

**BHARAT PETROLEUM CORPORATION LIMITED**

Corporate Identification Number: L23220MH1952GOI008931

Registered and Corporate Office: Bharat Bhavan, 4 & 6 Currimbhoy Rd,  
Ballard Estate, Mumbai - 400 001, Maharashtra

Telephone: 91 - 022 - 2271 3000 / 4000

Website: <https://www.bharatpetroleum.in/>**REQUEST FOR QUOTATION FOR ASSET MONETISATION THROUGH SECURITIZATION OF FUTURE CASHFLOWS FROM RETAIL OUTLETS**

1. Bharat Petroleum Corporation Limited ('BPCL' or the 'Company') is a Maharatna Oil Marketing Company ('OMC'). As on 31 March 2023, BPCL had 21,031 Retail Outlets (ROs). The Retail Outlets for the Company are majorly of two types, namely Dealer Controlled Dealer Operated Outlets (DC Outlets) and Company Controlled and Dealer Operated Outlets (CC Outlets).
2. Based on the sales volume of the products, the company bills and collects License Fee Revenue (LFR) on daily basis from these ROs for use of assets installed at the outlets. BPCL proposes to raise financing by way of securitizing these future cashflows from the Retail Outlets (ROs) (Securitization Facility or the Transaction). The proposed Securitization Facility shall be used for part funding the capex of the Company including recoupment of the capex undertaken in previous 12 months from the date of sanction. The tenor of the facility shall be 3 years or 5 years.
3. The current proposal is for participation in the proposed Securitization Facility as per the detailed term sheet enclosed in the RFQ. For the Transaction, SBI Capital Market Limited ('SBICAPS') has been appointed as the Transaction Advisor.
4. Bids are hereby invited from eligible Bidders as per qualifying criteria set out in the bid document including but not limited to Scheduled Commercial Banks, Non-Banking Financial Company (NBFC), Mutual Funds, Financial Institutions, Insurance Companies, & Provident Funds & Pension Funds.
5. Any eligible Bidder may refer to the Request for Quotation (RFQ) for detailed bid parameters, profile of BPCL and Transaction information uploaded on the website of BPCL (<https://www.bharatpetroleum.in/>) and of SBICAPS (<https://www.sbicaps.com/>).
6. Brief details & time schedule for the bid are tabulated below:

S.no	Particulars	Description
1.	RFQ Number.	BPCL/Treasury/Securitization/23-24
2.	RFQ Date	12/01/2024
3.	Description	Request for Quotation for Asset Monetisation through Securitization of Future Cashflows from Retail Outlets
4.	Securitization Facility	BPCL proposes to securitize the future cashflows from LFR revenue of Rs. 41.82 crore per month. The tenor of the facility will be either 3 years or 5 years. BPCL, after receiving the bids, at its sole discretion, shall decide the tenor of the facility.
5.	Mode of Tender	Online open tender
6.	Cost of RFQ Document	Nil



7.	Availability of RFQ Document for downloading	From 12/01/2024 to 31/01/2024 upto 15:00 Hrs. (IST)
8.	Quote required under the bid	Bidders are required to quote a Discounting rate (applicable benchmark plus spread)
9.	Last Date and Time for submission of bids	31/01/2024 (Wednesday) by 15:00 Hrs to be submitted physically as per the format enclosed.
10.	Date & Time of Opening of bids.	31/01/2024 (Wednesday) at 16:00 Hrs
11.	Validity of Bid	60 days from last date for submission of bids

**Please note that the quote made by the Bidder shall be unconditional and binding with all the necessary approvals from its competent authority.** It may further be noted that no additional fee or charges (including upfront fee, processing fee, Lender legal fee or any other fee, underwriting fee, management fee, pre-payment penalty, commitment fee, etc.) over and above quoted discount rate shall be paid by BPCL.

7. In case of any clarifications on the RFQ, please write to following officials latest by 19/01/2024 (Friday)

- a. Mr. Shishir Choudhry, Chief Manager Finance, Treasury on E-Mail ID: [shishirchoudhry@bharatpetroleum.in](mailto:shishirchoudhry@bharatpetroleum.in) and Mr Sarthak Goyal, Assistant Manager Finance, Treasury on E-Mail ID: [goyalsarthakkul@bharatpetroleum.in](mailto:goyalsarthakkul@bharatpetroleum.in)
- b. SBICAPS Team on Email ID: 1007050\_BPCL\_Securitization@sbicaps.com, Phone No: 022-41968300 (Ext: 8409/8517)

Note:

BPCL reserves the right to not to respond to the queries of Bidders. Any modification of the RFQ that may become necessary due to the clarification shall be made by the Company through an Addendum/ Corrigendum issue.

BPCL reserves the right to cancel or modify the process without assigning any reason and without any liability. This is not an offer document. Bidders should regularly visit the above-mentioned website(s) to keep themselves updated regarding clarifications / amendments/time-extensions, if any.

