



# DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

(Joint Venture of IOCL, BPCL & DIAL)

Regd. Office : Aviation Fuelling Station, Shahbad Mohammad Pur, Near Dwarka Sector-8 Metro Station  
Indira Gandhi International Airport, New Delhi-110061, India

DAFFPL/AERA/2017-18/CP-2

October 9, 2017

Airport Economic Regulatory Authority of India,  
AERA Building,  
Administrative Complex,  
Safdarjung Airport,  
New Delhi – 110003

**Subject:** In the matter of Determination of Fuel Infrastructure charges in respect of Delhi Aviation Fuel Facility Private Limited (DAFFPL), New Delhi

**Reference:** Consultation Paper no. 27/ 2017-18 dated. September 20, 2017

This is with reference to the abovementioned consultation paper, please find below our point wise response:

**A. Methodology of tariff calculation:**

The Authority in its Consultation Paper No. 27/2017-18 dated 20.09.2017 ("Consultation Paper") has placed reliance on the Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011 dated 10.01.2011 ("CGF Guidelines") for the determination of Fuel Infrastructure Charges in respect of Delhi Aviation Fuel Facility Private Limited (DAFFPL) for IGI Airport, New Delhi.

It is submitted that the in Clause 3 of the 2011 Guidelines the Authority has outlined its approach to regulation of Regulated Services, which includes the service of supply of fuel to the aircraft at an airport. In the said Clause the Authority has unequivocally stated that it shall follow a stage-wise process for determining its approach to regulation of Regulated Services where the stage-wise procedure is as under:

Stage 1: assessment of materiality. If the service is deemed 'not material' then the Authority shall follow a light touch approach and if the service is deemed 'material' then the Authority shall advance to Stage 2;

Stage 2: assessment of 'competition'. If the service is deemed 'competitive' then the Authority shall follow a light touch approach and if the service is deemed 'not competitive' then the Authority shall advance to Stage 3;

Stage 3: assessment of reasonableness of existing User Agreements. If the Authority is assured of the reasonableness of the existing User Agreements then the Authority shall follow a light touch approach and if the Authority is not assured of the reasonableness of the existing User Agreements, the Authority shall determine tariffs based on a price cap approach.

In this regard, it is pertinent to note that in Clause 6 of the CGF Guidelines, the Authority has laid down the criteria for assessment of reasonableness of existing User Agreements and the same is as under:





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"6.1 The Authority shall consider the existing User Agreement(s) as reasonable provided that :

6.1.1 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

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 been appropriately addressed.

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

From the foregoing it is evident that the Authority has undertaken to follow a step-wise procedure and only in a case where a service is found to be material and then non-competitive and subsequently on an analysis of the existing User Agreements, the Authority is not assured of the reasonableness of the said User Agreements, can the Authority determine the tariffs as per the price cap regulation mechanism.

However, in the Consultation Paper, the Authority after having reached Stage 3 and having satisfied itself of the reasonableness of the existing User Agreements on the basis of the consents recorded/given by the users of the facility, which clearly fulfil the criteria of reasonableness laid down in Clause 6 of the CGF Guidelines, has resorted to Stage 2 to state that the service provided by DAFFPL is a monopoly and therefore, non-competitive and hence, the Authority has decided to regulate the tariff on a price cap regulation basis. Therefore, essentially what the Authority has done is that it has proceeded to regulate the Infrastructure Charges on price cap basis only on the premise that the same is non-competitive, which is against the very guidelines laid down by the Authority. Further, there is no observation of the Authority in the Consultation Paper stating that the Authority has not been assured of the reasonableness of the existing User Agreements which were submitted by DAFFPL. As such, it is evident that the Authority has forgone the assessment of reasonableness of the User Agreements even though the same has been mandated by the CGF guidelines which have been relied upon by the Authority.

It is submitted that DAFFPL had submitted the existing User Agreements before the Authority wherein the agreed tariffs are clearly indicated. Copies of the existing User Agreements are again being enclosed herewith.

Further, the DAFFPL had followed the process of User Consultation and also signed agreement with users which were submitted before the Authority. DAFFPL has also submitted the Minutes of Meeting dated 04.11.2015 wherein all the Users have agreed to the tariff agreed in the User Agreement(s). Subsequently Jet Airways and Air India Limited also started using the facilities of DAFFPL and therefore, Jet Airways and Air India Limited have also issued letters dated 09.05.2017 and 02.02.2017 respectively stating their no-objection to the tariff agreed upon the User Agreements which has also been submitted by DAFFPL to the Authority. In view of the foregoing, it is evident that the criteria of reasonableness as enlisted in Clause 6 of the CGF Guidelines has been fulfilled. The said minutes of meeting and letters issued by Jet Airways and Air India Ltd. are again being enclosed herewith.





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In view of the foregoing, our submission is thus summarized as under:

- A) As per the CGF guideline, the reasonableness of the User Agreement has been evaluated only when the service is material but non-competitive i.e. monopoly. Authority stand on going back to the monopoly test is contrary to the tariff guidelines.
- B) DAFFPL has passed the test of reasonableness of User Agreement, there is no objection raised by any user and also all users are agreed to the prevailing infrastructure charge.
- C) All minutes of meetings and User Agreements have been submitted to Authority for its consideration.

As per the criteria laid down in the CGF Guidelines, DAFFPL should be regulated as per the light touch approach and not the price cap method as has been decided by the Authority in the Consultation Paper. Hence, the Authority is requested to regulate the service provided by DAFFPL under the light touch approach in accordance with the CGF guidelines which the Authority has itself promulgated.

- B. Without prejudice to the above we would further like to point out that the Authority even while following the price cap mechanism has not considered certain factors which should necessarily be taken into account assuming that the Authority finally decides to follow the price cap mechanism instead of following a light touch approach as required in terms of its CGF Guidelines. The said factors are as under:

### 1. Price Cap Methodology

In the Consultation Paper the Authority has decided to adopt the price cap methodology and for the same it has adopted the formula for determining ARR under the Hybrid Till. However, even though it has decided to use a hybrid till, the formula as stated in Para 3.11 of the Consultation Paper is essentially that of single till as the entire Non-Aeronautical Revenue (NAR) has been used to cross-subsidize the Aeronautical Charge for the service which is against the Authority's own mandate to calculate the charges as per hybrid till wherein only a percentage (30% as per the National Civil Aviation Policy) of the NAR can be used to cross-subsidize the Aeronautical Charges.

### 2. Security Deposit

In Para 4.9 of the Consultation Paper, the Authority has stated that the security deposits paid by DAFFPL are not related to the operation of the fuel farm and therefore, the same should not be included as a part of the RAB. However, while stating so, the Authority has failed to consider that in terms of Clause 2.4 of the Concession Agreement between DIAL and DAFFPL, DAFFPL is mandated to pay a Security Deposit to DIAL which is revised every two years and the higher of the following has to be maintained as a security deposit by DAFFPL with DIAL:

- a) Aggregate of Airport Operator Fee paid during the preceding 18 months or
- b) Rs. 75 Crore

As such, the payment of security deposits is a mandatory condition under the Concession Agreement and therefore, it is incorrect to state that the payment of security deposits is not linked to the







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operation of fuel farm. It is submitted that without the payment of the security deposits the DAFFPL would not be compliant with the provisions of the Concession Agreement and therefore, would not be allowed to operate the fuel farm at all. Hence, the payment of security deposits being a mandatory contractual condition precedent is intrinsically linked to the operation of the fuel farm by DAFFPL under the Concession Agreement. A copy of the Concession Agreement of DAFFPL with DIAL is enclosed herewith.

