



**ANDHRA PRADESH AIRPORTS DEVELOPMENT CORPORATION LIMITED**

**(A Govt. of Andhra Pradesh Undertaking)**

**Request for Proposal  
for**

**“Selection of Airline Operator to Provide Flight Operations on  
Vijayawada – Dubai/Abu Dhabi -Vijayawada Route”**

***Notice No. APADCL/2019/Airlines/01, Dated:23/01/2019***

**Managing Director**

**Andhra Pradesh Airports Development Corporation Limited,  
1<sup>st</sup> Floor, Block A, Anjaneya Towers, Ibrahimpatnam,  
Vijayawada, Andhra Pradesh - 521456.**

## **DISCLAIMER**

The information contained in this Request for Proposals (the “RFP”) or subsequently provided to the Bidders, whether verbally or in documentary form by or on behalf of the ANDHRA PRADESH AIRPORTS DEVELOPMENT CORPORATION LIMITED (APADCL), Government of Andhra Pradesh, their employees or advisors, is provided to the Bidder(s) on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This RFP is not an agreement and is neither an offer nor invitation by the Authority to the prospective Bidder(s) or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in the formulation of their proposal pursuant to this RFP. This RFP may not be appropriate for all persons, and it is not possible for the Authority, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFP. Each Bidder should conduct its own investigations and analysis and check the information contained in this RFP and obtain independent advice from appropriate sources.

APADCL, their employees and advisors make no representation or warranty and shall incur no liability under any law, statute, rule or regulation as to the accuracy, reliability or completeness of the RFP. APADCL may in its own discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP document.

**Introduction:**

Andhra Pradesh as a state, currently has only one functional international airport at Vizag, which handles almost 100 international flights per month. Vijayawada and Tirupati have also been declares international airports in 2015 & 2017, respectively, but are not having any international operations currently.

It was decided to find out from the public about their interest for an international flight connectivity between Vijayawada and Dubai/Abu Dhabi. Therefore, APADCL published public notices on the subject matter and simultaneously, the option was also put up on the Corporation's website, [www.apadcl.com](http://www.apadcl.com), for responses from the public.

The responses from the general public received, as on date 23/01/2019, are as under:

1. Interest received on the Corporation website – 2,42,594
2. Interest received on email - 950
3. Interest received on designated number
  - a. Through WhatsApp - 25
  - b. Through sms - 30

Keeping the above numbers in view, Government of Andhra Pradesh intends to provide air connectivity to the general public by provisioning flights between Vijayawada, Dubai/Abu Dhabi, on twice a week basis, w.e.f: Mid of March,2019, initially for a period of six months.

**Scope of Work:**

1. Intended Airlines are expected to manage the entire airline role, such as sale of tickets on their e-platform, passenger and cargo handling at all destinations, and ground handling.
2. It is expected that Airline Operator operate these flights as a scheduled commercial flight with following conditions;
  - i. Income accruals from the sale of tickets, cargo and other revenues will be required to be adjusted against accepted cost of flight operations and accrued extra amount, if any, shall be refunded to APADCL at the end of six-month period.
  - ii. Shortfall of amount against cost of accepted flight operations should be billed by airline on monthly basis and will be paid by APADCL.
3. The Airline Operator is expected to procure all the applicable permissions and approvals for all destinations, including overflying areas.
4. Airline operator should share details of cost of flight operations, PLF (Passenger Load Factor) & Cargo load etc, for VGF flights to the Authority on a fortnightly basis.
5. Pricing of tickets shall be made by airlines in due coordination with APADCL i.e. airline pricing buckets V/v seat allocation will be decided by APADCL once for full tenure of the contract.

**Eligibility Criteria:**

All Regional Carriers, Scheduled Carriers, Scheduled commuter airlines and International Carriers, who are qualified to operate the mentioned sector, are eligible to participate in this RFP. The criteria for the selection of the Airline Operator will be the lowest quoted VGF for each sector / return flight, inclusive of all charges, excluding GST.

**Bids Submission:**

Airline Operators are requested to submit their financial proposal mentioning Viability Gap Funding (VGF) required per sector/ return flight. Quotations are to be submitted in the format (Annexure -I) attached, in a sealed envelope to "The Managing Director, APADCL" on or before **1500 hours on 26/02/2019 at 1<sup>st</sup> Floor, FDC Complex, AC Guards, Masab Tank, Hyderabad - 500028.**

The sealed proposals/quotations will be opened at APADCL Office, Hyderabad, at 1600 hrs. on 15<sup>th</sup> Mar, 2019, in the presence of Airline Operators' representatives. Criteria of selection will be the "lowest VGF" quoted.

Bidders are requested to furnish a demand draft for an amount of **Rs. 2,00,000/-** (Rs. Two Lakh only) as bid security, which shall be returned to the unsuccessful bidders on or after expiry of 90 (ninety) days.

Successful Bidder is required to provide a performance guarantee for an amount equal to the advance payment applicable for a period of one month of operations against VGF amount in the form of a Bank Guarantee from a Nationalized Bank.

**Bid Validity Period**

The Proposal shall be unconditional, firm and valid for a period of 90 (Ninety) days from the due date of the proposal. Any proposal, which has a validity lower than that specified above, shall be rejected by APADCL as being non-responsive.

**Other Terms & Conditions:**

1. APADCL reserves its right to accept any proposal and to reject any or all the proposals received without assigning any reason or can change the process of the selection at any time during or after the RFP process or withdraw from the bidding process or any part of the bidding process or to vary any of the terms at any time without giving any reason. APADCL shall not be responsible to any Bidder/persons on any account, if it exercises such rights.
2. APADCL may cancel the Bidding Process at any time and that you are neither bound to accept any proposal that you may receive nor to invite the Proposal to Bid for the Project, without incurring any liability to the Proposals.
3. Misrepresentation/ Fraud/ Breach of Terms and Conditions: If it is discovered at any point of time that the Proposer has suppressed any fact or given a false statement or has done misrepresentation or favour has violated any of the terms of this RFP, its Proposal may be cancelled by APADCL. In such an event, the Bidder will not be entitled to any compensation whatsoever, or refund of any other amount, if any, paid by it.

**Format**

Quotation for Flight Operations on Vijayawada-Dubai/Abu Dhabi-Vijayawada sector, twice a week on VGF/per sector basis.

<b>Sr No.</b>	<b>Criteria</b>	
1	Name of the Carrier	
2	Air Operator Permit no. and type (regional/ schedule/ SC/ Intl)	
3	Air Operator Permit no. valid upto.	
4	Country of Registration	
5	Fleet size and type of aircrafts owned	
6	Type of Aircraft proposed to operate- Total number of seats and classification	
8	Amount of VGF/per sector/ return flight, inclusive of all components, excluding GST, if any.	
9	Amount of VGF / monthly basis for 2 flights/ week basis	

## Draft Agreement

### SELECTED AIRLINE OPERATOR AGREEMENT

This Selected Airline Operator Agreement (“**Agreement**”) is entered into on this the \_\_\_\_\_ day of \_\_\_\_\_, 2019 (“**Execution Date**”) by and between:

1. **Andhra Pradesh Airports Development Corporation Limited**, an undertaking of the Government of Andhra Pradesh, having its office at 1<sup>st</sup> Floor, Block A, Anjaneya Towers, Ibrahimpatnam, Vijayawada, Andhra Pradesh - 521456, being represented by Managing Director, (hereinafter referred to as “**APADCL**”, which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) of the **ONE PART**;

#### AND

2. -----(**Airline**) , a company, duly incorporated under the Companies Act, 1956, having its registered office at ----- (hereinafter referred to as “-----” which expression shall unless repugnant to the context or meaning thereof include its successors and permitted assigns) of the **SECOND AND FINAL PART**.