Place: Mumbai, India

Date: 12<sup>th</sup> January 2024

**Bharat Petroleum Corporation Limited**

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**Request for Quotation (RFQ)**  
**For**  
**Asset Monetisation through**  
**Securitization of Future Cashflows from Retail Outlets**



**Registered and Corporate Office: Bharat Bhavan, 4 & 6 Currimbhoy Rd,  
Ballard Estate, Mumbai - 400 001, Maharashtra.**

**Website: <https://www.bharatpetroleum.in>**



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## 1. BHARAT PETROLEUM CORPORATION LIMITED

Bharat Petroleum Corporation Limited (“BPCL” or “Company”) is a Public Sector Undertaking with a “Maharatna” status. It is an integrated oil company engaged in refining of crude oil, storage, distribution and marketing of petroleum products. As per Care Ratings, BPCL is India’s 3rd largest in terms of Refining Capacity (14.13 % of India’s total refining capacity). In addition, BPCL has also diversified into the field of petrochemicals, gas marketing and upstream exploration. BPCL entered the upstream sector in 2006 through its 100% subsidiary Bharat Petro Resources Limited (BPRL). BPCL is India’s 2nd largest Oil Marketing Company (OMC) with refinery throughput of ~38.5 MMT and Market share of ~25% during FY23. BPCL is involved in the development of pipeline networks and has 2,599 km. of product pipeline with capacity of ~21MMTPA along with 937 km. of crude oil pipeline with design capacity of 7.8 MMTPA. BPCL was ranked 233 amongst the Fortune Global 500 companies as on August 02, 2023. BPCL is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and has a market cap of ~Rs. 97,310 Crore as on December 31, 2023.

BPCL owns and operates 21,031 Retail Outlets (ROs). The Retail outlets for the Company are majorly of two types, namely Dealer Controlled Dealer Operated Outlets (DC Outlets) and Company Controlled and Dealer Operated Outlets (CC Outlets).

- **Dealer controlled Dealer Operated Outlets (DC model):** Under this model, BPCL provides and installs fuel dispensing units and associated units at the petrol pumps and licenses them out to dealers to facilitate the sale of MS, HSD, etc.
- **Company controlled and Dealer operated Outlets (CC model):** Under this model, the land is owned or taken on lease by BPCL. Further BPCL spent capital expenditure for development of retail outlet which include-fuel dispensing unit, Tanks, Pavers, Sales building and other associated units, and licenses them out to dealers to facilitate the sale of MS, HSD, etc.

Based on the sales volume of the products, the Company bills and collects License Fee (LFR) revenue on daily basis from these ROs.

### 1.1 Shareholding Pattern

The shareholding pattern of BPCL as on September 30, 2023 is given below:

Table 1-1: BPCL’s Shareholding pattern as on September 30, 2023

Shareholder	Holding
Government of India	52.98%
Government of Kerala	0.86%
BPCL Trust for Investments in Shares	1.52%
Mutual Funds	10.01%
Financial Institutions/Banks	0.01%
Insurance Companies	11.20%

Shareholder	Holding
Foreign Institutional Investors	13.02%
Bodies Corporate	0.48%
BPCL ESPS Trust	0.32%
Others	9.60%
<b>Total</b>	<b>100.00%</b>

## 1.2 Summary of BPCL Financials

The Company's Consolidated Financials are detailed in this section. A brief summary of the consolidated financial performance of BPCL for H12024 ending in 30<sup>th</sup> September 2023 and for the past five years ending March 31, 2023 is given in the following table:

Table 1-2: Summary of Consolidated Profit & Loss Statement of BPCL

(Rs. Crore)						
As on March 31,	2019	2020	2021	2022	2023	H12024
Income from Operations	3,40,879	3,29,797	3,04,266	4,32,570	5,33,547	2,44,921
Other Income	2,038	1,929	2,253	2,269	1,498	1,237
<b>Total Revenues</b>	<b>3,42,917</b>	<b>3,31,726</b>	<b>3,06,519</b>	<b>4,34,838</b>	<b>5,35,046</b>	<b>2,46,158</b>
Cost of RM, Op. & Other Ex.	3,25,767	3,20,866	2,82,970	4,13,432	5,22,659	2,16,195
<b>EBITDA</b>	<b>17,150</b>	<b>10,860</b>	<b>23,549</b>	<b>21,406</b>	<b>12,386</b>	<b>29,963</b>
Depreciation	3,417	4,080	4,334	5,434	6,369	3,219
Finance Charges	1,764	2,637	1,723	2,606	3,745	1,842
<b>Profit Before Exceptional items</b>	<b>11,969</b>	<b>4,143</b>	<b>17,492</b>	<b>13,366</b>	<b>2,272</b>	<b>24,901</b>
Share of profit of eq. accounted investee	937	1,401	-326	1,536	2,192	777
Exceptional Items	0	-1,892	5,266	1,135	-1,643	-520
<b>PBT</b>	<b>12,906</b>	<b>3,652</b>	<b>22,432</b>	<b>16,037</b>	<b>2,821</b>	<b>25,158</b>
Tax	4,378	-14	5,112	4,355	690	6,270
<b>PAT</b>	<b>8,528</b>	<b>3,666</b>	<b>17,320</b>	<b>11,682</b>	<b>2,131</b>	<b>18,888</b>
OCI	-1,172	588	-1,275	402	761	-568
<b>Total Comprehensive Income</b>	<b>7,356</b>	<b>4,254</b>	<b>16,045</b>	<b>12,084</b>	<b>2,892</b>	<b>18,320</b>

Source: Annual Reports of BPCL and SEBI filings.