Any default in payment of security deposits shall be breach of the Concession Agreement. Accordingly, in order to operate the concession it is mandatory for DAFFPL to maintain security deposit and hence it is a mandatory investment for DAFFPL for providing regulatory service. Hence, this should be considered as part of the RAB.

Further, the Authority while having proposing to keep security deposits outside the RAB has in its proposal no 1.b proposed to provide nominal return of 5% per annum on the outstanding amount of Security Deposits during the control period as addition to the ARR.

While DAFFPL primarily submits that the Security Deposits should be considered as a part of the RAB, without prejudice to the said contention, it is submitted that the return on any investment is dependent on the means of finance of such investment and corresponding cost to that means of finance. In this regard, it is submitted that the Security Deposits which have been furnished by DAFFPL to DIAL have been funded through debt and equity therefore, on such Security Deposit amounts a return equal to the actual cost should be allowed.

### **3. Deadstock has been considered as non-depreciable asset;**

As per Para 4.7.2 of the Consultation Paper, the Authority has decided to treat deadstock as a non-depreciable capital asset on the following basis:

*"Cost of Deadstock is accounted for as a separate capital asset (as 'Deadstock') which is not considered for depreciation since it is not possible to estimate the residual value of Deadstock and it might not also fall below 5% of the original cost. Hence depreciation is not provided for Deadstock in accordance with the provisions of the Companies Act, 2013."*

With reference to deadstock we would like to draw Authority's attention towards clause 15.2 of the concession agreement:

*"The Concessionaire shall procure the supply of the ATF Deadstock of Aviation Fuel, on or before the Commencement Date for Existing Facility and Onsite Facility (if developed) in such quantities as are stipulated in Schedule I attached hereto. IOCL and BPCL shall respectively procure the supply of the ATF Deadstock of Aviation Fuel, on or before Key Date 4 for Offsite Facility in such quantities as are stipulated in Schedule I attached hereto. The cost of providing and financing the ATF Deadstock (other than ATF Deadstock for the Offsite Facility) shall form part of the Facility Cost and the ATF Deadstock (in relation to the Existing Facility and Onsite Facility, if developed) shall be maintained for the entire duration of the Operation Period."*





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It is quite clear from the above clause that in terms of the Concession Agreement, it was a prerequisite for DAFFPL to procure and maintain deadstock even though the deadstock once deployed is a sunk cost for DAFFPL. Further with respect to residual value we would like to draw Authority's attention towards the following expiry provision of the concession wherein DAFFPL has to return back the facility at Zero value to the airport operator at the end of concession, hence the residual value of deadstock stands Zero in the hands of DAFFPL and it's a sunk cost. Following is the relevant concession expiry provision:

Clause 15.2 ".....The ATF Deadstock in relation to the Existing Facility and the Onsite Facility, if developed, shall be handed over to DIAL upon DIAL taking over the Facility, at no cost to DIAL."

Since, the deadstock has to be maintained by DAFFPL throughout the life of the Concession Agreement so as to be able to provide its services, it is requested that the Authority should allow depreciation on the deadstock especially when the same would eventually be transferred to DIAL at zero cost at the end of the Concession Agreement. In case the deadstock has been excluded from RAB then DAFFPL will not be able to recover the amount invested in providing fuel services, and same will be against the regulatory principle hence we request Authority to consider the deadstock as part of RAB and accord depreciation on the same.

#### 4. Depreciation

In Para 4.10 and 4.11 of the Consultation Paper, the Authority has stated that the depreciation charged by DAFFPL is not as per the Companies Act, 2013 and has thereafter sought reliance on Consultation Paper No. 9/2017-18. It is submitted that it is incorrect to state that depreciation charged by DAFFPL are not as per the Companies Act, 2013. DAFFPL in its submission has considered depreciation in accordance with the Companies Act, 2013. However, since the concession period and therefore, the useful life for which DAFFPL shall be using the assets which have been included in the RAB is 25 years, DAFFPL has considered the same for calculation of depreciation. Use of 25 years as the useful life of assets is also proper in view of the fact that at the end of the concession period, the assets are to be transferred by DAFFPL to DIAL at zero cost and therefore, the assets should depreciate at a rate according to which the value of the asset is zero at the time when it is to be handed over to DIAL by DAFFPL.

Further, the approach of the Authority in placing reliance on a Consultation Paper which has admittedly not resulted in an authoritative order and is therefore, still a mere proposal of the Authority is incorrect and against the tents of regulatory jurisprudence. As such, the Authority is requested to accept the proposal of the DAFFPL in calculating depreciation of assets while considering the useful life of the assets as 25 years.





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### 5. Return on Equity

The Authority in Para 5.2 of the Consultation Paper has proposed to consider the return on equity at 14%. Following is the extract:

*"The Authority has proposed to consider fair return on equity at 14% p.a. since the business operations of fuel farms are inherently monopolistic with virtually no risk where returns are guaranteed by back to back agreements. The above rate shall be considered in the tariff determination process for other fuel farms as well."*

Firstly, there is no basis for the proposal of 14% RoE as proposed in Para 5.2 of the Consultation Paper. The Authority has taken an approach which has no study, basis or backing and is therefore not the correct approach.

Secondly, the Authority's view that having monopoly will eliminate all risk of the business is without any basis. Similar to other monopolistic business, DAFFPL is also affected by various risk parameters such as economic risk, traffic risk, fuel prices, competition etc. which should be taken into account while calculating the RoE. Further, as per clause 9.1.3 of the guidelines the cost of equity has to be determined on the basis of CAPM formula which has not been done in the present case.

Thirdly, while on the one hand the Authority has sought to go behind the User Agreements by adopting the price cap methodology and thereby disentitling DAFFPL to the tariff assured in the said User Agreements, on the other hand the Authority has relied on the same User Agreements in Para 5.2 to grant a lower RoE to DAFFPL by stating that returns are guaranteed to DAFFPL in the User Agreements. While the Authority by its proposal has forgone the sanctity of the User Agreements and effectively sets them aside, it is now relying on the same User Agreements to disentitle DAFFPL to a reasonable rate of return.

Fuel Farm business has inherited the risk that an airport operator carries and therefore, should be entitled to a similar rate of return on its equity contribution. With respect to Airports, Ministry of Civil Aviation (MoCA) has conducted a detailed study through SBI CAPS according to which the cost of equity for an airport operator should lie within a range of 18.5% to 20.5% on the basis of which DAFFPL has also considered the RoE as 20.5% in its submission. The said report is also annexed herewith for the consideration of the Authority.

Accordingly, we request Authority to consider the submission of DAFFPL which is based on the SBI CAP report for deciding cost of equity as it is based on CAPM methodology and specific for Airports.