Each of APADCL and ----- shall hereinafter be referred to individually as a “**Party**” and collectively as the “**Parties**”.

#### WHEREAS

- (i) APADCL has, with a view to enhance international connectivity for general public from the State of Andhra Pradesh, issued a Request for Proposal for “Selection of Airline Operator to Provide Flight Operations on Vijayawada – Dubai/Abu Dhabi- Vijayawada route (the “**Route**”) via notice no. APADCL/2019/Airlines/01 dated 23<sup>rd</sup> Jan,2019 along with subsequent amendments (if any) and clarifications thereto (the “**VGF Scheme**”) to invite airlines to present their proposal and bid for VGF (as defined hereinafter) required by them for commencing and operating a minimum of 2 (two) flights per week on the Route.
- (ii) ----- has submitted its proposal dated ----- expressing interest in commencing and operating flights on the Route, based on the VGF Scheme and certain additional clarifications and assumption discussed with APADCL in relation to the VGF Scheme (the “**Proposal**”).
- (iii) Through a letter of award issued by the APADCL dated -----, ----- has been selected by APADCL as the airline operator under the VGF Scheme to operate flights on the Route.
- (iv) The Parties have agreed accordingly to enter into this Agreement for the

purpose of providing air services to passengers on the Route, in pursuance of the VGF Scheme, subject to and in accordance with the terms and conditions set forth hereinafter.

- (v) -----(Airline) has, on or prior to the date of this Agreement, provided to APADCL, the Performance Guarantee (as defined hereinafter) in accordance with the provisions of the VGF Scheme to guarantee the performance of its obligations under this Agreement and the VGF Scheme.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH ARE HEREBY EXPRESSLY ACKNOWLEDGED, THE PARTIES, INTENDING TO BE LEGALLY BOUND, HEREBY AGREE AS FOLLOWS:

## PRELIMINARY

### 1. DEFINITIONS AND INTERPRETATIONS

#### 1.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

“**AAI**” shall mean the Airports Authority of India constituted under Airports Authority of India Act, 1994;

“**Advance VGF**” shall have the meaning as set forth in Clause 6.2(c) of this Agreement;

“**Advance VGF Bank Guarantee**” shall have the meaning as set forth in Clause 6.2(b) of this Agreement;

“**Advance VGF Cash**” shall have the meaning as set forth in Clause 6.2(a) of this Agreement;

“**Air Services**” shall have the meaning as set forth in Clause 3.1 of this Agreement;

“**Aircraft**” shall mean the Boeing 737 / Airbus A320 / ----- aircraft or any other aircraft with a minimum number of ----- (-----) seats available for sale to customers, operated by ----- (airline) on the Route;

“**Airfare Bracket**” shall mean the range of the minimum and maximum airfare inclusive of Taxes but exclusive of booking and convenience fees and Ancillary Revenues, to be charged by ----- (airline) to the customer per seat, for providing the Air Services on the Route as set forth in **Schedule A** hereto;

“**Airport Development**” shall mean the rehabilitation, upgradation and/or development of all facilities and resources at the Vijayawada International Airport, required to make it operationally suitable for international air transport operations to be provided under this Agreement;

“**Airport Development Date**” shall mean the date on which the Airport Development has occurred;

“**Airport Operator**” shall mean the AAI which operates and maintains the Vijayawada International Airport;

“**Ancillary Services**” shall mean additional unbundled services offered by ----- (airline) to customers on an opt-in basis, for a fee charged in addition to the airfare charges for providing Air Services on the Route, in line with the Air Transport Circular No. 2 of 2016 dated 10th June, 2016 issued by DGCA;

“**Ancillary Revenues**” shall mean revenues generated from Ancillary Services;

“**APADCL Default Event**” shall have the meaning as set forth in Clause 13;

“**Applicable Laws**” means all laws, promulgated or brought into force and effect by the State of Andhra Pradesh, the Government of India or any Government Agency including rules, regulations, guidelines, bye-laws, circulars, notifications etc. made there-under, and judgments, decrees, injunctions, writs and orders of any court or record, applicable to this Agreement and the exercise of, performance and discharge of the respective rights and obligations of the Parties hereunder, as may be in force and effect during the subsistence of this Agreement;

“**Applicable Permits**” shall mean all clearances, permits, authorizations, consents and approvals required to be obtained or maintained under Applicable Laws in connection with the performance of ----- (airline) obligations, including but not limited to the Air Services, during the subsistence of this Agreement.

“**Award**” shall have the meaning as set forth in Clause 18.3(a);

“**Bank Rate**” shall mean the rate of interest specified by the Reserve Bank of India from time to time in pursuance of section 49 of the Reserve Bank of India Act, 1934 or any replacement of such Bank Rate for the time being in effect;

“**Commencement Date**” shall mean ----- provided that if the Airport Development Date has not occurred by the Commencement Date, then the Commencement Date shall be the Airport Development Date;

“**Cost**” shall mean the aggregate cost of INR ----- (Indian Rupees ----- only) per return flight (calculated at the rate of INR -----/- (Indian -----only) per return seat), for operating one return Flight with a minimum of 150 (-----) seats available for sale to customers on the Route, as revised from time to time in accordance with this Agreement;

“**DGCA**” shall mean the Directorate General of Civil Aviation, Ministry of Civil Aviation, Government of India;

“**Dispute**” shall have the meaning as set forth in Clause 18;

“**Flight Capacity**” shall mean ----- (-----) or more seats available



for sale to the customers on the Flight;

“**Flights**” shall have the meaning set out in Clause 3.1 of this Agreement;

“**Force Majeure Event**” shall have the meaning as set forth in Clause 11.1 of this Agreement;

“**Government Agency**” shall mean any department, division or subdivision of the Government of India and includes any commission, board, authority, agency or municipal and other local authority or statutory body including panchayats under the control of the Government of India, as the case may be, and having jurisdiction over ----- (airline) or the performance of all or any of the services or obligations of I----- under or pursuant to this Agreement;

“**Indemnified Party**” shall have the meaning as set forth in Clause 8.1 of this Agreement;

“**Indemnifying Party**” shall have the meaning as set forth in Clause 8.1 of this Agreement;

“**INR**” shall mean the Indian Rupee(s);

“**Operator Default Event**” shall have the meaning as set forth in Clause 12 of this Agreement;

“**Performance Guarantee**” shall mean the bank guarantee provided by ----- under Clause 5 of this Agreement in pursuance of the VGF Scheme;

“**Person**” shall be construed as a reference to any natural person, individual, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and shall include successors and assigns;

“**Revenue**” shall mean the total revenue (exclusive of Taxes, airport/airport operator levies, booking and convenience fees and Ancillary Revenues) generated by ----- through the sale of passenger seats and cargo to the customers on Flights operating on the Route;

“**State Government**” shall mean the Government of the State of Andhra Pradesh;

“**Taxes**” shall mean any taxes including GST, cess and any impost or surcharge of like nature (whether Central, State or local) on services incorporated in and forming part of this Agreement, or any other pass through charges charged, levied or imposed by any Government Agency, but excluding any interest, or penalties; and

“**VGF**” shall mean the viability gap funding to be provided by APADCL to ----- in accordance with the VGF Scheme and this Agreement, which shall be

amount equal to Cost *minus* Revenue, each calculated on a monthly basis.

