



Airports Economic Regulatory Authority of India

TO CONSIDER THE MULTI YEAR TARIFF PROPOSAL AND ANNUAL TARIFF PROPOSAL(FY. 2016-17 TO FY. 2020-21) FOR THE SECOND CONTROL PERIOD IN RESPECT OF M/s BHARAT STAR SERVICES(DELHI) PRIVATE LIMITED (BSSDPL)FOR PROVIDING INTO PLANE SERVICES AT IGI AIRPORT, NEW DELHI.

New Delhi: 27th April, 2017

**AERA Building
NACIL Administrative Complex
Safdarjung Airport
New Delhi-110003**

M/s Bharat Star Services (Delhi) Private Limited vide their letter no. BSSPL.HO.2015-16, AERA dated 09.03.2016 submitted their Multi Year Tariff Proposal and Annual Tariff Proposal for determination of 'ITP service fees' for providing the Into Plane Services at IGI Airport, New Delhi. The salient features of the proposal are given in the following table:

| | | |
|----------|---|--|
| 1 | Name of the ISP | BHARAT STAR SERVICES(DELHI) PRIVATE LIMITED |
| 2 | Service | Into Plane Services |
| 3 | Airport | IGI Airport, New Delhi. |
| 4 | (i) Proposal under consideration (ii) Whether Justification for proposed increase in tariffs provided by BSSDPL. | a) MYTP for the 2 nd control period w.e.f. 01.04.2016 to 31.03.2021 for determination of tariffs under 'Light Touch Approach'. b) ATP for the tariff year 1 to tariff year 5 (FY. 2016-17 to FY.2021) of the 2 nd control period seeking increase of 5% in tariffs, year over year for the entire second control period. (ii) The proposed increase in tariff is as per the provision of clause 2.4 of the Concession Agreement between BSSDPL and DIAL. (collectively placed as Annexure-I) |
| 5 | (i) Year of Last Revision of rates with % (+/-). (ii) Copy of the existing rate card | (i) Tariffs last revised for FY. 2015-16 @ 5% vide AERA Order No. 13/2013-14 dated 07.06.2013 wherein tariffs were determined for tariff years FY.2013-14, FY.2014-15 and FY. 2015-16 of the first control period. (ii) Enclosed at Annexure-II |
| 6 | Regulatory Approach in first control period. | The Authority observed that the ITP service rendered by BSSDPL at IGI Airport is material and also competitive and accordingly, adopted 'Light Touch Approach' for determination of tariffs during the first control period. Subsequently, Multi Year Tariff Order No. 02/2011-12 dated 30.05.2011 was issued by the Authority. |
| 7 | Comparison of Tariff Card of BSSDPL vis a vis its competitor. | (i) BSSDPL has sought an increase of 5% in tariffs year over year during the five tariff years of the second control period. (ii) BSSDPL's competitor IOSL has also |

| | | | |
|----|---|--|---|
| | | sought an increase of 5% in tariffs year over year during the five tariff years of the second control period. (iii)The base rates for BSSDPL and IOSL for ITP services at IGI Airport are similar. (Annexure-III) | |
| 8 | Comparative of Annual Compliance Statement for the first control period. | As per the ACS for the first control period: (i) Revenues have gone down by 28% from Rs.10.26 Cr. in FY.2011-12 to Rs. 7.46 Cr. in FY. 2015-16. (ii) The operating profit has gone down by 29% from Rs. 1.36 Cr. in FY.2011-12 to Rs. 0.97 Cr. in FY. 2015-16. (iii) The fuel off take has gone down by 41% from 650527KL in FY.2011-12 to 387238KL in FY. 2015-16. (iv) The profit margin on revenue was 13.25% in FY.2011-12 and 13% in FY. 2015-16. (Annexure-IV) | |
| 9 | Audited Balance Sheet for the FY.2015-16 | Audited consolidated B/sheet and P&L Account for FY. 2015-16 has been provided by BSSDPL. The Reserve and Surplus shows an increase of 42.39% and PAT for the company as a whole has increased by 48.5% in the FY.2015-16. (Annexure-V) | |
| 10 | Whether copy of User Agreements/Concession Agreement provided by the BSSDPL. | Yes, copy of user agreement and concession agreement has been provided by BSSDPL. (Annexure-VI) | |
| 11 | Evidence of Stakeholder Consultation done by BSSDPL with reference to their proposed MYTP-ATP submitted to AERA. | 1. List of stakeholders | BSSDPL has not provided any evidence of stakeholder consultation meeting. |
| | | 2. Meeting Notice | |
| | | 3. Minutes of the meeting with the attendance sheet of the participants. | |
| | | 4. Comments of the Stakeholders | |
| | | 5. Details of remedial action taken by service provider on the concerns/issues raised by the stakeholders. | |
| 12 | (i) Date Commencement of Operations. (ii) Concession Period (iii) Concession fee payable to the Airport Operator. | 28 th July, 2010 10 years (ending on 28 th July, 2020) Concession fee is payable to Airport Operator DIAL @ 5% of the monthly Gross Revenue. (Annexure-VII) | |

| | | | |
|-----------|--|---|---|
| 13 | Examination of the proposal as per the “Light Touch” approach parameters provided in the CGF guidelines, 2011. | Parameter | Status |
| | | 1. Materiality Index (MI) | The MI for ITP services at Delhi Airport is 30.60% which is more than the threshold limit of 5%. Hence, the ITP service is ‘ material ’. |
| | | 2. Competition | M/s Indian Oil Skytanking Pvt. Ltd. is also providing similar services at Delhi Airport. |
| | | 3. Reasonableness of user agreements. | BSSDPL has provided copy of user agreements with oil companies and concession agreement entered into with DIAL. |
| 14 | Remarks : | CEO, BSSDPL informed in a meeting that as oil companies are their users, BSSDPL has entered into user agreements with all the oil companies. Further, the increase in tariff is as per provisions of the Concession Agreement. Hence, there is no requirement for organizing a stakeholder consultation meeting for their proposal. | |

2 Principles for Determination of Aeronautical Tariff

2.1 As per clause 3 of the CGF Guidelines, the Authority assesses the following three parameters:

- (i) ‘Materiality’ as per Clause 4;
- (ii) ‘Competition’ as per Clause 5; and
- (iii) Reasonability of User Agreement(s) as per Clause 6.

2.2 The materiality index for service provided for supplying fuel to the aircraft at a major airport A shall be defined as:

$$\text{Materiality Index (MIF) is:} \\ \frac{\text{Actual Fuel Off take (in KLs) at major airport A}}{\text{Total Fuel Throughput (in KLs) at Major Airports}} \times 100$$

Where the MIF as calculated above is 5% or more the service is deemed ‘material’.

2.3 As per clause 5.1 of the guideline “*where regulated service is being provided at a major airport by two or more service provider(s), it shall be deemed ‘competitive’ at that airport. If a regulated service is provided by less than two service provider(s) it shall be deemed not competitive.*”

2.4 As per Clause 6 of Guidelines, 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”.

- 2.5 As per Clause 3.2 (i) of the Guidelines, wherever the regulated service provided is ‘material but competitive’, the Authority shall determine Tariff(s) for service Provider (s) based on a ‘light touch approach’. The Authority reserves the right to review materiality assessments, competition assessments and the reasonableness of the User Agreements within the Control period and issue such direction or make such orders as it may consider necessary.
- 2.6 In terms of Clause 7.3 & 7.4 of the Guidelines, the Authority shall upon due consideration of the MYTP and stakeholder consultations thereon make a MYTO for a Control Period. As per Clause 11.2, the ATP is required to be submitted in the manner and form provided in AI. 8.1 of Appendix I and should be supported by the following documents:
- 2.6.1 Form B and Form 14(b)
 - 2.6.2 Details of consultation with stakeholders
 - 2.6.3 Evidence of User Agreements clearly indicating the Tariff proposed by the Service Provider.

3 Examination

- 3.1 The service rendered by BSSDPL for providing ITP services at IGI Airport, New Delhi is an “aeronautical service” in terms of section 2(a) of the Airports Economics Regulatory Authority of India Act, 2008 (Act) whereas under section 13 (1)(a) of the Act, the Authority is required to determine tariff for aeronautical services.
- 3.2 The Materiality Index (MI) for ‘supply of fuel’ services at IGI Airport, New Delhi is 30.60 % based on the fuel throughput statistics for the FY. 2014-15 and hence, is deemed as ‘material’.
- 3.3 As M/s Indian Oil Skytanking Limited (IOSL) is also providing ITP services at IGI Airport, New Delhi, the ITP services are deemed as ‘Competitive’.
- 3.4 The Authority determined tariff for BSSDPL at IGI Airport under “Light Touch Approach” during the first control period as the ITP service was ‘material but competitive’. The tariff was increased @ 5% in every tariff year during the first control period. On the same grounds, for the 2nd Control Period also, Authority proposes to adopt a “Light Touch Approach” for determination of tariffs. In the second control period for tariff years 2016-17 to 2020-21 BSSDPL has proposed escalation of tariff @ 5% every year.
- 3.5 The ACS for the first control period submitted by IOSL shows growth in Revenues, Operating Profits etc. as brought out in para 8 of the table.
- 3.6 BSSDPL in their Annual Tariff Proposal have submitted Form-B, Form 14(b) and copy of valid user agreements. However, proof of stakeholder consultation meeting has not been attached with the submission.
- 3.7 BSSDPL has provided the capex projections for the 2nd control period in Form F9 under the heads-Computers, Office Equipment, Office Furniture, Electrical

Installations and Vehicles. However, a detailed write up on the proposed capex has not been submitted by BSSDPL.

4 Proposal

The Authority, after careful consideration of the MYTP and ATP for FY. 2016-17 to FY.2020-21 makes the following proposal for stakeholder consultation:

- 4.1 The Into Plane Service being provided by Bharat Star Services (Delhi) Private Limited (BSSDPL) at IGI Airport, New Delhi is “Material but Competitive”. Therefore the Authority proposes to adopt ‘Light Touch Approach’ for determination of tariffs for the 2nd control period w.e.f. 01.04.2016 to 31.03.2021.
- 4.2 Consider the 5% annual escalation in the “ITP Service Fee” sought by BSSDPL and decide the Annual Tariff Proposal for the tariff years T1 (FY.2016-17) & T2 (FY.2017-18) as per the tariff card placed at **Annexure-VIII**.
- 4.3 The Authority will review the financial performance and other parameters before determining the tariffs for the remaining period of the 2nd Control Period i.e FY.2018-19 to FY. 2020-21.
- 5.0 In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 4 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 as annexures to the consultation paper. For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, latest by **Monday, the 15th May, 2017** at the following address:

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

Email: puja.jindal@nic.in

**Tel: 011-24695042
Fax: 011-24695039**

**S. Machendranathan
Chairperson**

भारत स्टार्स सर्विसेज (दिल्ली)
प्राइवेट लिमिटेड



BHARAT STARS SERVICES (DELHI)
PRIVATE LIMITED

BSSPL.HO.2015-16.AERA

09.03.2016

The Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex
Safdarjung Airport
NEW DELHI — 110 003

Dear Sir

Subject: Submission of Multi Year Tariff Proposal for Second Control Period for determination of Tariff for Into Plane Service Fee by Bharat Stars Services Private Limited — ITP Service Provider at Delhi International Airport (DIAL) T3, New Delhi

Bharat Stars Services Private Limited (BSSPL) has been awarded the Into-Plane Tender award by Delhi International Airport Limited (DIAL) based on tender in 2010 at Terminal 3 of Delhi International Airport, since 2010.