### 6. Addition to RAB:

It is pertinent to mention that DAFFPL has planned capital expenditure for modernization and automation of their existing farm fuel facility to implement the recommendation of MB Lal





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### List of enclosures:

1. Copies of existing User Agreements between DAFFPL and its Users.
2. Copy of Minutes of Meeting dated 04.11.2015.
3. Copies of letters dated 09.05.2017 and 02.02.2017 issued by Jet Airways and Air India Limited respectively.
4. Copy of extract of Concession Agreement between DIAL and DAFFPL.
5. A detailed write-up on the additional capital expenditure being incurred by DAFFPL.



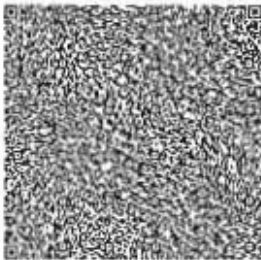


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THIS STAMP PAPER FORMS AN INTEGRAL PART OF SUPPLIER AGREEMENT ENTERED INTO BETWEEN INDIANOIL SKYTANKING PRIVATE LIMITED, BANGALORE AND JET AIRWAYS (INDIA) LIMITED AND ITS WHOLLY OWNED SUBSIDIARY JET LITE (INDIA) LIMITED, MUMBAI EXECUTED AT BANGALORE ON 24<sup>th</sup> NOVEMBER 2016



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## SUPPLIER AGREEMENT

THIS AGREEMENT is made at New Delhi on this the \_\_\_\_\_, at \_\_\_\_\_

BETWEEN

**IndianOil Skytanking Private Limited**, a Company formed under the provisions of the Companies Act, 1956 and having its office at Fuel Farm Facility, Bangalore International Airport, Devanahalli, Bangalore 560300, hereinafter referred to as the **Operator**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

AND

**Jet Airways (India) Limited and its wholly owned subsidiary Jet Lite (India) Limited**, both Indian companies, formed under the provisions of the Companies Act, 1956 and having their respective registered offices at Siroya Centre, Sahar Airport Road, Andheri (East), Mumbai - 400099, India, hereinafter referred jointly and/or severally to as the **Supplier**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include their respective successors-in-interest and permitted assigns;

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

WHEREAS:

- (A) The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL (as defined hereunder) have entered into the Operation, Management and Development Agreement dated April 4, 2006, pursuant to which DIAL has been awarded an exclusive concession by the AAI for an initial period of 30 years, to develop, finance, design, construct, modernise, operate, maintain, use and regulate the use by third parties of the Airport (as more particularly defined hereinafter).
- (B) DIAL has through the Concession Agreement dated September 22 2009, appointed the Operator for the purpose of the management, operation and maintenance of the Facility at Terminal T3, Terminal T2 and Cargo



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## 12. Custody

- 12.1. **Delivery to Facility:** The Operator shall take custody of any ATF delivered to the Facility when it enters the Facility on passing the inlet flange of the Facility and shall hold such ATF as bailee for the Supplier with freedom to make available for withdrawal Deliverable Quantities of similar product, the ATF which was initially delivered having lost its identity by being commingled with other product.
- 12.2. **Withdrawals by Into-Plane Agents:** Custody of ATF shall be released by the Operator to the relevant Into-Plane Agent as it passes through the relevant hydrant pit valve connection or at the outlet flange at the loading bay connecting the hose of the refuelling vehicle (as the case may be).

## 13. Throughput Fees and Payments

- 13.1. **Throughput fees:** The Operator shall levy and collect from the Supplier a fee (*'Throughput Fee'*) per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.
- 13.2. **Other fees and charges:** Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:
- the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
  - the supply of services ancillary to the operation of the Facility.



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Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier.

13.3. **Reimbursement:** The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated by any product delivered to the Facility by the Supplier which is not ATF;
- (d) any costs associated with any reasonable enquiries (including audit inspection) of the source and handling of the ATF, immediate storage and transportation, inspection of the Supplier's laboratory testing or other facilities or procedures by the Operator which is required (in the reasonable opinion of the Operator) to ensure that any product loaded into a Dedicated Supply Pipeline or a Dedicated Supply Vehicle is ATF;
- (e) any cost suffered by Operator as a consequence of the Supplier disrupting the supply schedule; and

13.4. **No deductions:** Each payment to be made under this Agreement shall be made without set off or counterclaim and without any deduction or withholding of any kind whatsoever. If any Applicable Law should nevertheless require the Supplier to make any such deduction or withholding, the Supplier shall,

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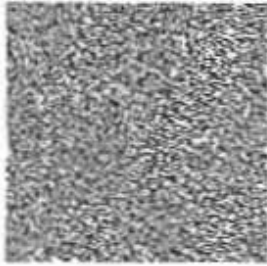
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THIS STAMP PAPER FORMS AN INTEGRAL PART OF SUPPLIER AGREEMENT ENTERED INTO BETWEEN  
INDIANOIL SKYTANKING PRIVATE LIMITED, BANGALORE AND AIR INDIA LIMITED, NEW DELHI  
EXECUTED AT **BANGALORE** ON **21<sup>ST</sup> FEBRUARY 2017**



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## SUPPLIER AGREEMENT

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AND

**Air India Limited**, (Air India, Air India Express, Alliance Air, Air India Engineering Services Ltd., Air India Transport Services Ltd. and AI/SATS Joint Venture & any other subsidiary), formed under the provisions of the Companies Act, 1956 and having their registered office at Airlines House, 113, Gurudwara Rakabganj Road, New Delhi - 110001, India, (hereinafter referred to as "**Air India**") hereinafter referred jointly and/or severally to as the Supplier, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include their respective successors-in-interest and permitted assigns;

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

WHEREAS:

- (A) The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL (as defined hereunder) have entered into the Operation, Management and Development Agreement dated April 4, 2006, pursuant to which DIAL has been awarded an exclusive concession by the AAI for an initial period of 30 years, to develop, finance, design, construct, modernise, operate, maintain, use and regulate the use by third parties of the Airport (as more particularly defined hereinafter).



## 12. Custody

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- 13.1. **Throughput fees:** The Operator shall levy and collect from the Supplier a fee ('Throughput Fee') per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.
- 13.2. **Other fees and charges:** Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:
- a. the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
  - b. the supply of services ancillary to the operation of the Facility.

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Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier.

13.3. **Reimbursement:** The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated by any product delivered to the Facility by the Supplier which is not ATF;
- (d) any costs associated with any reasonable enquiries (including audit inspection) of the source and handling of the ATF, immediate storage and transportation, inspection of the Supplier's laboratory testing or other facilities or procedures by the Operator which is required (in the reasonable opinion of the Operator) to ensure that any product loaded into a Dedicated Supply Pipeline or a Dedicated Supply Vehicle is ATF;
- (e) any cost suffered by Operator as a consequence of the Supplier disrupting the supply schedule; and

13.4. **No deductions:** Each payment to be made under this Agreement shall be made without set off or counterclaim and without any deduction or withholding of any kind whatsoever. If any Applicable Law should nevertheless require the Supplier to make any such deduction or withholding, the Supplier shall,

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#### SUPPLIER AGREEMENT

THIS AGREEMENT is made at New Delhi on this the 13<sup>th</sup> day of July, 2010,  
at New Delhi

BETWEEN

Indian Oil Skytanking Limited, a company formed under the provisions of  
the Companies Act, 1956 and having its office at Fuel Farm Facility, Bangalore  
International Airport, Devanahalli, Bangalore 560300, hereinafter referred to  
as the Operator, which expression shall, unless repugnant to the meaning or  
context thereof, be deemed to mean and include its successors-in-interest and  
permitted assigns;

AND







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Hindustan Petroleum Corporation Limited, an Indian company, formed under the provisions of the Companies Act. 1956 and having its office at Aviation SBU, Hindustan Bhavan, 8, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai - 400 001, 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 successors-in-interest and permitted assigns;

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

WHEREAS:

- (A) The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL. (as defined hereunder) have entered into the Operation, Management and Development Agreement dated April 4, 2006, pursuant to which DIAL. has been awarded an exclusive concession by the AAI for an initial



a particular report cannot be provided in electronic format the information shall initially be provided in writing and shall be confirmed in electronic format as soon as possible thereafter.