1.2 In this Agreement, unless the context otherwise requires

- (a) Any reference to a statutory provision shall include such provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder;
- (b) References to Indian law shall include the laws, acts, ordinances, rules, regulations, or bye laws which have the force of law in the State Government or Central Government of the Union of India;
- (c) The words importing singular shall include plural and vice versa, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal entity);
- (d) The headings are for convenience of reference only and shall not be used in and shall not affect the construction or interpretation of this Agreement;
- (e) Terms and words beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein and the terms and words defined in the Schedules and used therein shall have the meaning ascribed thereto in the Schedules; any capitalized term not defined herein shall have the meaning ascribed to them in the VGF Scheme, or the Proposal.
- (f) The words “include” and “including” are to be construed without limitation;
- (g) References to “construction” include, unless the context otherwise requires, investigation, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction;
- (h) Any reference to any period of time shall mean a reference to that according to Indian Standard Time;
- (i) Any reference to day shall mean a reference to an english calendar day;
- (j) Any reference to month shall mean a reference to an english calendar month;
- (k) Any reference to year unless the context otherwise requires shall mean the calendar year.
- (l) The Schedules to this Agreement form an integral part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;
- (m) Any reference at any time to any agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or suspended at the time of such reference provided

that this clause shall not operate so as to increase liabilities or obligations of APADCL hereunder or pursuant hereto in any manner whatsoever except as expressly provided in this Agreement.

- (n) Any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from or by any Party shall be valid and effectual only if it is in writing under the hands of duly authorized representative of such Party, as the case may be, in this behalf and not otherwise; and
- (o) Any reference to any period commencing “from” a specified day or date and “till” or “until” a specified day or date shall include both such days or dates.

### 1.3 Priority in case(s) of errors/discrepancies

- (a) The terms of the VGF Scheme and the Proposal are deemed to be incorporated into this Agreement. This Agreement, the Proposal and the VGF Scheme are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this Agreement, the priority of this Agreement and the VGF Scheme shall, in the event of any conflict between them, be in the following order:
  - (i) this Agreement;
  - (ii) the Proposal; and
  - (iii) the VGF Scheme.
- (b) In the event of any conflict between this Agreement and the Applicable Laws, the Applicable Laws shall prevail over this Agreement.

## 2. TERM

This Agreement shall become effective from the Execution Date and shall expire on the day which is 6 (six) months from the Commencement Date, unless terminated earlier in accordance with the terms hereof (“**Term**”). The Parties may extend the Term by mutual consent.

## 3. PROVISION OF AIR SERVICES AND OBLIGATIONS BY ----- (Airline)

### 3.1 ----- shall, starting from the Commencement Date:

- (a) schedule and operate the Aircraft for providing commercial air transport services for general public on the Route with a frequency of a minimum of 2 (two) return flights per week (“**Flights**”) as per schedules set out in **Schedule A** hereto; and
- (b) charge the customers, being carried on such Flight, an airfare (inclusive of Taxes, fees and charges but exclusive of Ancillary Revenue) as determined by -----, which shall at all times be within the Airfare Bracket; in each case in accordance with the provisions of this Agreement (collectively, the “**Air Services**”).

- 3.2 The airfare charged by -----, within the Airfare Bracket, shall be inclusive of all Taxes, charges or levies of whatever description, and shall not be increased on account of any Taxes payable by ----- (airline), including without limitation, goods and services tax but shall exclude any, booking and convenience fee and Ancillary Revenues.
- 3.3 ----- shall be entitled to change the Flight Capacity on the Route so long as the minimum number of seats available for sale to customers on a Flight is not less than -----(bided numbers/ aircraft capacity) (-----) seats.
- 3.4 Any revision in the flight schedule set out in **Schedule A** hereto and a consequent revision in any other terms and conditions of this Agreement shall be subject to negotiation and mutual agreement between the Parties.
- 3.5 ----- shall undertake sale of tickets for the said route, through its sales channels. ----- shall endeavor to maximize sale of tickets for the route on best effort basis.
- 3.6 ----- shall assist the transit passengers of the flight at Dubai/Abu Dhabi Airport in accordance with standard practices undertaken by ----- (Airline) at all international destinations that it operates in.
- 3.7 ----- (Airline) is permitted to fly its staff on duty on the Flights. For avoidance of doubt, in case any staff are traveling in the ----- seats designated for passengers, then a due consideration of fare as per Level ----- (as mutually agreed) in Schedule A will be used for VGF calculations for the specific seats utilized by the staff.
- 3.8 The carriage of passengers and baggage on the Flights shall at all times be governed by -----(Airline) policies and conditions of carriage applicable to international air transport.

#### **4. OBLIGATIONS OF APADCL**

- 4.1 APADCL shall undertake, comply with and perform in addition to and not in derogation of its obligations elsewhere set out in this Agreement, the following:
- (a) make payment of VGF to ----- in a timely manner in accordance with **Schedule A** and Clause 5 below;
  - (b) serve as the single window for coordinating, obtaining, implementing and processing any and all permits, traffic rights and approvals required by ----- from State Government and to provide reasonable support for all such approvals from the Central Government, AAI, MOCA, DGCA or the Airport Operator to provide Air Services on the Route or for availing any benefit, facility, exemption or concession that ----- (Airline) is entitled to under the VGF Scheme;
  - (c) provide all information, support and assistance to ----- (Airline), for the performance of all acts, deeds and things, required for the purpose of liaising with the relevant service providers at the Vijayawada International

Airport and the Dubai/Abu Dhabi Airport to facilitate the commencement of the Air Services on the Route;

- (d) undertake the responsibility of implementing the VGF Scheme in its letter and spirit and procure that all the obligations of the State Government and support for -----(Airline) with respect to obligations from the MoCA, the Airport Operator and or any other Government Agency, including provision of exemptions, concessions, financial benefits, exclusivity and support to -----(Airline) as are provided for under the VGF Scheme are fulfilled in a timely and efficient manner in compliance with their respective obligations under the VGF Scheme.