After the privatisation of Airport, the Open Access System concept is introduced and the entire value chain of Aviation Fuel Supply has now been segmented into:

- a) Aviation Fuel Supplies by Fuel Suppliers
- b) Hydrant Infrastructure Services and fuel farm management
- c) Into-Plane Services

Therefore, Into Plane Service at DIAL, T3, New Delhi is being provided by two Into Plane Agents based on the competitive bidding. The Into Plane Service fee for 1st control period till 31st March 2016 is duly approved by AERA vide order no 13/2013-14 issued dated 07.06.2013.

We are pleased to submit, our 2nd Multi Year Tariff Proposal in accordance to AERA (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011:

1. Form (A)
2. Executive Summary
3. Various Forms as per AERA Guidelines
4. User Agreements –
 - a) Extract of Sub Concession Agreement with DIAL
 - b) Extract of Into Plane Agent Agreements with Suppliers.
4. Annexure

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BSSPL is seeking the approval of tariff under "**Light Touch Regulation**" because as per AERA Guidelines, we meet the following criteria:

1. Materiality Assessment (Clause 4.2)

The Materiality Index is more than 5 % (Fuel throughput in KL at Delhi International Airport / Total Fuel Throughput in KL at major Airports x 100 i.e. 1465534 KL / 4926539 KL x 100 = 29.75 %)

2. Competitive Assessment (Clause 5)

Two Into-plane Service providers have been appointed by DIAL through a competitive bidding process by way of a Public Tender. Since this Regulated Service at Delhi International shall be provided by two service providers, it shall be deemed as "Competitive" at this airport.

From the above, it is clear that we meet the conditions prescribed under the AERA Guidelines for the category of "Material but Competitive".

3. User Agreement (Clause 6)

Agreements with Airport operator, DIAL and Fuel Suppliers are prevailing since commencement of airport operation. All the agreement copies have been submitted to AERA during submission of our MYTP of 1st Control Period which had an evidence of ITP rate escalation annually by 5%. AERA has approved ITP fee of BSSPL for DIAL, New Delhi for 1st control period ending on 31.03.2016 with 5% annual escalation.

Confidentiality of the documents submitted:

The information provided in the MYTP Formats and other forms is confidential business information for your perusal and it is requested that same is not to be put in the public domain for protecting our business interest and maintaining appropriate confidentiality. We are also required to maintain the confidentiality of the terms of agreements entered into with BIAL and the fuel suppliers.

The list of pages / Forms which may be shared for consultation purposes is attached herewith.

ITP Fee working

We have worked out the ITP fee for next 5 years i.e. ITP fee for 2nd control period w.e.f 1st April 2016 to 31.03.2021 in accordance to AERA (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 detailed of calculation is annexed and uploaded in AERA server. The obtained result is as below.

| Year | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---------|---------|---------|---------|---------|
| ITP fee for refuelling in Rs. Per KL Volume | 215.41 | 230.80 | 250.11 | 273.47 | 288.97 |

We would like to submit that the current tariff rate for the financial year 2015-16 as approved by AERA is as under:

| Tariff Year | | Aircraft Fuelling | Aircraft De-fuelling | | Aircraft Re-Fuelling De-Fuelled Product into an Aircraft | |
|------------------|-----------------------|-------------------|----------------------|--------------|--|--------------|
| | | | Within 6 hrs | Beyond 6 hrs | Within 6 hrs | Beyond 6 hrs |
| Control Period 1 | Tariff Year 1 2015-16 | 190.16 | 190.16 | 285.89 | 237.69 | 285.89 |
| | | | | | | |

However, as per prevailing agreement between fuel suppliers and Airport operator, DIAL, we are proposing only 5% annual ITP fee escalation for Into Plane fuelling service as per below paragraph.

Since the volume of defueling and redelivery of fuel cannot be predicted and the contribution of the volume compared to overall fuelling volume is negligibly small hence no separate working has been made nor considered in to any financial model. We have simply proposed for annual 5% escalation of each rate element as per prevailing trend of approved rate of defueling and redelivery of ATF.

Approval for ITP Tariff:

We hereby seek approval of the following tariff for the second control period starting from 01.04.2016 to 31.03.2021 under the LIGHT TOUCH REGULATION

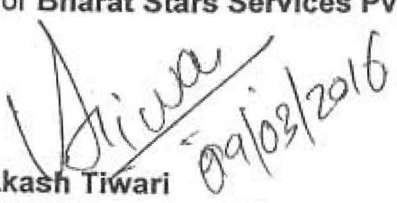
| | | Rate in Rs/KL- Delhi | | | | |
|------------------|-----------------------|----------------------|----------------------|--------------|--|--------------|
| Tariff Year | | Aircraft Fuelling | Aircraft De-fuelling | | Aircraft Re-Fuelling De-Fuelled Product into an Aircraft | |
| | | | Within 6 hrs | Beyond 6 hrs | Within 6 hrs | Beyond 6 hrs |
| Control Period 2 | Tariff Year 1 2016-17 | 199.67 | 199.67 | 300.18 | 249.26 | 300.18 |
| | Tariff Year-2 2017-18 | 209.65 | 209.65 | 315.19 | 261.72 | 315.19 |
| | Tariff Year-3 2017-18 | 220.13 | 220.13 | 330.95 | 274.81 | 330.95 |
| | Tariff Year-4 2017-18 | 231.14 | 231.14 | 274.81 | 288.55 | 274.81 |
| | Tariff Year-5 2017-18 | 242.70 | 242.70 | 330.95 | 302.98 | 330.95 |

In view of above submission, we request for kind approval of the Authority at the earliest.

Thanking you & assuring of our best cooperation at all times.

Yours truly

For Bharat Stars Services Pvt Ltd


Akash Tiwari
Chief Executive Officer

Introduction

Bharat Stars Services (Delhi) Pvt. Ltd. Was incorporated in the year 2010 as 100% subsidiary of the Bharat Stars Services Pvt. Ltd. Bharat Stars Services Pvt. Ltd (BSSPL) a Joint Venture Company of Bharat Petroleum Corporation limited (BPCL)- a Fortune 500 Company and St-Airport Services Pte Ltd (STARS) Singapore was incorporated in September 2007 & started its first commercial operation in May 2008 at the new Bengaluru International Airport when the Greenfield airport started its commercial operations. BPCL & STARS each own 50 % of the JV Company. Both BPCL & STARS are reputed specialists in the aviation fuel logistics & total supply chain management, including the provision of ITP services with many of years of experience & outstanding track record. BSSPL therefore has inherited full benefits & wealth of Indian & International experiences. The Company was formed to meet the challenges of changing and new emerging aviation scenario.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consist of followings members nominated by each joint venture partner :

| | | |
|------|---------------------|----------|
| I. | Mr. Vincent Phang | Chairman |
| II. | Mr. M.M.Somaya | Director |
| III. | Mr. Chiew Leong Lua | Director |
| IV. | Mr. S Ramesh | Director |
| V. | Mr. V.Ranjan | Director |

Background of the Activity

In the new business model at IGI Airport the concept of "Open Access" has been introduced thereby encouraging competition & optimisation. In effect the earlier "Value Chain" of Aviation Fuel Supply which encompassed aviation fuel supplies at airports through airport hydrant facilities / into-plane services by respective fuel suppliers has now been segmented into:

- a. Aviation fuel supplies by fuel suppliers
- b. Hydrant Infrastructure Services
- c. Into-Plane Services.

Thus the "Into-Plane" service is a part of value chain & was earlier done by the fuel suppliers being a part of integrated fuel supply chain prior to commercial operations of Terminal 3 at IGI Airport.

✓ BSSPL had bid for Delhi IGI airport Terminal 3 ITP operation as per the tender floated by DIAL in end of 2009. Airport operator of Delhi Airport, DIAL has given some statistical data of projected Air Traffic movement as well as projected fuel throughput of new terminal-3 and based on that BSSPL prepared its business plan and financial plan and based on the lowest quote basis DIAL has given concession for providing ITP services initially for 10 years.

Business Model

Based on the available data given by DIAL and internal assessment BSSPL planned for operational model as below. Considering the dynamic changes business model has been modified time to time and the same is mentioned too to relate with AERA MYTP.

| Sl.No. | Details of assets | Initial plan | Remarks for further changes |
|--------|--------------------------|---|--|
| 1 | Fund as a form of equity | Equity infusion has been done by BPCL and STA Airport Services in BPCL for the project of Delhi ITP operation | BSSPL has planned to have a separate profit centre for Delhi opn and hence planned manage fund from its own equity but later as per advice of DIAL formed a 100% subsidiary company named BSSPL and hence equity infused in phases a total of 4.99 crores. |
| 2 | Debt | BSSPL management planned to manage fund from its own equity and its internal accrual though option of loan from market is explored as an alternative too. | Since later BSSDPL formed then business model changed slightly and BSSPL decided to give fund above 4.99 crore in form of loan @ 12% interest with repayment in 5 to 6years. The loan has been repaid as of now. |
| 3 | ASSETS | The prime asset of ITP operation is fuelling vehicles and related items and associated administrative set up | |
| 3A | Dispenser | 10 new and 4 refurbished dispensers | |
| 3B | Refueller | 2 nos as per agreement clause | |
| 3C | Other assets | 4 to 5 Apron vehicle, 2 office vehicles, Furniture & fixtures, Computer & IT & other communication equipments | As per the operational requirement based on the domain expertise in this field. |
| 4 | Manpower Cost | 2 domain experts hired from BPCL and 50 to 55 refuelling officers/associates some maintenance staff and 4 to 5 secretarial administrative and accounting manager/staff. | The business model is made considering international standing of single man refuelling with additional support of assistants for emergency and special requirements. |
| 5 | Expenses | BSSPL has planned for operating , administrative & marketing expenses in line with spread of operation based on the experience | Plan for the expenses has been made as per the operational requirement based on the domain expertise in this field. |

BSSPL is providing ITP Services to national & international airlines at Indira Gandhi International Airport since 28th July 2010. In order to manage ITP operations at Delhi Airport , BSSPL has formed a 100 % subsidiary Company named Bharat Stars Services (Delhi) Pvt Ltd.