A summary of BPCL's Consolidated Balance Sheet for the last 5 years is given below:

Table 1-3: Summary of Consolidated Balance Sheet Statement of BPCL

(Rs. Crore)						
As on March 31,	2019	2020	2021	2022	2023	H12024
<b>Sources of Funds</b>						
Share Capital	1,967	1,967	2,093	2,129	2,129	2,129
Reserves & Surplus	36,798	34,565	51,462	49,776	51,393	68,853
Non-Controlling Interest	2,070	2,056	0	0	0	0
<b>Net Worth</b>	<b>40,835</b>	<b>38,589</b>	<b>53,555</b>	<b>51,906</b>	<b>53,522</b>	<b>70,982</b>
Long Term Borrowings	34,316	38,044	35,740	36,359	41,369	32,745



As on March 31,	2019	2020	2021	2022	2023	H12024
Deferred Tax Liability	6,792	6,164	4,934	6,376	7,921	8,050
Other Liabilities & Provisions	1,878	7,846	9,832	9,761	10,455	10,547
Current Liabilities	53,110	60,222	56,930	83,127	74,842	88,679
<b>Total Sources of Funds</b>	<b>1,36,930</b>	<b>1,50,864</b>	<b>1,60,992</b>	<b>1,87,529</b>	<b>1,88,109</b>	<b>2,11,003</b>
<b>Application of Funds</b>						
Net Fixed Assets (incl. CWIP)	56,264	69,710	71,234	86,577	90,110	90,630
Investments	19108	21820	19973	19174	22501	21986
Other Non-Current Assets	12,777	16,082	17,802	19,783	19,485	19,973
Current Assets, Loans & Advances	48,768	43,231	51,961	61,982	55,996	78,370
Assets Held for sale	14	21	22	13	17	44
<b>Total Application of Funds</b>	<b>1,36,930</b>	<b>1,50,864</b>	<b>1,60,992</b>	<b>1,87,529</b>	<b>1,88,109</b>	<b>2,11,003</b>

Source: Annual Reports of BPCL and SEBI filings.

In FY 2023, the total income of BPCL on consolidated basis was Rs. 5,35,046 Crore. BPCL had total long-term debt outstanding of Rs. 41,369 Crore and long term investments of Rs. 22,501 Crore as on March 31, 2023.

### 1.3 Board of Directors

The Board of Directors of BPCL as on 30<sup>th</sup> September 2023 is as under:

Table 1-4: Board of Directors

Sr. No.	Name	Designation
1.	Shri. G. KrishnaKumar	Chairman & Managing Director
2.	Shri. Vetsa Ramakrishna Gupta	Director (Finance)
3.	Shri Raj Kumar Dubey	Director (HR)
4.	Shri. Sanjay Khanna	Director (Refineries)
5.	Shri. Sukhmal Kumar Jain	Director (Marketing)
6.	Smt. Kamini Chauhan Ratan	Govt. Director
7.	Shri. Suman Billa	Govt. Director
8.	Shri. Pradeep Agarwal	Independent Director
9.	Dr (Smt.) Aiswarya Biswal	Independent Director
10.	Prof (Dr) Bhagwati Prasad Saraswat	Independent Director
11.	Shri Ghanshyam Sher	Independent Director
12.	Shri Gopal Krishna Agarwal	Independent Director
13.	Dr (Smt.) Sushma Agarwal	Independent Director

### 1.4 Business Operations

The current activities of BPCL include crude oil refining, storage, distribution and marketing of petroleum products. BPCL is India's 3rd largest in terms of Refining Capacity (14.13 % of India's refining capacity). BPCL owns and operates 3 refineries i.e. 1) Bina Refinery of 7.8 MMTPA capacity, 2) Mumbai Refinery of 12 MMTPA capacity and 3) Kochi Refinery of 15.5 MMPTA capacity. In addition, BPCL has also diversified into the field of petrochemicals, gas marketing and upstream exploration. In India it is the first oil company to venture into the petrochemical segment of Acrylates





and Acrylic Acid in Kochi. BPCL entered the upstream sector in 2006 through its 100% subsidiary Bharat Petro Resources Limited (BPRL). At present, BPRL has participating interests in 17 blocks spread across the globe out of which 8 blocks are in India and 9 are in overseas.

BPCL is India's 2nd largest Oil Marketing Company (OMC) with standalone domestic sales volume of over 48.92 MMT and Market share of ~25.07% during FY2023. BPCL is involved in the development of pipeline networks and has 3,534 km. of long pipeline infrastructure which includes 2,599 km. network of multi-product pipeline & 937 km. of crude oil pipeline. The total cumulative capacity of these pipelines is 30.8 MMT i.e. 23 MMT for product & 7.8 MMT for crude. Some of them are Mumabi-Manmad-Bijwasan, Bina-Kota, Kota-Jobner, Kochi-Coimbatore-Karur, Mehsana-Bhatinda-Gurdaspur, Mumbai-Uran, Kochi-Coimbatore-Erode-Salem, Bina-Kanpur. Further, a cross country LPG pipeline from Kandla-Gorakhpur is under construction through joint venture.

BPCL now has licenses for developing City Gas Distribution (CGD) networks in 25 GAs covering 62 districts across the country. Overall, the Company has influence over a total of 50 GAs covering 105 districts, inclusive of JVs.

BPCL aggressively expanded its CNG fuelling stations and expanded this facility with mechanical completion of 482 CNG Stations and commissioning of 234 CNG Stations during the year 2022-23. With this, CNG fuelling infrastructure is available at 1599 ROs across the country. On the PNG front, approximately 90,300 PNG domestic connections were added in FY2023 to the existing base of 53,800 connections. BPCL is involved in CGD of natural gas by virtue of participation in Joint Ventures with GAIL at Delhi, Greater Noida and Ghaziabad (Indraprastha Gas Ltd.), Kanpur (Central UP Gas Ltd.), Pune and its nearby areas (Maharashtra Natural Gas Limited) and with GSPC Group in Gandhinagar, Mehsana and Sabarkantha districts of Gujarat i.e. Sabarmati Gas Ltd.

