

**DELHI AVIATION FUEL FACILITY (P) LIMITED**

**Request for Proposal**

**FOR**

**Term Loan Requirement**

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## Section-1

### REQUEST FOR EXPRESSION OF INTEREST

Delhi Aviation Fuel Facility Private Limited (DAFFPL) invites proposal from interested banks to submit their best commercial proposal for lending the funds to company for meeting long term requirements as specified and on the terms and conditions contained in this Request for Proposal (RFP).

The interested parties are advised to adhere to the following schedule for the purpose of this RFP and submit their queries, replies & quotations at details mentioned below:

Date of issuance of RFP	:	August 02, 2013
Last date for submission of queries	:	August 12, 2013
Reply to the queries/ clarification by the employer and issuance of addendum, if any	:	August 13, 2013
Last date for Proposal submission	:	August 17, 2013; 20:00 Hours

*"NO PROPOSAL WILL BE CONSIDERED AFTER THE LAST DATE & TIME FOR PROPOSAL SUBMISSION"*

#### **Contact Details:**

For any further clarification & company profile, please visit [www.daffpi.in](http://www.daffpi.in)

You can also contact at the following details:

Mr. Ajay Arora (Finance & Accounts)

(O) 011-46084293

Email: [ajay.arora@gmrgroup.in](mailto:ajay.arora@gmrgroup.in)

Address: 1<sup>st</sup> floor, T-3 Project Office, Opp. New Udaan Bhawan, IGI Airport, New Delhi

**Note:** DAFFPL reserves the right to reject any or all the bids received at its discretion without assigning any reason whatsoever.

## Section-2 COMPANY PROFILE

Delhi Aviation Fuel Facility Private Limited (DAFFPL) is a Joint Venture company, promoted by Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Ltd. (BPCL), and Delhi International Airport Private Ltd. (DIAL) with equity of Rs 164 crore in proportion of 37 : 37 : 26 respectively.

DAFFPL provides the fuelling infrastructure aimed at ensuring an uninterrupted flow of Aviation Turbine Fuel (ATF) to all type of aircrafts at the Indira Gandhi International Airport at Terminal – III, Terminal – II & Cargo, New Delhi as per international benchmarking standards.

DAFFPL, as the sole concessionaire, has the right to design, develop, construct, manage, maintain & upgrade the Aviation Fuelling Facility at the Fuel Farm situated at the IGI Airport.

The Company owns the ATF Facility which includes the on-site facility at Aviation Fuelling Station, IGI Airport, New Delhi & the Aviation Fuel Hydrant System (AFHS) at Terminal – III, Terminal – II & Cargo at IGI Airport. It has a storage facility of 42,000 KL at its onsite facility with ATF storage capacity that can last up to 8 days requirement of Terminal - 3 and further has the largest ATF Hydrant line network in India of around 20 KM.

The majority of assets are located at Fuel Farm facility at Shahabad Mohammad Pur, IGI Airport and at Terminal – III, II & cargo terminal of IGI airport, New Delhi.

Further details may be obtained from our website [www.daffpl.in](http://www.daffpl.in)

### **Performance:**

During 2011-12 and 2012-13, DAFFPL achieved a turnover of Rs 127 crore and Rs 99 crore respectively. Company posted a Profit after Tax of Rs 36 crore and Rs 30 crore in FY 2011-12 and 2012-13 respectively. Company has declared its maiden dividend of 25% for the FY 2011-12 and recommended 12% dividend for FY 2012-13.

### **Future Growth Plan:**

Delhi International Airport (P) Limited (DIAL) has outlined a plan for growth and expansion of IGI Airport, New Delhi for the decade ahead. In order to commensurate with the growth of the IGI Airport, the fuelling infrastructure is required to be synchronized. As the sole concessionaire for fuelling infrastructure, Delhi Aviation Fuel Facility (P) Limited is responsible to implement this plan.

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### Section-3 INFORMATION FOR CONSIDERATION

**External rating of company:**

Company has been rated as ICRA A- for the long term borrowings maintained by the company.

**Amount of the Term Loan:**

Company propose to take a Term Loan for Rs 75 crore (Rupees Seventy Five crore only). The figure is only indicative and may vary depending on the capital requirement / investment.

**Purpose & Disbursement of the Loan:**

Based on the projections of the company, there will be requirements of funds amounting to Rs 75 crores (approx.) during the period August 2013 to March 2016 for the following reasons & purposes:

**a. Capital Expenditure Plan-**

Purpose:

As a future expansion/ modernization / up-gradation plan of the company, for next three years, the estimated capital outlay is Rs 43.16 crore (approx.), which will be met through the proposed term loan (i.e. payments for capital creditors & relating expenses)

Disbursement:

These funds will be taken as & when required to pay to capital creditors & related expenses over a period August 2013 – March 2016.

**b. Reimbursement to Working Capital Loan-**

Purpose:

As per the requirement of Concession Agreement, DAFFPL paid Security deposit to the concession authority (DIAL) by availing working capital loan of Rs 28.03 crore as short term borrowings in December 2012. The said amount will be reimbursed from the proposed term loan.

Disbursement:

These funds will be taken immediately after sanction of loan.

**c. Additional demand of Security Deposit-**

Purpose:

The additional demand may arise for payment of security deposit to the concession authority (DIAL) based on the actual volume in coming years. As estimated, there will be additional demand of Rs 3.81 crore in April 2014.

**Disbursement:**

The requirement will come up in April 2014 only, these funds will be taken in April 2014.

**Terms of repayment:**

For disbursements of Rs 28.03 crore, the repayment will be made in 20 equated quarterly installment starting from October 01, 2013.

For other disbursements, as these are varying from month to month basis and based on the requirement, the repayment schedule may be fixed as the amount outstanding on the last day of the financial year considering the balance number of installments (Loan duration will be 20 equated quarterly installments starting from October 01, 2013). Being first installment due on April 2014.

**Security for the loan:**

Security offered to current lending bank is Charge on receivable / cash flows / revenue under Escrow account after statutory dues and DIAL's license fee.

Security for the proposed term loan would be as 2<sup>nd</sup> charge on receivable / cash flows / revenue under Escrow account after statutory dues and DIAL's license fee. (i.e. 1<sup>st</sup> charges is with the existing banker)

Since, the concession has been awarded to the company on BOOT (Build, Own, Operate and Transfer) basis under PPP concept, there will be no charges / security on the fixed assets of the company. Further, there would not be any letter of comfort from the promoter's companies.

**Projected Financial Highlights:**

Particulars	Rs in crore				
	F.Y. 13-14	F.Y. 14-15	F.Y. 15-16	F.Y. 16-17	F.Y. 17-18
Total Revenue	100.07	105.50	111.11	116.48	122.61
EBIT	67.64	70.62	73.82	77.32	80.93
PAT	34.11	37.04	40.37	41.87	46.87
Dividend Proposed	16.40	19.68	18.04	14.76	10.66
Bank Balances as on reporting date	15.13	25.22	29.36	24.78	24.49
DSCR	1.99	1.62	1.56	1.43	1.57

**Selection Criteria:**

Best interest rate & commercial offer submitted for the term loan.