BSSPL is submitting detailed projected Balance Sheet, Profit & Loss statement, cash flow statement , cost of project details and detailed sheet for expenses and revenue as per its

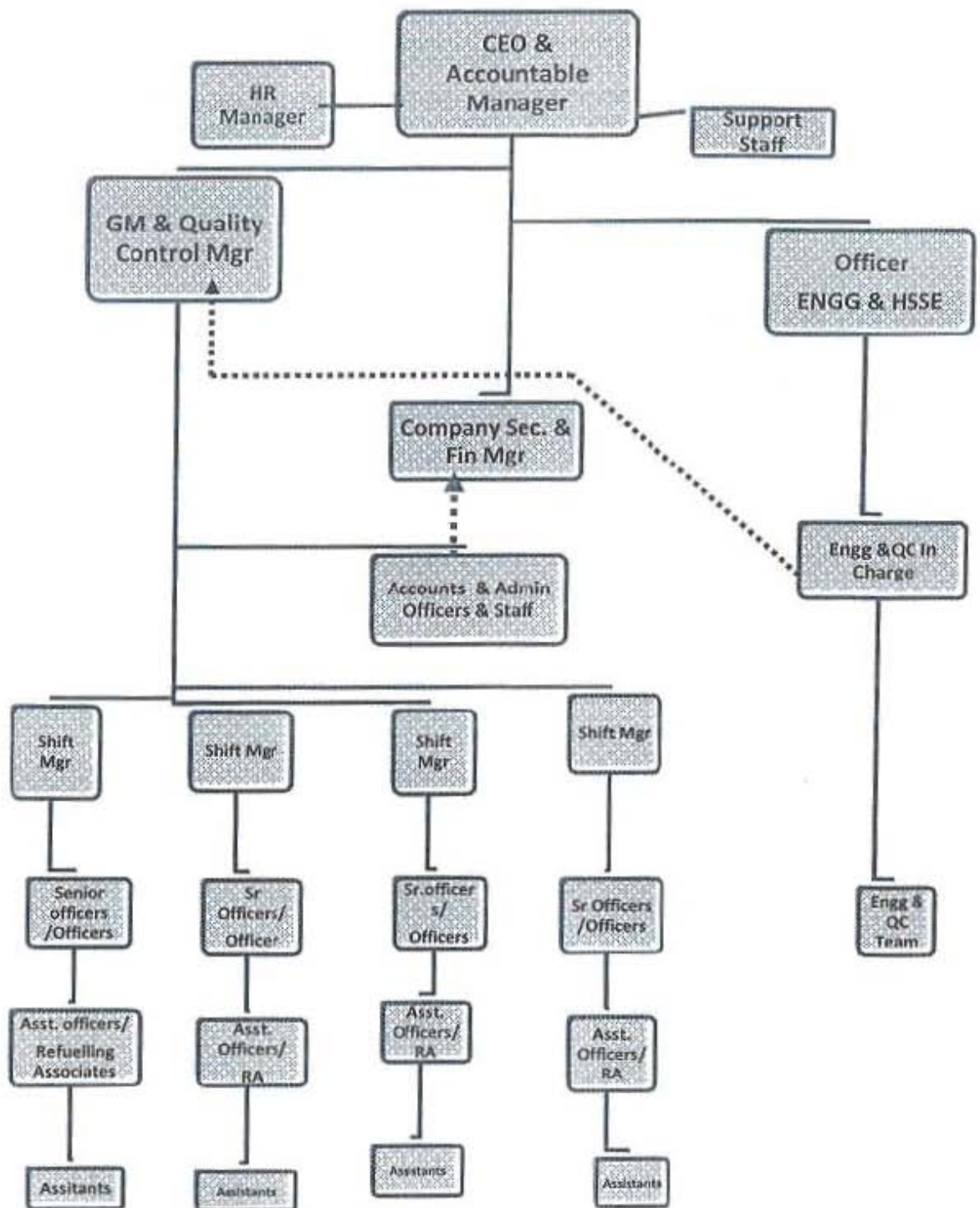
own business plan along with MYTP sheets. For ready reference the same sheets are enclosed herewith.

Expenses and commitments

The details of all the head of operating expenses are given in the enclosed financial statement. Following are key consideration points:

- The organisational structure of Delhi ITP model of BSSPL has been given separately in write up along with MYTP proposal to under stand the manpower distribution.
- Annual manpower cost escalation :8-12% (considering increase of manpower to cope up with operational requirement as well as 5 to 7% annual salary enhancement)
- In general 5to 8% annual cost escalation is taken in consideration for all items/overheads unless there is some precondition of the project like annual rent escalation by DIAL is 7.5%
- The CAPEX & Revenue expenditure planning is not only dependent on the volumes but other key factors like number of flight operations & spread of operational area plays a key role in deciding the same.
- Thus augmentation of specialised refuelling equipments & planned capex expenditure in coming times has been done based on the emerging pattern of flight operations & vast spread of operational areas at Terminal 3 , Remote & Cargo Apron areas.
- 2 crore pre award cost given to DIAL at the start of project in 2010.
- 1 crore interest free security deposit given to DIAL for the concession period
- 5% revenue share to airport operator is accounted as per concession agreement.
- Rents are considered for places inside and out side airport area with annual escalation 7.5% as per concession agreement.
- Some direct expenses which is key things for ITP services have been clearly mentioned in revenue expenses like cost of water detecting capsules, cost of Millipore membrane and Millipore tests, cost of replacement of fuel monitors, cost of flow meter testing and calibrations, cost of insurance of the vehicles
- PF, gratuity, insurance, leave etc welfare cost are also in line with statutory guidelines and the same is reflected in the excel sheet.

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BASIS FOR DETERMINATION OF FAIR RATE OF RETURN ON EQUITY (FROR) UNDER CAPITAL ASSET PRICING MODEL (CAPM)

1) Risk free rate

Risk free rate is regarded as nominal rate of return expected from a risk free asset which has no default risk and no re-investment risk. For Risk Free Rate (R_f) the yield to maturity (YTM) on bonds issued by government of India based on current traded value, preferably, of long term tenure beyond the forecast period. The benchmark yield on 10 year government of India bond was adapted. This works out to 7.81%.

2) Equity Risk Premium

Equity risk premium refers the extra return that would be expected by an equity investor over and above the risk free return to compensate for additional risk associated with an investment in equity instead of investment in risk free assets. The risk premium is defined as the difference between the market return on stocks and risk free returns ($R_m - R_f$). Based on some research and analytical studies available in public domain, the equity risk premium can be calculated by adding adjusted risk premium for India. Risk premium as calculated by Aswath Damodaran for India works out at 9.28%.

3) Beta (B)

Beta is the measurement of systematic risk or non-diversifiable risk of particular investment. In simple words it is a measure of performance of an asset in comparison with the performance of market as a whole. As the company is not a listed entity, the Beta (B) value is calculated by considering the published beta of Bharat Petroleum Corporation Limited. The Published Beta (B) of Bharat Petroleum was unlevered and thereafter relevered beta for the Company has been calculated.

4) Cost of Equity (K_e)

As per the AERA Guidelines, cost of equity has been calculated using CAPM Approach.

Form A

BEFORE THE AIRPORT ECONOMIC REGULATORY AUTHORITY OF INDIA


AT NEW DELHI

SUBMISSION OF MULTI YEAR TARIFF PROPOSAL FOR AND ON BEHALF OF:

M/S BHARAT STARS SERVICES (DELHI) PRIVATE LIMITED

I, AKASH TIWARI, aged 45 resident of D2/ 101, Bharat Petroleum Housing Complex, Sector-56, NOIDA- 201301 acting in my official capacity as Chief Executive Officer in M/s Bharat Stars Services (Delhi) Private Limited having its registered office at Aviation Fuelling Station, Indira Gandhi International Airport, New Delhi- 110061 do hereby state and affirm as under that:

- 1) That I am duly authorized to act for and on behalf of M/s Bharat Stars Services (Delhi) Pvt. Ltd. In the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ("the authority")
- 2) I am competent to make this submission before the Authority;
- 3) I am making this submission in my official capacity and the facts stated herein are based on official records;
- 4) The content of this submission which include inter alia (i) Business Plan; (ii) Information relating to the regulatory Building Blocks; (iii) Competition Assessment; (iv) Historical and Forecasted Volumes; and (v) Historical Revenues, are correct and true to my knowledge and belief and nothing material has been concealed there from.


Akash Tiwari
(Chief Executive Officer)

Place: New Delhi
Date: March 10, 2016

Form B

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

AT NEW DELHI

SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON

BEHALF OF: BHARAT STARS SERVICES (DELHI) PVT. LTD.


I, Akash Tiwari, aged 45 Years resident of Bharat Petroleum Housing Complex, Sector- 56, NOIDA- 201301 acting in my official capacity as Chief Executive Officer in M/s Bharat Stars Services (Delhi) Private Limited having its registered office at Aviation Fuelling Station, Indira Gandhi International Airport, New Delhi- 110061 do hereby state and confirm as under that:

1. That I am duly authorized to act for and on behalf of M/s M/s Bharat Stars Services (Delhi) Private Limited in the matter of making this submission before the Airports Economic Regulation Authority of India, New Delhi ('the Authority');
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of the Annual Tariff Proposal submission which include inter alia
 - i. ~~Estimated Maximum Allowed Yield per Unit and the proposed detailed breakup of Tariff(s) (in context to Estimated Maximum Allowed Yield per Unit where determined by the Authority) where the Authority has specified a price cap approach for the duration of the Control Period, pursuant to Clause 3.2;~~

OR

Proposed detailed break-up of Tariff(s) based on Clause 11.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to Clause 3.2 (strikeout whichever is not applicable); and

- ii. Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.


Akash Tiwari
(Chief Executive Officer)

Place: New Delhi
Date: March 10, 2016

Form C:

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

AT NEW DELHI

SUBMISSION OF ANNUAL COMPLIANCE STATEMENT FOR AND ON BEHALF OF:

M/S. BHARAT STARS SERVICES (DELHI) PVT. LTD.

I, Akash Tiwari, aged 45 Years resident of Bharat Petroleum Housing Complex, Sector- 56, NOIDA- 201301 acting in my official capacity as Chief Executive Officer in M/s Bharat Stars Services (Delhi) Private Limited having its registered office at Aviation Fuelling Station, Indira Gandhi International Airport, New Delhi- 110061 do hereby state and confirm as under that:

1. That I am duly authorized to act for and on behalf of M/s Bharat Stars Services (Delhi) Pvt. Ltd. in the matter of making this submission before the Airports Economic Regulation Authority of India, New Delhi ('the Authority');
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of the Annual Compliance Statement submission are correct and true to my knowledge and belief and nothing material has been concealed there from.


Akash Tiwari
(Chief Executive Officer)

Place: New Delhi
Date: March 10, 2016

**ARTICLE 2
SCOPE OF THE AGREEMENT**

2.1 Grant of Concession

2.1.1 In consideration of the Concession Fee and the Annual License Fee, DIAL hereby grants to the Concessionaire the following non-exclusive rights, subject to and in accordance with this Agreement:

- (a) to procure, install, maintain and operate the ITP Assets and to operate/provide, manage, and maintain the ITP Services in accordance with this Agreement, Good Industry Practice and Applicable Laws;
- (b) the right to access, use and occupy part of the Depot Land, as allocated by DIAL at its sole discretion from time to time, on a non-discriminatory and reasonable basis, for the sole purpose of enabling the Concessionaire to provide the Services in accordance with its obligations under this Agreement.

2.2 Nature of Concession

2.2.1 The Concession granted hereunder is non-exclusive and is of a contractual nature only and shall not amount to any lease of or other interest in land, or any building or other structure or facility constructed or to be constructed on, under or over the Airport, including, for avoidance of doubt, any part of the ITP Service Area.

