

**AIRPORTS AUTHORITY OF INDIA
(IMPLEMENTING AGENCY)**

ON BEHALF OF MINISTRY OF CIVIL AVIATION

NOTICE INVITING e-PROPOSAL

FOR

**2ND ROUND OF BIDDING FOR ‘SELECTION PROCESS
FOR SELECTED AIRLINE OPERATOR UNDER
REGIONAL CONNECTIVITY SCHEME-UDAN,**

AUGUST, 2017

Rajiv Gandhi Bhawan,

New Delhi, Delhi: 110003

TABLE OF CONTENTS

| | |
|---|----|
| 1. BACKGROUND | 4 |
| 2. GLOSSARY | 4 |
| 3. EXEMPTIONS | 7 |
| 4. SCHEDULE FOR SELECTION PROCESS | 9 |
| 5. ELIGIBILITY AND DISQUALIFICATION OF APPLICANTS | 9 |
| 6. APPLICANT TO MEET MINIMUM PERFORMANCE SPECIFICATIONS FOR AN RCS FLIGHT | 9 |
| 7. CONFLICT OF INTEREST | 9 |
| 8. ONLINE SELECTION PROCESS | 12 |
| 9. PROPOSAL SUBMISSION | 12 |
| 10. PROPOSAL DUE DATE | 15 |
| 11. LATE PROPOSALS | 15 |
| 12. CLARIFICATION OF NOTICE INVITING PROPOSAL | 15 |
| 13. LANGUAGE OF PROPOSAL | 15 |
| 14. PROPOSAL SECURITY, PERFORMANCE GUARANTEE AND ADDITIONAL PERFORMANCE GUARANTEE | 15 |
| 15. PROPOSAL VALIDITY | 17 |
| 16. COST OF PROPOSALS | 17 |
| 17. ASSESSMENT OF PROPOSALS | 19 |
| 18. EVALUATION AND COMPARISON OF PROPOSAL | 19 |
| 19. INTEGRITY PACT | 21 |
| 20. AUTHORITY'S RIGHT TO ACCEPT ANY PROPOSAL AND TO REJECT ANY OR ALL PROPOSALS | 21 |
| 21. COMMUNICATION OF ACCEPTANCE | 22 |
| 22. RETURN /FORFEITURE OF PROPOSAL SECURITY | 23 |
| 23. CONFIDENTIALITY | 24 |
| 24. VERIFICATION OF SITE & INFORMATION | 24 |
| 25. VERIFICATION AND DISQUALIFICATION | 25 |
| 26. FRAUD AND CORRUPT PRACTICES | 27 |
| 27. MISCELLANEOUS | 30 |
| 28. FURTHER INFORMATION | 30 |
| 29. CORRESPONDENCE WITH THE APPLICANT | 30 |
| 30. ANNEXURES | |

DISCLAIMER

The information contained in this Notice Inviting Proposal for Selection of Airline Operators under Regional Connectivity Scheme (“**Notice Inviting Proposal**” or “**NIP**”) or subsequently provided to Applicant(s), whether verbally or in documentary or any other form by or on behalf of the Authority or any of its employees or advisors, is provided to Applicant(s) on the terms and conditions set out in this NIP and such other terms and conditions subject to which such information is provided.

This NIP is neither an agreement nor an offer by the Authority to the prospective Applicants or any other person. The purpose of this NIP is to provide interested parties with information that may be useful to them in making their Proposals pursuant to this NIP. This NIP includes statements, which reflect various assumptions and assessments arrived at by the Authority in relation to the implementation of the Regional Connectivity Scheme. Such assumptions, assessments and statements do not purport to contain all the information that each Applicant may require. This NIP 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 NIP. The assumptions, assessments, statements and information contained in this NIP, may not be complete, accurate, adequate or correct. Each Applicant should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this NIP and obtain independent advice from appropriate sources.

Information provided in this NIP to the Applicant(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Authority accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Authority, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Applicant or Applicant under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this NIP or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of this NIP and any assessment, assumption, statement or information contained therein or deemed to form part of this NIP or arising in any way for participation in this Selection Process.

The Authority also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Applicant upon the statements contained in this NIP.

The Authority may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this NIP.

The issue of this NIP does not imply that the Authority is bound to select an Applicant or to appoint the Selected Airline Operator, as the case may be, and the Authority reserves the right



to reject all or any of the Applicants or Proposals without assigning any reason whatsoever.

The Applicant shall bear all its costs associated with or relating to the preparation and submission of its Proposal including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Authority or any other costs incurred in connection with or relating to its Proposals. All such costs and expenses will remain with the Applicant and the Authority shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an Applicant in preparation or submission of the Proposal, regardless of the conduct or outcome of the Selection Process.



SECTION I

INVITATION OF E-PROPOSAL

1. BACKGROUND

- 1.1 The Ministry of Civil Aviation, Government of India (“**MoCA**”) issued the Regional Connectivity Scheme as set out in Annexure-IX hereto (the “**Scheme**”) to enhance regional connectivity by encouraging airline/helicopter operators who fulfill the eligibility criteria set out in the Scheme, to operate RCS Flights on RCS Routes.
- 1.2 In pursuance of the objectives enunciated in the Scheme, the Airports Authority of India acting as the Implementing Agency on behalf of MoCA under the Scheme (the “**Authority**”), hereby issues this Notice Inviting Proposal for Selection of Airline Operators under Regional Connectivity Scheme (“**Notice Inviting Proposal**” or “**NIP**”) for submission of proposals and selection of airline operators under the Scheme.
- 1.3 This NIP shall continue to be applicable for each Selection Process hereunder, provided that the Authority may from time to time, issue amendments, modifications and supplements to this NIP by publishing the same on its website.

2. GLOSSARY

In this NIP, the following terms shall have the meaning ascribed below. Any capitalized term used in this NIP shall, unless defined herein, have the meaning ascribed to it in the Scheme.

“**Additional Performance Guarantee**” shall have the meaning ascribed to it in the Scheme;

“**Affiliate**” means, in relation to any Applicant, a Person who controls, is controlled by, or is under the common control with such Applicant. As used in this definition, the expression “control” means: (a) with respect to a company, corporation or LLP the ownership, directly or indirectly, of more than 50% (fifty per cent) of the economic or voting rights of such Person, b) with respect to a Person which is not a company, corporation or LLP the power to direct the management and policies of such Person;

“**Applicant**” means any person who has submitted an Initial Proposal or a Counter Proposal to the Implementing Agency in accordance with this NIP and the Scheme;

“**Air Operator Permit**” or “**AOP**” shall mean the Scheduled Operator’s Permit or the Scheduled Commuter Operator Permit or the Non Scheduled Operator’s Permit or the Scheduled Regional Air Operator’s Permit, as the case may be, issued by the Directorate General of Civil Aviation (DGCA) pursuant to the Aircraft Rules, 1937;

“**Authority**” shall have the meaning ascribed to it in Clause 1.2;

“**Conflict of Interest**” shall have the meaning ascribed to it in Clause 7.1;

“**Counter Proposal**” shall have the meaning ascribed to it in Clause 17.2;

“**Damages**” shall have the meaning ascribed to it in Clause 7.1;

“**Financial Bid**” shall have the meaning ascribed to it in Clause 9.8;

“**Initial Proposal Due Date**” shall mean the due date for the Initial Proposal(s) as specified by the Authority from time to time;

“**Letter of Award**” or “**LOA**” shall have the meaning ascribed to it in Clause 21.2;

“**MoCA**” shall have the meaning ascribed to it in Clause 1.1;

“**Notice Inviting Tender**” or “**NIP**” shall have the meaning ascribed to it in the Clause 1.2.

“**Performance Guarantee**” shall have the meaning ascribed to it in the Scheme;

“**Person**” shall mean a 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 its successors and assigns;

“**Proposals**” shall mean any proposal submitted pursuant to the Scheme and in accordance with this NIP and includes an Initial Proposal or a Counter Proposal;

“**Proposal Due Date**” shall mean the due date for the submission of an Initial Proposal or Counter Proposal, as the case maybe, as specified by the Authority from time to time;

“**Proposal Security**” shall have the meaning ascribed to it in Clause 14.1;

“**Proposal Validity Period**” shall mean the period of validity of the Proposals in accordance with Clause 15;

“**Scheme**” shall have the meaning ascribed to it in Clause 1.1;

“**Selection Process**” shall mean the process of selection of the Selected Airline Operator under the Scheme and this NIP;

“**SAOA**” shall mean the Selected Airline Operator Agreement to be entered into between the Selected Airline Operator and the Authority in the form set out in Annexure-X of this NIP;

“**Subject Person**” shall have the meaning ascribed to it in Clause 7.1(a);

“**Technical Bid**” shall have the meaning ascribed to it in Clause 9.7;

“**VGF**” shall have the meaning ascribed to it in the Scheme.



SECTION-II

LIST OF AIRPORTS/HELIPADS

3. EXEMPTIONS

- 3.1** The airports / helipads with respect to which the exemptions set out in Sections 2.1.2.2(a), 2.1.2.3(a), 2.1.2.5 (a), (c), (d) and 2.3.2 of the Scheme are issued and are in full force and effect shall be indicated separately by the Authority / MOCA from time to time.
- 3.2** The list of Underserved Airports and Unserved Airports as set out in Annexure I-A and Annexure I-B of the Scheme is indicative and may be modified by the Authority / MOCA from time to time by publishing an updated list on its website. For the purposes of any Proposal under this NIP the list of Underserved and Unserved Airports as updated prior to the last date for submission of Initial Proposals shall be considered as Underserved or Unserved Airports, as the case may be. Applicants are advised to undertake their own due diligence including assessment of pay load restrictions at various airports, market assessment, investigations and analyses including the suitability of the airports for flight operations being proposed by them and would bear full responsibility for the accuracy, adequacy, correctness, reliability and completeness of the assumptions, data & information considered by them.