BPCL is involved in import and regasification of LNG through its Joint Venture company, Petronet LNG Ltd.

## 2. THE TRANSACTION

BPCL is proposing to securitize the future LFR cashflows from CC and DC Retail Outlets for a tenor of 3 years or 5 years for raising a Securitization Facility of upto an amount of Rs. 1,500 Crore for 3-year and upto an amount of Rs. 2,500 Crore for 5-year tenor. The Company will receive an upfront consideration in the form of Securitization Facility from the Investor to be selected through the RFQ process.

### 2.1 License Fee Recovery (LFR)

The Company had a total of 21,031 Retail Outlets as of 31st March 2023. The company collects revenue in the form of License Fee Recovery (LFR) from these ROs. This LFR is based on the principle of return on investment on the assets installed by BPCL at the Retail Outlets. Broadly, there are two models of the Retail Outlets.

- **Dealer Controlled Dealer Operated Outlets (DC model):** Under this model, BPCL provides and installs fuel dispensing units and associated units at the petrol pumps and licenses them out to dealers to facilitate the sale of MS and HSD.
- **Company Controlled and Dealer Operated Outlets (CC model):** Under this model, the land is owned or taken on lease by BPCL. Further BPCL - spent capital expenditure for development of retail outlet which include-fuel dispensing unit and Tanks, Pavers, Sales building and other associated units, and licenses them out to dealers to facilitate the sale of MS, HSD, etc.

The assets installed by the Company at ROs (at both CC and DC outlets) include petrol pumps, superstructure etc. The Company charges License Fee (LFR) to the respective Retail Outlets based on the sales volume of MS and HSD sold by the Company to these Outlets and the LFR is collected daily by BPCL along with the collection from sale of petroleum products to the Retail Outlets.

The LFR rates, as last modified in February 2019, are tabulated as under:

Table 2-1: LFR Rates

Type of Outlet	Product	Rs Rate per KL (Excluding GST)	GST Rate	Rs Rate per KL (Including GST)
CC Outlet	Motor Spirit	369.35	18%	435.84
	High Speed Diesel	307.79	18%	363.19
DC Outlet	Motor Spirit	153.53	28%	196.51
	High Speed Diesel	127.94	28%	163.76

The sales volume of BPCL for MS and HSD at CC and DC outlets is tabulated below:

Table 2-2: Sales Volume of CC and DC Outlets

(TKL)

FY	CC Outlets		DC Outlets		Total (HSD + MS)	
	HSD	MS	HSD	MS	CC	DC
FY2019	17,508	8,297	4,754	2,032	<b>25,805</b>	<b>6,786</b>
FY2020	17,129	8,779	3,785	1,735	<b>25,908</b>	<b>5,521</b>
FY2021	14,803	7,792	3,989	1,961	<b>22,595</b>	<b>5,949</b>
FY2022	15,161	8,502	4,955	2,547	<b>23,663</b>	<b>7,502</b>
FY2023	18,440	9,873	6,815	3,219	<b>28,313</b>	<b>10,034</b>

The Company's LFR collections are directly related to the sales volume of MS and HSD at Retail Outlets and in line with increased sales of MS and HSD, the LFR collections have been improving. The LFR Cashflows from CC and DC outlets for the last 5 years is tabulated below:

Table 2-3: LFR Cashflows of CC and DC Outlets

(Rs. Crore)

FY	CC Outlets			DC Outlets			Total (CC+DC)
	HSD	MS	Total	HSD	MS	Total	
FY2019	539	306	<b>845</b>	61	31	<b>92</b>	<b>937</b>
FY2020	527	324	<b>851</b>	48	27	<b>75</b>	<b>927</b>
FY2021	456	288	<b>743</b>	51	30	<b>81</b>	<b>825</b>
FY2022	467	314	<b>781</b>	63	39	<b>103</b>	<b>883</b>
FY2023	568	365	<b>932</b>	87	49	<b>137</b>	<b>1069</b>

As can be seen in the table above, LFR collections have grown by CAGR of ~2.67% from FY2019 to FY2023 with LFR Cashflows of Rs. 1,069 Crore in FY2023 compared to Rs. 937 Crore in FY2019.

## 2.2 Securitization

Under Securitization, the Issuer monetises Identified Cashflows against which it receives an upfront consideration from the Investor. A non-interest-bearing Escrow Account (EA) is required to be opened wherein the Payout is transferred by the Issuer on or before the Due Date as periodic payment to the Investor. The amount of Securitization Facility is calculated by discounting the Payout for the tenor of the Facility.

## 2.3 Salient features of the Transaction

- The future LFR cashflows are proposed to be securitized for a fixed period (of 3 years or 5 years), which will be subscribed by Investor identified through RFQ, against an upfront consideration.