2.2.2 The Concessionaire agrees and confirms that in exercising the Concession and observing and performing its obligations and liabilities hereunder it will be acting as an independent contractor for its own account and will not be acting as or deemed in any respect to be the agent or partner of DIAL.

2.3 Provision of Services

2.3.1 During the Concession Period of this Agreement, it shall be the obligation of the Selected Bidder to ensure that the demand for the ITP Services is met at all times.

2.3.2 The Concessionaire shall be responsible for and implement any proposals of DIAL at any time during the Concession Period regarding the provision of the Services, including instructions to the Concessionaire to increase / expand the ITP Assets and/or the Depot. In the event that Concessionaire agrees to implement such proposal, any cost and expenses relating to such increase / expansion of the Depot shall be borne by the Concessionaire and Other ITP Concessionaire(s) in such proportion as DIAL may, in its reasonable opinion, determine. In the event that the Concessionaire or any Other ITP Concessionaire does not agree to implement any such proposal, DIAL shall be at liberty to invite proposals from third parties to implement such proposals and provide ITP Services.

2.3.3 The Concessionaire shall, at all times, and particularly during any maintenance, repair or replacement work of the Mobile Equipments or otherwise cause to be taken all reasonable care to avoid doing any damage to any storm water drain, sewer, pipe, cable or other service medium, any waterway or water course, footpath or any other work or installation belonging to DIAL. Airport Contractor or any third party being or running upon, over, under, adjoining or adjacent to the ITP Service Area or any part of the Airport.

2.4 Fee Chargeable by the Concessionaire

2.4.1 The Concessionaire shall charge the Air Carriers or the Suppliers the ITP Service Fee for each litre of ATF that is provided as part of the ITP Services, depending on the nature of ITP Service

provided, The ITP Service Fee shall be subject to a price cap in Rs./ kilo litre terms and shall be charged as per **Schedule II** hereto.

The price cap for the first Financial Year of operations (in Rs. /kilo litre) will be as set out in **Schedule II**, and the same shall be escalated at a rate of 5% or WPI each year whichever is lower. The price cap for each of the subsequent years will be

- (a) Effective from the first day of April of the following year and
- (b) Escalated by WPI as on the first day of January for the respective year.

For Example if the escalation is given on the basis of WPI, the price cap for the second year from April 1, 2011 to March 31, 2012 will be calculated as follows:

$$CII_c = CI * WPI_{(January\ 1st,\ 2011)} / WPI_{(January\ 1st,\ 2010)}$$

Where:

CII_c : refers to the price cap for the current Financial Year 2011-2012 (i.e., second Financial Year of operations in this example)

CI : refers to the price cap for the first Financial Year of operations as set out in **Schedule II**.

For each subsequent Financial Year of operations, the price cap of the immediately preceding Financial Year shall be taken as the base for calculating revised price cap of the said subsequent Financial Year. Accordingly, the CII_c for the second Financial Year of operations shall become price cap for the third Financial Year of operations. For example if the escalation is given on the basis of WPI, the price cap for the third Financial Year from April 1, 2012 to March 31, 2013 will be calculated as follows:

$$CII_c = CII_{p} * WPI_{(January\ 1st,\ 2012)} / WPI_{(January\ 1st,\ 2011)}$$

Where:

CII_c : refers to the price cap for the current Financial Year 2012-2013 (i.e., third year in this example)

CII_p : refers to price cap for the immediately preceding Financial Year 2011-2012.

For this purpose, the WPI for all commodities announced by GOI will be considered.

The price cap so prescribed shall be maximum rates and Selected Tenderer/ Concessionaire will be free to offer a discount on these rates to the Air Carrier and/or Supplier

Provided that DIAL may review the escalation cap in case the input cost goes beyond 5%

2.4.3 For each of the ITP Services required to be provided by the Concessionaire, the Concessionaire shall enter into User Agreement(s) with the Supplier or the Air Carrier and charge as follows:

- (a) an Air Carrier which has entered into a contract with a Supplier for the sale and delivery of ATF ex-hydrant, the Air Carrier directly; or
- (b) a Supplier which has entered into a contract with an Air Carrier for the sale and delivery of ATF into aircraft at the Airport, the Supplier directly; or
- (c) an Air Carrier who is also the Supplier and is self-supplying the ATF ex-hydrant, the Air Carrier directly; or
- (d) any other entity identified in a direction under Clause 11.2.2, in accordance with such direction.

PP,

DIAL



CONCESSIONAIRE

SCHEDULE II
ITP SERVICE FEE

The Concessionaire shall pay to DIAL Concession Fee.

The ceiling ITP Service Fee for the period from the Commencement Date upto 31st March 2011, exclusive of all taxes are as set out below:

| Fuelling Aircraft | ITP Service Fee (in Rs./ per kilolitre) | | | |
|-------------------|---|---------------|---|---------------|
| | De-fuelling Aircraft | | Re-fuelling De-fuelled Product into an Aircraft | |
| | Within 6 hrs. | Beyond 6 hrs. | Within 6 hrs. | Beyond 6 hrs. |
| 149 | 149 | 224 | 186 | 224 |

PP,
DIAL


CONCESSIONAIRE

[F.No. AERA/20010/MYTP-BSSPL/ITP/Del/2011-12/Vol-I]

Airports Economic Regulatory Authority of India

Order No. 13/2013-14

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

Date of Order: 24th May, 2013
Date of Issue: 7th June, 2013

In the matter of Annual Tariff Proposal for the third, fourth and fifth tariff year of the first control period submitted by M/s Bharat Stars Services Private Limited for providing Into Plane Services at IGI Airport, New Delhi.

The Authority had considered the Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP) for first tariff year (i.e. 2011-12) submitted by M/s Bharat Stars Services Private Limited (BSSPL) of the first control period commencing from 01.04.2011, in respect of the tariff for Into Plane Service (ITP) being provided at IGI Airport, New Delhi (Delhi Airport) and after due stakeholder consultation, had issued a Multi Year Tariff Order (MYTO) No. 2/2011-12 dated 30.05.2011 wherein the Authority decided to adopt 'light touch approach' for determination of the tariff for the first control period and also determined the tariff for ITP Service provided by BSSPL for the period w.e.f. 28.07.2011 to 31.03.2011 and from 01.04.2011 to 31.03.2012 (first tariff year). Subsequently, BSSPL submitted its ATP for second tariff year (2012-13) which was also considered by the Authority and after due stakeholder consultations, Annual Tariff Order (ATO) No. 7/2012-13 dated 19.06.2012 was issued determining the tariff for the second tariff year (2012-13).

2.1 BSSPL, vide letter dated 01.02.2013, submitted its ATP for the third, fourth and fifth tariff years of the first control period. The ATPs submitted by BSSPL were put up for stakeholder consultation vide Consultation Paper No. 41/2012-13 on 06.03.2013. In response to the proposal contained in the Consultation Paper, comments were received from:-

- (i) Delhi International Airport Private Limited (DIAL),
- (ii) Hindustan Petroleum Corporation Limited (HPCL),
- (iii) Bharat Petroleum Corporation Ltd. (BPCL),
- (iv) Indian Oil Corporation Limited (IOCL),
- (v) Shell MRPL Aviation Fuels and Services Ltd. (Shell MRPL) and
- (vi) Reliance Industries Limited (Reliance)

2.2 DIAL, HPCL and BPCL agreed to the proposal in the consultation paper and have requested for the approval of the same. HPCL in their comments requested that for third tariff year the rates may be revised w.e.f. 01.04.2013 and order to this effect be issued before 31.03.2013. HPCL, further stated that in case of any delay in issuing the order for third tariff year, the revision should be effective on prospective basis. For the tariff for fourth and fifth tariff year, HPCL stated that rates as proposed be effective on prospective basis.

Order No. 13/2013-14

Page 1 of 4



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2.3 IOCL in their comments, submitted that the order for tariff for third tariff year be issued before 01.04.2013 and in case it is delayed, the same may be issued on prospective basis. IOCL, also stated that the proposed 5% increase of tariff every year, the Authority had assumed a WPI of 5% or lower for all these years. In case the WPI for any subsequent year is lesser than 5%, the escalation may have to be lower than 5%.

2.4 M/s Shell MRPL in their comments, submitted that sufficient time should be given (at least 60 days) for the new tariff to come into effect. The increase should be linked to the volume and economies of scale should be considered. There should be a stipulation in the order that in case any delay in intimation to the fuel suppliers by ITP service provider for increased charges for any reason, then such charges will not be payable by fuel supplier on behalf of airlines as they cannot be collected from airlines customers.

2.5 Reliance in their comments, submitted that the escalation should be limited to 'Input Cost' and not to service fee and BSSPL should provide the break up of the input cost. Total volumes handled should also be considered by AERA. Reliance further stated that the airlines are passing through a difficult time hence the issue of escalation of service fee on yearly basis needs to be critically reviewed by AERA for a rational and transparent methodology.

3. BSSPL submitted its views/clarifications on the comments of various stakeholders (Annexure - 1) wherein it, interalia stated that

- a) The proposed ITP rates submitted to AERA for FY 2013-14, 2014-15 and 2015-16 have been duly notified to their current suppliers well in advance.
- b) The Annual Tariff Proposals are in line with prevailing agreement with "Airport Operator" at Delhi.
- c) Taking into account the current inflation rate & increase in input costs e.g. Diesel, Electricity, Manpower, Rentals etc. the annual escalation of 5% is not only justified but is also the bare minimum increase required to sustain the crucial operations of Into - Plane Services.
- d) ITP volumes are not directly proportional to increase in aircraft movements. There can be numerous occasions when despite the increase in number of aircraft being refueled, the ITP volumes would have not increase correspondingly due to addition of short sector flights operated by small aircrafts with very little or nil uplift.
- e) The cost structure/expenditure of ITP services are not directly proportional to fuel volumes but have many other complexities in terms of operational requirement for timely service. This service in terms of cost structure/expenditure is more dependent on number of operations, number of flights on ground requiring ITP services simultaneously during the same time period and short sector flights uplifting negligible or nil fuel.
- f) "Quality & Safety" is of paramount importance in ITP Services, as this last mile connectivity entails the most critical activity of fueling the aircraft. Hence in order to maintain required safety/quality standards comply with ever evolving international benchmarks/guidelines, cater to increased input costs etc. an increase of 5% in ITP



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Services in line with their agreement with airport operator is fully justified & bare minimum to operate a commercial organization & sustain safe operations.