## 5. PAYMENT CONDITIONS

- 5.1 VGF (and applicable taxes thereon) shall be payable by APADCL to -----(Airline) without regard to the number of seats sold or occupied on every Flight operated on the Route during each calendar month, in accordance with this Clause 5.
- 5.2 No later than thirty (30) days, after the completion of each calendar month after the Commencement Date, -----(Airline) shall raise an invoice to APADCL for the amount of VGF (and applicable taxes thereon) payable to -----(Airline) and detailing the calculation thereof for the previous calendar month. For avoidance of doubt, -----(Airline) shall retain the Revenue, Ancillary Revenue and all other fees received by -----(Airline) for providing the Air Services on the Route.
- 5.3 APADCL shall make payment of the VGF within thirty (30) days from the date of invoice by electronic means or otherwise from -----(Airline). For the avoidance of doubt, in the event the Revenue is greater than the Cost, the excess amount shall be applied and adjusted as a discount in the invoice issued by -----(Airline) in the immediately subsequent month for VGF, if payable by APADCL in the subsequent month, or all such excess payments shall be made to APADCL by -----(Airline) as a final adjustment at the end of the Term, based on an invoice raised by APADCL to ----- (airline).
- 5.4 If any Taxes are required to be deducted or withheld from the VGF payable to -----(Airline) , then APADCL shall arrange payment to -----(Airline) of such additional amounts as may be necessary in order that the amount of VGF received by -----(Airline) , after deduction or withholding for all such Taxes, will be equal to the net amount of VGF and applicable taxes thereon owed to I----- (Airline) , and would have been received by ----- (Airline) if such Taxes had not ever been deducted or withheld.
- 5.5 APADCL acknowledges and agrees that ATF prices is one of the factors which may substantially impact the cost of operations of airlines and has therefore agreed that the Cost and in effect the VGF payable to -----(Airline) shall be subject to monthly adjustment to the ATF base line price existing in Vijayawada and Dubai/Abu Dhabi on the first day of operation of Flights from Vijayawada to Dubai/Abu Dhabi, i.e., the Commencement Date (“**ATF Baseline**

**Price**”), in case the ATF prices deviate by 5% (five percent) or more from the ATF Baseline Price. The indexation of VGF to revision of ATF Baseline Price will be based on the formula specified in **Schedule B** hereto and determined at the end of each quarter from the Commencement Date. Based on such ATF price indexation adjustment, in case there is a deficit in the VGF paid to ----- (Airline), then -----(Airline) shall within 15 (fifteen) days of such indexation adjustment raise an invoice to APADCL for payment of such deficit amount of VGF. In case, as a result of such indexation adjustment, it is determined that any surplus payment of VGF has been made to ----- (Airline), then -----(Airline) shall make available the amount of surplus paid as credit to APADCL, which shall be adjusted against the next invoice issued by -----(Airline) and payment of VGF due from APADCL to ----- (Airline).

5.6 In case any new user development fee or similar fees and charges are imposed or chargeable in relation to the operation of the Flights during the Term, APADCL shall increase the amount of VGF to be paid to -----(Airline) by the aggregate amount of such user development fees or similar charges charged, at actuals.

5.7 Invoices shall be sent by -----(Airline) to APADCL at the following address along with an electronic copy provided on e-mail:

**Attn.:** Mr. Virender Singh, Managing Director & C.E.O

**Address:** Andhra Pradesh Airports Development Corporation Limited (APADCL),1st Floor, FDC Complex, AC Guards, Hyderabad-500028.

**e-mail:** ceo-apadcl@ap.gov.in

5.8 Invoices shall be sent by APADCL to ----- (airline) at the following address along with an electronic copy provided on e-mail:

**Attn.:** -----

**Address:** -----

**e-mail:** -----

Mobile / Land line No.: -----

5.9 Payment of VGF shall be effected through bank transfer to -----(Airline) bank account as provided below:

<b>Beneficiary Name</b>	-
<b>Beneficiary Bank</b>	-
<b>Beneficiary Bank Address</b>	-
<b>Account No.</b>	-

<b>RTGS / IFSC CODE</b>	-
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## 6. PERFORMANCE GUARANTEE AND ADVANCE VGF

### 6.1 -----(Airline) Performance Guarantee

- (a) -----(Airline) shall submit to APADCL, a Performance Guarantee in the form annexed hereto as **Schedule C**, prior to the Commencement Date.
- (b) The Performance Guarantee submitted by -----(Airline) may be encashed and appropriated by APADCL in full or in part, in accordance with Clause 16 and the terms of the Performance Guarantee.
- (c) Subject to Clause 13.2, APADCL shall return to -----(Airline) the Performance Guarantee available with it on the expiry of the Term or earlier termination of the Agreement.

### 6.2 Advance VGF amount by APADCL

- (a) APADCL shall transfer to -----(Airline), a sum of INR ----- (Indian Rupees -----), equal to Cost for nine (9) return Flight operations ("**Advance VGF Cash**") by way of bank transfer, within thirty (30) days from the date of execution of this Agreement.
- (b) APADCL shall submit to -----(Airline) , a bank guarantee for a sum of INR ----- (Indian Rupees -----only), equal to Cost for twenty (20) days of Flight operations, *i.e.* six (6) return Flight operations ("**Advance VGF Bank Guarantee**") in the form annexed hereto as **Schedule D**, within thirty (30) days from the date of the execution of this Agreement.
- (c) The Advance VGF Cash and/ or the Advance VGF Bank Guarantee (collectively, "**Advance VGF**") submitted by APADCL may be encashed and appropriated, as applicable, by -----(Airline) in full or in part, in accordance with Clause 16 and the terms of the Advance VGF Bank Guarantee.
- (d) Parties agree that the Advance VGF submitted by APADCL will be interest free for the duration of the Term.
- (e) Subject to Clause 12.2, -----(Airline) shall return to APADCL, the Advance VGF available with it within 30 (thirty) days of the expiry of the Term or earlier termination of the Agreement.

## 7. REPRESENTATIONS AND WARRANTIES

### 7.1 Each Party represents and warrants to the other that:

- (a) It is duly organized and validly existing under the laws of India, and has full power and authority to execute and perform its obligations under this

Agreement and to carry out the transactions contemplated hereby;

- (b) It has taken all necessary corporate and other actions under Applicable Laws to authorize the execution and delivery of this Agreement and to validly exercise its rights and perform its obligations under this Agreement;
- (c) This Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, and its obligations under this Agreement will be legally valid, binding and enforceable obligations against it in accordance with the terms hereof;
- (d) It is subject to the laws of India, and hereby expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement or matters arising thereunder including any obligation, liability or responsibility hereunder;
- (e) The execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its Memorandum and Articles of Association or any Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party and by which it or any of its properties or assets is bound or affected;
- (f) There are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in the breach of this Agreement or which individually or in the aggregate may result in any material impairment of its ability to perform any of its obligations under this Agreement;
- (g) It has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Government Agency which may result in any material adverse effect on its ability to perform its obligations under this Agreement and to its knowledge no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its obligations under this Agreement; and
- (h) It has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a material and adverse effect on its ability to perform its obligations under this Agreement.

## **8. INDEMNITY AND COMPENSATION**

- 8.1 Each Party ("**Indemnifying Party**") shall indemnify, defend, save and hold harmless the other Party and its officers, servants, shareholders, agents, affiliates and representatives, (the "**Indemnified Party(ies)**") against any and all suits, proceedings, actions, demands and claims from third parties for any loss, damage, cost and expense of whatever kind and nature, arising out of any breach by the Indemnifying Party of any of its obligations or willful



misrepresentation, gross negligence or fraud under this Agreement, except

- (i) any indirect, consequential, incidental, punitive or special damages and
- (j) to the extent that any such suits, proceedings, actions, demands and claims have arisen due to any negligent act or omission, or breach or default of this Agreement on the part of any Indemnified Party.

