspirations of the BIAL to become the second largest airport of the country.
- Upcoming new pipeline connectivity to the satellite farm tankage:
 - The requirement becomes even more critical in light of the authorization already granted by PNGRB for a dedicated pipeline connecting the supply source to the airport fuel facility vide order No. PNGRB/Auth/3-PPPL(11)/2024(E-5237) dated 19th May 2026 to MRPL
 - The infrastructure has been planned considering future pipeline operations, and reducing the number of tanks would significantly constrain the operational flexibility required for efficient receipt, storage, and dispatch of aviation fuel.
 - The pipeline systems are designed to maximise throughput by minimising interruptions to receipt operations. Adequate receiving tankage is therefore an integral part of pipeline design. Reducing the receiving tankage from three tanks to two would diminish the operational flexibility expected from the dedicated pipeline investment and could lead to avoidable stoppages of receipt operations, thereby reducing the overall efficiency of the integrated airport fuel supply system.

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- Pipeline receipt operations fundamentally differ from tank truck receipts, as pipeline transfers are generally undertaken in long batches and require uninterrupted receipt capability. Any interruption in receipt operations results in reduced pipeline utilisation, increased operational inefficiencies, and avoidable logistics costs.
- The proposed third tank in the satellite fuel farm provides critical contingency capability during periods of peak demand, supply disruptions, maintenance shutdowns, or emergency situations. Such redundancy is a globally accepted design practice for critical aviation fuel infrastructure, where uninterrupted fuel availability is essential for maintaining airport operations and ensuring aviation safety.
- Other operational & quality considerations:
 - With only two storage tanks, the facility would face considerable operational limitations. At any given point, one tank may be engaged in pipeline receipt while the second tank may be required for tank truck receipt, quality settling, maintenance, or product delivery. This would leave little or no operational redundancy to support uninterrupted aircraft refuelling operations. Any delay in quality clearance, maintenance activity, or unexpected operational contingency could directly affect fuel availability and airport operations.
 - An additional storage tank facilitates proper segregation of product batches, complete quality verification before release, and traceability throughout the receipt and delivery cycle, thereby reinforcing product quality assurance and minimizing the possibility of contamination or adulteration.

The proposed investment for 3 storage tanks should be assessed on a whole-of-life basis rather than solely on the incremental capital cost of one additional storage tank. While the omission of the third tank may result in a marginal reduction in initial capital expenditure, it is likely to increase operational constraints, reduce pipeline utilisation, necessitate future capacity augmentation, and increase lifecycle costs for the common-user fuel infrastructure. Conversely, providing the third tank at the construction stage represents the most prudent



engineering solution, avoids future disruption to airport operations arising from brownfield expansion, and ensures that the infrastructure remains adequate throughout the regulatory control period and beyond.

In view of the above pipeline operations, operational safety and quality assurance, we respectfully submit that the provision of three storage tanks is technically justified, operationally necessary, and consistent with prudent engineering and HSSE practices. We therefore request AERA to reconsider its proposal under Para 5.2.5(vi) and allow the construction of all three storage tanks as originally proposed.

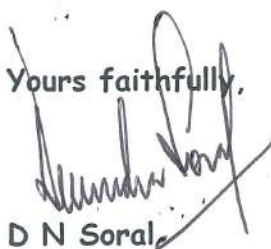
Para 4.2.4

It is noted that the Authority has considered a throughput for the control period, which is seemingly much on the higher side, particularly for the year FY 26-27. For instance, the Authority has considered a volume escalation of around 19.2% over FY 25-56. However as one of the Jet Fuel suppliers in the country, we would like to state affirmatively that this year (FY27) there is practically nil growth and the demand/consumption remains flat.

For subsequent years as well, although growth will be good, but the outlook is that Jet Fuel consumption CAGR growth, overall will not go beyond 7%.

Request AERA to kindly reassess this as well.

Yours faithfully,


D N Soral
Chief Executive Officer