4. The Authority has observed that BSSPL has sought approval for the following tariffs for the third, fourth and fifth tariff year i.e. 2013-14, 2014-15 and 2015-16 in line with the user agreement entered into with the suppliers:

Table - 1

| Period | Fuelling of Aircraft | Defuelling Aircraft | | All figs. in Rs. per KL | |
|-----------------------|----------------------|---------------------|---------------|-------------------------------------|-------------------------|
| | | Within 6 hrs. | Beyond 6 hrs. | Refuelling of Product Within 6 hrs. | Defuelled Beyond 6 hrs. |
| 01.04.2013-31.03.2014 | 172.48 | 172.48 | 259.31 | 215.32 | 259.31 |
| 01.04.2014-31.03.2015 | 181.10 | 181.10 | 272.28 | 226.09 | 272.28 |
| 01.04.2015-31.03.2016 | 190.16 | 190.16 | 285.89 | 237.39 | 285.89 |

5. The Authority further observed that:

- (i) As per MYTO, tariffs in respect of ITP Service provided by BSSPL at Delhi Airport are to be determined under light touch approach and tariffs for two years were determined accordingly.
- (ii) DIAL, BPCL and HPCL have agreed to the Authority's proposal in the consultation paper and have requested for approval of the same.
- (iii) Regarding effective date of increase (prospective or retrospective), BSSPL has mentioned that the proposed rates for third, fourth and fifth tariff years, have already been notified to their current suppliers well in advance.
- (iv) Regarding the issue of WPI being less than 5% in any further year, BSSPL has submitted that 5% increase is justified and bare minimum taking into account the current inflation rates and increase in input costs to sustain crucial operation of Into- Plane Services.
- (v) Regarding the issue of examination pricing, volumes etc. in respect of tariff determination, for ITP services provided by BSSPL it is noted that the ITP Service is not only material but competitive at Delhi Airport. Hence applying "Light Touch Approach" would be in line with the Authority's Guidelines and does not require an intrusive determination of tariffs.
- (vi) It was further observed that the escalation proposed is in line with the various agreements entered into by BSSPL with the airport operator and its fuel suppliers.



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ORDER:

6. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1) (a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) The Tariffs for third tariff year (w.e.f. 01.04.2013 to 31.03.2014), fourth tariff year (w.e.f. 01.04.2014 to 31.03.2015) and fifth tariff year (01.04.2015 to 31.03.2016) of the first control period in respect of the Into Plane services rendered at IGI Airport, New Delhi, by Bharat Stars Services Private Limited, are determined at the rates as at Table 1 of the Para 4 above.

By the Order of and in the
Name of the Authority


[Capt. Kapil Chaudhary (Retd.)]
Secretary

To

M/s Bharat Stars Services Private Limited,
Corporate Office,
1st Floor, Plot A-S & 6,
Sector 1, Noida - 201 301
(Through: Shri Vijay Ranjan, Chief Executive Officer)



COMPARATIVE STATEMENT OF TARIFF IN RESPECT OF M/S BSSPL FOR ITP SERVICES AT IGI AIRPORT, Delhi.

(Rs./KL)

| Tariff Year | | Aircraft Fuelling | Aircraft De-Fuelling | | Aircraft Re-Fuelling De-Fuelled Product | | Aircraft Fuelling | Aircraft De-Fuelling | | Aircraft Re-Fuelling De-Fuelled Product | |
|--------------------------|-------|----------------------|----------------------|------------------|--|------------------|---|----------------------|------------------|--|------------------|
| | | | Within 6 Hrs. | Beyond 6 Hrs. | Within 6 Hrs. | Beyond 6 Hrs. | | Within 6 Hrs. | Beyond 6 Hrs. | Within 6 Hrs. | Beyond 6 Hrs. |
| | | | | | | | Percentage increase over different tariff years | | | | |
| 1st Control Period | 13-14 | 172.48 | 172.48 | 259.31 | 215.32 | 259.31 | | | | | |
| | 14-15 | 181.10 | 181.10 | 272.28 | 226.09 | 272.28 | 5% | 5% | 5% | 5% | 5% |
| | 15-16 | 190.16 | 190.16 | 285.89 | 237.69 | 285.89 | 5% | 5% | 5% | 5% | 5% |
| 2nd control Period | 16-17 | 199.67 | 199.67 | 300.18 | 249.26 | 300.18 | 5% | 5% | 5% | 5% | 5% |
| | 17-18 | 209.65 | 209.65 | 315.19 | 261.72 | 315.19 | 5% | 5% | 5% | 5% | 5% |
| | 18-19 | 220.13 | 220.13 | 330.95 | 274.81 | 330.95 | 5% | 5% | 5% | 5% | 5% |
| | 19-20 | 231.14 | 231.14 | 274.81 | 288.55 | 274.81 | 5% | 5% | -17% | 5% | -17% |
| | 20-21 | 242.70 | 242.70 | 330.95 | 302.98 | 330.95 | 5% | 5% | 20% | 5% | 20% |

COMPARATIVE OF AIRCRAFT FUELLING RATES LEVIED BY ITP OPERATORS AT BANGALORE, DELHI AND MUMBAI AIRPORTS.

(Rupees /KL)

| Tariff Year | | M/S INDIAN OIL SKYTANKING PVT. LTD. | | | | | | M/S BHARAT STAR SERVICES PVT. LTD. | | | | | |
|--------------------|---------|-------------------------------------|-----------------------------|-------------------------|-------------------------|--------------------------|--------------------------|------------------------------------|-----------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| | | Aircraft Fuelling Bangalore | %age increase for Bangalore | Aircraft Fuelling Delhi | %age increase for Delhi | Aircraft Fuelling Mumbai | %age increase for Mumbai | Aircraft Fuelling Bangalore | %age increase for Bangalore | Aircraft Fuelling Delhi | %age increase for Delhi | Aircraft Fuelling Mumbai | %age increase for Mumbai |
| 1st CP | 2015-16 | 268.03 | — | 190.16 | — | 198.00 | — | 268.03 | — | 190.16 | — | 198.00 | — |
| 2nd control Period | 16-17 | 281.42 | 5% | 199.67 | 5% | 265.08 | 34% | 281.03 | 5% | 199.67 | 5% | 299.73 | 51% |
| | 17-18 | 295.49 | 5% | 209.66 | 5% | 286.29 | 8% | 295.50 | 5% | 209.65 | 5% | 337.45 | 13% |
| | 18-19 | 310.27 | 5% | 220.14 | 5% | 309.15 | 8% | 310.28 | 5% | 220.13 | 5% | 343.31 | 2% |
| | 19-20 | 325.78 | 5% | 231.15 | 5% | 333.92 | 8% | 325.79 | 5% | 231.14 | 5% | 345.44 | 1% |
| | 20-21 | 342.07 | 5% | 242.70 | 5% | 360.94 | 8% | 342.08 | 5% | 242.70 | 5% | 347.54 | 1% |

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Annexure-IV

Bharat Stars Services (Delhi) Pvt. Ltd. (Delhi T3 Airport)

(Rs In Crores)

| Form F16: Performance Report | | | | | |
|---|---------|---------|---------|---------|---------|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| | Actual | Actual | Actual | Actual | Actual |
| Total Revenue from Regulated Services (1) | 10.18 | 9.42 | 7.34 | 7.45 | 7.36 |
| Total Revenue from services other than Regulated Services (2) | 0.08 | 0.13 | 0.23 | 0.24 | 0.10 |
| Operating Expenditure (3) | 7.56 | 6.42 | 5.78 | 5.63 | 5.44 |
| Depreciation (4) | 1.34 | 1.43 | 1.37 | 1.31 | 1.06 |
| Total Expenditure (3) + (4) = (5) | 8.91 | 7.85 | 7.15 | 6.94 | 6.49 |
| Regulatory operating Profit (1) + (2) - (5) = (6) | 1.36 | 1.71 | 0.42 | 0.76 | 0.97 |
| Capital expenditure (7) | 3.68 | 1.38 | 0.07 | 0.15 | 0.09 |
| Opening RAB (8) | 7.38 | 9.65 | 9.60 | 8.30 | 7.13 |
| Disposals/ Transfers (9) | 1.41 | 1.43 | 1.37 | 1.31 | 1.07 |
| Closing RAB (8) + (7) - (9) = (10) | 9.65 | 9.60 | 8.30 | 7.13 | 6.15 |
| Average RAB (8) + (10) / 2 = (11) | 8.51 | 9.62 | 8.95 | 7.71 | 6.64 |
| Return on Average RAB (6) / (11) | 16% | 18% | 5% | 10% | 15% |
| Total Volume (Cargo/Fuel throughput/ ATM) (12) | 650527 | 573513 | 425466 | 411596 | 387238 |
| Actual yield per unit (12/1) | 156.48 | 164.28 | 172.50 | 181.10 | 190.19 |
| Informative Data | | | | | |
| BSSDPL Profit before tax | 1.36 | 1.71 | 0.42 | 0.76 | 0.97 |
| BSSDPL Tax | 0.57 | 0.56 | 0.00 | 0.23 | 0.29 |
| BSSDPL Profit after Tax | 0.79 | 1.15 | 0.42 | 0.52 | 0.68 |

Additional Information:

| Actuals | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|---------|---------|---------|---------|---------|
| Increase/Shortfall in Regulated Revenue | ----- | -0.76 | -2.08 | 0.11 | -0.09 |
| % increase/shortfall in Regulated Revenue | ----- | -7% | -22% | 2% | -1% |
| Increase/Shortfall in Profit | ----- | 0.35 | -1.29 | 0.34 | 0.22 |
| % increase/shortfall in Profit | ----- | 26% | -76% | 82% | 29% |
| Increase/Shortfall in volume(In Kilo Litres) | ----- | -77014 | -148047 | -13870 | -24358 |
| % increase in volume | ----- | -12% | -26% | -3% | -6% |
| Profit margin on revenue from regulated services | 13% | 18% | 6% | 10% | 13% |

Form F12 (d) - Historical and Projected fuel throughput in kilolitres (Only for ISP)

| Financial Year | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Reliance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IOCL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BPCL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 382929.00 | 553568.00 | 497557.00 | 371262.00 | 356624.00 | 326303.00 | 345413.00 | 352321.00 | 355844.00 | 359403.00 | 362997.00 | 365740.00 | 0.00 |
| HPCL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 31675.00 | 96959.00 | 75955.00 | 542030.00 | 54947.00 | 57583.00 | 60955.00 | 62174.00 | 62796.00 | 63424.00 | 64058.00 | 65025.00 | 0.00 |
| Domestic Flights | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| International Flights | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Forecast Error Correction Band Optimistic | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 422896.08 | 663537.54 | 584982.24 | 433974.30 | 419802.42 | 391563.72 | 414495.36 | 422784.90 | 427012.80 | 431283.54 | 435596.10 | 439380.30 | 0.00 |
| Forecast Error Correction Band | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 414604.00 | 650527.00 | 573512.00 | 425465.00 | 411571.00 | 383886.00 | 406368.00 | 414495.00 | 418640.00 | 422827.00 | 427055.00 | 430765.00 | 0.00 |
| Forecast Error Correction Band Conservative | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 406311.92 | 637516.46 | 562041.76 | 416955.70 | 403339.58 | 376208.28 | 398240.64 | 406205.10 | 410267.20 | 414370.46 | 418513.90 | 422149.70 | 0.00 |