- The contractual rights to receive the LFR cashflows shall continue to remain with the BPCL. The Company will assume an obligation to transfer Payout to the Investor, for servicing the Securitization Facility, through an Escrow Account, under a contractual arrangement. The Escrow Account and the funds lying therein shall be charged to the Investor.
- As per contractual terms, the LFR Cashflows securitized under this Transaction shall be unencumbered.
- The proceeds of the Securitization Facility shall be utilized for part funding the capex of the Company including recoupment of the capex undertaken in previous 12 months from the date of sanction.
- **Monthly Payout:** Monthly Payout of Rs. 41.82 Crore would be securitized for the tenor of 3 years or 5 years which is computed as under:
  - For this transaction, minimum monthly LFR collection for a period of ~20 Months i.e. Rs 67.95 Crores has been considered (July 2021-March 2023).
  - Of the amount so determined in the above step, 20% of the cashflow would be applied for Operation and Maintenance (O&M), miscellaneous expenses etc. towards the assets installed at Retail Outlets (the responsibility for O&M of assets installed by BPCL at the Retail Outlets rests with BPCL) leaving a balance of 80% of cashflows i.e. ~Rs. 54.36 Crore monthly.
  - On a conservative basis, applying CCR of 1.3x, the Monthly Payout works out to Rs. 41.82 Crore.
- **Servicing of the Facility:** Out of LFR recovery, monthly payout of Rs. 41.82 crore shall be used towards the servicing of the Facility. The Issuer shall provide an undertaking that in case of shortfall in the collection of Cashflows from LFR for any month, the Issuer will utilise other sources of cashflows towards servicing Monthly Obligation amount.
- **Change in Discount Rate:** In case of any change in Discount Rate due to change of Benchmark Rate, the principal repayment amount will remain intact and any increase/decrease in monthly outflows due to increase/decrease in interest amount on account of such reset shall be borne/flow back by/to the Issuer.
- **Calculation of Securitization Facility:** The Monthly Payout (of Rs. 41.82 Crore) as mentioned above, shall be discounted at the Discount Rate quoted by the successful Bidder.

**2.4 Proposed Terms and conditions for Securitization Facility:**

Sr. No	Particulars	Proposed Terms
1	<b>Issuer</b>	Bharat Petroleum Corporation Limited (the 'Issuer' or the 'Company')
2	<b>Bidder</b>	Institution that shall be applying for the proposed Securitization Facility. Eligible Bidder shall include Scheduled Commercial Banks, Non-Banking Financial Company (NBFC), Mutual Funds, Financial Institutions, Insurance Companies, Provident Funds & Pension Funds.
3	<b>Investor</b>	Successful Bidder for the Transaction
4	<b>Identified Cashflows</b>	Future LFR Cashflows from CC and DC Retail Outlets of the Issuer over the Tenor of the Securitization Facility to the extent of payout. The LFR Cashflows Securitized under this Transaction shall be unencumbered.
5	<b>Collection Coverage Ratio</b>	A minimum Collection Coverage Ratio ('CCR') of 1.3x has been used for projecting Securitization amount on a conservative basis. The CCR will help against movement in Discount Rates (due to changes in Benchmark Rates) and in cases where actual LFR collections differ from the Monthly Payout.
6	<b>Securitization Facility/ Facility</b>	Amount calculated by discounting the Monthly Payout at the Discount Rate quoted by the Investor. Securitization Facility Amount will be calculated as per the following formula: $P = M \times (1 - (1/(1+(r/12)) ^n)/(r/12)$ where: P = Amount of Securitization Facility M = Identified Monthly Payout r = Discount Rate to be quoted (p.a.) n = Number of monthly payments (i.e., 36 or 60 as the case may be)

Sr. No	Particulars	Proposed Terms
7	<b>Payouts</b>	<ul style="list-style-type: none"> <li>• Payout to the Investor shall consist of Monthly Payout, payable monthly by the Company to the Investor, by transferring from BPCL's Bank Account to the Escrow Account (EA)</li> <li>• In case of any change in Discount Rate due to change of Benchmark Rate: <ul style="list-style-type: none"> <li>○ The principal repayment amount will remain unchanged.</li> <li>○ Any increase in monthly outflows due to increase in the interest amount on account of such reset shall be borne by the Issuer by additional credit to Escrow Account.</li> <li>○ In case of decrease in monthly outflows due to decrease in interest amount, the balance lying in Escrow Account after meeting the monthly obligation (based on the revised Discount Rate), shall flow back to the Issuer.</li> </ul> </li> </ul>
8	<b>Availability Period</b>	The amount under the Facility shall be available for 3 months from the execution of Securitization Facility Agreement and BPCL shall have the rights to take the disbursement in one or more tranches.
9	<b>Purpose</b>	The proceeds of the Securitization Facility shall be utilised towards the capex requirements of the Issuer including recoupment of part capex undertaken in the previous 12 months from the date of facility agreement.
10	<b>Discount Rate</b>	To be indicated by the prospective Investor (applicable Benchmark Rate plus spread). The Discount Rate to be linked with quoted Benchmark Rate as specified in the below clause and reset will happen as per the quoted benchmark according to the Benchmark Reset Date stipulated in this table.
11	<b>Benchmark Rate</b>	Shall mean: Repo rate as announced by Reserve Bank of India (RBI) from time to time; or T – Bill rate (1 month or 3 months) from FBIL website.  Note: The current 1 month T-Bill as on 29th December 2023 is 6.83% (as per FBIL), 3 month T-Bill as on 29th December 2023 is 7.00% (as per FBIL) and the Repo rate as on 11th January 2024 is 6.50%
12	<b>Benchmark Rate Reset 4Date</b>	The Benchmark Rate shall be reset based on the quoted benchmark which is explained as under: <ul style="list-style-type: none"> <li>• <b>In case of 1-month T-bill rate:</b></li> </ul>