SECTION III

SELECTION PROCESS AND ELIGIBILITY

4. SCHEDULE FOR SELECTION PROCESS

- 4.1** The Authority shall invite Proposals under the Scheme and this NIP by issuing a notice setting out the commencement and schedule of the Selection Process (“**Notice of Commencement**”), substantially in the format set out in Annexure-I, on the website <http://www.airportsindia.org.in/en/rcs-udan-> click E-Tendering Bidding Process of RCS or website: https://www.mstcecommerce.com/eprochome/rcs/index.jsp>, provided that the Authority may, at its discretion, make modifications and amendments to the format set out in Annexure-I while issuing such notice.

5. ELIGIBILITY AND DISQUALIFICATION OF APPLICANTS

- 5.1** Only Persons satisfying the eligibility criteria set out in Section 3.2 of the Scheme shall be eligible to make a Proposal under this NIP. An Applicant shall not be eligible to submit a Proposal under this NIP and may be disqualified if:

- 5.1.1 it or its Affiliate, its directors or key personnel has been barred or blacklisted by any government agency or authority in India, the government of the jurisdiction of the Applicant where incorporated or the jurisdiction of their principal place of business, any international financial institution such as the World Bank Group, Asian Development Bank, African Development Bank, Inter-American Development Bank, Asian Infrastructure Investment Bank etc. or the United Nations or any of its agencies;
- 5.1.2 it or its directors have been convicted of any offence in India or abroad; or
- 5.1.3 it has previously committed a default under a SAOA entered into in accordance with the Scheme and this NIP.

- 5.2** The Authority may, from time to time, notify additions, amendments or modifications to the aforementioned eligibility criteria.

6. APPLICANT TO MEET MINIMUM PERFORMANCE SPECIFICATIONS FOR AN RCS FLIGHT

- 6.1** Any Proposal submitted under this NIP will be required to meet the minimum performance specifications set out in Section 3.3 of the Scheme.
- 6.2** The Authority/MoCA may, from time to time, notify additions, amendments or modifications to the aforementioned minimum performance specifications, provided that any such additions, amendments or modifications shall not apply to any Selection Process for which the Initial Proposal Due Date has occurred or is scheduled to occur within fifteen (15) days of the date of such addition, amendment or modification.

7. CONFLICT OF INTEREST

- 7.1** Applicants shall not have a conflict of interest (the “**Conflict of Interest**”) that affects the Selection Process. Any Applicant found to have a Conflict of Interest shall be

disqualified. In the event of disqualification, the Authority shall be entitled to forfeit and appropriate the Proposal Security or Performance Guarantee and/or Additional Performance Guarantee, as the case may be, wholly or partly, as mutually agreed genuine pre- estimated loss and damage likely to be suffered and incurred by the Authority and not by way of penalty for, *inter alia*, the time, cost and effort of the Authority, including consideration of such Applicant's proposal (the "**Damages**"), without prejudice to any other right or remedy that may be available to the Authority under this NIP, the Scheme and/ or the SAOA or otherwise. Without limiting the generality of the above, an Applicant shall be deemed to have a Conflict of Interest affecting the Selection Process, if:

- (a) the Applicant or it's Affiliate and any other Applicant or any Affiliate thereof have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding of an Applicant or its Affiliate thereof (or any shareholder thereof having a shareholding of more than 5% (five per cent) of the paid up and subscribed share capital of such Applicant or Affiliate, as the case may be) in the other Applicant or it's Affiliate, is less than 5% (five per cent) of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in sub-section (72) of section 2 of the Companies Act, 2013. For the purposes of this Clause 7.1(a), indirect shareholding held through one or more intermediate persons shall be computed as follows: (i) where any intermediary is controlled by a Person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the "**Subject Person**") shall be taken into account for computing the shareholding of such controlling Person in the Subject Person; and (ii) subject always to sub-clause (i) above, where a Person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such Person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub-clause (ii) if the shareholding of such Person in the intermediary is less than 26% (twenty-six percent) of the subscribed and paid up equity shareholding of such intermediary;
- (b) such Applicant or any Affiliate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Applicant or Affiliate, or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Applicant or any Affiliate thereof;
- (c) such Applicant has the same legal representative for purposes of this Proposal as any other Applicant; or
- (d) such Applicant, or any Affiliate thereof, has a relationship with another Applicant, or any Affiliate thereof, directly or through common third party/ parties, that puts either or both of them in a position to have access to each others' information about, or to influence the Proposal of either or each other.



SECTION IV PREPARATION AND SUBMISSION OF APPLICATIONS

8. ONLINE SELECTION PROCESS

- 8.1** Proposals are invited by the Authority through e-portal, URL address www.mstcecommerce.com/eprochome/rcs.
- 8.2** Prospective Applicants are advised to get themselves acquainted for e-tender participation requirements as provided hereunder and on the bidder's guide section on the e-Portal, to register themselves at e-portal created for RCS e-Bidding on <http://www.mstcecommerce.com/eprochome/rcs/index.jsp>. Applicants will be required to create a unique 'User ID' & 'Password' by going on the Register section of the portal and submit a KYC form as available therein. On submission of the form Applicants will receive a system generated email confirming their registration. To activate their account the Applicants will be required to login into the portal with the user name as password created by them using a Class -3 signing type Digital Signature Certificate. Once they login the Digital Signature and the KYC details submitted by the Applicant while registering will be frozen and to login and submit bids subsequently the same username, password and Digital Signature will be required. Before login the Applicant may ensure that their Digital Signature has adequate validity. The portal will provide for a section, "DSC Guide" detailing how the Digital Signature has to be procured and used in the system. The portal will also have a section, "Bidder Guide" where information regarding system configuration and 'Self Help Files' to submit the Bid will be made available. The section will be updated from time to time with relevant information and Applicants may visit it to keep themselves updated on the Bidding procedures.

9. PROPOSAL SUBMISSION

- 9.1** The Applicants shall provide all the information sought under this NIP. The Implementing Agency will evaluate only those Applications that are received in the e-Portal created at <http://www.mstcecommerce.com/eprochome/rcs/index.jsp>, in the required formats and complete in all respects.
- 9.2** The Applicants shall submit the Proposal online in accordance with the provisions of this Clause 9, through the e-portal only. The Proposal shall be submitted in five parts as set out in Clauses 9.3, 9.4 and 9.5 below. Failure to submit the Proposal complete in all respects through the e-Portal will render the Proposal invalid and such Proposal shall not be considered or evaluated.
- 9.3** The Applicants will be required to have Class 3 Digital Signature Certificate ("DSC") issued by Certifying Authority as per guidelines issued by Controller of Certifying Authorities (details are available at <http://cca.gov.in/cca/?q=faq.html>). An Applicant registration link has been provided on the e-Portal for registration of applicants. Once the applicant registers on the e-portal they will be required to login with a DSC to activate their account. After activation of account, the Applicant may proceed towards adding of RCS Routes in the e-portal.
- 9.4** The Applicants in their login will have a button designated as 'add RCS Routes and Non-RCS Routes'. After clicking the said button the Applicant will be given five (5) options, namely, helicopter, fixed wing aircrafts falling under categories 1, 1A, 2 and 3, as described in the Scheme. After an Applicant has chosen an appropriate option, it

will be requested to provide number of routes proposed to be connected as part of its Initial Proposal. As part of a Network Proposal, a maximum of twenty four (24) routes will be allowed to be connected, from a maximum of seven (7) different airports in a single day in accordance with the provisions of the Scheme. A detailed procedure with screen shots will be made available in the bidder's guide section of the e-portal. The Applicants will be required to enter their proposed routes into the e-portal before the deadline issued by the Authority. Once a route has been created in the system, the route will be validated by the Authority (names of the Applicants will not be visible to the Authority at this stage). While validating the routes, the Authority will input the stage length or flight duration whichever is applicable and route status as RCS/Non-RCS. The stage length shall be calculated based on the shortest permissible route length between the origin and destination airports / helipads of an RCS Route. In the event such shortest permissible route requires flying over the airspace of any foreign country, the bidders shall be required to take into account, at the time of submission of bids, all applicable charges that may be levied by such foreign country including any RNFC charges. For avoidance of doubt, no additional VGF support or exemptions shall be given for such charges levied by the respective foreign country. Validation of the routes by the Authority and inputting the stage length may take upto ten (10) days, following which the Applicant will get a system generated email that the RCS Route has been validated and they may proceed to submission of their proposal for the validated RCS Route.

9.5 In the e-Portal a link for bid submission form (“**Bid Submission Form**”) will be provided to Applicants in their login. The Applicants will be given 4 links in the Bid Submission Form namely:

1. Common Terms (“**Common Terms**”)
2. Add Docs
3. Technical Bid
4. Financial Bid

The “General Information Proforma” will be available in the Common terms, The Applicant will accept the terms and conditions given therein and fill-up the required information, the Applicant will then need to sign the information with the DSC on the portal itself and click on save.

9.6 Once the Common Terms have been saved, the Applicant can upload the digitally signed file of scanned documents mentioned below in the “General Information Folder” on the e-Portal by clicking on Add Docs:

- (a) Power of Attorney for signing of Proposal in the format at Annexure–II;
- (b) Certified true copy of Memorandum of Association and Articles of Association or other constitutional documents of the Applicant. Each page thereof shall be initialled by the authorised signatory of the Applicant; and
- (c) Names of shareholders of the Applicant together with their percentage of shareholding and names of directors on the board of directors of the Applicant.

For a company listed on a stock exchange, the names of the registered shareholders, holding listed shares are not required to be mentioned.