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Form F10(b): Capital Expenditure Projected Plan - 10 year Master

| Financial Year | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
|----------------|---------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|------------|------------|------------|------------|
| Project Name | AVIATION REFUELLING EQUIPEMENTS | AVIATION REFUELLING EQUIPEMENT | AVIATION REFUELLING EQUIPEMENT | AVIATION REFUELLING EQUIPEMENTS | AVIATION REFUELLING EQUIPMENT | AVIATION REFUELLING EQUIPEMENTS | NA | NA | NA | NA |
| Project Type | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Comm Date | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 |
| Capex | 10607000.00 | 17042775.00 | 12758557.00 | 8918290.00 | 30369067.00 | 79695690.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Com | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cdate | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 | 0000-00-00 |
| Wip | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |



- bh -

Form F10(c): Year-wise Capital Expenditure Financing Plans for next 10 years

| Financial Year | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
|---------------------|-------------|-------------|-------------|------------|-------------|
| Internal Accrual | 10607000.00 | 17042775.00 | 12758557.00 | 8918290.00 | 30369067.00 |
| Total Capex Planned | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equity Infused | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| User Contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Debt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |



Form F3: Historical and Projected Profit / Loss Account (Only for ISP)

| Financial Year | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
|---|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Revenue From Regulated Services | 76944468.00 | 72999648.00 | 87534828.00 | 95663985.00 | 104705093.00 | 115628326.00 | 123404195.00 |
| Revenue From Other Than Regulated Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenue | 76944468.00 | 72999648.00 | 87534828.00 | 95663985.00 | 104705093.00 | 115628326.00 | 123404195.00 |
| Pay Roll Costs | 28566980.00 | 28676169.00 | 32448182.00 | 35709248.00 | 39302267.00 | 43260117.00 | 47620088.00 |
| Repair And Maintenance Costs | 1597972.00 | 4560552.00 | 4904979.00 | 5272854.00 | 5713170.00 | 6141684.00 | 6602267.00 |
| Utilities And Outsourcing Costs | 3200247.00 | 2511109.00 | 2600866.00 | 2795929.00 | 3429202.00 | 3686388.00 | 3962867.00 |
| Admin And General Expenses | 8981088.00 | 10083639.00 | 13341291.00 | 14400046.00 | 15500584.00 | 16648049.00 | 17882787.00 |
| Concession Fee | 5952457.00 | 5911373.00 | 6917236.00 | 7516125.00 | 8173150.00 | 8939653.00 | 9565314.00 |
| Other 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other 3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Operating Expenditure | 48298744.00 | 51742842.00 | 60212554.00 | 65694202.00 | 72118373.00 | 78675891.00 | 85633323.00 |
| Earning Before Depreciation Interest And Taxation | 28645724.00 | 21256806.00 | 27322274.00 | 29969783.00 | 32586720.00 | 36952435.00 | 37770872.00 |
| Depreciation And Amortisation | 0.00 | 0.00 | 10518760.00 | 10646922.00 | 11272019.00 | 10436168.00 | 11774777.00 |
| Earning Before Interest And Taxation | 28645724.00 | 21256806.00 | 16803514.00 | 19322861.00 | 21314701.00 | 26516267.00 | 25996095.00 |
| Total Interest And Finance Charges | 6903745.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit Loss Before Tax | 28645724.00 | 21256806.00 | 16803514.00 | 19322861.00 | 21314701.00 | 26516267.00 | 25996095.00 |
| Tax | 2804389.00 | 4664119.00 | 6368901.00 | 6488846.00 | 7027458.00 | 7512313.00 | 8542889.00 |
| Profit Loss After Taxation | 25841335.00 | 16592687.00 | 10434613.00 | 12834015.00 | 14287243.00 | 19003954.00 | 17453206.00 |
| Balance Carried To Balance Sheet | 25841335.00 | 16592687.00 | 10434613.00 | 12834015.00 | 14287243.00 | 19003954.00 | 17453206.00 |

Form F2(a): Historical and Projected Balance Sheet

| Financial Year | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Share Holders Fund | 32161623.00 | 36633122.00 | 44802691.00 | 53315564.00 | 66342580.00 | 83827555.00 |
| Gross Block (Net Of Assets Not In Use) | 70059713.00 | 80666713.00 | 97709488.00 | 110468044.00 | 119386334.00 | 149755402.00 |
| Less: Accumulated Depreciation | 61669707.00 | 72188467.00 | 82835389.00 | 94107408.00 | 104543576.00 | 116318353.00 |
| Net Block | 8390006.00 | 8478246.00 | 14874099.00 | 16360636.00 | 14842758.00 | 33437049.00 |
| Capital Work In Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Fixed Assets | 140119426.00 | 161333426.00 | 195418976.00 | 220936088.00 | 238772668.00 | 299510804.00 |
| Investments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Deferred Tax Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sundry Debtors | 999995.00 | 1199107.00 | 1310466.00 | 1434316.00 | 1583950.00 | 1690468.00 |
| Cash And Bank Balances | 5744314.00 | 10420704.00 | 12308495.00 | 19475545.00 | 34140506.00 | 33210864.00 |
| Inventories | 264039.00 | 264039.00 | 264039.00 | 264039.00 | 264039.00 | 264039.00 |
| Other Current Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Loans And Advances | 18743525.00 | 18743525.00 | 18743525.00 | 18743525.00 | 18743525.00 | 18743525.00 |
| Total Current Assets | 25751873.00 | 30627375.00 | 32626525.00 | 39917425.00 | 54732020.00 | 53908896.00 |
| Liabilities | 1980256.00 | 2472499.00 | 2697933.00 | 2962497.00 | 3232198.00 | 3518390.00 |
| Provisions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Current Assets | 23771617.00 | 28154876.00 | 29928592.00 | 36954928.00 | 51499822.00 | 50390506.00 |
| Total Application Of Fund | 32161623.00 | 36633122.00 | 44802691.00 | 53315564.00 | 66342580.00 | 83827555.00 |



BHARAT STARS SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016
CIN U11100DL2007PTC168158



(Amount in Rs.)

| Particulars | Note No. | As at 31-March-2016 | As at 31-March-2015 |
|---|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2.1 | 200,000,000 | 200,000,000 |
| (b) Reserves and Surplus | 2.2 | 54,063,472 | 37,967,581 |
| (c) Money received against share warrants | | - | - |
| | | 254,063,472 | 237,967,581 |
| (2) Share application money pending allotment | | - | - |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 2.3 | 44,315,367 | 30,000,000 |
| (b) Deferred tax liabilities (Net) | 2.4 | 2,431,585 | 1,919,310 |
| (c) Other Long term liabilities | | - | - |
| (d) Long term provisions | 2.5 | 4,967,422 | 1,260,516 |
| | | 51,714,374 | 33,179,826 |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | | - | - |
| (b) Trade payables | 2.6 | 14,067,608 | 12,413,078 |
| (c) Other current liabilities | 2.7 | 8,296,882 | 6,066,957 |
| (d) Short-term provisions | 2.8 | 17,815,288 | 11,850,656 |
| | | 40,181,778 | 30,330,691 |
| Total | | 345,959,624 | 301,478,099 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 2.9 | 146,081,260 | 126,056,512 |
| (ii) Intangible assets | 2.9 | 4,409,589 | 4,909,589 |
| (iii) Capital work-in-progress | | 21,932,313 | 19,523,560 |
| (iv) Intangible assets under development | | - | - |
| | | 172,423,162 | 150,489,661 |
| (b) Non-current investments | 2.10 | 49,900,000 | 49,900,000 |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long term loans and advances | 2.11 | 20,000,750 | 43,962,428 |
| (e) Other non-current assets | | - | - |
| | | 242,323,912 | 244,352,089 |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories- Consumables | | 1,934,473 | 1,471,799 |
| (c) Trade receivables | 2.12 | 15,470,206 | 33,047,407 |
| (d) Cash and Bank Balances | 2.13 | 37,108,760 | 4,582,776 |
| (e) Short-term loans and advances | 2.14 | 22,205,265 | 14,155,966 |
| (f) Other current assets | 2.15 | 26,917,008 | 3,868,062 |
| | | 103,635,712 | 57,126,010 |
| Total | | 345,959,624 | 301,478,099 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 | | |

As per our report of even date attached.

For DASS GUPTA & ASSOCIATES
 CHARTERED ACCOUNTANTS

Firm Registration No. 0001120

(ASHOK KUMAR) CHARTERED ACCOUNTANTS
 PARTNER
 Membership No. 890583



For and on Behalf of Board

(Signature)
 M M SOMAYA
 DIRECTOR
 DIN 06879631

(Signature)
 (SANJAY MAHESHWARI)
 COMPANY SECRETARY
 M. No. A18266

(Signature)
 (SANJAY MAHESHWARI)
 COMPANY SECRETARY
 M. No. A18266

(Signature)
 (VINCENT PHANG)
 CHAIRMAN
 DIN 02681976

(Signature)
 (AKASH TIWARI)
 CEO
 PAN ACFTPT1091D

Place: New Delhi

Date: 25/05/2016

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BHARAT STARS SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016
CIN U11100DL2007PTC168158



(Amt in Rs.)

| Particulars | Note No. | For the year ended on 31-March-2016 | For the year ended on 31-March-2015 |
|--|----------|--|--|
| I. Revenue from operations | 2.16 | 221,697,429 | 17,009,857 |
| II. Other Income | 2.17 | 2,776,597 | 9,935,892 |
| III. Total Revenue (I + II) | | 224,474,026 | 16,945,749 |
| IV. Expenses: | | | |
| Cost of materials consumed | | - | - |
| Purchases of stock in trade | | - | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | - | - |
| Employee benefits expense | 2.18 | 82,340,465 | 41,541,911 |
| Finance costs | 2.19 | 3,633,715 | 581,933 |
| Depreciation and amortization expenses | 2.9 | 17,628,844 | 7,796,522 |
| Other expenses | 2.20 | 86,291,259 | 34,853,597 |
| Total Expenses | | 189,894,283 | 84,774,063 |
| V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV) | | 34,579,743 | 22,171,686 |
| VI. Exceptional Items - Prior Period Items | | 241,902 | - |
| VII. Profit/(Loss) before extraordinary items and tax (V - VI) | | 34,337,841 | 22,171,686 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit/(Loss) before tax (VII - VIII) | | 34,337,841 | 22,171,686 |
| X. Tax expense: | | | |
| (1) Current tax | | 11,700,000 | 5,793,890 |
| (2) Deferred tax | | 512,275 | 1,518,145 |
| (3) Excess Provision of earlier years written-back | | 11,775 | (32,533) |
| XI. Profit/(Loss) for the year from continuing operations (IX-X) | | 22,113,791 | 14,892,184 |
| XII. Profit/(Loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discontinuing operations | | - | - |
| XIV. Profit/(Loss) from discontinuing operations (XII - XIII) | | - | - |
| XV. Profit/(Loss) for the year (XI + XIV) | | 22,113,791 | 14,892,184 |
| XVI. Earning per equity share of face value of Rs. 10/- each | | | |
| (1) Basic and Diluted | 2.21 | 1.11 | 0.74 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 | | |

As per our report of even date attached

For DASS GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration No. 000112N

(ASHOK KUMAR JAIN)

PARTNER

Membership No. 090553



For and on Behalf of Board

(Signature)

M. M. SOMAYA

DIRECTOR
DIN 06879631

(Signature)