Sr. No	Particulars	Proposed Terms
		<p>The first reset shall take place on the first day of the month following completion of the month in which first disbursement takes place and the subsequent reset shall take place at the beginning of every month</p> <ul style="list-style-type: none"> <li>• <b>In case of 3-months T-bill rate:</b> First reset date shall be the first day of the subsequent financial quarter to the first drawdown date. Subsequent reset shall be at the beginning of the subsequent financial quarters.</li> <li>• <b>In case of Repo rate:</b> Reset as and when Repo Rate revision is announced by RBI</li> </ul>
13	<b>Upfront fees and other charges</b>	Nil
14	<b>Escrow Account (EA)</b>	<p>A non-interest-bearing current account to be opened and maintained with the Escrow Bank for routing the Payouts. The Payouts shall be transferred anytime on or before Due Date.</p> <p>The Monthly Obligation amount (principal + interest) of the Securitization Facility shall be serviced from the Payouts credited to Escrow Account, on the Due Date.</p> <p><b>Inflows:</b></p> <ul style="list-style-type: none"> <li>• Payouts</li> <li>• Additional amount payable by the Issuer in case of an increase in Monthly Obligation outflows on account of applicable Discount Rate reset. (Principal shall remain the same, only interest portion shall change)</li> </ul> <p><b>Outflows:</b></p> <ul style="list-style-type: none"> <li>• Monthly Obligations amount due on the Due Date.</li> </ul> <p>Any surplus fund available in the Escrow Account after servicing of the Facility obligations, shall be transferred back to the Bank Account of BPCL.</p> <p>The Operating Procedure for Escrow Account shall be as per the Escrow Agreement</p>
15	<b>Repayment/ Redemption</b>	Structured Monthly Payouts spanned over the period of 3 years or 5 years
16	<b>Due Date</b>	<ul style="list-style-type: none"> <li>• Shall mean the last Business Day* of each month on which monthly obligation amount (principal + interest) of the Securitization Facility shall be payable.</li> <li>• The Monthly Obligation amount will be calculated at each Benchmark Rate Reset Date such that the tenor of the Facility will remain the same.</li> </ul>



Sr. No	Particulars	Proposed Terms
		*Business Day shall mean a day (other than Sunday, Bank Holidays) on which the banks are open for business in Mumbai.
17	<b>Tenor</b>	Door to Door tenor of 3 years (36 months)/5 years (60 Months) from the date of first disbursement
18	<b>Security</b>	First charge on Escrow Account opened by the Company for depositing the Payouts by the Company.
19	<b>Undertaking from BPCL</b>	<ul style="list-style-type: none"> <li>• Transfer of Payout on the respective Due Date. In the event of shortfall in the collection of Monthly Payout for any month, the Company will utilise other sources of cashflows towards servicing Monthly Obligation amount</li> <li>• BPCL to obtain NOC from working capital lenders for ceding of the charge on LFR cashflows.</li> </ul>
20	<b>Financial Covenants</b>	<p>The Company shall ensure that:</p> <p>(a) Its Tangible Net Worth will not at any time be less than one hundred billion rupees (INR 100,000,000,000)</p> <p>(b) Its Net Borrowings will not at any time exceed 200% of its Tangible Net Worth; and</p> <p>(c) The ratio of its Long term Secured Debt to Total Fixed Assets will not at any time be greater than 0.80:1.00</p> <p>The above covenants shall be tested annually based on the audited annual financials of the Borrower. First such testing will be based on the audited financials for the financial year ended 31st March 2024.</p> <p>Net Borrowings, Long Term Secured Debt, Tangible Net Worth and Total Fixed Assets shall be calculated and interpreted on a unconsolidated basis in accordance with GAAP applicable to the audited annual financials of the Borrower.</p> <p>Definitions of Covenants : For the purpose of the above,</p> <p>‘Tangible Net Worth’ shall mean, as at any particular time, the aggregate of:</p> <p>(a) the amount paid up or credited as paid up on the issued share capital of the Borrower (other than any shares which are expressed to be redeemable); and</p> <p>(b) the amount standing to the credit of the non-consolidated reserves of the Borrower, less (but</p>



Sr. No	Particulars	Proposed Terms
		<p>without double counting) any amount included in the above which is attributable to:</p> <ul style="list-style-type: none"> <li>(i) goodwill or other intangible assets;</li> <li>(ii) amounts set aside for tax expenses; and</li> <li>(iii) the amount by which the net book value of any asset has been written up by way of revaluation or on its transfer from one member of the group to the Borrower, but ignoring any variation in the credit or debit balance on the Borrower's non-consolidated profit and loss account since the date of the then latest audited non-consolidated balance sheet of the Borrower except to the extent reflected in any later non-consolidated profit and loss statement of the Borrower delivered to the Lender.</li> </ul> <p>‘Net Borrowing’ shall mean Long Term Debt:</p> <ul style="list-style-type: none"> <li>(a) less the marked to market value (as determined from the non-consolidated financial statements of the Borrower) of any petro bonds issued or to be issued by the Government of India provided that: <ul style="list-style-type: none"> <li>(i) no security or arrangements (to be detailed in the Facility Agreement) exist in respect of such petro bonds; and</li> <li>(ii) in the case of any petro bonds which are yet to be issued to the Borrower, the aggregate face value of petro bonds which are to be issued to the Borrower has been communicated to the Borrower by or on behalf of the Government of India, and</li> </ul> </li> <li>(b) less the value of subsidy in the form of cash receivable or received from the Government of India and to the extent not adjusted in Borrowings.</li> </ul> <p>"Long Term Debt" means, at any time, all Borrowings of the Borrower but only to the extent that the principal, capital or nominal amount of the same was not originally due for repayment within twelve (12) Months from the date such Borrowings were first incurred.</p>