- (d) Proposal Security in the format at Annexure–V;
 - (e) Integrity Pact in the format set out in Annexure-VIII;
 - (f) The SAOA with each page initialled; and
 - (g) Valid AOP issued by the DGCA or equivalent permit issued by the competent civil aviation regulatory authority of any foreign country or any valid document for operators which have applied for an initial No Objection Certificate (NOC) to MoCA for obtaining Air Operator Certificate (AOC) for Scheduled Commuter Air Transport Services before the last date of Submission of Initial Proposals of the respective bidding cycle.
- 9.7** Next, the Applicants shall click on Technical Bid link and fill-up the required information therein and digitally sign the information by clicking on submit button. The details required to be submitted as a part of the Technical Bid are shown as Annexure-III (“**Technical Bid**”).
- 9.8** To submit the Financial Bid the Applicant will be required to click on Financial Bid and fill the information requested therein. To submit the financial bid, the Applicant will have to click on submit button, digitally sign with their Digital Signature and press ok to submit the information, as shown in Annexure-IV (“**Financial Bid**”).
- 9.9** To submit their Proposal after Common Terms, Technical Bid and Financial Bid has been submitted, the Applicant will be required to click on Final Submit. On clicking the Final Submit button, the Applicant will sign their Proposal with their Digital Signature and submit the same. Applicants may please note that if they do not click on Final Submit button, their Proposal will not be saved or submitted. After final submission the Proposal status will change to ‘Bid Submitted’ in green colour.
- 9.10** Proposals submitted by any means other than mentioned above shall be rejected by the Authority.
- 9.11** Once a Proposal has been finally submitted the Applicant may click on delete bid to delete the entire information submitted by them and resubmit with modification, if required. Even after modification the Applicant will be required to click on Final Submit without which their Proposal will not be saved in the system.
- 9.12** The Authority reserves the right to modify the procedure for submission of Proposals at the later stages of the Selection Process.
- 9.13** Any Proposal seeking VGF shall not be considered and shall be disqualified if:
- (a) The Proposal is not in accordance with Section 2.1.5.3 of the Scheme; or
 - (b) The Proposal is above the VGF Cap as set out in Annexure-3 of the Scheme, as updated from time to time in accordance with the Scheme.

10. Proposal Due Date

10.1 Proposals should be uploaded before 1700 hours IST on the Proposal Due Date (to be indicated by the Authority at the start of every Selection Process) at the e-portal in the manner and form as detailed in this NIEP.

11. Late Proposals

11.1 The e-portal will close after the Proposal Due Date and will not allow the Applicant to input or change any information afterwards.

12. CLARIFICATION OF NOTICE INVITING PROPOSALS

12.1 The Authority shall have the power to issue clarifications regarding implementation of the Scheme and this NIP.

12.2 Applicants requiring any clarification may send their respective queries online in accordance with the timelines notified by the Authority from time to time. No other means of communication in this regards shall be entertained. Further, any query raised after the last date for seeking clarifications shall not be entertained.

12.3 The Authority shall endeavour to respond to the questions raised or clarifications sought by the Applicants. However, the Authority reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause 12.3 shall be taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.

12.4 At any time prior to the Initial Proposal Due Date, Authority may, for any reason, whether at its own initiative or in response to a clarification requested by an Applicant, modify this NIP by issuing an amendment.

12.5 All such amendments/notifications will be notified by posting it on the e-portal.

12.6 In order to allow Applicants reasonable time to take the amendment into account in preparing their Proposals, the Authority may, at its discretion, extend the deadline for the submission of Proposals.

13. LANGUAGE OF PROPOSAL

13.1 The Proposal prepared by the Applicant, as well as all correspondence and documents relating to the Proposal exchanged by the Applicant and Authority shall be written in English language. Any printed literature furnished by the Applicant may be written in another language as long as such literature is accompanied by a translation of its pertinent passages in the English language duly authenticated by the Applicant, in which case, for purposes of interpretation of the Proposal, the translation shall prevail.

14. PROPOSAL SECURITY, PERFORMANCE GUARANTEE AND ADDITIONAL PERFORMANCE GUARANTEE

14.1 Applicants shall furnish as part of each Proposal, a Proposal Security for an amount of Rs. Five Lakhs (Rs. 5,00,000/-) (for Applicants falling under Section 3.2.1.3 (a) and

Section 3.2.1.3 (b) of the Scheme) or, Rs. Twenty Lakhs (Rs. 20,00,000/-) (for Applicants falling under Section 3.2.1.3 (c) and Section 3.2.1.3 (d) of the Scheme i.e. the Applicants having valid air operator permit or equivalent permit issued by the competent civil aviation regulatory authority of any foreign country or Applicants which do not have a valid AOP but which have applied for an initial No Objection Certificate (NOC) to MoCA, for obtaining Air Operator Certificate (AOC) for Scheduled Commuter Air Transport Services or Scheduled Operator Permit (SOP) before the last date of Submission of Initial Proposals of the respective bidding cycle) in the form of an unconditional and irrevocable bank guarantee issued by a Nationalized Bank or any Scheduled Bank in India but excluding a co-operative or a Gramin Bank or a regional rural bank, in favour of the Authority, as per format given at Annexure-V (the “**Proposal Security**”), valid for a period of 180 (one hundred and eighty) days from Proposal Due Date as maybe extended for a period mutually agreed between the Authority and the Applicant from time to time. Any Proposal not accompanied by the Proposal Security shall be rejected by Authority as non- responsive. For avoidance of doubt, Scheduled Bank shall mean a bank as defined under Section 2(e) of the Reserve Bank of India Act, 1934.

- 14.2** Scanned copy of the Proposal Security shall be submitted along with other documents in the Technical Bid section of the e-portal.

The original Proposal Security for Initial / Counter* Proposal shall be submitted / dropped in the Tender Box for RCS kept in the Reception at Entry Gate Rajiv Gandhi Bhawan, New Delhi – 110003 on or before 27th October, 2017 / 17th November, 2017 upto 1100 hrs respectively. The Envelope containing original Proposal Security shall be super scribed with: **Envelope to be opened not before 1100 hrs. on 17th November, 2017, Initial / Counter* Proposal for RCS Routes / Network:---- for 2nd Round of Bidding for ‘Selection Process for Selected Airline Operator under Regional Connectivity Scheme-UDAN, August, 2017; Address: Executive Director (RCS), Airport Authority of India, Room No. 222, A-Block, Rajiv Gandhi Bhawan, New Delhi – 110003 and Due date of submission of Initial / Counter* Proposal upto 1700 hrs on 26th October, 2017 or 16th November, 2017* upto 1700 hrs.** **Note:** * strike out which is not applicable.

14.3

- 14.4** Within thirty (30) days from the date of issue of Letter of Award or any extended period as may be allowed by the Implementing Agency, the Selected Airline Operator shall submit to the Authority, a Performance Guarantee, in the format prescribed in Annexure-VI for an amount equivalent to the higher of (a) 5% (five percent) of the total VGF amount to be provided to such Selected Airline Operator in the first year of its operations subject to a minimum of Rs. Five lakhs (Rs. 5,00,000/-) per RCS Route; or (b) the relevant amount prescribed for Proposal Security (as per Clause 14.1). Provided that, after the commencement of RCS Flight operations, the Selected Airline Operator shall be entitled to replace its Performance Guarantee with another Performance Guarantee of an amount equivalent to 5% (five percent) of the total VGF amount to be provided to such Selected Airline Operator in the first year of its operations subject to a minimum of Rs. Five lakhs (Rs. 5,00,000/-) per RCS Route and the same validity period. In such a case, the Authority shall return the previously submitted Performance Guarantee within a period of seven (7) days to the Selected Airline Operator.

- 14.5** In addition to the above, in the event that an RCS Airport is non-operational and / or

requires investment of INR 5 Crores or more for rehabilitation / upgradation of airport infrastructure (airside or the terminal building) by the respective airport owner/operator to make such RCS Airport operational / suitable for proposed RCS Flight operations through the aircraft proposed by the bidders, the Selected Airline Operator shall be required to submit an Additional Performance Guarantee for an amount of INR One Crore (INR 1,00,00,000/-) to the Implementing Agency within a period of 30 days from the date of issuance of Letter of Award or any extension as may be provided by the Implementing Agency, failing which, the Letter of Award may be withdrawn by the Implementing Agency. For helicopter operations under the Scheme, Additional Performance Guarantee shall not be applicable.

Provided that the requirement to undertake rehabilitation / up gradation of the airport infrastructure for the proposed RCS Flight operations shall be indicated by the DGCA as per its licensing requirements based on which, the Airports Authority of India shall be required to undertake an assessment of the likely investment required for such rehabilitation / up gradation. Any additional investment made by the airport owner/operator beyond the investment required to make such airport operational for the proposed RCS Flight operations shall not be considered while calculating the investment requirement of INR 5 crores for Additional Performance Guarantee.

15. PROPOSAL VALIDITY

- 15.1** A Proposal shall remain valid for a period of 6 (six) months from the Proposal Due Date.

16. COST OF PROPOSALS

- 16.1** The Applicants shall bear all costs associated with the preparation and submission of their Proposals, and Authority will, in no case, be responsible or liable for those costs, regardless of the conduct or outcome of the Selection Process.

The Applicants are expected to examine all instructions, forms, terms and conditions in this NIP before submitting its Proposal. Submission of a Proposal that is not responsive in any respect shall be liable to be rejected by the Authority without assigning any reason.



SECTION V

EVALUATION OF PROPOSALS

17. ASSESSMENT OF PROPOSALS

- 17.1 The Implementing Agency shall identify the RCS Routes as part of Initial Proposals in accordance with the Section 3.7 & Section 3.8 of the Scheme and publish the list of Initial Proposals against which Counter Proposals shall be invited. The decision of the Implementing Agency in this regard shall be final and binding on all parties.
- 17.2 The Implementing Agency shall publish the following details for inviting Counter Proposals (“Counter Proposal”):

| Sl. No. | Individual Route / Network | Details | VGf Requested | Applicable Airfare Caps | Applicable VGf Caps | Stage length (in km) / flight duration (in minutes) of flying path declared by AAI. |
|---------|----------------------------|--|---------------|-------------------------|---------------------|---|
| 1 | Individual Route | RCS Route A - B | Yes / No | | | |
| 2 | Network | RCS Routes in the following sequence A – B, C – D and so on. | Yes / No | | | |

- 17.3 At the time of inviting Counter Proposals, the Implementing Agency shall consider an airport proposed as part of Initial Proposal as RCS Airport even if the respective State Government has not extended the concessions required under the Scheme, provided such airport satisfies all other requirements under the Scheme and this NIP to be qualified as a RCS Airport. Based on the Initial Proposal, MoCA shall approach the respective State Governments for providing benefits/concessions specified under the Scheme. In the event that the respective State Government does not notify the benefits/concessions specified under the Scheme, the proposed RCS Route shall not be considered for further stages of the Selection Process.

