



AIRPORTS AUTHORITY OF INDIA

Date: April 25, 2017

Addendum No. O&M\_AHMD\_06

Airport Authority of India's ("Authority") request for proposal number AAI/KID/O&M/AHMD/2016 dated December 30, 2016 for operation and maintenance of Select Areas of Sardar Vallabhbhai Patel International Airport at Ahmedabad, Gujarat ("RFP").

Pursuant to Clause 2.11.1 of the RFP, the Authority hereby amends the RFP as set out below. The deletions from the earlier text of the RFP are indicated as strikethroughs and the additions are underlined.

S No.	Reference to Existing Clause/Provision	Revised Clause/Provision
1.	Glossary (definition removed)	<del>"Incremental Per Passenger Revenue"</del> shall the meaning ascribed to it in Clause 1.2.7(e);
2.	Glossary (definition removed)	<del>"Revenue Share Percentage"</del> shall have the meaning ascribed to it in Clause 1.2.7;
3.	Glossary (new definition)	<u>"Per Passenger Fee"</u> shall have the meaning ascribed to it in Clause 1.2.7(a);
4.	Glossary (new definition)	<u>"Minimum Per Passenger Fee"</u> shall have the meaning ascribed to it in Clause 1.2.7(b);
5.	Clause 1.1.1 (second paragraph)	In addition to this Project, the Authority intends to award the operation and maintenance of the select areas of the Jaipur International Airport at Jaipur through a separate bidding process conducted in parallel with the bidding for award of this Project. It is clarified that the Bidders may bid for this Project and for the operation and maintenance of the select areas of the Jaipur International Airport at Jaipur, <u>and there shall be no restriction on one bidder however, under no circumstances, shall the same Bidder, whether individually or as part of a Consortium, be being awarded both the contracts for the Project and for the operation and maintenance of Jaipur International Airport, Jaipur.</u>
6.	Clause 1.1.2	The Bidder who will be awarded the Project (" <u>Selected</u>

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		<p><b>Bidder</b>”) shall undertake the Project through a special purpose company incorporated under the (Indian) Companies Act, 2013 (the “SPV” or “O&amp;M Operator”), and shall be responsible for the operation and maintenance of the Project under and in accordance with the provisions of a long-term operation and maintenance agreement <u>having a term of 15 (fifteen) years from the date of commencement of operation and maintenance of the Select Areas of the Airport (the “O&amp;M Agreement”)</u> to be entered into between the O&amp;M Operator and the Authority in the form provided by the Authority as part of the Bidding Documents pursuant hereto.</p>
7.	Clause 1.1.3 (last paragraph)	<p>The Authority may, from time to time, undertake further development or expansion of the abovementioned Select Areas <u>including, without limitation, the construction of a new passenger terminal building</u>, and the scope of work of O&amp;M Operator will include the operation and maintenance of such developed/expanded Select Areas in addition to the existing areas.</p> <p><u>In the event that the Authority, at its sole discretion, decides to develop and operate a multi-level car park at the Airport through a competitive bidding process, the O&amp;M Operator shall be permitted to participate in such bidding process for the development and operations of the multi-level car park.</u></p>
8.	Clause 1.1.5	<p><del>The revenue to the O&amp;M Operator under the O&amp;M agreement will accrue from the following two elements: The O&amp;M Operator shall cause to be deposited all revenues from the Select Areas into the escrow account in accordance with the O&amp;M Agreement and escrow agreement. Such amounts shall be utilised as follows in accordance with the O&amp;M Agreement and the escrow agreement:</del></p> <p>(a) a fixed fee <del>to</del> <u>will</u> be paid by the Authority to the O&amp;M Operator (<b>fixed terminal operator fee</b>);</p> <p>(b) <u>an amount shall be retained by the Authority based on the Per Passenger Fee, which shall be calculated in accordance with the O&amp;M Agreement; and</u></p> <p>(c) <u>incentives having reference to Incremental Per Passenger Revenues attributable to the Select Areas the remainder of the amounts in the escrow account shall, subject to the terms of the O&amp;M Agreement and escrow agreement, be paid to the O&amp;M Operator as variable terminal operator fee (variable terminal operator fee).</u></p> <p>The O&amp;M Operator shall be entitled to collect certain charges from users of the Airport in accordance with the O&amp;M Agreement.</p>