8.2 The Indemnifying Party shall promptly, as soon as reasonably practicable after it becomes aware of the same, inform the Indemnified Party of any demand, claim, action or proceeding or anticipated demand, claim, action or proceeding against it, in respect of which it is entitled to be indemnified under this Clause 8. The Indemnifying Party shall have a right to assume defense of any such claim for which it has obligation to indemnify the Indemnified Parties. The Indemnified Parties shall take all steps (including provision of all necessary authorizations) required for the Indemnifying Party to assume defense and will give reasonable assistance to the Indemnifying Party in the defense of any such demand, claim, action or proceeding.

8.3 The Indemnified Parties shall take all reasonable steps to prevent, reduce to a minimum the losses, claims, damages, costs and expenses and mitigate the effect of any breach by the Indemnifying Party of any of its obligations or willful misrepresentation or gross negligence giving rise to an event of indemnification under this Clause 8.

**9. REPORTING OBLIGATIONS OF -----(Airline)**

9.1 -----(Airline) will be required to submit:

- (k) fortnightly reports duly certified by an authorized signatory of ----- (airline) Finance section containing passenger load factor data; and
- (l) monthly management certified revenue statements including revenue generated from sale of passenger tickets and cargo, to APADCL to enable APADCL to monitor adherence to the terms and conditions under this Agreement.

9.2 -----(Airline) shall appoint representative nodal officer who shall be responsible for providing information and details to APADCL under this Clause 9 In accordance with Clause 9.1 above.

9.3 The nodal officer under the Clause 9.2 for the duration of the Term is -----  
----- (email: -----)

**10. AUDIT**

10.1 APADCL at its sole discretion and cost may have an independent auditor to conduct an audit on ----- (Airline) in relation to the Revenues generated under this Agreement.

10.2 -----(Airline) shall provide to the independent auditor, all records, information and documents as may be required by the independent auditor for conducting an audit on ----- (airline) in relation only to the Revenue generated under this Agreement.

## 11. FORCE MAJEURE

11.1 -----(Airline) shall be entitled to suspend the performance of its obligations under this Agreement to the extent that it is prevented from performing its obligations by an event of Force Majeure as set out below (a **“Force Majeure Event”**):

- (i) After Commencement Date, if any airport on the Route becomes unusable for flight operations by -----(Airline) ;
- (ii) War (whether declared or undeclared), invasion, armed conflict or act of foreign enemy;
- (iii) Revolution, riot, insurrection or other civil commotion, act of terrorism or sabotage;
- (iv) Strikes, working to rule, go-slows and/or lockouts which are in each case widespread, nationwide or political including strikes by the employees or personnel of ----- (airline);
- (v) Any effect of the natural elements, including epidemic or plague, lighting, fire, earthquake, heavy rains, tidal wave, flood, storm, cyclone, typhoon or tornado;
- (vi) Explosion (other than a nuclear explosion or an explosion resulting from an act of war);
- (vii) Technical issues in relation to ----- (airline) aircraft, that are not attributable to ----- (airline) and that have an adverse impact or an aircraft on ground condition in relation to the operation of the Flights;
- (viii) Any event or circumstances of a nature analogous to any events set forth in paragraphs (i) to (vii) of this Clause 11.1.

### 11.2 Procedure for Force Majeure

11.2.1 If -----(Airline) claims relief on account of a Force Majeure Event, it shall, immediately on becoming aware of the Force Majeure Event, give notice of and describe in detail:

- (i) The Force Majeure Event(s) that has occurred;
- (ii) The obligation(s) under this Agreement affected;
- (iii) The dates of commencement and estimated cessation of such Force Majeure Event;

- (iv) The manner in which the Force Majeure Event(s) affects its ability to perform its obligation(s) under this Agreement; and
- (v) The nature and extent of relief sought if any,

11.2.2 -----(Airline) shall have the right to suspend the performance of the obligation(s) affected, upon delivery of the notice of the occurrence of a Force Majeure Event in accordance with sub-clause 11.2.1 above. ----- (Airline), to the extent it is prevented from performing its obligations under this Agreement, as a consequence of the Force Majeure Event, shall be excused from performance of the obligations provided that the excuse from performance shall be of no greater scope and of no longer duration than is reasonably warranted by the Force Majeure Event.

11.2.3 The time granted for performance of any obligation or compliance and for the exercise of any right by -----(Airline), shall be extended over the period during which such Force Majeure Event continues and by such additional period thereafter as is necessary to enable ----- (airline) to achieve the level of activity prevailing before the occurrence of Force Majeure Event.

11.2.4 It is clarified that the Term of the Agreement shall be deemed to have been extended by a period which shall be equal to the duration for which such Force Majeure Event continued and by such additional period thereafter as is necessary to enable ----- (airline) to achieve the level of activity prevailing before the event of Force Majeure Event.

### 11.3 Mitigation

----- (airline) shall take all reasonable steps to prevent, reduce to a minimum and mitigate the effect of such Force Majeure Event. ----- (Airline) shall also make efforts to resume performance of its obligations under this Agreement as soon as possible and upon resumption, shall forthwith notify APADCL of the same in writing.

### 11.4 Termination due to Force Majeure Event

If a Force Majeure Event continues for: (a) a continuous period of 60 (sixty) days or (b) an aggregate period of 120 (one hundred twenty) days within a continuous period of 365 (three hundred sixty five) days, either Party may terminate this Agreement, without any liability provided that this Clause 11.4 shall not relieve APADCL from its obligation to make any payments to ----- (Airline) which had become payable at the time of such termination.

## 12. EVENTS OF DEFAULT OF ----- (Airline)

12.1 For the purpose of this Agreement, each of the following events or circumstances, to the extent not caused by a breach or default of APADCL, or non-cooperation by any Government Agency or Airport Operator, or a Force Majeure Event, shall be considered, as an event of default (the “**Operator Default Event**”) which, if not remedied within the cure period, if any, set out

below shall provide APADCL the right to terminate this Agreement in accordance with Clause 15:

- (a) Failure by -----(Airline) to operate at least seventy percent (70%) of the Flights scheduled on the Route continuously for a period of 3 (three) months during the Term; and
- (b) Any other material breach by -----(Airline) of its obligations under this Agreement that is remediable and not remedied within a period of 90 (ninety) days, as mentioned in the written notice issued by APADCL specifying such breach and requiring ----- (Airline) to remedy the same.

12.2 In the event of an Operator Default Event, APADCL shall have the right to notify -----(Airline) that such an event has occurred and (if it is capable of remedy) requiring the remedy of the same within a reasonable period not more than 90 (ninety) days. If, following the end of the period stated in such notice the event giving rise to the Operator Default Event has not been remedied, APADCL shall have

- (i) the right to withdraw the Advance VGF Bank Guarantee and,
- (ii) the right to issue a notice to -----(Airline) terminating this Agreement, in accordance with Clause 15 below.

### **13. EVENTS OF DEFAULT OF APADCL**

13.1 Each of the following events shall constitute an “**APADCL Default Event**”:

- (a) If APADCL is in material breach of the terms of this Agreement, and such breach has not, if capable of remedy, been remedied within 90 (ninety) consecutive days from the date upon which APADCL receives a notice from -----(Airline) specifying that such breach has occurred; or
- (b) If any exemption, concession, support, financial benefit, exclusivity or discount to be provided to -----(Airline) under the terms of this Agreement, from APADCL or the Airport Operator or any other Government Agency is not provided, or is denied or withdrawn in a manner not compliant with the provisions of this Agreement or the VGF Scheme; or
- (c) If any sum due and payable under this Agreement from APADCL or the Airport Operator or any other Government Agency is not paid in accordance with the terms of this Agreement or the VGF Scheme within 60 (sixty) days of it being due to be paid; or
- (d) APADCL repudiates this Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by this Agreement.