(SANJAY MAHESHWARI)
COMPANY SECRETARY

M. No. A18266

(Signature)
(VINCENT PHANG)
CHAIRMAN
DIN 02681976

(Signature)
(AKASH TIWARI)
CEO

PAN ACFPT1091D

Place: New Delhi

Date: 25/05/2016

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BHARAT STARS SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016
CIN U11100DL2007PTC168158

| | For the year ended on 31-March-2016 | For the year ended on 31-March-2015 |
|--|--|--|
| (Amount in Rs.) | | |
| 1 CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit (loss) before tax | 34,337,841 | 22,171,681 |
| Adjustment for: | | |
| Depreciation | 17,628,844 | 7,796,522 |
| Provision for retirement benefit | 3,706,906 | 855,277 |
| Interest Received | (2,534,091) | (9,867,996) |
| Dividend Income | - | - |
| Operating Profit before working capital changes | 53,139,500 | 20,955,489 |
| Adjustment for: | | |
| (Increase) / Decrease in Trade Receivable | 17,577,201 | (23,122,771) |
| (Increase) / Decrease in Inventory | (462,674) | (1,035,013) |
| (Increase) / Decrease in Short Term Loans and Advances | 4,820,785 | 14,820,779 |
| (Increase) / Decrease in Other Current Assets | (23,048,946) | (3,061,663) |
| Increase / (Decrease) in Trade Payables | 1,654,530 | 5,839,502 |
| Increase / (Decrease) in Short Term Provisions | (735,368) | (9,385,358) |
| Increase / (Decrease) in Other Current Liabilities | 2,231,925 | 2,858,661 |
| Cash generated from / (used in) Operations | 55,176,953 | 7,869,626 |
| Direct Taxes Paid / Deducted at Source | (12,881,859) | (5,776,564) |
| Net cash from / (used in) Operating Activities | 42,295,094 | 2,093,062 |
| 2 CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale/(Purchase) of Fixed Assets | (39,562,347) | (123,357,531) |
| Interest Received | 2,534,091 | 9,867,996 |
| Proceeds from Investments | 23,961,678 | 26,999,250 |
| Dividend Received | - | - |
| Net cash from / (used in) Investing Activities | (13,066,578) | (86,490,285) |
| 3 CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Share Capital | - | - |
| Repayment(-)/Proceeds(+) from Short Term Loans | - | - |
| Proceeds from Long Term Loans | 14,315,367 | 30,000,000 |
| Dividend Paid | (5,000,000) | (5,000,000) |
| Net Cash from / (Used in) Financing activities | 9,315,367 | 25,000,000 |
| 4 Net increase / (decrease) in cash and cash equivalents | 38,543,884 | (59,397,223) |
| 5 Cash and Cash equivalents as at the beginning of the year | 4,582,776 | 63,979,999 |
| 6 Cash and Cash equivalents as at the end of the year | 43,126,660 | 4,582,776 |

Notes:

- a) The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
- b) Cash and cash equivalents consist of Cash and balance in current account with bank.

As per our report of even date attached

For DASS GUPTA & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No. 000112N

(ASHOK KUMAR JAIN)
 PARTNER
 Membership No.090563



For and on Behalf of Board

(Signature)
 M M SOMAYA
 DIRECTOR
 DIN 06879631

(SANJAY MAHESHWARI)
 COMPANY SECRETARY
 M. No. A18266

(Signature)
 (VINCENT PHANG)
 CHAIRMAN
 DIN 02681976

(AKASH TIWARI)
 CEO
 PAN ACFT1091D

Place: New Delhi

Date: 25/05/2016

90-218-



दिल्ली DELHI

K 705376

CONCESSION AGREEMENT

This CONCESSION AGREEMENT ("Agreement") is made on the 19th day of March, 2010 by and between:

DELHI INTERNATIONAL AIRPORT LIMITED, a company incorporated with limited liability under the Companies Act, 1956, having its registered office at New Udaan Bhawan, Terminal 3, Opposite ATS Complex, International Terminal, Indira Gandhi International Airport, New Delhi - 110 037 (hereinafter referred to as "DIAL", which expression shall be deemed to include its successors and permitted assigns);

and

BIHARAT STAR SERVICES PRIVATE LIMITED, a company organized and existing under the laws of India and having its registered office at BPCI Aviation Fuelling Station, Indira Gandhi International Airport Terminal II, New Delhi 110061 (hereinafter referred to as the "Selected Bidder", which expression shall unless the context requires otherwise include its successors and assigns); or

Each of the Selected Bidder and DIAL are individually referred to as "Party" and collectively as "Parties".

WHEREAS:

The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL have entered into the OMDA (as more particularly defined hereinafter) pursuant to which DIAL has been awarded an exclusive concession by the AAI to develop, finance, design, construct, modernize, operate, maintain, use and regulate the use by third parties of the Airport (as more particularly defined hereinafter).

PR,

DIAL

[Signature]

CONCESSIONAIRE



दिल्ली DELHI

K 705379

- B. Pursuant to the terms of the concession granted to DIAL by AAI, DIAL has the right to enjoy complete and uninterrupted possession and control of the Airport for the purpose of providing Aeronautical Services and Non-Aeronautical Services (as defined under OMDA). The ITP Services (hereinafter defined) are to be provided as a part of the Aeronautical Services under the OMDA.
- C. DIAL had accordingly invited proposals by its Request for Proposal dated May 28, 2009 (the "RFP") for selection of Selected Bidder for procurement, installation, maintenance and operation of the ITP Assets and for provision/operation, management and maintenance of the ITP Services.
- D. After evaluation of the bids received, DIAL had accepted the bid of the Selected Bidder and issued its Letter of Award, dated October 13, 2009 (hereinafter called the "LOA") to the Selected Bidder requiring, *inter alia*, the execution of this Concession Agreement within 10 (ten) days of the date of issue thereof.
- E. The Selected Bidder has represented to DIAL that it has all required experience, expertise, capability and know-how for procurement, installation, maintenance and operation of the ITP Assets and for provision/operation, management and maintenance of the ITP Services at the Airport. The Selected Bidder has commenced all necessary actions for the incorporation of the Concessionaire and the Parties have agreed that pending the incorporation of the Concessionaire, DIAL may enter into the Concession Agreement with the Successful Bidder, on the understanding that this Agreement shall stand fully novated to the Concessionaire within the period set forth for the same in this Agreement, whereupon all rights and obligations under this Agreement shall be discharged by the Concessionaire.
- F. In furtherance of its selection, the Selected Bidder has agreed to execute and deliver a corporate guarantee with DIAL as a guarantee for performance by the Concessionaire of its obligations and duties under this Agreement.
- G. Parties have decided to enter into this Agreement based upon the terms and conditions appearing hereinafter.

NOW THEREFORE, in consideration of the provisions and mutual covenants contained herein, it is hereby agreed by and between the Parties as follows:

PR

DIAL

CONCESSIONAIRE

PAGE 2

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IN WITNESS whereof these presents have been entered into the day and year first above written.

Signed for and on behalf of
DELHI INTERNATIONAL AIRPORT)
PRIVATE LIMITED)

By a duly authorized representative)
in the presence of:)

Signature of witness

Name and address of witness

Navneet Luthra

Mr. Mr. DIA

Pradeep Panich

19/3/2010

Signature of authorised representative

Name of authorised representative

Signed for and on behalf of
BHARAT STAR SERVICES PRIVATE)
LIMITED)

by a duly authorized representative)
in the presence of:)

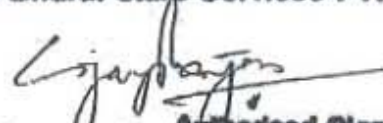
Signature of witness

Name and address of witness

PRASIR DAS

DELHI AIRPORT

For Bharat Star Services Pvt. Ltd.


Authorized Signatory

Signatures of authorised representatives

(1)

Name of authorised representative



दिल्ली DELHI

L 552861

ADDENDUM TO INTO PLANE CONCESSION AGREEMENT

THIS ADDENDUM AGREEMENT ("Addendum Agreement") is made at Delhi, on the 13th day of July, 2010, by and between:

DELHI INTERNATIONAL AIRPORT LIMITED, a company incorporated with limited liability under the Companies Act, 1956, having its registered office at New Udaan Bhawan, Terminal 3, Opposite ATS Complex, International Terminal, Indira Gandhi International Airport, New Delhi 110 037 (hereinafter referred to as "DIAL", which expression shall be deemed to include its successors and permitted assigns);

And

BIHARAT STAR SERVICES DELHI PRIVATE LIMITED, a company organized and existing under the laws of India and having its registered office at BPCL Aviation Fueling Station, IGI Airport, Terminal 2, New Delhi 110061 (hereinafter referred to as the "Selected Bidder", which expression shall unless the context requires otherwise include its successors and assigns);

Each of the Selected Bidder and DIAL are individually referred to as "Party" and collectively as "Parties"

G. J. Singh

Pradeep Panich

WHEREAS:

- A. The DIAL and the Selected Bidder have signed a Concession Agreement on 19th March 2010 in connection with the provision of Into Plane fuelling services at the Indira Gandhi International Airport at New Delhi;
- B. The Parties had agreed upon a scheme of interest on delayed payments under the said Concession Agreement; and
- C. While the Parties have agreed upon rationalizing the rates of interest on such delayed payments, the Parties desire to record the revised agreement on the rate of interest on delayed payments that would be applicable to the Concession Agreement and all related agreements

NOW, IT IS HEREBY AGREED that the delayed rate of interest payable under the Agreement shall be the Prime Lending Rate of State Bank of India for the first two (2) weeks of delay and thereafter at the rate of Prime Lending Rate of the State Bank of India plus two per cent (2%) per annum for further delays. However if Prime Lending Rate of State Bank of India is discontinued, the delay rate of interest for this purpose shall be Base Lending Rate of State Bank of India plus six percent (6%) per annum.

IN WITNESS WHEREOF, the Original Parties and Concessionaire have executed this Deed the day and year first above written.

DIAL

Pradeep Panselky

Authorized Signatory:

Designation:

In the presence of:

Witness:

GOPAL SHARMA

[Signature]

SELECTED BIDDER

V. RANJAN

Authorized Signatory:

Designation: CEO

In the presence of:

Witness:

[Signature]
(P. N. KUMAR)



दिल्ली DELHI

L 552844

INTO PLANE AGENT AGREEMENT

This INTO PLANE AGENT AGREEMENT ("Agreement") is made on 13th July, 2010 at New Delhi

BETWEEN

M/s Bharat Stars Services Delhi Private Limited, a company incorporated under the provisions of the Companies Act, 1956, having its office at BPCI, Aviation Fueling Station, IGI Airport, Terminal 2, New Delhi 110061 (hereinafter referred to as the **Into Plane Agent**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its executors, administrators, successors and permitted assigns) of the First Part;

AND

Gr. Dr



दिल्ली DELHI

L 552854

M/s Bharat Petroleum Corporation Limited, a Company formed under the provisions of the Companies Act, 1956, having its office at A 5 & 6, Sector -1, Noida - 201301, Uttar Pradesh, India (hereinafter referred to as the Supplier, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its executors, administrators and permitted assigns) of the Second Part.