9.	Clause 1.2.7 (a)	Bids are invited for the Project on the basis of <del>the percentage of the Incremental Per Passenger Revenue from the Select Areas a per passenger fee (the "Per Passenger Fee")</del> which will be paid used to compute the amounts to be retained by the Authority <del>(the "Revenue Share Percentage")</del> from the amounts in the escrow account as per the terms and conditions set out in the draft O&M Agreement and escrow agreement. <u>The Per Passenger Fee shall be inflation indexed.</u> The concession period and other terms are pre-determined as indicated in the draft O&M Agreement forming part of the Bidding Documents. <u>The Revenue Share Percentage Per Passenger Fee shall constitute the sole criteria for evaluation of Bids.</u> The Project shall be awarded to the <u>Qualified Bidder quoting the lowest Revenue Share Percentage highest Per Passenger Fee.</u>
10.	Clause 1.2.7 (b)	The Per Passenger Fee quoted by the Qualified Bidder shall not be below Rs. 34 (Rupees Thirty Four only) per passenger <u>("Minimum Per Passenger Fee").</u> The Bid of any Bidder quoting a Per Passenger Fee below the <u>Minimum Per Passenger Fee will be disqualified.</u> In this RFP, the term <b>"Highest Bidder"</b> shall mean the Qualified Bidder who is quoting the <u>lowest Revenue Share Percentage highest Per Passenger Fee.</u> Generally, the Highest Bidder shall be the Selected Bidder. The remaining Qualified Bidders shall be kept in reserve and may, in accordance with the process specified in this RFP, be invited to match the Financial Bid of the Highest Bidder in case such Highest Bidder withdraws or is not selected for any reason. In the event that none of the other Qualified Bidders match the Bid of the Highest Bidder, the Authority may, in its discretion, either invite fresh Financial Bids from the remaining Qualified Bidders or annul the Bidding Process.
11.	Clause 1.2.7 (c) (Clause removed)	For the purposes of this RFP, <del>"Incremental Per Passenger Revenues"</del> for Select Areas will mean the increase in per passenger revenue from Select Areas for each year of the Concession Period over the base financial year of 2016-17.  By way of an example, if the per passenger revenues for year 2016-17 is Rs. A, the per passenger revenues for any subsequent year C is Rs. B, and the Revenue Share Percentage quoted by the Selected Bidder is D%, the <del>Incremental Per Passenger Revenue shall be the computed as</del> $\{(B - A) \times \text{total passengers handled at the airport in Year C} \times (D\%)\}$ , wherein  <del>Per passenger revenue = Total revenue collected by the O&amp;M Operator/total passengers handled at the airport (departing + arriving)".</del>  The detailed process for calculation of the <del>Incremental Per</del>

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		Passenger Revenues is set out in the draft O&M Agreement.
12.	Clause 2.1.4	<p>The Financial Bid should be submitted online in the template provided in Cover-2 at the CPPP, clearly indicating the Revenue Share Percentage in figures, up to a maximum of 2 (two) decimal points. For ease of reference of the Bidders, the format of the aforesaid Financial Bid template is provided in Appendix VII.</p> <p>The Financial Bid should be furnished in the format at Appendix-VII, clearly indicating the Per Passenger Fee, in both figures and words, up to a maximum of 2 (two) decimal points and signed by the Bidder's authorized signatory. A scanned copy of the aforesaid Financial Bid shall be required to be uploaded online in Cover-2 at the CPPP. In the event of any difference between figures and words, the amount indicated in words shall be taken into account.</p>
13.	Clause 2.2.1 (c)(i)	<p>The Bidder, or its Affiliate (or any constituent thereof) and any other Bidder or any Affiliate thereof (or any constituent thereof) have common controlling shareholders or other ownership interest;</p> <p>Provided that this disqualification shall not apply in cases where the direct or indirect shareholding of a Bidder, its Member or an Affiliate thereof (or any shareholder thereof having a shareholding of more than <del>5% (five per cent)</del> <u>20% (twenty per cent)</u> of the paid up and subscribed share capital of such Bidder, Member or Affiliate, (as the case may be) in the other Bidder, its Member or an Affiliate is less than <del>5% (five per cent)</del> <u>20% (twenty per cent)</u> of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by <u>the Authority</u>, a bank, insurance company, pension fund or a public financial institution referred to in Section 2(72) of the Companies Act, 2013;</p>
14.	Clause 2.2.1 (e)(i)	<p>It or its Affiliate has any Ownership Interest in a scheduled airline or a cargo airline ("<b>Airline</b>") or Affiliate of an Airline, or an Airline or its Affiliate has an Ownership Interest in the Bidder or its Affiliate;</p> <p><u>Provided that, a Bidder or a Member, which is an Airline or Affiliate of an Airline, shall be permitted to submit a Bid for the Project, however, such Bidder shall not have an Ownership Interest in the O&amp;M Operator, if such Bidder is declared as the Selected Bidder.</u></p> <p>For the purpose of this Clause, the term "<b>Ownership Interest</b>" means, with respect to a person, (a) the ownership, directly or indirectly, of 20% (twenty per cent) or more of the economic or</p>