11.8 **Sampling:** For the purpose of verifying the quality of any ATF withdrawn from the Facility each of the Into-Plane Agents shall have the right at all reasonable times to take samples of ATF in accordance with the Quality Control, Assurance and Operating Manual. Such samples shall be taken in the presence of a duly authorised representative of the Operator.

11.9 **Complaints:** Complaints of defect in quality of any ATF withdrawn shall only be admissible if made in writing to the Operator within fourteen (14) days after withdrawal.

## 12. Custody

12.1 **Delivery to Facility:** The Operator shall take custody of any ATF delivered to the Facility when it enters the Facility on passing the inlet flange of the Facility and shall hold such ATF as bailee for the Supplier with freedom to make available for withdrawal Deliverable Quantities of similar product, the ATF which was initially delivered having lost its identity by being commingled with other product.

12.2 **Withdrawals by Into-Plane Agents:** Custody of ATF shall be released by the Operator to the relevant Into-Plane Agent as it passes through the relevant hydrant pit valve connection or at the outlet flange at the loading bay connecting the hose of the refuelling vehicle (as the case may be).

## 13. Throughput Fees and Payments

13.1 **Throughput fees:** The Operator shall levy and collect from the Supplier a fee ('Throughput Fee') per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from



the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.

13.2 **Other fees and charges:** Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
- (b) the supply of services ancillary to the operation of the Facility.

Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier.

13.3 **Reimbursement:** The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated





दिल्ली DELHI

L 552888

#### SUPPLIER AGREEMENT

THIS AGREEMENT is made at New Delhi on this the 13<sup>th</sup> day of July, 2010  
at New Delhi

BETWEEN

Indian Oil Skytanking Limited, a company formed under the provisions of  
the Companies Act, 1956 and having its office at Fuel Farm Facility, Bangalore  
International Airport, Devanahalli, Bangalore 560300, hereinafter referred to  
as the Operator, which expression shall, unless repugnant to the meaning or  
context thereof, be deemed to mean and include its successors in-interest and  
permitted assigns;

AND

*[Handwritten signatures]*







दिल्ली DELHI

L 552891

Bharat Petroleum Corporation Limited, an Indian company, formed under the provisions of the Companies Act, 1956 and having its registered office at A 5 & 6, Sector -I, 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 successors-in-interest and permitted assigns;

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

WHEREAS:

- (A) The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL (as defined hereunder) have entered into the Operation, Management and Development Agreement dated April 4, 2006, pursuant to which DIAL has been awarded an exclusive concession by the AAI for an initial

for AAI Sm



a particular report cannot be provided in electronic format the information shall initially be provided in writing and shall be confirmed in electronic format as soon as possible thereafter.

11.8 **Sampling:** For the purpose of verifying the quality of any ATF withdrawn from the Facility each of the Into-Plane Agents shall have the right at all reasonable times to take samples of ATF in accordance with the Quality Control, Assurance and Operating Manual. Such samples shall be taken in the presence of a duly authorised representative of the Operator.

11.9 **Complaints:** Complaints of defect in quality of any ATF withdrawn shall only be admissible if made in writing to the Operator within fourteen (14) days after withdrawal.

## 12. Custody

12.1 **Delivery to Facility:** The Operator shall take custody of any ATF delivered to the Facility when it enters the Facility on passing the inlet flange of the Facility and shall hold such ATF as bailee for the Supplier with freedom to make available for withdrawal Deliverable Quantities of similar product, the ATF which was initially delivered having lost its identity by being commingled with other product.

12.2 **Withdrawals by Into-Plane Agents:** Custody of ATF shall be released by the Operator to the relevant Into-Plane Agent as it passes through the relevant hydrant pit valve connection or at the outlet flange at the loading bay connecting the hose of the refuelling vehicle (as the case may be).

## 13. Throughput Fees and Payments

13.1 **Throughput fees:** The Operator shall levy and collect from the Supplier a fee ('Throughput Fee') per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from

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the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.

13.2 **Other fees and charges:** Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
- (b) the supply of services ancillary to the operation of the Facility.

Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier

13.3 **Reimbursement:** The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated





दिल्ली DELHI

L 552901

#### SUPPLIER AGREEMENT

THIS AGREEMENT is made at New Delhi on this the 13<sup>th</sup> day of July 2010,  
at New Delhi

BETWEEN

Indian Oil Skytanking Limited, a company formed under the provisions of  
the Companies Act, 1956 and having its office at Fuel Farm Facility, Bangalore  
International Airport, Devanahalli, Bangalore 560300, hereinafter referred to  
as the Operator, which expression shall, unless repugnant to the meaning or  
context thereof, be deemed to mean and include its successors-in-interest and  
permitted assigns;

AND

*[Handwritten signatures]*







दिल्ली DELHI

L 552884

Indian Oil Corporation Limited, an Indian company, formed under the provisions of the Companies Act, 1956 and having its registered office at Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (E) Mumbai-400051, 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 successors-in-interest and permitted assigns;

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

**WHEREAS:**

- (A) The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL (as defined hereunder) have entered into the Operation, Management and Development Agreement dated April 4, 2006, pursuant to which DIAL has been awarded an exclusive concession by the AAI for an initial

*[Handwritten signature]*



a particular report cannot be provided in electronic format the information shall initially be provided in writing and shall be confirmed in electronic format as soon as possible thereafter.

11.8 **Sampling:** For the purpose of verifying the quality of any ATF withdrawn from the Facility each of the Into-Plane Agents shall have the right at all reasonable times to take samples of ATF in accordance with the Quality Control, Assurance and Operating Manual. Such samples shall be taken in the presence of a duly authorised representative of the Operator.

11.9 **Complaints:** Complaints of defect in quality of any ATF withdrawn shall only be admissible if made in writing to the Operator within fourteen (14) days after withdrawal.

## 12. Custody

12.1 **Delivery to Facility:** The Operator shall take custody of any ATF delivered to the Facility when it enters the Facility on passing the inlet flange of the Facility and shall hold such ATF as bailee for the Supplier with freedom to make available for withdrawal Deliverable Quantities of similar product, the ATF which was initially delivered having lost its identity by being commingled with other product.

12.2 **Withdrawals by Into-Plane Agents:** Custody of ATF shall be released by the Operator to the relevant Into-Plane Agent as it passes through the relevant hydrant pit valve connection or at the outlet flange at the loading bay connecting the hose of the refuelling vehicle (as the case may be).

## 13. Throughput Fees and Payments

13.1 **Throughput fees:** The Operator shall levy and collect from the Supplier a fee (*Throughput Fee*) per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from



the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.