13.2 In the event of an APADCL Default Event, -----(Airline) shall have the right to notify APADCL that such an event has occurred and (if it is capable of remedy) requiring the remedy of the same within a reasonable period not more

than 90 (ninety) days. If, following the end of the period stated in such notice the event giving rise to the APADCL Default Event has not been remedied, -----(Airline) shall have

- (i) the right to withdraw the Performance Guarantee and,
- (ii) the right to issue a notice to APADCL terminating this Agreement, in accordance with Clause 14 below.

**14. TERMINATION EVENTS FOR -----(Airline)**

For the purpose of this Agreement, each of the following events or circumstances, to the extent not caused by a breach or default of ----- (Airline) , shall provide -----(Airline) the right to terminate this Agreement with effect from the date specified in the written notice served by ----- (airline) on APADCL:

- (a) APADCL does not make payment of VGF to -----(Airline) in accordance with this Agreement for 2 (two) consecutive months; or
- (b) any exemption or license, authorization or permit to operate the Flight on the Route from any third party is withdrawn, revoked or cancelled, and is not restored within 30 (thirty) days; or
- (c) an APADCL Default Event having occurred under Clause 13 hereof; or
- (d) occurrence and subsistence of a Force Majeure Event in accordance with Clause 11.4.

**15. TERMINATION EVENTS FOR APADCL**

For the purpose of this Agreement, to the extent not caused by a breach or default of APADCL, APADCL shall have the right to terminate this Agreement with effect from the date specified in the written notice served by APADCL on ----- (Airline):

- (a) upon occurrence of an Operator Default Event, which, if capable of remedy, has not been remedied within the applicable cure period, under Clause 13 hereof; or
- (b) upon occurrence and subsistence of a Force Majeure Event in accordance with Clause 11.4.

**16. CONSEQUENCES OF TERMINATION**

16.1 Upon a termination under Clause 14 or 15, this Agreement shall terminate with immediate effect, and

- (i) APADCL shall return to -----(Airline), the Performance Guarantee subject to Clause 16.3 below; and
- (ii) ----- (Airline) shall return to APADCL, the Advance VGF, subject to

Clause 16.4 below.

- 16.2 The expiry or termination of this Agreement in accordance with the terms hereof, shall be without prejudice to any rights and obligations of the Parties already accrued up to the date of such termination, including in relation to any payments due from one Party to the Other Party, and such already accrued rights and obligations shall survive the termination of this Agreement.
- 16.3 Save and except as otherwise provided in this Agreement and without prejudice to any other right or remedy which APADCL may have in respect thereof under this Agreement, upon the occurrence of any breach by -----(Airline) under this Agreement including any Operator Default Event, APADCL shall be entitled to appropriate part or whole of the Performance Guarantee, if -----(Airline) has failed to cure such breach or default in accordance with Clause 13 above and provided such losses suffered by APADCL due to ----- (airline) breach have been established and awarded by way of a final, binding and non-appealable order of a Court of law.
- 16.4 Save and except as otherwise provided in this Agreement and without prejudice to any other right or remedy which -----(Airline) may have in respect thereof under this Agreement, upon the occurrence of any breach in payment obligation by APADCL under this Agreement, -----(Airline) shall be entitled to appropriate part or whole of the Advance VGF, if APADCL has failed to cure such breach or default in accordance with Clause 13 above.

## **17. ASSIGNMENT**

- 17.1 -----(Airline) shall be permitted with prior approval of APADCL and its discretion, to assign its rights and obligations under this Agreement to any Person having a valid Scheduled Operator Permit or a valid Air Operator Certificate for Scheduled Commuter Operation for Air Transport Services from DGCA or an equivalent permit issued by the competent civil aviation regulatory authority of any foreign country as may be permitted by MoCA.
- 17.2 In the event of a merger of -----(Airline) with another entity, the successor entity pursuant to such merger shall be permitted to operate as -----(Airline) under this Agreement, provided that such successor entity continues to hold a valid Scheduled Operator Permit or a valid Air Operator Certificate for Scheduled Commuter Operation for Air Transport Services from DGCA and submits a written undertaking to the APADCL to perform ----- (airline) obligations under this Agreement.

## **18. DISPUTE RESOLUTION**

Save where expressly stated to the contrary in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement and so notified in writing by either Party to the other (the “**Dispute**”) in the first instance shall be attempted to be resolved in accordance with the procedure set forth below.

- 18.1 Amicable Settlement

In the event of any Dispute between the Parties, either Party may call upon the other Party to resolve the issue raised in the Dispute and arrive at an amicable settlement thereof. Each Party shall nominate a responsible person to resolve the issue through amicable settlement within a period of 30 (thirty) days.

## 18.2 Arbitration

- (a) Any Dispute, which is not resolved amicably, as provided above, shall be finally decided by reference to arbitration through an Arbitral Tribunal comprising of three arbitrators with one arbitrator nominated by APADCL, one arbitrator nominated by -----(Airline) and third arbitrator mutually appointed by the aforesaid two arbitrators. Such arbitration shall be held in accordance with the Hyderabad Centre for International Arbitration Rules, 2016 and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 and as amended from time to time thereafter.
- (b) The place of arbitration shall be Hyderabad and the language of the arbitration shall be English.

## 18.3 Arbitration Award to be binding

- (a) -----(Airline) and APADCL undertake to carry out any decision or award of the arbitrators (the “**Award**”) without delay. Awards relating to any Dispute shall be final and binding on the Parties as from the date they are made.
- (b) -----(Airline) and APADCL agree that an Award may be enforced against -----(Airline) and APADCL as the case may be.
- (c) This Agreement and rights and obligations of the Parties shall remain in full force and effect pending the Award in any arbitration proceeding hereunder.

## 19. INSPECTION

----- (Airline) shall make available for inspection during normal business hours on all working days, subject to reasonable notice, copies of records and reports pertaining only to the Revenues under this Agreement, to APADCL as and when required.

## 20. GOVERNING LAW

This Agreement shall be construed and interpreted in accordance with the Laws of India.

## 21. MISCELLANEOUS

21.1 Waiver by either Party of any default by other Party in the observance and performance of any provision of or obligations of or under this Agreement;

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;

(b) shall not be effective unless it is in writing and executed by a duly authorized representative of the Party; and

(c) shall not affect the validity or enforceability of this Agreement in any manner.

21.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

21.3 APADCL reserves the right to verify all statements, information and documents submitted by -----(Airline) in its Proposal. Failure of APADCL to undertake such verification shall not relieve ----- (airline) of its obligations or liabilities hereunder nor will it affect any right of APADCL hereunder.

21.4 The Parties hereto agree that payments due from one Party to the other Party under the provisions of this Agreement shall be made within the period set forth therein, and if no such period is specified, within 30 (thirty) days of receiving a demand along with the necessary particulars. Unless otherwise specified in this Agreement, in the event of delay beyond such period, the defaulting Party shall pay interest for the period of delay calculated at a rate equal to 12% p.a., and recovery thereof shall be without prejudice to the rights of the Parties under this Agreement including Termination thereof. Unless otherwise specified, any interest payable under this Agreement shall accrue on a daily outstanding basis and shall be compounded on the basis of quarterly rests.