Sr. No	Particulars	Proposed Terms
		<p><b>‘Long Term Secured Debt’</b> means, at any time, all Long Term Debt then secured by (or the creditors of which then benefit from) any security or quasi-security.</p> <p><b>‘Total Fixed Assets’</b> shall mean, at any time, the aggregate net book value of the Borrower's fixed tangible assets or tangible long-term assets (excluding, for the avoidance of doubt, any revaluation reserve, capital advances, goodwill and other intangible assets) as determined from the financial statements of the Borrower.</p>
21	<b>Prepayment of Facility and prepayment charges</b>	<ul style="list-style-type: none"> <li>The Issuer may at any time after expiry of a period of 6 months from the date of first disbursement, prepay the whole or part of the facility, without any prepayment charges, by giving an irrevocable prior written notice of not less than 1 month to the Investor stating the amount and the date of proposed prepayment.</li> <li>If the Issuer prepays, the whole or part of the facility, within 6 months from the date of first disbursement, prepayment premium of 1% of the amount prepaid shall be applicable.</li> </ul>
22	<b>Event of Default (EOD) and Consequences</b>	<p>EOD shall trigger upon failure of the Issuer to credit the Payout into the Escrow Account by the due date(s).</p> <p><b>Consequences of Event of Default</b></p> <p>Upon the occurrence of Event of Default, the Investor may exercise any one or more of the following rights:</p> <ul style="list-style-type: none"> <li>Accelerate the payment of outstanding amount of Facility.</li> <li>Draw on any balances in the Escrow Account under lien to the Bank.</li> </ul>
23	<b>Default Interest</b>	In the event of default, the Company shall pay default interest at the rate of 1% p.a. on the defaulted amount for the period of such default, unless the same is waived by the Investor.
24	<b>Governing Law</b>	Indian Law and subject to jurisdiction of the courts of Delhi. The scheme of Governing Law shall be as detailed in the Facility Agreement.
25	<b>Expenses/Reimbursements</b>	<ul style="list-style-type: none"> <li>No additional fee or charges (including upfront fee, processing fee, lender legal fee, underwriting fee, management fee, pre-payment penalty, commitment fee or any other fee.) over and above quoted discount rate shall be paid by the Issuer. However, Stamp Duty charges to be borne by the Issuer.</li> </ul>



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Sr. No	Particulars	Proposed Terms
26	Withholding Tax/ TDS	Wherever withholding tax/ TDS is applicable, Payout shall be net of such deductions.

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### 3. BID PROCESS

In this chapter we have outlined the bid process including the list of eligible bidders, the indicative term sheet for the Facility, evaluation of bids and other important terms and conditions for the bid Process.

#### 3.1 Eligible Bidders

List of the Eligible Bidders who can participate through this RFQ is as given below:

1. Scheduled Commercial Banks
2. Non-Banking Financial Company (NBFC)
3. Mutual Funds
4. Financial Institutions
5. Insurance Companies registered with the Insurance Regulatory and Development Authority
6. Provident Funds
7. Pension Funds

#### 3.2 Evaluation of bids

- **Bidder with the lowest Discounting Rate (Benchmark plus spread) will be declared as the successful Bidder.** In other words, Bidder offering the highest discounted value of LFR shall be the successful Bidder.
- For evaluation of bids, the spread and benchmark rate quoted by the Bidders shall be added together for calculating Effective Discount Rate.
  - The spread quoted by the Bidders shall remain fixed throughout the tenor of the Facility.
  - The closing benchmark rate i.e., 1 month or 3 months T-bill on FBIL website, Repo Rate on RBI site, for previous working day from the last date of submission of the bid shall be considered.
  - The last day of submission of the bid is January 31, 2024 as mentioned in this document, unless changed otherwise.
- Bids shall be treated as non-responsive if bids are received after the submission date & time or bids are not submitted in accordance with the format provided in the RFQ.
- Any misrepresentation from the Bidders or any conditional bid shall be liable for rejection by BPCL.
- BPCL reserves the right to accept or reject any bid at any time prior to signing of the agreement or cancel/withdraw invitation to Bid for any reason without thereby incurring any liability to the affected Bidder(s).



- If a Bidder, inter alia, withdraws/modifies its bid during the bid validity period, or if it fails to sign the contract after the bid is awarded to it, then BPCL reserves the right to take penal action as it deems fit.

### 3.3 Other Terms and Conditions

1. Bids to be submitted in physical form only and in the form and manner prescribed under this document.
2. Bidders may quote either for 3-year tenor or for 5-year tenor or for both, 3-year tenor and 5-year tenor. BPCL, after receiving the bids, at its sole discretion, shall decide the tenor of the facility.
3. The Bidder shall accept the terms and conditions as mentioned in the Proposed Term and conditions for Securitization Facility, as given in Section 2.4
4. The below documents duly signed and stamped documents shall be submitted by the Bidder:
  - Duly accepted copy of RFQ document indicating acceptance of the terms and conditions of RFQ.
  - Price Bid (*Annexure – I*)
  - Format of Declaration for Submission of Bid (*Annexure-II*)
5. The above documents shall be submitted in a sealed envelope via letter addressed to the following before the cutoff time.