**13.2 Other fees and charges:** Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
- (b) the supply of services ancillary to the operation of the Facility.

Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier.

**13.3 Reimbursement:** The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated





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# INDIA NON JUDICIAL Government of Karnataka

e-Stamp

Certificate No.	: IN-KA258589143372771
Certificate Issued Date	: 17-Sep-2010 11:29 AM
Account Reference	: SHCIL (FI) ka-shcil SRO SHIVAJINAGAR/ KA-BA
Unique Doc. Reference	: SUBIN-KAKA-SHCIL416472410680481
Purchased by	: INDIANOIL SKYTANKING LTD
Description of Document	: Article 12 Bond
Description	: AGREEMENT
Consideration Price (Rs.)	: 0
	(Zero)
First Party	: INDIANOIL SKYTANKING LTD
Second Party	: SHELL MRPL AVIATION FUELS AND SERVICES PVT LTD
Stamp Duty Paid By	: INDIANOIL SKYTANKING LTD.
Stamp Duty Amount(Rs.)	: 100
	(One Hundred only)

Authorized Signatory  
for Stock Holding Corporation of India Ltd.



Please write or type below this line.

THIS STAMP PAPER FORMS AN INTEGRAL PART OF SUPPLIER AGREEMENT ENTERED INTO BETWEEN INDIANOIL SKYTANKING LTD, BANGALORE AND SHELL MRPL AVIATION FUELS AND SERVICES PRIVATE LTD, BANGALORE EXECUTED AT BANGALORE ON 20/09/2010:



**Statutory Alert:**

1. The authenticity of the Stamp Certificate can be verified at Authorized Collection Centres (ACCs), SHCIL Offices and Service providers (Service Providers) on the Stamp Certificate.



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# INDIA NON JUDICIAL Government of Karnataka

e-Stamp

Certificate No.	IN-KA258577553725451
Certificate Issued Date	17-Sep-2010 11:18 AM
Account Reference	SHCIL (FI) ka-shcil/SRO SHIVAJINAGAR/ KA-BA
Unique Doc. Reference	SUBIN-KA-KA-SHCIL16455241430721
Purchased by	INDIANOIL SKYTANKING LTD
Description of Document	Article 12 Bond
Description	AGREEMENT
Consideration Price (Rs.)	0
	(Zero)
First Party	INDIANOIL SKYTANKING LTD
Second Party	SHELL MRPL AVIATION FUELS AND SERVICES PVT LTD
Stamp Duty Paid By	INDIANOIL SKYTANKING LTD
Stamp Duty Amount(Rs.)	100
	(One Hundred only)

Authorized Signatory  
for Stock Holding Corporation of India Ltd.



Please write or type below this line

THIS STAMP PAPER FORMS AN INTEGRAL PART OF SUPPLIER AGREEMENT ENTERED INTO BETWEEN INDIANOIL SKYTANKING LTD, BANGALORE AND SHELL MRPL AVIATION FUELS AND SERVICES PRIVATE LTD, BANGALORE EXECUTED AT BANGALORE ON 20/09/2010.

SB



## Statutory Alert:

The authenticity of the Stamp Certificate can be verified at Andhra Pradesh Collection Centre (APCC) - 530001 - Bhubaneswar and other regional offices. The Certificate of Authenticity (COA) shall be issued by the APCC to the purchaser of the Stamp Certificate.



## SUPPLIER AGREEMENT

THIS AGREEMENT is made at Bangalore on this the 20th day of September, 2010, at Bangalore

BETWEEN

Indian Oil Skytanking Limited, a Company formed under the provisions of the Companies Act, 1956 and having its office at Fuel Farm Facility, Bangalore International Airport, Devanahalli, Bangalore 560300, hereinafter referred to as the Operator, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

AND



Page 1 of 78



Shell MRPL Aviation Fuels and Services Private Ltd, an Indian company, formed under the provisions of the Companies Act, 1956 and having its registered office at No.72/4, 1<sup>st</sup> Floor, Cunningham Road, Opp. Cottage Industries Exposition, Bangalore 560 052, 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 successors-in-interest and permitted assigns;

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

**WHEREAS:**

- (A) The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL (as defined hereunder) have entered into the Operation, Management and Development Agreement dated April 4, 2006, pursuant to which DIAL



a particular report cannot be provided in electronic format the information shall initially be provided in writing and shall be confirmed in electronic format as soon as possible thereafter.

- 11.8 **Sampling:** For the purpose of verifying the quality of any ATF withdrawn from the Facility each of the Into-Plane Agents shall have the right at all reasonable times to take samples of ATF in accordance with the Quality Control, Assurance and Operating Manual. Such samples shall be taken in the presence of a duly authorised representative of the Operator.
- 11.9 **Complaints:** Complaints of defect in quality of any ATF withdrawn shall only be admissible if made in writing to the Operator within fourteen (14) days after withdrawal.

## 12. Custody

- 12.1 **Delivery to Facility:** The Operator shall take custody of any ATF delivered to the Facility when it enters the Facility on passing the inlet flange of the Facility and shall hold such ATF as bailee for the Supplier with freedom to make available for withdrawal Deliverable Quantities of similar product, the ATF which was initially delivered having lost its identity by being commingled with other product.
- 12.2 **Withdrawals by Into-Plane Agents:** Custody of ATF shall be released by the Operator to the relevant Into-Plane Agent as it passes through the relevant hydrant pit valve connection or at the outlet flange at the loading bay connecting the hose of the refuelling vehicle (as the case may be).

## 13. Throughput Fees and Payments

- 13.1 **Throughput fees:** The Operator shall levy and collect from the Supplier a fee ('Throughput Fee') per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from



the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.

13.2 **Other fees and charges:** Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
- (b) the supply of services ancillary to the operation of the Facility.

Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier.

13.3 **Reimbursement:** The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated





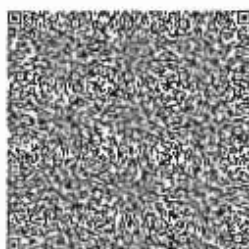
सत्यमेव जयते

# INDIA NON JUDICIAL Government of Karnataka

## e-Stamp

Certificate No.	: IN-KA78135132868066J
Certificate Issued Date	: 21-May-2011 10:54 AM
Account Reference	: SHCIL (FI)/ ka-shcil/ MALLESHWARAM1/ KA-BA
Unique Doc. Reference	: SUBIN-KAKA-SHCIL39697663545623J
Purchased by	: INDIANOIL SKYTANKING LTD
Description of Document	: Article 12 Bond
Description	: AGREEMENT
Consideration Price (Rs.)	: 0 (Zero)
First Party	: RELIANCE INDUSTRIES LIMITED
Second Party	: INDIANOIL SKYTANKING LTD
Stamp Duty Paid By	: INDIANOIL SKYTANKING LTD
Stamp Duty Amount(Rs.)	: 200 (Two Hundred only)

For Stock Holding Corporation of India Ltd.



*May*  
Authorized Signatory

.....Please write or type below this line.....

THIS STAMP PAPER FORMS AN INTEGRAL PART OF SUPPLIER AGREEMENT ENTERED INTO BETWEEN INDIANOIL SKYTANKING LTD, BANGALORE AND RELIANCE INDUSTRIES LTD, MUMBAI EXECUTED AT BANGALORE ON 26/05/2011.