18. EVALUATION AND COMPARISON OF PROPOSALS

- 18.1 Proposals received under this NIP shall be evaluated, and the Selected Airline Operator chosen, in accordance with the procedure set out in Sections 3.10 to 3.14 of the Scheme.
- 18.2 In the event that more than one Initial Proposal is received for the same RCS Route or RCS Network, only the Applicant having the best Financial Bid shall have the right to match (RTM Option) as provided in the Scheme.
- 18.3 To facilitate evaluation of Proposals, the Authority may, at its sole discretion, seek clarifications in writing from any Applicant regarding its Proposal within the timelines set out in this NIP.

- 18.4** Notwithstanding anything to the contrary contained in this NIP, Authority may, at its sole discretion, waive any minor infirmity, nonconformity or irregularity in a Proposal that does not constitute a material deviation, and that does not prejudice or affect the relative position of any Applicant, provided it conforms to all the terms, conditions of this NIP and/or the Scheme without any material deviations, objections, conditionality or reservations. A material deviation, objection, conditionality or reservation is one (i) that affects, in any substantial way, the scope, quality or performance of the contract; (ii) that limits, in any substantial way, inconsistent with this NIP or the Scheme, the Authority's rights or the Selected Airline Operator's obligations under the contract; or (iii) whose rectification would unfairly affect the competitive position of other Applicants, who are presenting responsive Proposals.
- 18.5** The waiver by Authority in terms of the Clause 18.4 hereinabove must be in writing and shall be limited to the specific infirmity, non-conformity or irregularity being waived. No waiver, forbearance, indulgence or relaxation or inaction by Authority shall in any way affect, diminish or prejudice the right of Authority to seek strict compliance or rectification of irregularity. Any waiver or forbearance by Authority shall not be construed as a waiver of any right or acquiescence to such irregularity or non-compliance or of the subsequent irregularity or non-compliance or of recognition of rights other than as expressly stipulated in this NIP. No party shall have any right to demand waiver or forbearance from the Authority. Waiver of any infirmity, non-conformity or irregularity on one occasion in favour of one Applicant shall not in any manner constitute a continuing waiver. The waiver, by Authority, of any infirmity, non-conformity or irregularity, in case of one Applicant shall not be deemed to be or construed as a waiver of any infirmity, non-conformity or irregularity, whether prior, subsequent or contemporaneous, in case of any other Applicant. Each of the rights of Authority under this NIP are independent, cumulative and without prejudice to all other rights available to it, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of Authority, whether under this NIP or otherwise.
- 18.6** Tests of responsiveness
- 18.6.1** Prior to evaluation of Proposals, the Authority shall determine whether each Proposal is responsive to the requirements of this NIP. A Proposal shall be considered responsive if:
- (a) it is received as per the formats as specified in this NIP ;
 - (b) it is received by the Proposal Due Date including any extension thereof.
 - (c) it is accompanied by the Proposal Security as specified in Clause 14.1;
 - (d) it is accompanied by the Power(s) of Attorney as specified in Clause 9.6(a);
 - (e) it is accompanied by the Integrity Pact as specified in Clause 9.4(e);
 - (f) it contains all the information (complete in all respects) as requested in this NIP and/or documents accompanying the Proposal (in formats same as those specified);
 - (g) it does not contain any condition or qualification; and

(h) it is responsive in terms of the Scheme and the terms of this NIP.

18.6.2 The Authority shall have the right to reject any Proposal which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such Proposal. Provided, however, that the Authority may, in its discretion, allow the Applicant to rectify any infirmities or omissions if the same do not constitute a material modification of the Proposal.

19. INTEGRITY PACT

19.1 Each Applicant shall execute an Integrity Pact with the Authority in the format set out in Annexure-VIII.

19.2 The Authority has appointed an independent external monitor (“IEM”) for the purpose of monitoring the Selection Process and implementation of the Scheme for compliance with the principles specified in the Integrity Pact. The details of the IEM are as under:-

(a) Sh. M P Juneja
(Retd. Addl. Member of Railway Board)
E-mail: mp.juneja@yahoo.com
Mob.: 09811733362

(b) Dr. Anup K Pujari
IAS (Retd.)
E-mail: anup@nic.in
Mob.: 09899210944

20. AUTHORITY’S RIGHT TO ACCEPT ANY PROPOSAL AND TO REJECT ANY OR ALL PROPOSALS

20.1 Notwithstanding anything contained in this NIP, the Authority may accept or reject any Proposal, or annul the Selection Process and reject all Proposals, at any time during the Selection Process, without thereby incurring any liability to the affected Applicant or Applicants and shall not have any obligation to inform the affected Applicant or Applicants of the grounds for Authority’s action.

20.2 Authority reserves the right to reject any Proposal and appropriate the Proposal Security, the Performance Guarantee and/or the Additional Performance Guarantee, as the case may be, if:

- (a) At any time, a material misrepresentation is made or uncovered; or
- (b) The Applicant does not provide, within the time specified by Authority, the supplementary information sought by Authority for evaluation of the Proposal.

Such misrepresentation/improper response shall lead to the disqualification of the Applicant.

20.3 In case, it is found during the evaluation or at any time before signing of the SAOA or after its execution and during the period of subsistence thereof, that:

- (a) the Applicant has made material misrepresentation, or
- (b) has given any materially incorrect or false information,

the Applicant shall be disqualified forthwith if not yet appointed as the Selected Airline Operator, and if the SAOA has been entered into with the Selected Airline Operator, the Authority may terminate the SAOA, by a communication in writing by Authority to the Applicant/Selected Airline Operator. The Authority shall not be liable in any manner whatsoever to the Applicant/Selected Airline Operator. In such an event, Authority shall forfeit and appropriate the Proposal Security and/or the Performance Guarantee and/or the Additional Performance Guarantee, as the case may be, to the extent deemed appropriate by the Authority, without prejudice to any other right or remedy that may be available to Authority.

20.4 Authority reserves the right to verify all statements, information and documents submitted by any Applicant. Failure of the Authority to undertake such verification shall not relieve the Applicant of its obligations or liabilities hereunder nor will it affect any right of Authority hereunder.

20.5 Proposals shall be deemed to be under consideration immediately after they are opened and until such time the Authority makes official intimation of award/ rejection to the Applicants. While the Proposals are under consideration, Applicants and/ or their representatives or other interested parties are advised to refrain, save and except as required under this NIP, from contacting by any means, the Authority and/ or their employees/ representatives on matters related to the Proposals under consideration.

21. COMMUNICATION OF ACCEPTANCE, EXECUTION OF AGREEMENT AND COMMENCEMENT OF OPERATION OF RCS FLIGHT

21.1 After the determination of the Selected Airline Operator, the Authority shall enter into the SAOA with the Selected Airline Operator within the time period set out in Clause 4 and in the format as provided in Annexure-X. The Selected Airline Operator, as the case may be, shall not be entitled to seek any deviation, modification or amendment in the SAOA.

21.2 Authority shall issue a Letter of Award (the “LOA”) in duplicate, to the Selected Airline Operator after its selection, and the Selected Airline Operator shall, within five (5) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof

21.3 Submission of the Performance Guarantee and, if applicable, the Additional Performance Guarantee shall be a pre-condition to the execution of the SAOA.

21.4 In the event, an executed counterpart of the SAOA duly signed by the Selected Airline Operator or the Performance Guarantee and if applicable the Additional Performance Guarantee is not received by the stipulated date, the Authority may, unless it consents to any extension of time, appropriate the Proposal Security of such Applicant as mutually agreed genuine pre-estimated loss and damage suffered by Authority on account of failure of the Applicant to enter into the SAOA, or submit the Performance Guarantee and if applicable, the Additional Performance Guarantee, as the case may be.

21.5 The Selected Airline Operator shall commence the RCS Flight operations within a period of six (6) months from the date of issue of Letter of Award by the Implementing Agency.

22. RETURN /FORFEITURE OF PROPOSAL SECURITY

22.1 The Authority shall promptly return the Proposal Security of unsuccessful Applicants at the earliest after the occurrence of any the following events, namely:

- (a) the expiry of validity of Proposal Security;
- (b) selection of Selected Airline Operator; or
- (c) the cancellation of the Selection Process.

22.2 For successful Applicants, the Authority shall promptly return the Proposal Security on receipt of Performance Guarantee as specified in Clause 14.1 and, the Additional Performance Guarantee, if applicable, from such Selected Airline Operator and on execution of SAOA.

22.3 Without prejudice to the specific provisions in this regard the Proposal Security and/ or the Performance Guarantee, and if applicable, the Additional Performance Guarantee, as the case may be, shall be liable to be forfeited:

- (a) If the Applicant engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice;
- (b) if the Applicant breaches any provision of the Integrity Pact;
- (c) If the Applicant withdraws its Proposal during the Proposal Validity Period;
- (d) If the Applicant withdraws or modifies its Proposal after opening of Proposals; or
- (e) If the Selected Airline Operator fails, within the specified time limit:
 - (i) to furnish the Performance Guarantee and if applicable, the Additional Performance Guarantee; or
 - (ii) to execute/ cause the execution of the SAOA; or
 - (iii) to obtain a valid AOC for Scheduled Operator Permit (SOP) or Scheduled Commuter Air Transport Services from DGCA before commencement of operations under RCS; or
 - (iv) to commence the RCS Flight operations on or prior to the deadline for commencement of operations.

22.4 The Authority may, if it considers necessary, solicit the Applicant's consent for an extension of the Proposal Validity Period. The request and responses thereto shall be made in writing. If an Applicant accepts to extend the period of validity of its Proposal, the validity of Proposal Security shall also be suitably extended. An Applicant may refuse the request without forfeiting its Proposal Security. An Applicant accepting the

request shall not be permitted to modify its Proposal or impose any condition.

- 22.5** In case the Proposal is withdrawn by Lowest Bidder(L-1), the other Bidder (L2) shall be asked to match with L1.