The Supplier and the Into Plane Agent shall hereinafter, be individually referred to as the 'Party' and collectively as the 'Parties', as the case may be.

Whereas

- A. The Supplier (defined hereunder) is a supplier of ATF to Aircrafts (defined hereunder) and has entered/has an intention to enter into a valid agreement with M/s Indian Oil Skytanking Limited (hereinafter referred to as the "Supplier Agreement"), who is the "Operator" (defined hereunder) of the Facility (defined hereunder) for the supply, storage and distribution of ATF (defined hereunder) at the Airport (defined hereunder);

Gr. &

SCHEDULE B

Agency Fee

01. The Agency Fee payable by Supplier/Air Carrier to the Into Plane Agents shall be as per the Schedule provided hereunder.

| FUELLING AIRCRAFT | PRICE (in Rs. / per kilolitre) | | | |
|----------------------|-----------------------------------|---------------|--|---------------|
| | DE-FUELLING AIRCRAFT | | RE-FUELLING DE-FUELLED PRODUCT INTO AN AIRCRAFT | |
| | Within 6 hrs. | Beyond 6 hrs. | Within 6 hrs. | Beyond 6 hrs. |
| 149 | 149 | 224 | 186 | 224 |
| | | | | |
| | | | | |

02. The Agency Fee prescribed above shall be exclusive of all taxes (other than Into Plane Agents income taxes), duties, cesses, fees and all other applicable statutory levies. However, it shall be subject to the deduction of Income Tax at source, if so required under the Income Tax Act 1961.
03. The Agency fee shall be subject to revision by the Into Plane Agent, in accordance with the limits set by DIAL from time to time.
04. The Supplier shall ensure that the Agency Fee is paid within a period of eight days from the date on which the Into Plane Agent has raised its invoice. The Into Plane Agent shall raise invoices for all Services provided on the 5th of every calendar month. Such invoice shall raise a demand for all Services rendered that has become payable for the period up to the 5th of that calendar month and for all expected accrual of fees for Services rendered 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 Into Plane Agent). 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

Sn. 

IN WITNESS whereof these presents have been entered into the day and year first above written

Signed for and on behalf of
DELHI INTERNATIONAL AIRPORT
PRIVATE LIMITED

By a duly authorized representative
in the presence of:

Signature of witness

Name and address of witness

Naveet Luthra

M. Mr. DIAL

Signed for and on behalf of
BHARAT STAR SERVICES PRIVATE
LIMITED

by a duly authorized representative
in the presence of:

Signature of witness

Name and address of witness

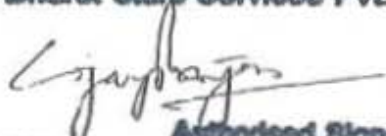
PRABIR DAS
DELHI AIRPORT

Pradeep Panich
19/3/2010

Signature of authorised representative

Name of authorised representative

For Bharat Star Services Pvt. Ltd.


Authorised Signatory

Signatures of authorised representatives

(1)

Name of authorised representative

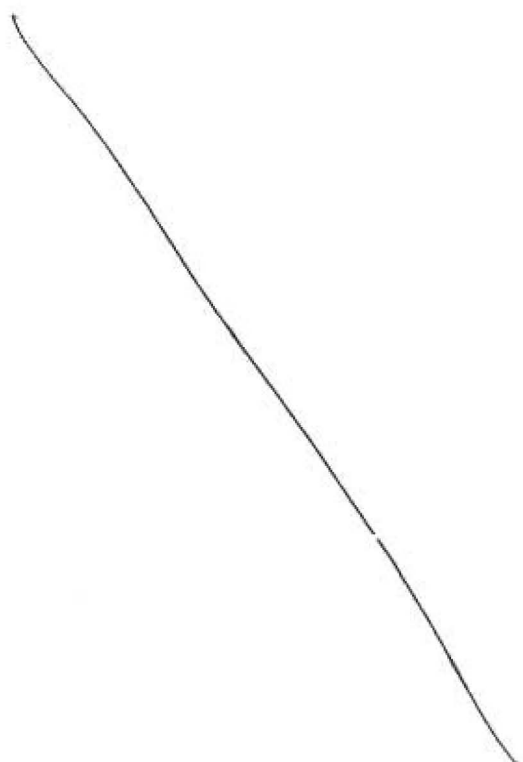
**SCHEDULE A
LIST OF ACTIVITIES**

Part I (for achieving Key Date -1)

- Commissioning of sufficient numbers of Mobile Equipment at the Airport to achieve and demonstrate to DIAL required flow performance (including safe shut down of flow) and to be able to safely and efficiently participate in Airport Trial Operations

Part II (for Airport Trial Operations and Key Date-2) at the onsite Facility

- Completing Simulated aircraft fuelling /completion of any other Airport Trial
- Securing of all licenses and permits required for Commercial Operations
- Obtaining the Certificate of Operational Readiness
- Commissioning of the Into-plane Depot and commissioning of sufficient numbers of Mobile Equipment at the Airport to achieve and demonstrate to DIAL required flow performance (including safe shut down of flow) and to be able to safely and efficiently participate in commercial operation



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price of property or services, any guarantee, indemnity or other assurance against financial loss of any person, firm or company; and all indebtedness and obligations of the types described in the foregoing clauses to the extent secured by any Encumbrance on any property or asset owned or held by that person regardless of whether the indebtedness secured thereby shall have been assumed by that person or is non-recourse to the credit of that person.

"Certificate of Operational Readiness" means the certificate issued by the Independent Consultant upon the successful completion of Airport Trial Operations.

"Commencement" means formal commencement of commercial operations of the ITP Services at the Airport after obtaining the Certificate of Operational Readiness.

"Commencement Date" means the date on which Commencement shall occur which shall not be later than the Terminal Opening Date.

"Concession" means the non-exclusive right and concession awarded to the Concessionaire for procurement, installation, maintenance and operation of the ITP Assets and for provision/operation, management and maintenance of the ITP Services, subject to the terms and conditions of this Agreement.

"Concession Fee" means the fee of 5% of the monthly Gross Revenue payable by the Concessionaire to DIAL on a monthly basis. The Concession Fee shall be exclusive of any Taxes which shall be borne by the Selected Bidder/Concessionaire.

"Concession Period" means the period commencing from the Commencement Date until the expiry of 10th anniversary of the Commencement Date, unless terminated earlier in accordance with this Agreement.

"Concessionaire" means the Special Purpose Company incorporated/to be incorporated by the Selected Bidder for the purposes of procurement, installation, maintenance and operation of the ITP Assets and for provision/operation, management and maintenance of the ITP Services, in accordance with the provisions of this Agreement.

"Delay Interest" means rate of interest @ 18% Per Annum.

"Depot" or **"ITP Depot"** means that building and parking space as provided for in Clause 4 hereof, and/or any expansion thereof, to which the Concessionaire is granted rights of access and use for its parking area and maintenance workshop, more fully described in **Part I of Schedule B**.

"Depot Land" shall mean unpaved land of approximately 3500 square meters, allocated to the Concessionaire and the Other ITP Concessionaire for the Depot, as described in **Schedule B**.

"DIAL's Auditors" means any firm of auditors appointed by DIAL, from time to time.

"Dispute" shall have the meaning ascribed to it in Clause 24.1.

"Encumbrance" includes any mortgage, pledge, lien, charge, assignment, hypothecation, security interest, title retention, preferential right, trust arrangement, or other agreement or arrangement the effect of which is the creation of security.

"Escrow Account" shall have the meaning ascribed to the term in Clause 5.4 hereof.

"Escrow Agreement" shall have the meaning ascribed to the term in Clause 5.4 hereof and shall be in the form set forth in **Schedule R**.

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include income from (i) any other insurance proceeds, (ii) any value added tax, service tax or any other tax which the Concessionaire collects in accordance with Applicable Laws for onward remittance and deposit to the Relevant Authorities.

"Hydrant System" means the ATF delivery system part of the Facility which comprises, inter alia, pipes, fittings, valves, cables, covers, chambers, vents, drains, sensors, interfaces and equipment, more fully described in Schedule E attached hereto.

"ITP Assets" means the functional Mobile Equipment and such other plant and equipment that the Concessionaire requires in order to conduct its operations and carry out its business including without limitation the Electronic Data Interchange system as described in Clause 4.3 hereto.

"ITP Service Fee" means the fees, charges or other consideration of whatever nature charged or received by the Concessionaire for the provision of the ITP Services pursuant to Clause 2.4 hereof.

"Indemnity Agreement" means an agreement incorporating the key terms appearing in Schedule G hereto to be entered into by, the Fuel Facility Operator, the Concessionaire, Other ITP Concessionaire(s), DIAL and the Suppliers (including Air Carriers who are Suppliers) regarding liability for claims arising out of Aircraft Fuelling, Aircraft Refuelling and Aircraft Defuelling.

"Independent Consultant" means the person, who is an expert in aviation fuelling matters (and not an ATF supplier in India), appointed from time to time by DIAL to act on its behalf to monitor its start-up operations and provision of the ITP Services by the Concessionaire (including issuance of Certificate of Operational Readiness).

"Information" includes information, manuals, data, drawings, books, records, photographs and documents, whether in hard copy or electronic form.

"Joint Check List" means at any time the latest issue of the Aviation Fuel Quality Requirements for Jointly Operated Systems (AFQRJOS) at that time, together with any amendments or additions thereto in force at that time.

"Joint Guidelines" means at any time the latest issue of the Guidelines for Aviation Fuel Quality Control & Operating Procedures for Jointly Operated Supply and Distribution Facilities, Guidelines for Aviation Fuel Quality Control & Operating Procedures for Joint Airport Depots, Guidelines for Aviation Fuel Quality Control and Operating Procedures for Joint Into-Plane Fuelling Services at that time, together with any amendments or additions thereto in force at that time.

"Key Date 1" means a date on or before 5th April 2010 by which all the ITP Assets must be ready for safe and efficient participation in Airport Trial Operations.

"Key Date 2" means a date on or before 1st July 2010, by which (i) all the ITP Assets must be ready and available for safe and efficient provisioning of ITP Services in accordance with this Agreement; and (ii) Concessionaire has obtained the Certificate of Operational Readiness.

"Licensed Offices" means that office space and parking space to which the Concessionaire would be granted license under a license agreement to be entered into between DIAL and the Concessionaire.

"Litre" means the unit of volume for ATF transactions, one litre being one thousandth of one cubic meter.

Annexure-VIII

Tariff Card of M/s BSSPL for providing Into Plane Services at IGI Airport, New Delhi

(In Rupees/KL)

| Tariff Year | Aircraft Fuelling | Aircraft De-Fuelling | | Aircraft Re-Fuelling De-Fuelled Product | |
|--|----------------------|----------------------|------------------|--|------------------|
| | | Within 6 Hrs. | Beyond 6 Hrs. | Within 6 Hrs. | Beyond 6 Hrs. |
| FY. 2016-17 (01.04.2016 TO 31.03.2017) | 199.67 | 199.67 | 300.18 | 249.26 | 300.18 |
| FY. 2017-18 (01.04.2017 TO 31.03.2018) | 209.65 | 209.65 | 315.19 | 261.72 | 315.19 |