*[Signature]*



*[Signature]*



### Statutory Alert:

1. The authenticity of the Stamp Certificate can be verified at Authorised Collection Centres (ACCs), SHCIL Offices and Sub-signatory Offices (SROs).
2. The Contact Details of ACCs, SHCIL Offices and SROs are available on the Web site "www.shcilstamp.com"



## SUPPLIER AGREEMENT

THIS AGREEMENT is made at Bangalore on this the 26<sup>th</sup> day of May, 2011,  
at Bangalore.

BETWEEN

Indian Oil Skytanking Limited, a company formed under the provisions of the Companies Act, 1956 and having its office at Fuel Farm Facility, Bangalore International Airport, Devanahalli, Bangalore 560300, hereinafter referred to as the **Operator**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns;

AND



Page 1 of 78



Reliance Industries Limited, an Indian company, formed under the provisions of the Companies Act, 1956 and having its registered office at Maker Chambers – IV , 3<sup>rd</sup> floor, 222, Nariman Point, Mumbai – 400 021, 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 successors-in-interest and permitted assigns;

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

**WHEREAS:**

- (A) The Airports Authority of India (hereinafter referred to as "AAI" and more particularly defined hereinafter) and DIAL (as defined hereunder) have entered into the Operation, Management and Development Agreement dated April 4, 2006, pursuant to which DIAL has been awarded an exclusive concession by the AAI for an initial

Page 2 of 78



a particular report cannot be provided in electronic format the information shall initially be provided in writing and shall be confirmed in electronic format as soon as possible thereafter.

- 11.8 **Sampling:** For the purpose of verifying the quality of any ATF withdrawn from the Facility each of the Into-Plane Agents shall have the right at all reasonable times to take samples of ATF in accordance with the Quality Control, Assurance and Operating Manual. Such samples shall be taken in the presence of a duly authorised representative of the Operator.
- 11.9 **Complaints:** Complaints of defect in quality of any ATF withdrawn shall only be admissible if made in writing to the Operator within fourteen (14) days after withdrawal.

## 12. Custody

- 12.1 **Delivery to Facility:** The Operator shall take custody of any ATF delivered to the Facility when it enters the Facility on passing the inlet flange of the Facility and shall hold such ATF as bailee for the Supplier with freedom to make available for withdrawal Deliverable Quantities of similar product, the ATF which was initially delivered having lost its identity by being commingled with other product.
- 12.2 **Withdrawals by Into-Plane Agents:** Custody of ATF shall be released by the Operator to the relevant Into-Plane Agent as it passes through the relevant hydrant pit valve connection or at the outlet flange at the loading bay connecting the hose of the refuelling vehicle (as the case may be).

## 13. Throughput Fees and Payments

- 13.1 **Throughput fees:** The Operator shall levy and collect from the Supplier a fee ("*Throughput Fee*") per cubic meter (one thousand litres), and pro rated fee for parts of a cubic metre, of ATF withdrawn from



the Facility by the Supplier through an Into Plane Agent, as notified by DIAL/ DAFFPL from time to time. The Supplier shall be liable to pay all taxes and other statutory levies payable in connection with the activities performed under this agreement.

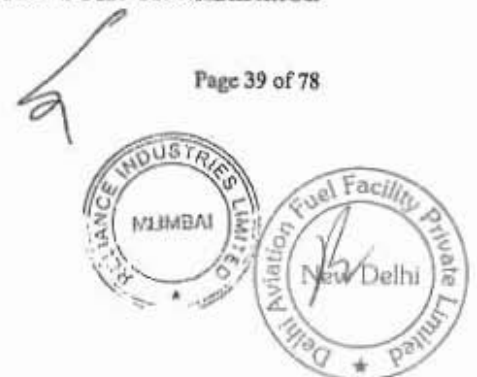
13.2 **Other fees and charges:** Subject to the prior approval of DIAL, the Operator may levy and collect from the Supplier, charges for:

- (a) the storage of ATF within the Facility (other than ATF stored in accordance with the provisions of this Agreement) or the discharge of product into any defuelling tank forming part of the Facility; and
- (b) the supply of services ancillary to the operation of the Facility.

Such charges shall, after receipt of approval from DIAL, be notified, from time to time to the Supplier.

13.3 **Reimbursement:** The Supplier shall bear the following costs and shall reimburse to the Operator any such costs borne by the Operator:

- (a) the costs of testing and/or re-certifying any product to be delivered to the Facility in accordance with the Operating and Quality Control Manuals or as reasonably required by the Operator;
- (b) any costs associated with testing, re-certifying, handling, export, removal or other remedial measures taken in relation to any of the Supplier's product which is not compliant with the Specifications prescribed for such product to be classified as ATF in terms hereof;
- (c) any costs associated with the removal of any product (whether or not delivered by the Supplier) which has been contaminated



MINUTES OF THE USERS CONSULTATION MEETING ON INFRASTRUCTURE CHARGES OF DAFPL FOR SECOND CONTROL PERIOD (FY 2016-17 TO FY 2020-21) HELD ON 4<sup>th</sup> NOVEMBER, 2015 AT THE HOTEL ORCHID MUMBAI

As per the guidelines issued by Airport Regulatory Authority of India (AERA), *Terms & Conditions for determination of tariff for services provided for Cargo facility, Ground Handling and supply of fuel to the Aircraft*, Delhi Aviation Fuel Facility Private Limited has called a consultation meeting with users of the facilities i.e fuel farm and hydrant infrastructure at Delhi Airport on 4<sup>th</sup> November, 2015 at 12:30pm at The Hotel Orchid, Mumbai. Notice has been sent to concern officials of each user separately through speed post, email and phone etc.

The Company briefed the users present at the consultation meeting that Hon'ble Airport Economic Regulatory Authority of India (AERA) vide its order no 19/2012 dated 11<sup>th</sup> September 2012 had approved the tariff of Infrastructure charges of Rs 755/KL till 31<sup>st</sup> March 2016. DAFPL proposes to continue the same charges without any increase for the second Control period as well starting 1<sup>st</sup> April 2016 continuing till 31<sup>st</sup> March 2021.

It was further deliberated that despite huge capex plan for modernisation of facility and implementation of recommendation of MB Lal committee, OISD standard and meeting other global parameters like JIG, IATA compliances, DAFPL is proposing to extend the same charges.

Company management has further elaborated that though there would be inflationary impact and normal rise in the cost, DAFPL will keep the operating cost at same level.

All the users are agreed on the Proposed charges of Rs 755/KL to be implemented from FY 2016-17 till FY 2020-21. It is understood that that due process as prescribed in AERA guideline will be followed in this regard.

Meeting is concluded with votes of thanks to all the participants.