## **22. SURVIVAL**

22.1 Termination of this Agreement (a) shall not relieve -----(Airline) or APADCL of any obligations hereunder which expressly or by implication survives Termination hereof, and (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of or caused by acts or omissions of such Party prior to the effectiveness of such Termination or arising out of such termination.

22.2 Unless specified otherwise in this Agreement, all obligations surviving the cancellation, expiration or Termination of this Agreement shall only survive for a period of 2 (two) years following the date of such Termination or expiry of this Agreement.

## **23. NOTICES**

23.1 Any notice or other communication to be given by a Party to the other Party under, or in connection with the matters contemplated by this Agreement shall be in writing and shall in the case of -----(Airline) , be marked for the attention of the person set out opposite the corresponding signature below or to such other address marked for such other attention as -----(Airline) may from time to time designate by notice to APADCL, and in the case of APADCL, be given by letter and be addressed to the Managing Director of APADCL.



23.2 Copies of all notices shall also be sent by facsimile and by registered acknowledgement due pre-paid post or courier.

#### **24. SEVERABILITY**

If for any reason whatsoever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing on one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under this Agreement or otherwise.

#### **25. NO PARTNERSHIP**

Nothing contained in this Agreement shall be construed or interpreted as constituting a partnership between the Parties. Neither Party shall have any authority to bind the other in any manner whatsoever.

#### **26. LANGUAGE**

All notices required to be given by one Party to the other Party and all other communications, documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

#### **27. EXCLUSION OF IMPLIED WARRANTIES**

This Agreement expressly excludes any warranty, condition or other undertaking implied by law or by custom or otherwise arising out of any other agreement between the Parties or any representation by either Party not contained in this Agreement.

#### **28. COUNTERPARTS**

This Agreement may be executed in two counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

IN WITNESS WHEREOF THE, PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

For and on behalf of **Andhra Pradesh Airports Development Corporation Ltd:**

Signature

Name

Designation

Signed, Sealed and Delivered

For and on behalf of -----(Airline) :

Signature

Name

Designation

**SCHEDULE A**

**The schedule of operations: -**

Frequency: Two weekly flights

Tuesday and Thursday

Type of Aircraft: B-737, A-320, Embraer etc. - at least 150 seats

Commencement Date: -----Feb,2019

Flt No.	Origin	Destination	Days	Departure Local Time	Arrival Local Time
	Vijayawada	Dubai/Abu Dhabi	3, 5		
	Dubai/Abu Dhabi	Vijayawada	3, 5		

**VGF:**

Given operation of two Flights per week, the VGF amount per month will vary with number of Flights. We are indicating below the quantum per return Flight, and also for a varying number of flights as the number of flights can vary from month to month.

Flight Operations	VGF required (INR)
<b>Per Return flight</b>	-----
For 8 return flights / month	-----
For 9 return flights / month	-----
For 10 return flights / month	-----

- Taxes as applicable will be collected in addition to the above amounts

**Airfare Bracket:**

Levels (INR)	VGA-DXB/AUH	DXB/AUH-VGA	Proposed allocation of passenger seats by APADCL
	Base+YQ	Base+YQ	
Level 1	----	----	90 seats (50% of Aircraft capacity) proposed to be sold in the Airfare bracket of Level 1 to 9
Level 2	----	----	
Level 3	----	----	
Level 4	----	----	
Level 5	----	----	
Level 6	----	----	
Level 7	----	----	
Level 8	----	----	
Level 9	----	----	
Level 10	----	----	90 seats (50% of Aircraft capacity) proposed to be sold in the Airfare bracket of Level 9 to 16
Level 11	----	----	
Level 12	----	----	
Level 13	----	----	
Level 14	----	----	
Level 15	----	----	
Level 16	----	----	
Level 17	----	----	No seats permitted to be sold at Levels 17 to 21
Level 18	----	----	
Level 19	----	----	
Level 20	----	----	
Level 21	----	----	

Total Fees & Taxes Ex-DXB/AUH, If any	-----
PSF Ex-India (VGA)	264

## SCHEDULE B – ATF INDEXATION FORMULA

ATF consumed **(A)**: Per Block Hour ATF consumption as certified by AME (Aircraft Maintenance Engineer)

Return Sector Block Hours **(B)**: Block hours as per schedule of VGA-DXB/AUH & vv.

Total ATF consumed **(C)** = (A x B)

ATF Baseline Price **(D)**: ATF Price as on Commencement Date

ATF Price- “Revised” **(E)**: ATF price at the end of every month after Commencement Date

Baseline ATF Cost **(F)** = C x D

Revised ATF Cost **(G)** = C x E

Change in ATF Price **(H)** =  $\frac{G}{F} - 1$  %

If H is more than 5% or less than -5%, ----- (airline) will advise APADCL about change in ATF Price, and revise value of “F” with H%.

## **Operator's Performance Security Bank Guarantee**

### **SCHEDULE C**

**ANDHRA PRADESH AIRPORTS DEVELOPMENT CORPORATION LIMITED,**  
1<sup>st</sup> Floor, Block A, Anjaneya Towers, Ibrahimpatnam, Vijayawada, A.P. – 521456

#### **WHEREAS:**

- A. ----- (airline), a company, duly incorporated under the Companies Act, 1956, having its registered office at ----- (“airline”) and the **ANDHRA PRADESH AIRPORTS DEVELOPMENT CORPORATION LIMITED** an undertaking of the Government of Andhra Pradesh, having its office at 1<sup>st</sup> Floor, Block A, Anjaneya Towers, Ibrahimpatnam, Vijayawada, Andhra Pradesh – 521456 (“**Authority**”) have entered into a Selected Airline Operator Agreement dated [\_\_\_\_\_] (“**Agreement**”), whereby the Authority has authorized ----- (airline) to undertake dedicated air operation service during the Term (as defined in the Agreement) on the sector Vijayawada- Dubai/Abu Dhabi- Vijayawada subject to and in accordance with the provisions thereof.
- B. The Agreement requires ----- (airline) to furnish a performance security to the Authority for a sum of Rs. ----- (Rupees -----) (“**Guarantee Amount**”) as security for due and faithful performance of its obligations, under and in accordance with the Agreement, for Term of the Agreement.
- C. We, [\_\_] through our Branch at [\_\_] (“**Bank**”) have agreed to furnish this Bank Guarantee by way of Performance Security in terms of the Performance Security.

NOW, THEREFORE, the Bank hereby, unconditionally and irrevocably, guarantees and affirms as follows:

1. The Bank hereby unconditionally and irrevocably guarantees and undertakes to pay to the Authority, upon occurrence of any failure or default in the due and faithful performance of all or any of ----- (airline) obligations or otherwise, under and in accordance with the provisions of the Agreement, on its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to ----- (airline), such sum or sums up-to an aggregate sum of the Guarantee Amount as the Authority shall claim, without the Authority being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.
2. A letter from the Authority, under the hand of an Officer not below the rank of Chief Executive Officer, that there is an amount due and outstanding from ----- (airline), or ----- (airline) has committed default in the due and faithful performance of all or any of its obligations under and in accordance with the Agreement shall be conclusive, final and binding on the Bank.<sup>30</sup>The Bank further agrees that the Authority shall be the sole judge as to whether ----- (airline) is in default in due and faithful performance of its obligations under the Agreement and its decision in this regard shall be final and binding on the Bank, notwithstanding any differences between the

Authority and ----- (airline), or any dispute between them pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of ----- (airline) for any reason whatsoever.