23. CONFIDENTIALITY

- 23.1** Information relating to the examination, clarification, evaluation and recommendation for the Applicants shall not be disclosed to any person, who is not officially concerned with the process or is not a retained professional advisor advising the Authority in relation to or matters arising out of, or concerning the Selection Process. The Authority will treat all information submitted as part of the Proposal, in confidence and will require all those who have access to such material to treat the same in confidence. The Authority may not divulge any such information unless it is directed to do so by a court of law and/or any statutory entity that has the power under law to require its disclosure.

24. VERIFICATION OF SITE & INFORMATION

- 24.1** Applicants are encouraged to submit their respective Proposals after ascertaining for themselves the site conditions, condition of the RCS Airports, feasibility of the proposed RCS Routes, traffic, location, surroundings, climate, availability of power, water and other utilities / space for temporary construction (if any required), access to site, handling and storage of materials, weather data, applicable laws and regulations, and any other matter considered relevant by them.

It shall be deemed that by submitting a Proposal, the Applicant has:

- (a) made a complete and careful examination of the Scheme, this NIP and any information provided by the Authority;
 - (b) received all relevant information requested from the Authority;
 - (c) satisfied itself about all matters, things and information necessary and required for submitting an informed Proposal and complying with its obligations under the SAOA; and
 - (d) acknowledged that it does not have a Conflict of Interest.
- 24.2** The Authority shall not be liable for any inaccuracy, lack of data/information, omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning the Selection Process, including any error or mistake therein or in any information or data given by the Authority.

25. VERIFICATION AND DISQUALIFICATION

- 25.1** The Authority reserves the right to verify all statements, information and documents submitted by the Applicant pursuant to this NIP and the Applicant shall, when so required by the Authority, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the Authority shall not relieve the Applicant of its obligations or liabilities hereunder nor will it affect any rights of the Authority hereunder.

- 25.2** The Authority may disqualify an Applicant if it finds at any time that:
- (a) the information submitted, concerning the qualifications of the Applicant, was false or constituted a misrepresentation; or
 - (b) the information submitted, concerning the qualifications of the Applicant, was materially inaccurate or incomplete.
- 25.3** The Authority may require an Applicant, who was qualified, to demonstrate its qualifications again in accordance with the same criteria used to shortlist such Applicant, at any stage during the Selection Process. The Authority shall disqualify any Applicant that fails to demonstrate its qualifications again, if requested to do so. The Authority shall promptly notify each Applicant requested to demonstrate its qualifications again as to whether or not the Applicant has done so to the satisfaction of the Authority.



SECTION VI

FRAUD AND CORRUPT PRACTICES

26. FRAUD AND CORRUPT PRACTICES

- 26.1** The Applicants and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Selection Process and during the subsistence of the SAOA. Notwithstanding anything to the contrary contained herein, the Scheme or the SAOA, the Authority may reject a Proposal or terminate the SAOA, as the case may be, without being liable in any manner whatsoever to the Applicant or the Selected Airline Operator, as the case may be, if it determines that the Applicant or the Selected Airline Operator, as the case may be, has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Selection Process. In such an event, the Authority shall be entitled to forfeit and appropriate the Proposal Security or Performance Guarantee or if applicable the Additional Performance Guarantee, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to the Authority under this NIP and/ or the SAOA, or otherwise.
- 26.2** Without prejudice to the rights of the Authority under Clause 26.1 hereinabove and the rights and remedies which the Authority may have under the Scheme or the SAOA, or otherwise, if an Applicant or Selected Airline Operator, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Selection Process, or after the execution of the SAOA, such Applicant or Selected Airline Operator shall not be eligible to participate in any tender or Request for Proposal issued by the Authority during a period of 2 (two) years from the date such Applicant or Selected Airline Operator, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.
- 26.3** For the purposes of this Clause 26, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) “**corrupt practice**” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Selection Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly, with the Selection Process or has dealt with matters concerning the SAOA or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Selection Process);
 - (b) “**fraudulent practice**” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Selection Process;
 - (c) “**coercive practice**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s

participation or action in the Selection Process;

- (d) “**undesirable practice**” means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Selection Process; or (ii) having a Conflict of Interest; and
- (e) “**restrictive practice**” means forming a cartel or arriving at any understanding or arrangement among Applicants with the objective of restricting or manipulating a full and fair competition in the Selection Process.



SECTION VII

MISCELLANEOUS

27. MISCELLANEOUS

- 27.1** The Selection Process shall be governed by and construed in accordance with the laws of India and the Courts at New Delhi shall have exclusive jurisdiction over all disputes arising under, pursuant to and/or in connection with the Selection Process.
- 27.2** The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- (a) Suspend and/or cancel the Selection Process and/or amend and/or supplement this NIP;
 - (b) Process or modify the dates or other terms and conditions relating thereto;
 - (c) Consult with any Applicant in order to receive clarification or further information;
 - (d) Retain any information and/or evidence submitted to Authority by, on behalf of, and/or in relation to any Applicant; and/or
 - (e) Independently verify, disqualify, reject and/or accept any and all submissions or other information and/or evidence submitted by or on behalf of any Applicant.
- 27.3** It shall be deemed that by submitting the Proposal, the Applicant agrees and releases Authority, its employees, agents, consultants and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/or in connection herewith and waives any and all rights and/or claims it may have in their respect, whether actual or contingent, whether present or future. No claim of any nature and to any extent whatsoever shall be made by any Applicant against Authority, its employees, agents, consultants and advisers.

28. FURTHER INFORMATION

- 28.1** Interested Applicants may obtain further information by referring to the website www.mstcecommerce.com/eprochome/rcs or obtain further information by sending their queries to edatm@aai.aero or rcs@aai.aero.

29. CORRESPONDENCE WITH THE APPLICANT

- 29.1** Save and except as provided in this NIP, the Authority shall not entertain any correspondence with any Applicant in relation to acceptance or rejection of any Proposal.



SECTION VIII

ANNEXURES

Annexure-I

Notice of Commencement of 2nd Round of Bidding for ‘Selection Process for Selected Airline Operator under Regional Connectivity Scheme-UDAN, August, 2017

MoCA has launched Regional Connectivity Scheme, August-2017. Accordingly, Airports Authority of India (AAI), Implementation Agency on behalf of Ministry of Civil Aviation (MoCA) hereby invites interested bidder for the submission of Initial Proposals for RCS routes /networks assessed and proposed by them, thereafter, Counter Proposals for the RCS routes/networks received & identified in initial proposals, in accordance with the Notice Inviting e-Proposals (NIE-P) and the Scheme.

Proposals are invited through e-bidding portal URL address; <http://www.airportsindia.org.in/en/rcs-udan-> click E-Tendering Bidding Process of RCS or website: https://www.mstcecommerce.com/eprochome/rcs/index.jsp>.

Registration for on line bidding: The bidding process is through e-bid portal URL address as mentioned above. Prospective bidders are advised to get themselves acquainted for e-bidding participation requirements as per available

“Bidder Guide”, register themselves at e-bidding portal, and obtain ‘User ID’ & ‘Password’.

Eligibility Criteria (refer Clause no.3.2.13 of the Scheme): Bidding under the Scheme shall be permitted only by the airline operators having:

- a) a valid Air Operator Permit (AOP) /Air Operator Certificate(AOC) for Scheduled Operation (SOP) or Scheduled Commuter Operations (SCO) issued by the DGCA, or
- b) a valid Air Operator Permit (AOP) /Air Operator Certificate(AOC) for Scheduled Regional Operation (SROP) or Non-Scheduled Operation (NSOP) issued by the DGCA, or
- c) a valid air operator permit or equivalent permit issued by the competent civil aviation regulatory authority of any foreign country, or
- d) entities which do not have a valid AOP at the time of bidding but who have applied to MoCA for issue of an initial No Objection Certificate (NOC) for obtaining Air Operator Certificate (AOC) for Scheduled Commuter Operation (SCO)/ Air Operator Certificate /Permit for Scheduled Operation before the last date of Submission of Initial Proposals 2nd Round of Bidding for ‘Selection Process for Selected Airline Operator under the Regional Connectivity Scheme-UDAN.

Proposal Security (refer clause No. 14.1 of NIP): Applicants shall furnish as part of each Proposal of RCS Routes/Network, a Proposal Security Bank Guarantee (PSBG) for an amount of Rs. Five Lakhs (Rs.5,00,000/-) for Applicants falling under sub para a) and b) as above or Rs. Twenty Lakhs (Rs.20,00,000/-) for Applicants falling under c) & d) as above para. Proposal Security shall be submitted through irrevocable Bank Guarantee (As per Annexure- of NI e-P) issued by a Nationalized

Bank or any Scheduled Bank in India but excluding a co-operative or a Gramin Bank or a regional rural bank, in favour of the Chairman AAI having validity for **six months** from the Due date of opening of Financial Proposal.

Tentative Timelines for e- Bidding for Selection of Airline Operator under Regional Connectivity Scheme-UDAN, Aug-2017

The schedule for the Selection Process is as follows:

| S.N. | Event description | Timeline |
|------|--|----------------------------------|
| 1. | Opening of window for 2 nd Round of Bidding and commencement of Registration, adding of routes / network by the applicant (bidder) and submission of query if any, on MSTC e-bid portal | 24/08/2017 |
| 2. | Pre-bid meeting with prospective bidders | 05/09/2017 |
| 3. | Last date of submission of query | Up to 08/09/2017 |
| 4. | If required, release of Corrigendum / Final Bidding / Scheme Documents on e-bid portal; | 18/09/2017 |
| 5. | Date & time of submission of request by the applicant through e-bid portal of UDAN-RCS on MSTC's website for the followings; <ul style="list-style-type: none"> i) stage length (in km) fixed wing aircraft for RCS Route(s); and ii) flight duration (in minutes) for helicopter for RCS Route(s) and also should submit information in the template available on e-bid portal <p>Note: Stage length for RCS Route(s) and flight duration for helicopter on RCS Route(s) declared by AAI will only be considered and accepted for bids of airline operators, no other stage length and of flight duration shall be considered);</p> | Up to 17:00 hrs on 27/09/2017 |
| 6. | Date of declaration of stage length/ flight duration | Up to 04/10/2017 |
| 7. | Due date for submission of Initial Proposals | Up to 1700 hrs. on 26/10/2017 |
| 8. | Date of opening of RCS route/network received in Initial Proposals | From 1100 hrs on 27/10/2017 |
| 9. | Invitation for submission of Counter Proposals | 02/11/2017 |

| | | |
|-----|--|---|
| 10. | Due date for submission of Counter Proposals | Up to 1700 hrs. on 16/11/2017 |
| 11. | Date of opening of Technical Bid for Initial and Counter Proposals | From 1100 hrs on 17/11/2017 |
| 12. | Opening of Financial Proposals (Initial and Counter) | On 23/11/2017 |
| 13. | Date of declaration of Selected Airline Operator and issue of Letter of Award (LoA). | On 30/11/2017 |
| 14. | furnishing of Performance Guarantee(PG) and Additional Performance Guarantee(APG) (if, required) | PG within 30 days of issue of Letter of Award and APG within 30 days of issue of Letter of Award or extended period accepted by Implementation Agency/ MoCA |

Note: Counter Proposals on e-bid portal shall be invited on the basis of RCS routes/network received and identified in Initial Proposals. Initial Technical Proposals shall be opened after last date of submission of Counter proposals. In case, any Initial Proposal for a RCS routes/network is found invalid after final scrutiny of technical bids, the same shall be rejected and financial bids for such Initial Proposal and corresponding counter proposals shall not be opened. Any claim arising out of this shall not be entertained.