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		voting rights of such person, or (b) the power to, directly or indirectly, direct the management and policies of such person, or (c) appoint majority of the directors in the board of directors of such person;
15.	Clause 2.2.2 (A) (last paragraph)	If the Bidder is a Consortium, the Member claiming the Development/Expansion Experience shall be required to hold a minimum of 26% (twenty six percent) of the issued and paid up share capital of the SPV and the Member claiming the O&M Experience shall be required to (i) hold more than 50% (fifty per cent) of the issued and paid up share capital of the SPV, (ii) <u>appoint majority of the directors in the board of directors of the SPV, and (iii) have the power to direct the management and policies of the SPV, in each case until the expiry of 5 (five) years from the date of commencement of commercial operations of the Project, subject to the terms contained in the draft O&amp;M Agreement.</u>
16.	2.2.3 (b) 1	A certificate from its statutory auditors certifying the annual passenger throughput of the project for a period of at least 3 (three) consecutive financial years, within the Eligible Period, as <del>per</del> <u>substantially in</u> the format provided in Annex – IV of Appendix-I;
17.	2.2.3 (b) 2	A certificate from its statutory auditors certifying the aggregate revenues received, from operation and maintenance of the project, during each of the 3 (three) consecutive financial years in the Eligible Period, <del>as per</del> <u>substantially in</u> the format provided in Annex–IV of Appendix-I.
18.	2.2.3 (c)	To demonstrate its Financial Capacity, the Bidder shall include in its Technical Bid a certificate from its statutory auditors specifying the net worth of the Bidder, as at the close of the preceding financial year, and also specifying that the methodology adopted for calculating such net worth conforms to the provisions of this Clause 2.2.3 <del>as per</del> <u>substantially in</u> the format provided in Annex–III of Appendix-I. For the purposes of this RFP, net worth (the “ <b>Net Worth</b> ”) shall mean the sum of subscribed and paid up equity and reserves from which shall be deducted the sum of revaluation reserves, miscellaneous expenditure not written off and reserves not available for distribution to equity shareholders.
19.	Clause 2.2.5 (f)(iv)	If the Bidder is a Consortium: (a) the Member claiming the Development/Expansion Experience shall be required to hold a minimum of 26% (twenty six per cent) of the issued and paid up share capital of the SPV;; (b) the Member claiming the O&M Experience shall be required to (i) hold more than 50% (fifty per cent) of the issued and paid up share capital of the SPV, (ii) <u>appoint majority of the directors in the board of directors of the</u>

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		<u>SPV, and (iii) have the power to direct the management and policies of the SPV, in each case until the expiry of 5 (five) years from the date of commencement of commercial operations of the Project; and (c) each Member holding 26% (twenty six per cent) or more of the issued and paid up share capital of the SPV must satisfy the Financial Capacity, in each case subject to the terms contained in the draft O&amp;M Agreement;</u>
20.	Clause 2.4.1 (first paragraph)	By submitting the Bid, the Bidder acknowledges that it was short-listed on the basis of Technical Capacity of those of its Consortium Members who shall, (i) in case of the Member claiming the Development/Expansion Experience, hold equity share capital representing not less than 26% (twenty six per cent) of the subscribed and paid-up equity of the O&M Operator until the 5 <sup>th</sup> (fifth) anniversary of the date of commercial operation of the Project; (ii) in case of the Member claiming the O&M Experience, <u>(a) hold equity share capital representing more than 50% (fifty per cent) of the subscribed and paid-up equity of the O&amp;M Operator, (b) be required to appoint majority of the directors in the board of directors of the O&amp;M Operator, and (c) have the power to direct the management and policies of the O&amp;M Operator, in each case until the 5<sup>th</sup> (fifth) anniversary of the date of commercial operation of the Project and;</u> (iii) each Member holding 26% (twenty six per cent) or more of the issued and paid up share capital of the O&M Operator must satisfy the Financial Capacity.
21.	2.24.1 (g)	it contains certificates from its statutory auditors <u>substantially</u> in the formats specified at Appendix-I of the RFP for each eligible project;
22.	Clause 3.2.2	An “ <b>Eligible O&amp;M Project</b> ” is an international airport, with: <ul style="list-style-type: none"> <li>(a) such airport having handled an annual passenger throughput of at least 10 (ten) million passengers during such three (3) year period;</li> <li>(b) the aggregate revenues from operations and maintenance of the airport are at least INR 3,000 million during each of the 3 (three) consecutive financial years in the Eligible Period; and</li> <li>(c) <del>having ACI ASQ or SKYTRAX ranking in the top 100 (one hundred) (i.e. airport should have been ranked between 1 to 100) in the calendar year prior to the Bid Due Date.</del>  <u>having:</u> <ul style="list-style-type: none"> <li>(i) <u>ACI ASQ ranking in the top 50 (fifty) in the relevant category (i.e. airport should have been ranked between 1 to 50 in the relevant category</u></li> </ul> </li> </ul>