3. In order to give effect to this Guarantee, the Authority shall be entitled to act as if the Bank is the principal debtor and any change in the constitution of ----- (airline) and/ or the Bank, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Bank under this Guarantee.
4. It shall not be necessary, and the Bank hereby waives any necessity, for the Authority to proceed against ----- (airline) before presenting to the Bank its demand under this Guarantee.
5. The Authority has the liberty, without affecting in any manner the liability of the Bank under this Guarantee, to vary at any time, the terms and conditions of the Agreement or to extend the time or period for the compliance with, fulfilment and/or performance of all or any of the obligations of ----- (airline) contained in the Agreement or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Authority against ----- (airline), and either to enforce or forbear from enforcing any of the terms and conditions contained in the Agreement and/or the securities available to the Authority, and the Bank shall not be released from its liability and obligation under these presents by any exercise by the Authority of the liberty with reference to the matters aforesaid, or by reason of time being given to - ----- (airline) or any other forbearance, indulgence, act or omission on the part of the Authority or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would, but for this provision, have the effect of releasing the Bank from its liabilities and obligations under this Guarantee, and the Bank hereby waives all of its rights under any such law.
6. Notwithstanding anything contained hereinbefore, the liability of the Bank under this Guarantee is restricted to the Guarantee Amount and this Guarantee will remain in force for a period of 6 (six) months from the Commencement Date (as defined in the Agreement) and unless a demand or claim in writing is made by the Authority on the Bank under this Guarantee, no later than 3 (three) months from the date of expiry of this Guarantee, all rights of the Authority under this Guarantee shall be forfeited and the Bank shall be relieved from its liabilities hereunder.
7. The Performance Security shall cease to be in force and effect after the expiry of a period of 9 months (nine months) from the agreement date of the flight operations agreement, with a claim period of 3 (three) months thereafter. Upon request made by ----- (airline) for release of the Performance Security along with the particulars required hereunder, duly certified by a statutory auditor of ----- (airline), the Authority shall release the Performance Security forthwith after the period of 3 (three) months from the date of expiry of this Guarantee.
8. The Bank undertakes not to revoke this Guarantee during its currency, except with the previous express consent of the Authority in writing, and declares and warrants that it has the power to issue this Guarantee and the undersigned has full powers to do so on behalf of the Bank.
9. Any notice by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred Branch, which shall be deemed to have

been duly authorised to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when it ought to have been delivered in due course through post and in proving such notice, when given by post, shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Authority that the envelope was so posted shall be conclusive.

Signed and sealed this ..... day of ....., 2019 at .....

SIGNED, SEALED AND DELIVERED

For and on behalf of the BANK by:

(Signature) (Name) (Designation) (Code Number) (Address)

NOTES:

- (a) The bank guarantee should contain the name, designation and code number of the officer(s) signing the guarantee.
- (b) The address, telephone number and other details of the Head Office of the Bank as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.



## Advance VGF Bank Guarantee

### SCHEDULE D

B.G. No. Dated:

#### WHEREAS:

- A. ----- (airline), a company, duly incorporated under the Companies Act, 1956, having its registered office at (-----Airline) and the **ANDHRA PRADESH AIRPORTS DEVELOPMENT CORPORATION LIMITED** ("**Authority**") have entered into a Selected Airline Operator Agreement dated [\_\_\_\_\_] ("**Agreement**"), whereby the Authority has authorized ----- (airline) to undertake dedicated air operation service during the Term (as defined in the Agreement) on the sector Vijayawada-Dubai/Abu Dhabi- Vijayawada subject to and in accordance with the provisions thereof.
- B. The Agreement requires the Authority to furnish Advance VGF Bank Guarantee ("**Guarantee**") to ----- (airline) for a sum of INR ----- (Indian Rupees ----- ---only), equal to Cost for twenty (20) days of Flight operations, *i.e.* six (6) return Flight operations ("**Guarantee Amount**") as security for due and faithful performance of its obligations, under and in accordance with the Agreement.
- C. We, [\_\_] through our Branch at [\_\_] ("**Bank**") have agreed to furnish this Guarantee by way of performance security.

NOW, THEREFORE, the Bank hereby, unconditionally and irrevocably, guarantees and affirms as follows:

- a. The Bank hereby unconditionally and irrevocably guarantees and undertakes to pay in full, without any deductions, to ----- (airline), upon occurrence of any failure or default in the due and faithful performance of all or any of the Authority's obligations or otherwise, under and in accordance with the provisions of the Agreement, on its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Authority, such sum or sums up-to an aggregate sum of the Guarantee Amount as ----- (airline) shall claim, without ----- (airline) being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein. The Bank further agrees that ----- (airline) shall be the sole judge as to whether the Authority is in default in due and faithful performance of its obligations under the Agreement and its decision in this regard shall be final and binding on the Bank, notwithstanding any differences between the Authority and ----- (airline), or any dispute between them pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of the Authority for any reason whatsoever.
- b. Notwithstanding anything contained hereinbefore, the liability of the Bank under this Guarantee is restricted to the Guarantee Amount and this Guarantee will remain in full force and effect during the Term (as defined in the Agreement) and unless a demand or claim in writing is made by the ----- (airline) on the Bank under this Guarantee, no later than 3 (three) months from the date of expiry of this Guarantee, all rights of ----- (airline) under this Guarantee shall be forfeited and the Bank shall be relieved from its liabilities hereunder.
- c. In order to give effect to this Guarantee, ----- (airline) shall be entitled to act as if the Bank is the principal debtor and any change in the constitution of the Authority and/

or the Bank, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Bank under this Guarantee

- d. The Bank undertakes not to revoke this Guarantee during its currency, except with the previous express consent of ----- (airline) in writing, and declares and warrants that it has the power to issue this Guarantee and the undersigned has full powers to do so on behalf of the Bank.
- e. Bank's payment obligation hereunder shall not be effected by the bankruptcy, insolvency, liquidation, winding up, re-organization of the Authority or by any arrangement made by the Authority with its creditors, or by any arrangement made between the Authority and ----- (airline) or by any alteration in the obligation undertaken by Authority or administrative proceeding and the Bank unconditionally waive all of their rights of suretyship or subrogation and agree not to claim any set off against Authority or you or claim or prove in competition with you in the event of bankruptcy, insolvency, liquidation, winding up, reorganization of Authority or administrative proceeding on the Authority until all amounts stated herewith have been paid in full.
- f. Any notice by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred Branch, which shall be deemed to have been duly authorised to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when it ought to have been delivered in due course through post and in proving such notice, when given by post, shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by the Nodal Officer appointed under the Agreement by ----- (airline) shall be conclusive.

Signed and sealed this ..... day of ....., 2019 at .....

SIGNED, SEALED AND DELIVERED

For and on behalf of the BANK by:

(Signature) (Name) (Designation) (Code Number) (Address)

NOTES:

- (a) The bank guarantee should contain the name, designation and code number of the officer(s) signing the guarantee.
- (b) The address, telephone number and other details of the Head Office of the Bank as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.