Applicant (Bidder) shall upload scanned self-certified true copy of required documents on e-bid portal i.e. ; Air Operator Permit/ Air Operator Certificate or receipt of submission of application to MoCA to issue NOC for Scheduled/Schedule Commuter Operation, Certificate of Incorporation, Memorandum of Association, Article of Association, Power of Attorney in favour of the person who has been authorised to submit the Proposals/ documents on behalf of airline operator, initialed Selected Airline Operator Agreement, Proposal Security Bank Guarantee, duly signed Integrity Pact etc on or before due date submission of Proposal.

Applicant (Bidder) shall ensure the submission/dropping of Sealed envelope containing the original Proposal Security Bank Guarantee for required amount for Rs. 5(five) lakhs or Rs. 20(twenty lakhs) as per Annexure-III of NIeP , **on or before 27.10.2017 up to 1100 hrs for Initial Proposal and 17.11.2017 up to 1100 hrs for Counter Proposal** in the **Tender Box for RCS** kept in the **Reception at Entry Gate Rajiv Gandhi Bhawan, New Delhi-11003.**

Envelope containing above enclosures should be super scribed with:

Envelope to be opened not before 1100 hrs. on 17/11/2017, Initial /Counter* Proposal for RCS Routes/Network*; ----- for 2nd Round of Bidding under RCS, Executive Director (RCS), Airports Authority of India, Room No. 222, A-Block Rajiv Gandhi Bhawan , New Delhi-110003, Due date of Initial/Counter* Proposal upto 1700 hrs on 26/10/2017 or 16/11/2017*

Name of airline operator:

Any postal delay will not be entertained.

Note: * strike out which is not applicable.

ANNEXURE-II

POWER OF ATTORNEY

(REFER CLAUSE 9.6)

Know all men by these presents, We _____ (name of the firm/company and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorize Mr./Ms (name), _____ son/daughter/wife of _____ and presently residing at _____, who is presently employed with us and holding the position of _____, as our true and lawful attorney (hereinafter referred to as the “Attorney”) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Proposal for “**Selection of Airline Operators under the Regional Connectivity Scheme**” including but not limited to signing and submission of all applications, Proposals and other documents & writings, and providing information/responses to the Authority, representing us in all matters before the Authority, signing and execution of all contracts including the Selected Airline Operator Agreement (“SAOA”) and undertakings consequent to acceptance of our Proposal, and generally dealing with the Authority in all matters in connection with or relating to or arising out of our Proposal for the award of RCS Routes under the said Scheme and/ or upon award thereof to us and/ or till the entering into of the SAOA with the Authority.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, _____, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____ 20..

For _____

Witnesses:

1.

2.

Accepted

(Signature)
(Name, Title and Address of the Attorney)

Notes:

1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
2. Wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.
3. For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.

ANNEXURE-III

TECHNICAL BID INFORMATION

(REFER CLAUSE 9.7)

| S No. | Proposed RCS Route | Stage length (in km) / Flight duration (in minutes) of flying path declared by AAI | Proposed aircraft type | Seating capacity of the proposed aircraft Category | RCS Flight Capacity proposed to be deployed on the RCS Route with breakdown of Number of RCS Seats per RCS Flight and Number of Non-RCS Seats per RCS Flight | | Number of RCS Flights per week | VGF Sought (Yes or No) Please only mention Yes or No |
|-------|--------------------|--|------------------------|--|--|-------------------------|--------------------------------|---|
| | | | | | Number of RCS Seats | Number of Non-RCS Seats | | |
| | | | | | | | | |
| 1. | | | | | | | | |
| 2. | | | | | | | | |

** stage length (in km) / Flight duration (in minutes) of flying path declared by AAI. The stage length/flying duration shall be calculated based on the shortest permissible route length between the origin and destination airports / helipads of an RCS Route. In the event such shortest permissible route requires flying over the airspace of any foreign country, the bidders shall be required to take into account, at the time of submission of bids, all applicable charges that may be levied by such foreign country including any RNFC charges. For avoidance of doubt, no additional VGF support or exemptions shall be given for such charges levied by the respective foreign country.*

In case of a Network Proposal, the Applicant shall submit the above information for each of the proposed RCS Routes in the Network Proposal along with the proposed network path.

Applicants are required to submit this information in e-portal in Technical bids only. No hard copies of Annexure-III are to be submitted.

The Technical Bid should not mention the amount of VGF if VGF is being sought. Any proposal not complying with this condition shall be rejected

ANNEXURE-IV

FINANCIAL BID

(REFER CLAUSE 9.8)

I. If VGF is sought:

| Name of the Applicant | Proposed RCS Route | VGF per RCS Seat | Maximum Airfare |
|-----------------------|--------------------|------------------|-----------------|
| | | | |

II. If VGF is not sought:

| Name of the Applicant | Proposed RCS Route | Maximum Airfare |
|-----------------------|--------------------|-----------------|
| | | |

In case of a Network Proposal, the Applicant shall submit the above information for each of the proposed RCS Route(s) in the Network Proposal.

VGF per RCS Seat or Maximum Airfare proposed by the Applicant cannot be more than the VGF Cap and the Airfare Cap respectively, as indicated in the Scheme.

Applicants are required to submit this information in e-Portal only. No hard copies of Financial Bid are to be submitted.

ANNEXURE-V

FORMAT FOR PROPOSAL SECURITY

(To be issued by a Nationalized Bank or any Scheduled Bank in India but not a co-operative bank, Gramin Bank or a regional rural bank)

(REFER CLAUSE 14.1)

(On Requisite Stamp Paper)

To
Chairman,
Airports Authority of India,
RG Bhawan, New Delhi-110003.

WHEREAS, Applicant (Name of Applicant) (hereinafter called “the Applicant”) has submitted his Proposal dated (date) for the “**Selection of Airline Operators under the Regional Connectivity Scheme**”.

KNOW ALL PEOPLE by these presents that we (name of bank) having our registered office at (hereinafter called “**the Bank**”) are bound unto Airports Authority of India (“AAI”), acting as the Implementing Agency on behalf of Ministry of Civil Aviation (“**MoCA**”) in sum upto Rs. (Rs. In words) for which payment well and truly to be made to AAI, the Bank binds itself, its successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this day of 20.....

The Conditions of this obligation are:

- (1) If after opening of the Proposals the Applicant withdraws, his Proposal during the period of validity of the Proposal (including extended validity of Proposal) except in the circumstances specified in the Notice Inviting Proposal dated [*insert date*] (hereinafter called the “**NIP**”) and the Regional Connectivity Scheme notified by the MoCA (the “**Scheme**”);
- (2) If the Applicant having been notified of the acceptance of his Proposal by the AAI:
 - (a) fails or refuses to execute the Selected Airline Operator Agreement (“**SAOA**”) in accordance with the Scheme and the NIP ,
 - (b) fails or refuses to furnish the Performance Guarantee or Additional Performance Guarantee (if applicable), in accordance with the provisions of the Scheme and this NIP , or
 - (c) fails or refuses to submit a fresh bank guarantee of an amount required under the Scheme and this NIP , against Performance Security after appointment as Selected Airline Operator under the Scheme.

We unconditionally and irrevocably undertake to pay to the AAI the above mentioned amount

fully upon receipt of its first written demand, without the AAI having to substantiate its demand, provided that in its demand the AAI will note that the amount claimed by it is due to it owing to the occurrence of one or more of the above conditions.

This Proposal Security will remain valid and in force up to and including the date that falls 180 (one hundred and eighty) days after the deadline for submission of Proposals as such deadline is stated in the NIP or as it may be extended by the AAI, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this Proposal Security should reach the Bank not later than 17:00 hours IST on the aforesaid validity period.

WITNESS

For and on behalf of (The Bank)

1.

Signature-----

Name & Designation-----

Authorization No-----

Place

2

Issuing Branch Name & Code No.

Address:-----

Telephone Number:-----

Bank's Seal

e-mail address:-----

Note: *Date of validity for 6 (six) months from the due date of opening of Financial Proposal.

ANNEXURE-VI

FORMAT FOR PERFORMANCE GUARANTEE (To be issued by a Nationalized Bank or any Scheduled Bank in India but not a co-operative bank, Gramin Bank, or a regional rural bank)

(REFER CLAUSE 14.4)

(On Requisite Stamp Paper)

To
Chairman,
Airports Authority of India,
RG Bhawan, New Delhi-110003.

1. In consideration of the Chairman, Airports Authority of India (hereinafter called "AAI"), acting as the Implementing Agency on behalf of Ministry of Civil Aviation ("**MoCA**") having notified [*insert name of the selected airline operator*] as the proposed Selected Airline Operator and having invited [*insert name of the selected airline operator*] to execute the Selected Airline Operator Agreement between and..... (hereinafter "**SAOA**") for the appointment of Selected Airline Operator under the Regional Connectivity Scheme , [*insert name of the selected airline operator*] has agreed to submit to the AAI an unconditional and irrevocable bank guarantee for Rs.(Rupeesonly) for performance of obligations of the Selected Airline Operator in accordance with the terms and conditions contained in the SAOA.