*W. K. Singh*  
IOCL 04/11/2015  
Krishna Anand

*Arvi*  
BPCL 4/11/15  
Arvi MEERA

*R. R. R.*  
HPCL 04/11/15  
RIL

*Shamsher*  
Sanyal Chandra  
04/11/2015

DAFFPL  
*B. K. Singh*  
4/11/2015  
(B. K. Singh)







# DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

(Joint Venture of IOCL, BPCL & DIAL)

Regd. Office: Aviation Fuelling Station, Shahbad Mohammad Pur, Near Dwarka Sector 8 Metro Station  
Indira Gandhi International Airport, New Delhi - 110061, India

## Users' Consultation Meeting on DAFFPL Infrastructure Charges for the period from FY 2016-17 to FY 2020-21

Date: Wednesday, 4<sup>th</sup> November, 2015

Venue: The Hotel Orchid, Mumbai

### ATTENDANCE SHEET

Sr. No.	Name of Delegates	Company	Signature
1	KARDE	BPCL	[Signature]
2	SANJAY D CHAUDHARI	RIL	[Signature]
3	R. K. RAI	HPCL	[Signature]
4	B. K. SINGH	DAFFPL	[Signature]
5	PRABIN DOLANIA	DAFFPL	[Signature]
6	KRISHNA PRAKASH	IndianOil	[Signature]
7	ATUL MEHRA	BPCL	[Signature]
8	Rajen Berman	RIL	[Signature]
9			
10			



09<sup>th</sup> May 2017.

Chief Financial Officer  
Delhi Aviation Fuel Facility (P) Limited  
Aviation Fuel station  
Shahbad Mohmuddpur  
Delhi-61

Sub : Proposed Infrastructure Charges for 2<sup>nd</sup> Control Period (FY 2016-17 to 2020-21)  
Reference: User consultation meeting

Dear Sir,

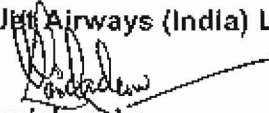
This has reference to the meeting held at your office on 20<sup>th</sup> May 2016 in regards to Jet Airways sourcing product on their own as a Supplier to meet captive consumption at Delhi International Airport.

We have been briefed about the Fuel Infrastructure Charges of Rs.755.00 per KL payable by us in accordance to the Order No. 19/2012-13 dated 11<sup>th</sup> September 2012 for the first Control period ending on 31.03.2016 followed by the interim Order No. 50/2015-16 dated 31.03.2016 for continuation of the same rate for the second control period commencing effective 01.04.2016 or till determination of the tariffs for the second control period whichever is earlier.

We hereby give our confirmation for the fuel infrastructure charge upto a maximum of Rs. 755 per KL effective from the date of usage of the facility for the 2<sup>nd</sup> Control Period or as per tariff as may be determined by the Regulator.

Thanking you  
Yours faithfully,

For Jet Airways (India) Limited

  
N. Ravichandran  
Vice President - Finance



MINUTES OF THE USERS CONSULTATION MEETING ON INFRASTRUCTURE CHARGES OF DAFFPL FOR SECOND CONTROL PERIOD (FY 2016-17 TO FY 2020-21) HELD ON 4<sup>th</sup> NOVEMBER, 2015 AT THE HOTEL ORCHID MUMBAI

As per the guidelines issued by Airport Regulatory Authority of India (AERA), *Terms & Conditions for determination of tariff for services provided for Cargo facility, Ground Handling and supply of fuel to the Aircraft*, Delhi Aviation Fuel Facility Private Limited has called a consultation meeting with users of the facilities i.e fuel farm and hydrant infrastructure at Delhi Airport on 4<sup>th</sup> November, 2015 at 12:30am at The Hotel Orchid, Mumbai. Notice has been sent to concern officials of each user separately through speed post, email and phone etc.

The Company briefed the users present at the consultation meeting that Hon'ble Airport Economic Regulatory Authority of India (AERA) vide its order no 19/2012-13 dated 11<sup>th</sup> September 2012 had approved the tariff of Infrastructure charges of Rs 755/KL till 31<sup>st</sup> March 2016, DAFFPL proposes to continue the same charges without any increase for the second Control period as well starting 1<sup>st</sup> April 2016 continuing till 31<sup>st</sup> March 2021.

It was further deliberated that despite huge capex plan for modernisation of facility and implementation of recommendation of MB Lal committee, OISD standard and meeting other global parameters like JIG, IATA compliances, DAFFPL is proposing to extend the same charges.

Company management has further elaborated that though there would be inflationary impact and normal rise in the cost, DAFFPL will keep the operating cost at same level.

All the users are agreed on the Proposed charges of Rs 755/KL to be implemented from FY 2016-17 till FY 2020-21. It is understood that that due process as prescribed in AERA guideline will be followed in this regard.

Meeting is concluded with votes of thanks to all the participants.

*W. K. Singh*  
IOCL 04/11/2015  
Krishna Arora

*Arjun Mehra*  
BPCL 4/11/15  
Arjun MEHRA

*R. K. Singh*  
HPCL 04/11/15  
RIL

*Sanjay Chandra*  
04/11/2015  
RIL

DAFFPL  
*(B. K. Singh)*  
*(J. K. DOKANIA)*  
4/11/2015





# DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

(Joint Venture of IOCL, BPCL & DIAL)

Regd. Office: Aviation Fuelling Station, Shahbad Mohammad Pur, Near Dwarka Sector 8 Metro Station  
Indira Gandhi International Airport, New Delhi - 110061, India

## Users' Consultation Meeting on DAFFPL Infrastructure Charges for the period from FY 2016-17 to FY 2020-21

Date: Wednesday, 4<sup>th</sup> November, 2015

Venue: The Hotel Orchid, Mumbai

### ATTENDANCE SHEET

Sr. No.	Name of Delegates	Company	Signature
1	P. J. KAVDE	BPCL	[Signature]
2	SANJAY D CHAUDHARI	RIL	[Signature]
3	R. K. RAI	HFCL	[Signature]
4	B. K. SINGH	DAFFPL	[Signature]
5	PRABIN DOHANIA	DAFFPL	[Signature]
6	KRISHNA PRAKASH	IndianOil	[Signature]
7	ATUL MEHRA	BPCL	[Signature]
8	Rajeev Barman	RIL	[Signature]
9			
10			



09<sup>th</sup> May 2017.

Chief Financial Officer  
Delhi Aviation Fuel Facility (P) Limited  
Aviation Fuel station  
Shahbad Mohmuddpur  
Delhi-61

**Sub : Proposed Infrastructure Charges for 2<sup>nd</sup> Control Period (FY 2016-17 to 2020-21)**  
**Reference: User consultation meeting**

Dear Sir,

This has reference to the meeting held at your office on 20<sup>th</sup> May 2016 in regards to Jet Airways sourcing product on their own as a Supplier to meet captive consumption at Delhi International Airport.

We have been briefed about the Fuel Infrastructure Charges of Rs.755.00 per KL payable by us in accordance to the Order No. 19/2012-13 dated 11<sup>th</sup> September 2012 for the first Control period ending on 31.03.2016 followed by the interim Order No. 50/2015-16 dated 31.03.2016 for continuation of the same rate for the second control period commencing effective 01.04.2016 or till determination of the tariffs for the second control period whichever is earlier.

We hereby give our confirmation for the fuel infrastructure charge upto a maximum of Rs. 755 per KL effective from the date of usage of the facility for the 2<sup>nd</sup> Control Period or as per tariff as may be determined by the Regulator.

