

LETTER OF AWARD

Ref. No.: AAI/RCS-2/PAPL/1/ 2018

Date: 24th January, 2018

To,

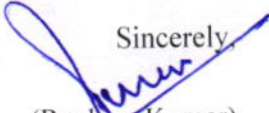
M/s. Pinnacle Air Private Limited
T-15, 2nd floor, Green Park,
New Delhi – 11006.

Subject: Letter of Award ("LOA") for the selected airline operator under the Regional Connectivity Scheme ("RCS") - UDAN in 2nd round of bidding for operation of RCS Flights on RCS/ Network of; Hissar-Chandigarh- IGI Airport- Delhi-Hissar [Fixed-wing]

Sir(s),

1. This is with reference to your Initial Proposal (Last date of submission; 9/ 11//2017) for operating as the selected airline operator under the RCS as provided in Annexure-A of this LOA ("**Proposal**"), submitted pursuant to the Notice Inviting Proposal for Selection of Airline Operators [dated 24th August, 2017 and Corrigendum/Revisions issued from time to time] ("**NIP**") issued by the Airports Authority of India ("**Authority**"), acting as the implementing agency on behalf of Ministry of Civil Aviation, Government of India.
2. Your proposal has been accepted by the competent authority for above cited RCS Routes/ Network and you have been identified as the Selected Airline Operator (SAO).
3. Under the terms of the NIP, you are required to submit the following to the Authority:
 - a) Duly executed Selected Airline Operator Agreement in the format prescribed in Annexure-X of the NIP ("**SAOA**");
 - b) Performance Guarantee, in the format prescribed in Annexure-VI of the NIP, for an amount equivalent to INR. 10,00,000/- (Ten Lakh Only) on or before the execution of the SAOA; and
 - c) Additional Performance Guarantee, in the format prescribed in Annexure-VII of the NIP, for an amount equivalent to INR. 1,00,00,000 (Rupees one Crore only) for RCS airport i.e. Hissar on or before the execution of the SAOA.
4. The actions specified in paragraph 3 above, are required to be completed within 30 (Thirty) days of the date set out herein above.

5. Additionally, please note the following remarks pertaining to the proposal submitted by you:
- SAO shall commence RCS flights of this proposal within 6(six) months from the date of issue of LOA or readiness i/c licensing of RCS airport(s) (Hissar) whichever is later;
 - Operations of RCS flights is subject to the consent of airport operator like; Defence, PSU and Private to provide the concessions /supports under the Scheme;
 - Estimated Cost of up-gradation/ development at RCS airport(s) (i.e. Hissar) for commencement of RCS flights is more than INR 5.00 Crores. Therefore, SAO shall also deposit Additional Performance Guarantee amounting INR 1.00 Crore for each RCS airport;
 - It is deemed that SAO has conducted all due diligence (refer para-3.4.3 of the Scheme);
 - Indexation for Airfare Cap(s) and Maximum Airfare(s) for each RCS seat and indexation for VGF Cap(s) and VGF sought, shall be applicable as per RCS Version 2.0, September, 2017 (Based on July-September, 2017; and
 - LoA is subject to confirmation of Proposal Security BG by the issuing bank.
6. You are requested to comply with the all provisions of NIP.
7. You are requested to sign and return the duplicate copy of this LOA to the office of the undersigned, as acknowledgement of this LOA, latest within 5 (five) days of the receipt of this LOA.

Sincerely,

(Pradeep Kumar)
General Manager (Engg.-RCS)
For and on behalf of the Chairman
Airports Authority of India

Enclosure:-Annexure-A

Copy to:

- Chairman, Airports Authority of India.(E-Mail chairman@aai.aero);
- Joint Secretary(UP), Ministry of Civil Aviation, (e-mail; usha.padhee@nic.in);
- Director General Civil Aviation, (e-mail; dgca@nic.in) : SAO has been granted three years of exclusivity on RCS Routes as per RCS Version 2.0. Therefore, RCS route as per Annexure-A, may not be considered to allotment to other airline(s);
- Director General BCAS (e-mail; dg.bcas@gov.in); and
- General Manager (IT) may upload the LoA on AAI website.

Annexure-A

Technical and Financial details of RCS Routes/ Network of Selected Airline Operator (SAO)

S. No. Tech. Proposal	S. No. Initial Proposal	Name and address of Selected Airline Operator (SAO)	Applicant - Initial / Counter Bidder	Technical Details							Financial Details			Remarks
				RCS Route(s) /Network	RCS Route	Stage Length (KM)	Seating capacity of the proposed aircraft	RCS Flight Capacity	No of RCS Seats	No of Flights per week	VGf per RCS Seat sought (INR)	All-inclusive maximum airfare for an RCS Seat (INR)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	1. Estimated cost for up-gradation of RCS airport i.e. Hissar for commencement of RCS flights is more than INR 5.00 Crores. SAO shall deposit Addl. PG for INR 1.0 crore before signing the SAO Agreement. 2. Operation of RCS flights is subject to ; a) Readiness /c licensing of RCS airport(s) (Hissar); and b) SAO shall either arrange slots at Delhi Airport or shall operate RCS flight from Hindan with same financial proposal.
2	76	M/s Pinnacle Air Private Limited	Initial	Hissar- Chandigarh- Delhi - Hissar	Hissar To Chandigarh	196	10	9	9	6	2850	1490		
					Delhi To Hissar	146	10	9	9	6	2190	1410		