We (indicate the name of the Bank) (hereinafter referred to as "the Bank") hereby undertake to pay to the Chairman of the AAI an amount not exceeding Rs. (Rupees----- only) on demand by the AAI.

2. We (Indicate the name of the Bank) do hereby undertake to pay the amounts due and payable, partially or in full, under this guarantee without any demure, merely on a demand from the AAI stating that the amount claimed is required to meet the recoveries due or likely to be due from the Selected Airline Operator. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. (Rupees only).
3. We, the said Bank, further undertake to pay to the Chairman of the AAI any money so demanded notwithstanding any dispute or disputes raised by the Selected Airline Operator in any suit or proceeding pending before any court or tribunal relating thereto, our liability under this present being absolute and unconditional.

The payment so made by us under his bond shall be a valid discharge of our liability for payment there under and the Selected Airline Operator shall have no claim against us for making such payment,

4. We. (Indicate the name of the Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said SAOA and that it shall continue to be

enforceable, till all the dues of the AAI under or by virtue of the said SAOA have been fully paid and its claims satisfied or discharged or till AAI has certified that the terms and conditions of the said SAOA have been fully and properly carried out by the said Selected Airline Operator and accordingly this guarantee maybe released/discharged.

5. We (indicate the name of the Bank) further agree with the AAI that the AAI shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of terms and conditions of the said SAOA or to extend time of performance by the said Selected Airline Operator from time to time or to postpone for any time or from time to time any of the powers exercisable by the AAI against the said Selected Airline Operator and to forebear or enforce any of the terms and conditions relating to the said SAOA and we shall not be relived from our liability by reason of any such variation, or extensions being granted to the said Selected Airline Operator or for any forbearance or act of omission on the part of the AAI or any indulgence by the AAI to the said Selected Airline Operator or by any such act or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving the Guarantor.
6. This guarantee will not be discharged due to the change in the constitution of the Bank or the SAOA.
7. We (Indicate the name of the Bank) lastly undertake not to revoke this guarantee except with the previous consent of the AAI in writing.
8. This guarantee shall be valid upto unless extended on demand by the AAI. Notwithstanding anything mentioned above, our liability against this guarantee is restricted to Rs (Rupees... only) or the extended date of expiry of this guarantee all our liabilities under this guarantee shall stand discharged.

In presence of:

Dated this _____ Day of _____

WITNESS

For and on behalf of (The Bank)

1.

Signature-----

Name & Designation-----

Authorization No-----

Place

2

Issuing Branch Name & Code No.

Address:-----

Telephone Number:-----

Bank's Seal

e-mail address:-----

Note: *Date of validity for 13 (Thirteen) months from Date of Commencement of RCS Flight operation.

ANNEXURE-VII

FORMAT FOR ADDITIONAL PERFORMANCE GUARANTEE

(To be issued by a Nationalized Bank or any Scheduled Bank in India but not a co-operative bank, Gramin Bank, or a regional rural bank)

(REFER CLAUSE 14.5)

(On Requisite Stamp Paper)

To
Chairman,
Airports Authority of India,
RG Bhawan, New Delhi-110003.

2. In consideration of the Chairman, Airports Authority of India (hereinafter called "AAI") acting as the Implementing Agency on behalf of Ministry of Civil Aviation ("**MoCA**") having notified [*insert name of the selected airline operator*] as the proposed Selected Airline Operator and having invited [*insert name of the selected airline operator*] to execute the Selected Airline Operator Agreement between and..... (hereinafter "**SAOA**") for the appointment of Selected Airline Operator under the Regional Connectivity Scheme, [*insert name of the selected airline operator*] has agreed to submit to the AAI an unconditional and irrevocable bank guarantee for Rs.(Rupeesonly) for performance of obligations of the Selected Airline Operator in accordance with the terms and conditions contained in the SAOA.

We (indicate the name of the Bank) (hereinafter referred to as "the Bank") hereby undertake to pay to the Chairman of the AAI an amount not exceeding Rs. (Rupees----- only) on demand by the AAI.

2. We (Indicate the name of the Bank) do hereby undertake to pay the amounts due and payable, partially or in full, under this guarantee without any demure, merely on a demand from the AAI stating that the amount claimed is required to meet the recoveries due or likely to be due from the Selected Airline Operator. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. (Rupees only).

3. We, the said Bank, further undertake to pay to the Chairman of the AAI any money so demanded notwithstanding any dispute or disputes raised by the Selected Airline Operator in any suit or proceeding pending before any court or tribunal relating thereto, our liability under this present being absolute and unconditional.

The payment so made by us under this guarantee shall be a valid discharge of our liability for payment there under and the Selected Airline Operator shall have no claim against us for making such payment,

4. We. (Indicate the name of the Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period that

would be taken for the performance of the said SAOA and that it shall continue to be enforceable, till all the dues of the AAI under or by virtue of the said SAOA have been fully paid and its claims satisfied or discharged or till AAI has certified that the terms and conditions of the said SAOA have been fully and properly carried out by the said Selected Airline Operator and accordingly this guarantee maybe released/ discharged.

5. We (indicate the name of the Bank) further agree with the AAI that the AAI shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of terms and conditions of the said SAOA or to extend time of performance by the said Selected Airline Operator from time to time or to postpone for any time or from time to time any of the powers exercisable by the AAI against in the said Selected Airline Operator and to forebear or enforce any of the terms and conditions relating to the said SAOA and we shall not be relieved from our liability by reason of any such variation, or extensions being granted to the said Selected Airline Operator or for any forbearance or act of omission on the part of the AAI or any indulgence by the AAI to the said Selected Airline Operator or by any such act or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving the Guarantor.
6. This guarantee will not be discharged due to the change in the constitution of the Bank or the SAOA.
7. We (Indicate the name of the Bank) lastly undertake not to revoke this guarantee except with the previous consent of the AAI in writing.
8. This guarantee shall be valid upto unless extended on demand by the AAI. Notwithstanding anything mentioned above, our liability against this guarantee is restricted to Rs (Rupees... only) or the extended date of expiry of this guarantee all our liabilities under this guarantee shall stand discharged.

In presence of:

Dated this _____ Day of _____

WITNESS

For and on behalf of (The Bank)

1.

Signature-----

Name & Designation-----

Authorization No-----

Place

2

Issuing Branch Name & Code No.

Address:-----

Bank's Seal

Telephone Number:-----

e-mail address:-----

Note: *Date of validity for 37 (Thirty Seven) month) years from the date of submission after issue of the notice by Implementing Agency in this regard.

ANNEXURE-VIII

INTEGRITY PACT (REFER CLAUSE 9.6)

This Pact made thisday of between Airports Authority of India, a body corporate constituted by the Central Government under the Airports Authority of India Act, 1994 and having its Corporate Office at Rajiv Gandhi Bhawan, New Delhi, and offices atin India, acting as the Implementing Agency on behalf of Ministry of Civil Aviation (“MoCA”) hereinafter called the AAI (which term shall unless excluded by or is repugnant to the context, be deemed to include its Chairman, or Member, Executive Directors, Airport Directors ,officers. or any of them specified by the Chairman in this behalf, and shall also include its successors and assigns) of the one part

AND

.....represented by of the other part, hereinafter called the “Applicant” (which term shall unless excluded by or is repugnant to the context be deemed to include its heirs, representatives, successors and assigns of the Applicant)

WHEREAS the AAI intends to appoint, under laid down organizational procedures, airline operators under the Regional Connectivity Scheme (“Scheme”). The AAI, while discharging its functions on business principles, values proper compliance with all relevant laws and regulations, and the principles of natural justice, ethics, equity, fairness and transparency in its relations with the Applicant.

WHEREAS the AAI is desirous to make its business mechanism more transparent, thus to ensure strict adherence of the aforesaid objectives/goals, the AAI hereby adopts the instrument developed by the renowned international non-governmental organization “ Transparency International” (“TI”) headquartered in Berlin (Germany).The AAI will appoint an Independent External Monitor (IEM) who will monitor the Selection Process and the execution of the SAOA for compliance with the principles mentioned above.

AND WHEREAS the Applicant is submitting a Proposal to the AAI for
In response to the Scheme and this NIP dated Selected Airline Operator is signing the contract for execution of

NOW, therefore,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the SAOA to be entered into with a view to:

Enabling the AAI to obtain the desired operations at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling AAI to abstain from bribing or indulging in any corrupt practice in order to secure the SAOA by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the AAI will commit to prevent corruption, in any form, by its

officials by following transparent procedures.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

1. Commitments of the AAI:

- 1.1 The AAI undertakes that no official of the AAI, connected directly or indirectly with the Scheme, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Applicant, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the Selection Process, Proposal evaluation, contracting or implementation process related to the SAOA.
 - 1.2 The AAI will, treat all Applicants alike, and will provide to all Applicants the same information and will not provide any such information to any particular Applicant which could afford an advantage to that particular Applicant in comparison to other Applicants.
 - 1.3 All the officials of the AAI will report to the appropriate authority's office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
- 2.0 In case any such preceding misconduct on the part of such official(s) is reported by the Applicant to the AAI with full and verifiable facts and the same is prima facie found to be correct by the AAI, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the AAI and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the AAI the proceedings under the contract would not be stalled.

3. Commitments of Applicants/Selected Airline Operator.

The Applicant commits itself to take all measures necessary to prevent corrupt practice, unfair means and illegal activities during any stage of its Proposal or during post-selection stage in order to secure the operations or in furtherance to secure it and in particular commit itself to the following:-

- 3.1 The Applicant will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the AAI, connected directly or indirectly with the Selection Process, or to any person, organization or third party related to the contract in exchange for any advantage in the application, evaluation, contracting and implementation of the Scheme.
- 3.2 (i) The Applicant further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the AAI or otherwise in being appointed under

the Scheme or forbearing to do or having done any act in relation to the execution of the Scheme or any other contract with the AAI for showing or forbearing to show favour or disfavour to any person in relation to the Scheme or any other contract with the AAI.