Thanking you  
Yours faithfully,

For Jet Airways (India) Limited

  
N. Ravichandran

Vice President - Finance





DF/FUEL/4195

2<sup>nd</sup> February 2017

Chief Financial Officer  
Delhi Aviation Fuel Facility (P) Limited  
Aviation Fuel station  
Shahbad Mohmuddpur  
Delhi-61

Sub: Proposed Infrastructure Charges for Second Control Period (FY 17 – FY 21)

Reference: User consultation meeting

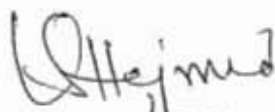
Dear Sir

This is in continuation of our meeting held in your office, wherein we have been briefed about the Infrastructure charges and our queries have been resolved satisfactory.

We give our confirmation for the charges of Rs 755/KL effective date of usage of facility till FY 2020-21.

Thanking you

Yours faithfully,  
For Air India Ltd.,

  
(Vinod Hejmadi)  
Director - Finance



The Concessionaire may, if it deems necessary, may verify the basis and the background evidence for such certification by DIAL's Internal auditors.

2.3.4 The Concessionaire shall ensure that for the entire duration of the Concession Agreement, the shareholding in the Concessionaire shall comply with the following requirements:

- (i) IOCL and BPCL shall collectively upto a period of five (05) years from the Commencement Date, hold equity shares in the Concessionaire cumulating aggregate 74% of the equity share capital of the Concessionaire;
- (ii) Thereafter and throughout the term of this Agreement IOCL and BPCL shall collectively in aggregate hold not less than 51% of the issued and paid up equity share capital of the Concessionaire;

Any transfer of shareholding in the Concessionaire by IOCL and/or BPCL to a third party (other than to an Affiliate or *inter se*) shall require the prior approval in writing of DIAL, which shall not be unreasonably withheld. For avoidance of doubt, any failure by the Concessionaire to ensure such shareholding as specified in this Clause 2.3.4 in it, shall be treated as a material breach of the terms of this Agreement.

## 2.4 Security Deposit

2.4.1 The Concessionaire shall on the Effective Date furnish and deposit with DIAL a sum of Rs.750,000,000/- (Rupees Seven Hundred Fifty Million only), together with interest at the rate equal to SBI PLR commencing from September 22, 2009 until the date of payment of the Security Deposit, by way of a demand draft in favour of Delhi International Airport Private Limited payable at New Delhi, or by way of electronic transfer to an account designated by DIAL, as a reimbursable, interest free, security for due and punctual performance of obligations of the Concessionaire and the BPCL Offsite Facility Operator and IOCL Offsite Facility Operator under this Agreement and / or against any breach and/or any non compliance by the Concessionaire and the BPCL Offsite Facility Operator and IOCL Offsite Facility Operator of any of its obligations, representation, warranties and covenants contained in this Agreement during and throughout the Concession Period ("Security Deposit").

2.4.2 Subsequent to the Commencement Date, at the end of every two Financial Years, the amount of the Security Deposit shall be reset to the higher of the following:

- (i) Aggregate of the Airport Operator Fee paid during the preceding 18 (eighteen) months, or
- (ii) Rs.750,000,000/- (Rupees Seven Hundred Fifty Million).

2.4.3 The Concessionaire shall, within 10 (ten) days of the end of every two Financial Years, as referred to in Clause 2.4.2, deposit the amount payable to make up the required level of the Security Deposit as per Clause 2.4.2.

2.4.4 DIAL shall with prior intimation of at least 3 Business Days to the Concessionaire or the BPCL Offsite Facility Operator or IOCL Offsite Facility Operator, be entitled at any time to utilize the Security Deposit.

  
IOCL

  
BPCL

  
DIAL

  
IOSL





## DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

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Regd. Office: Aviation Fuelling Station, Shahbad Mohammad Pur, Near Dwarka Sector – 8 Metro Station,  
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### PROPOSAL FOR CONSTRUCTION OF NEW ADMINISTRATIVE BUILDING

#### Back Ground:

Delhi Aviation Fuel Facility Private Ltd. (DAFFPL) has Administration Block & Control Room constructed in 1984-85 by BPCL. Total floor area of the admin building is approximately 13,500 Sq Ft.

Facility operator has undertaken a seismic study including non-destructive testing through M/s Nirman Engineering to assess the seismic exposure of the building. All external walls are brick and the interior partitions are a mix of brick and light weight partitions. The building has Reinforced Concrete beams, slabs and central columns, however the perimeter columns are "Brick Columns", also there are no shear walls in the building. There is one concrete wall in the external staircase but the same is not integrated with the main structure, there exists a seismic gap.

**The absence of columns and shear walls renders the building unsafe under seismic loading, as the building is located in Seismic Zone-4.** Rusting of reinforcement is prevalent throughout the building.

To take a second independent opinion on the seismic exposure of the Administration Block we appointed another consultant M/s Miyamoto. Both consultants confirmed that the structures are not suitable for Seismic forces and recommended to go for a new building or seismically retrofit the existing building.

With reference to consultants recommendations we planned to construct new admin building as retrofit strategy will not address solutions for other safety parameters of the building. Accordingly an Architect (M/s The Grid) was appointed to carryout feasibility analysis for construction of new administrative building.

M/s Grid has carried out the feasibility analysis and submitted their report. Total financial implication for construction of new admin building is Rs 600 Lakhs. (Estimation Sheet attached).





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### Current Status:

Considering the safety and security of facility and employees we are planning to start the construction of new building in 2017 and the same will be capitalized before March, 2019.





## DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

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Regd. Office: Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi - 110 061, INDIA

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### 1.1 The Project Preamble

DAFFPL proposes for the Modernization and Automation system of their existing Fuel Farm facility at Shahbad Mohammadpur, IGI Air Port, New Delhi. This existing fuel farm facility will be made fully automatic using state of art automation control by SCADA system. Presently system is working manually.

### 1.2 Project Objectives

This is an existing (25 years old) operational facility. Modernization of the existing fuel facility with advancements in technology makes it possible to fully automate tank terminals with sophisticated systems both in hardware and software.

### 1.3 Control & Automation

This enhances the safety and can greatly reduce possibility of Human error by implementing interlock permissive and recording and measurements of events like Pumps Start/Stop, Valves opening/closing and measurements of flow rate, levels etc. & quantities can give more accurate stock control.

The entire terminal will be controlled and operated through control system located in control room. The control system will facilitate increase in reliability of operation, ease of operation and maintenance, reliability in monitoring and control of the parameters within pre-set limits, ensure safety of equipment & operating personnel and provide necessary inputs for production, planning, control, failure analysis, costing, etc.

#### 1.3.1 Tank Farm Management System

Presently Radar Gauges are installed on the existing Tanks but are not functioning properly. Tank Farm Management System (TFMS), multi point temperature averaging sensor, pressure transmitter, water level sensor etc. are not available in existing tank







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gauging system. Hence, it was recommended to replace the existing tank gauging system with a new Radar gauges, Averaging Temp. Sensors, Pressure Transmitters, Water level interface Probe, Tank side Level Indicators and Tank Farm Management System.

### 1.3.2 PLC System

With advancements in systems & features available, we propose to use the system features to design the ATF Facility Automation System with higher level of safety, helping in operational needs.

1. With product receipt, flow rate system will give approx. time for filling of the tank, similarly during despatch.
2. Event & alarm recording with time stamping.

PLC system will be provided for implementation of pump interlocks / sequencing, MOV operation and interlocks and alarms for fire alarm system. PLC control system will be modular in construction and expandable in future by addition of modules. PLC will be with redundant hot standby processor and redundant power supply to processor.