		<p>(i.e. 5 to 10 million passengers)) in the calendar year prior to the Bid Due Date; or</p> <p>(ii) <u>SKYTRAX ranking in the top 100 (one hundred) (i.e. airport should have been ranked between 1 to 100) in the calendar year prior to the Bid Due Date.</u></p> <p>For the purposes of this Clause, ASQ or SKYTRAX ranking shall mean the overall ranking of the airport:</p> <p>(i) for the relevant year as issued by SKYTRAX; and</p> <p>(ii) for <del>all quarters</del> of the relevant year as issued by ACI.</p> <p>The term “<b>Eligible Period</b>” refers to a period of 5 (five) consecutive financial years immediately preceding the Bid Due Date.</p>
23.	3.3	<p>A Bidder or a Member of a Bidder may use the experience of its Affiliate for demonstrating its Technical Capacity and Financial Capacity. A certificate from the statutory auditor of the Bidder or the Member shall be provided to demonstrate that a person is an Affiliate of the Bidder or the Member, as the case may be, as <del>per</del> <u>substantially in</u> the format provided in Appendix-V.</p>
24.	Clause 3.8.2	<p>In the event that 2 (two) or more Qualified Bidders quote the same <del>Revenue Share Percentage Per Passenger Fee</del> and such Qualified Bidders are the Highest Bidders (the “<b>Tie Bidders</b>”), the Authority shall <del>invite all the Qualified Bidders to submit a revised Financial Bid within 8 (eight) hours of the opening of the Financial Bids</del> <u>identify the Selected Bidder amongst the Tie Bidders by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.</u></p> <p>In the event that:</p> <p>(a) <del>none of the Bidders choose to submit a revised Financial Bid; or</del></p> <p>(b) <del>2 (two) or more Tie Bidders quote the same Revenue Share Percentage Annual Per Passenger Fee again, and are the Highest Bidders (the “Second Tie Bidders”).</del></p> <p><del>the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders or the Second Tie Bidders, as the case may be, who choose to attend.</del></p>

25.	Appendix I (Letter Comprising the Bid) Paragraph 15	I/We acknowledge and undertake that our Consortium was short-listed on the basis of Technical Capacity and Financial Capacity of those of its Members who shall, (i) in case of the Member claiming the Development/Expansion Experience, hold equity share capital representing not less than 26% (twenty six per cent) of the subscribed and paid-up equity of the O&M Operator until the 5 <sup>th</sup> (fifth) anniversary of the date of commercial operation of the Project; (ii) in case of the Member claiming the O&M Experience, (a) hold equity share capital representing more than 50% (fifty per cent) of the subscribed and paid-up equity of the O&M Operator, (b) be required to <u>appoint majority of the directors in the board of directors of the O&amp;M Operator, and (c) have the power to direct the management and policies of the O&amp;M Operator, in each case until the 5<sup>th</sup> (fifth) anniversary of the date of commercial operation of the Project and;</u> (iii) each Member holding 26% (twenty six per cent) or more of the issued and paid up share capital of the O&M Operator must satisfy the Financial Capacity. We further agree and acknowledge that the aforesaid obligation shall be in addition to the obligations contained in the draft O&M Agreement in respect of Change in Ownership.
26.	Appendix – III (Joint Bidding Agreement) – Clause 6.3 (new provision)	The Parties agree that <u>_____</u> <i>[Insert the name of the Party bringing in O&amp;M Experience in the Consortium]</i> shall (a) <u>hold equity share capital representing more than 50% (fifty per cent) of the subscribed and paid-up equity of the O&amp;M Operator</u> (b) <u>be required to appoint majority of the directors in the board of directors of the O&amp;M Operator, and (c) have the power to direct the management and policies of the O&amp;M Operator, in each case, until the 5<sup>th</sup> (fifth) anniversary of the date of commercial operation of the Project.</u>
27.	Appendix- VII (Format of the Financial Bid Submission)	I/We offer to <del>receive share with the Authority,</del> a <del>Revenue Share</del> <u>Percentage fee of _____% (_____per cent) of the Incremental Per Passenger Revenue</u> INR _____ (Indian Rupees _____) per passenger (exclusive of all taxes) for undertaking the Project in accordance with the Bidding Documents and the O&M Agreement.

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