- 3.2 (ii) The Applicant has not entered and will not enter with other Applicants into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specification, certifications, subsidiary contracts, submission or non-submission of Proposals or any actions to restrict competitiveness or to introduce cartelization in the Selection Process.
- 3.3 The Applicant shall, when presenting his Proposal, disclose the name and address of agents and representatives and Indian Applicants shall disclose their foreign principals or associates.
- 3.4 The Applicant shall when presenting his Proposal disclose any and all the payments he has made or, is committed to or intends to make to agents/brokers or any other intermediary, in connection with this Proposal/Scheme.
- 3.5 The Applicant further confirms and declares to the AAI that the Applicant has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the AAI or any of its functionaries, whether officially or unofficially for the appointment under the Scheme, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
- 3.6 The Applicant, either while presenting the Proposal or before signing the SAOA, shall disclose any payments he has made, is committed to or intends to make to officials of the AAI or their family members, agents, brokers or any other intermediaries in connection with the Scheme and the details of services agreed upon for such payments.
- 3.7 The Applicant will not collude with other parties interested in the Scheme to impair the transparency, fairness and progress of the Selection Process, Proposal evaluation, contracting and implementation of the Scheme.
- 3.8 The Applicant will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 3.9 The Applicant shall not use improperly, for purposes of competition or personal gain ,or pass on to others, any information provided by the AAI as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Applicant also undertakes to exercise due and adequate care lest any such information is divulged.
- 3.10 The Applicant will inform to the Independent External Monitor. i) If he receives demand for an illegal/undue payment/benefit. ii) If he comes to know of any unethical or illegal payment/benefit. iii) If he makes any payment to any AAI's Affiliate(s)
- 3.11 The Applicant commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

- 3.12 The Applicant shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.13 If the Applicant or any employee of the Applicant or any person acting on behalf of the Applicant, either directly or indirectly, is a relative of any of the officers of the AAI, or alternatively, if any relative of an officer of the AAI has financial interest/stake in the Applicant's firm, the same shall be disclosed by the Applicant at the time filing of Proposal. The term 'relative' for this purpose would be as defined in Section 2(77) of the Companies Act, 2013.
- 3.14 The Applicant shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the AAI.
- 3.15 That if the Applicant, during Selection Process or before the selection under the Scheme or during execution of the Scheme has committed a transgression in violation of section 2 or in any other form such as to put his reliability or credibility as Applicant into question, the AAI is entitled to disqualify him from the Selection Process or to terminate the contract for such reason and to debar the Applicant from participating in future selection processes.

4. Previous Transgression

- 4.1 The Applicant declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify Applicants' exclusion from the Selection Process.
- 4.2 The Applicant agrees that if it makes incorrect statements on this subject, he can be disqualified from the Selection Process, if already selected, can be terminated for such reason and he may be considered for debarment for future tender/contract processes.

5. Proposal Security/Performance Guarantee

While submitting the Proposal, the Applicant shall deposit a Proposal Security, and a Performance Guarantee on selection which is as per terms and conditions and details given in the Scheme and this NIP made available to the Applicants.

6. Sanctions for Violations/Disqualification from Selection Process and exclusion from future contacts.

- 6.1 Any breach of the aforesaid provisions by the Applicant or any one employed by it or acting on its behalf (whether with or without the knowledge of the Applicant) shall entitle the AAI to take all or any one of the following actions, wherever required:-
- (i) To immediately call off the pre contract negotiations without assigning any reason or giving any compensation to the Applicant. However, the proceedings with the other Applicant(s) would continue.

- (ii) To immediately cancel the SAOA, if already signed, without giving any compensation to the Applicant.
 - (iii) If the AAI has disqualified / debarred the Applicant from the Selection Process prior to the selection under section 2 or 3 or 4, the AAI is entitled to forfeit Proposal Security.
 - (iv) To recover all sums already paid by the AAI, and in case of an Indian Applicant with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a Applicant from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Applicant from the AAI in connection with any other contract or any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
 - (v) To encash the Performance Guarantee, if furnished by the Applicant, in order to recover the payments, already made by the AAI, along with interest.
 - (vi) To cancel all or any other contracts with the Applicant. The Applicant shall be liable to pay compensation for any loss or damage to the AAI resulting from such cancellation/rescission and the AAI shall be entitled to deduct the amount so payable from the money(s) due to the Applicant.
 - (vii) To debar the Applicant from participating in future Selection Processes for a minimum period of three years, which may be further extended at the discretion of the AAI.
 - (viii) To recover all sums paid in violation of this Pact by Applicant(s) to any middleman or agent or broker with a view to securing the operations under the Scheme.
 - (ix) In case where irrevocable Letters of Credit or Bank Guarantee have been received in respect of any contact signed by the AAI with the Applicant, the same shall not be opened.
 - (x) That if the AAI has terminated the SAOA or if the AAI is entitled to terminate the SAOA under section 2 or 3 or 4 of Acceptance letter, the AAI shall be entitled to demand and recover from the Selected Airline Operator damages equivalent to 5% of the contract value or the amount equivalent to security deposit or performance bank guarantee, whichever is higher.
 - (xi) That the Applicant agrees and undertakes to pay the said amount without protest or demur subject only to condition that if the Applicant can prove and establish to the satisfaction of the AAI that the disqualification / debarment of the Applicant from the Selection Process or the termination of the SAOA after selection under the Scheme has caused no damage to the AAI.
- 6.2 The AAI will be entitled to take all or any of the actions mentioned at para 6.1(i) to (xii) of this Pact also on the commission by the Applicant or any one employed by it or acting on its behalf (whether with or without the knowledge of the Applicant), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.
- 6.3 That if the Applicant applies to the AAI for premature revocation of the debarment and proves to the satisfaction of the AAI that he has installed a suitable and effective corruption prevention system and also restored/recouped the damage, if any, caused by him, the AAI may, if thinks fit, revoke the debarment prematurely considering the facts and circumstances of the case, and the documents/evidence adduced by the Applicant for first time default.

- 6.4 That a transgression is considered to have occurred if the AAI is fully satisfied with the available documents and evidence submitted along with Independent External Monitor's recommendations/suggestions that no reasonable doubt is possible in the matter.
- 6.5 The decision of the AAI to the effect that a breach of the provisions of this Pact has been committed by the Applicant shall be final and conclusive on the Applicant. However, the Applicant can approach the Independent External Monitor(s) appointed for the purpose of this Pact.

7. Allegations against Applicants / Sub-Contractors / Affiliates:

That if the AAI receives any information of conduct of an Applicant or sub-contractor or of an employee or a representative or an Affiliate of an Applicant or sub-contractor which constitute corruption, or if the AAI has substantive suspicion in this regard, the AAI will inform the Vigilance Department for appropriate action.

8. Independent External Monitor(s)

- 8.1 That the AAI has appointed competent and credible Independent External Monitor(s) for this Pact.
- 8.2 The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact. He will also enquire into any complaint alleging transgression of any provision of this Pact made by the Applicant or AAI.
- 8.3. That the IEM is not subject to any instructions by the representatives of the parties and would perform his functions neutrally and independently. He will report to the Chairperson of the Board of the AAI.
- 8.4 That the Applicant accepts that the IEM has the right to access without restriction to all project documentation of the AAI including that provided by the Applicant. The Applicant will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation including minutes of meeting. The same is applicable to sub-contractors and Affiliates. The IEM is under obligation to treat the information and documents of the AAI and Applicant / subcontractors/ Affiliates with confidentiality.
- 8.5. That as soon as the IEM notices, or believes to notice, a violation of this Pact, he will so inform the management of the AAI and request the management to discontinue or heal the violation, or to take other relevant action. The IEM can in this regard submit his recommendations/ suggestions. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- 8.6 That the AAI will provide to the IEM sufficient information about all meetings among the parties related to the project provided such meetings could have an impact on the contractual relations between the AAI and the Applicant. The parties offer to the IEM the option to participate in such meetings.

- 8.7 That the IEM will submit a written report to the Chairperson of the Board of the AAI within 2 weeks from the date of reference or intimation to him by the AAI and, should the occasion arise, submit proposals for correcting problematic situations.
- 8.8 That if the IEM has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti- Corruption Laws of India and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Department, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- 8.9 The word 'IEM' would include singular and plural.

9. Facilitation of Investigation.

In case of any allegation of violation of any provisions of this Pact or payment of commission, the AAI or its agencies shall be entitled to examine all the documents including the books of accounts of the Applicant and the Applicant shall provide necessary information and documents in English and shall extend all possible help for the purpose of such Examination.

10. Law and Place of Jurisdiction.

That this Pact is subject to Indian Law. The place of performance and jurisdiction is the Corporate Headquarter /the Regional Headquarter / office of the AAI, as applicable.

11. Other Legal Actions

- 11.1 That the changes and supplements as well as termination notices need to be made in writing.
- 11.2 That if the Applicant is a partnership or a consortium, this Pact must be signed by all the partners and consortium members or their authorized representatives.

12. Pact duration (Validity)

- 12.1 That this Pact comes into force when both the parties have signed it. It expires for the Selected Airline Operator 12 months after the final payment under the SAOA, and for all other Applicants 3 months after the selection under the Scheme.
- 12.2. That if any claim is made / lodged during this period, the same shall be binding and continue to be valid despite the lapse of this Pact as specified herein before, unless it is discharged/determined by Chairman of the AAI.
- 12.3 That should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

13. Company Code of Conduct

Applicants are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behavior) and a compliance program for the implementation of the code of conduct throughout the company.

14. The parties hereby sign this Integrity Pact at _____ on _____

| | |
|---------------------|----------------------|
| Buyer | APPLICANT |
| Name of the Officer | Authorized Signatory |
| Designation | Witness |
| Deptt./Ministry/PSU | 1. |
| Witness | 2. |
| 1. _____ | |
| 2. _____ | |



ANNEXURE-IX

REGIONAL CONNECTIVITY SCHEME-UDAN, AUGUST-2017

(REFER CLAUSE 1.1)



ANNEXURE-X

SELECTED AIRLINE OPERATOR AGREEMENT

(REFER CLAUSE 21.1)