Particular	Details
Submitted to	Mr. Shishir Choudhry, Chief Finance Manager (Treasury), BPCL
Date	January 31, 2024
Time	15:00 Hrs
Address	4 <sup>th</sup> Floor, Bharat Bhavan I, 4 & 6 Currimbhoy Rd, Ballard Estate, Mumbai - 400 001, Maharashtra

6. Any modification/substitution/withdrawal of the bid once submitted shall be permitted only upto last date of submission, i.e. January 31, 2024, till 15:00 Hrs.
7. Any late receipt of bid including due to postal delay shall not be entertained at all.
8. **Confidentiality:** All information, data and documents furnished/disclosed by BPCL to the bidder and all calculations, technical information etc. supplied by BPCL to Bidder will be treated by the bidder and its agents as confidential and proprietary in nature and shall not be used by any of them without the previous written consent of BPCL except in connection with the RFQ. Confidential information shall also mean any information or knowledge acquired by the bidder and/or its personnel arising out of, or in connection with the RFQ, which is not otherwise available to the public.



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9. **Power of Attorney/ Authorization Letter:** The Power of Attorney (POA)/ authorization letter in favour of signatory of tender documents and document regarding authority of executant of such POA/ Authorization Letter needs to be submitted with the bids.
  10. The Bidder shall bear all direct or consequential costs, losses and expenditure associated with or relating to the preparation, submission, and subsequent processing of their Bids.

**Thanking You,**

**Yours Faithfully,**

**For, Bharat Petroleum Corporation Limited**

Sd/-

Shishir Choudhry

Chief Finance Manager (Treasury)

## Annexure I

**Price Bid**

(To be executed on Letterhead of the Bidder)

**Subject:** Asset Monetisation through Securitization of Future Cashflows from Retail Outlets

Tenor of securitization	Amount of Monthly Payout	Benchmark*	Benchmark Rate (p.a.) (On the submission of the bid)	Spread (p.a.)	Effective Rate (p.a.) i.e., Discounting Rate (DR)	Amount of Securitization Facility to be provided by the Bidder** (Rs.Cr)
3 Years	Rs. 41.82 crore					
5 Years	Rs. 41.82 crore					

**Signature and Seal of the Authorized Person of Bidder****Notes for Bidder:**

(I)\*Benchmark for the quoted Discounting Rate shall be one of the following (applicable as on bid due date as per the RFQ):

- Repo rate as announced by Reserve Bank of India (RBI) from time to time.
- T – Bill rate (1 month/3 months) from FBIL website

(II)\*\*In case of any variation in the Securitization Facility indicated by the Bidder and the Securitization Facility as computed by the formula mentioned in the RFQ, the amount of Securitization Facility computed as per the formula shall prevail and the same shall be based on Effective Discount Rate arrived for evaluation of the bid for respective bidder.

(III)We understand that for evaluation of bids, the spread and benchmark quoted by the bidder shall be considered. The closing benchmark rate i.e., 1 month/3 months T-bill on FBIL website, Repo Rate on RBI site previous working day before the last date of submission of the bid shall be considered. For example, if last date of bid submission is January 31, 2024, then the closing benchmark rate on January 30, 2024, shall be applicable. The spread quoted by the bidder and the benchmark rate for the respective Bidder as decided above shall be added together for calculating Effective Discount Rate.

(IV) The Spread shall remain fixed throughout the Tenor of the Facility.

(V) Securitization Facility Amount will be calculated as per the following formula:



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$$P = M \times (1 - (1 + (r/12))^{-n}) / (r/12)$$

where:

P = Amount of Securitization Facility

M = Identified Monthly Payout

r = Discount Rate to be quoted (p.a.)

n = Number of monthly payments (i.e., 36 or 60)





Annexure-II

**FORMAT OF DECLARATION FOR SUBMISSION OF BID**

(To be executed on Letterhead of the Bidder)

No: .....

Date: .....

To

M/s Bharat Petroleum Corporation Limited

**Name of Contract:** Asset Monetisation through Securitization of Future Cashflows from Retail Outlets

I/We hereby submit that the bid submitted by the undersigned, on behalf of the bidder, [Name of the Bidder], shall not be withdrawn or varied during the period of validity i.e. not less than 60 (Sixty) days from the last date of submission of Bid.

I/We hereby submit that the bid is being submitted for the Securitization Facility as per selection method described in the RFQ. I/We further submit that the Bidder shall apply for the whole of the Securitization Facility amount as mentioned in the Price Bid. However, if more than one Bidder quote the same lowest Discounting Rate (p.a.), the Company reserves the right to decide allocation method of the amount of Securitization Facility among the Bidder quoting the same lowest Discount Rate.

I/We undertake the following:

- a. Have read and agree each condition of the bid document/ RFQ.
- b. Have read the Term Sheet as enclosed in the bid document/RFQ and provide acceptance for the same.
- c. Submit that undersigned is/are authorized to sign and submit this bid under the internal guidelines of the Bidder.
- d. The quote made by the Bidder shall be unconditional and binding with all the necessary approvals from its competent authority.

Place:

Date:

(Signature of Authorised Signatory)

Name:

Designation:

(Official Seal)