



## MEMORANDUM OF UNDERSTANDING

**THIS MEMORANDUM OF UNDERSTANDING (“MoU”)** is made at New Delhi on the 10<sup>th</sup> day of March, 2023

**THE PRESIDENT OF INDIA**, acting through the Secretary, Ministry of Civil Aviation of Government of India (hereinafter referred to as “GOI” which expression shall be deemed to include his successors and assigns);

AND

**GMR Visakhapatnam International Airport Limited (GVIAL)**, a company incorporated under the provisions of the Companies Act, 2013, having corporate identity number U74999AP2020PLC114561

and its registered office at 10-1-43, Flat No. 202, Second Floor, Siripuram Fort, Siripuram, Visakhapatnam-530003, Andhra Pradesh, India (hereinafter referred to as the “**Concessionaire**”, which expression shall, unless repugnant to the context or meaning thereof, include its successors, permitted assigns and substitutes).

As the context may require, GOI and the Concessionaire are hereinafter collectively referred to as “**Parties**” and individually as “**Party**”.

### WHEREAS:

- A. The Government of India (“GOI”), has given its in-principle approval (“In-Principle Approval”) to the Authority, for the establishment of an airport for public use at Vizianagaram District, near Visakhapatnam in the State of Andhra Pradesh (“Airport”), subject to the terms and conditions stipulated in the in-principle Approval.
- B. Based on the GOI Approval, the Government of Andhra Pradesh (“GoAP”) vide GO RT No. 63 dated 20<sup>th</sup> May 2015 (“GoAP Approval”), approved the implementation of the Project through Public Private Partnership (“PPP”) (as defined below), and appointed the Authority as a Nodal Agency for the same.
- C. Upon the incorporation of the Concessionaire, the Authority and the Concessionaire entered into a Concession Agreement dated 12<sup>th</sup> June 2020 (“**Concession Agreement**”) *inter-alia* agreeing and providing for the terms and conditions upon which the Concessionaire would develop, operate and maintain the Airport on DBFOT basis.





- D. GOI acknowledges that implementation of the Project requires continued support and grant of certain rights by the GOI to the Concessionaire as hereinafter set forth, and is an essential pre-requisite for mobilization of resources for the Project.
- E. In consideration of the Concessionaire having entered into the Concession Agreement and for the smooth functioning and viability of the Project, in addition to the obligations of the Authority under the Concession Agreement, the GOI is agreeable to provide certain support to the Concessionaire as stated herein.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this MoU, except to the extent that the context requires otherwise and unless otherwise defined as below or otherwise elsewhere specifically in this MoU, other capitalized terms used herein (and not defined herein) but defined under the Concession Agreement, has the meaning ascribed to the term under the Concession Agreement:

**“Aeronautical Services”** has the meaning as set forth in the AERA ACT, 2008

**“Animal Quarantine Services”** shall mean the quarantine services (forming part of the Reserved Services) as set out in Schedule 1 attached hereto;

**“Animal Quarantine Services Representative”** shall mean the authorized representative of the department/agency providing Animal Quarantine Services, nominated by GOI, from time to time, on the Joint Co-ordination Committee;

**“Applicable Permits”** shall mean all clearances, licenses, permits, authorizations, no objection certificates, consents, approvals and exemptions required to be obtained from the GOI or any department/agency of the GOI and/or thereafter maintained under Applicable Laws in connection with the Project during the subsistence of this MoU;

**“Arbitral Tribunal”** has the meaning ascribed to the term in Clause 8.3.2 hereunder;

**“Authority”** shall mean the ANDHRA PRADESH AIRPORTS DEVELOPMENT CORPORATION LIMITED, a company incorporated under the Companies Act, 1956, having corporate identity number U62200TG2015SGC100038 and its registered office at R.S.No.254/2, AVSR Bhavan, 2&3 Floors, Kanuru Main Road, Kanuru, Vijayawada – 520007 and represented by its Managing Director.



**“Authority Representative”** shall mean the authorized representative of the Authority;

**“BCAS”** shall mean the Bureau of Civil Aviation Security constituted under section 4B of Aircraft (Amendment) Act, 2020;

**“CNS/ATM Services”** shall mean the services related to communications, navigation and surveillance systems for air traffic management, (forming part of the Reserved Services), as set out in Schedule 2 attached hereto;

**“CNS/ATM Services Representative”** shall mean the authorized representative of the department/agency providing the CNS/ATM Services, nominated by GOI, from time to time, on the Joint Co-ordination Committee;

**“Concession Agreement”** has the meaning ascribed to it in Recital C above;

**“Concessionaire”** has the meaning ascribed to the term in the array of Parties or any other party as may be accepted by the Authority as the Concessionaire for the Project;

**“Concessionaire Representative”** shall mean the representative(s), holding the rank of at least director, nominated by the Concessionaire, from time to time, on the Joint Coordination Committee;

**“Customs Control”** shall mean customs related services as set out in Schedule 3 attached hereto;

**“Customs Control Representative”** shall mean the authorized representative of the department/agency providing the Custom Control Services, nominated by GOI, from time to time, on the Joint Co-ordination Committee;

**“DGCA”** shall mean the Directorate General of Civil Aviation or any substitute thereof;

**“Effective Date”** shall mean the date of signing of this MOU by the last Party herein and such date shall not be later than the Appointed Date as provided in the Concession Agreement;

**“GOI”** has the same meaning ascribed to the term in the Recital A of this MoU;

**“GOI Approval”** has the same meaning ascribed to the term in the Recital A of this MoU;

**“GOI Support”** has the meaning ascribed to the term in Clause 3 of this MoU;



“GoAP” has the same meaning ascribed to the term in the Recital B of this MoU;

“GoAP Approval” has the same meaning ascribed to the term in the Recital B of this MoU;

“Health Services” shall mean the mandatory health services (forming part of the Reserved Services) as set out in Schedule 4 attached hereto;

“Health Services Representative” shall mean the authorized representative of the department/agency providing the Health Services, nominated by GOI, from time to time, on the Joint Co-ordination Committee;

“Immigration Services” shall mean the immigration services (forming part of the Reserved Services), as per the Applicable Law as set out in Schedule 5 attached hereto;

“Immigration Services Representative” shall mean the authorized representative of the department/agency providing the Immigration Services, nominated by GOI, from time to time, on the Joint Co-ordination Committee;

“Joint Co-ordination Committee” has the meaning ascribed to the term in Clause 4.1.1 hereunder;

“Meteorological Services” shall mean the meteorological services (forming part of the Reserved Services), as set out in Schedule 6 attached hereto;

“Meteorological Services Representative” shall mean the authorized representative of India Meteorological Department providing the Meteorological Services, from time to time, on the Joint Co-ordination Committee;

“MoU” or “this MoU” shall mean this Memorandum of Understanding;

“Plant Quarantine Services” shall mean the quarantine services (forming part of the Reserved Services), as set out in Schedule 7 attached hereto;

“Plant Quarantine Services Representative” shall mean the authorized representative of the department/agency providing the Plant Quarantine Services, nominated by GOI, from time to time, on the Joint Co-ordination Committee;

“Project” has the meaning ascribed to the term in the Concession Agreement;





“PPP” has the meaning ascribed to the term in Recital B above;

“Reserved Services” has the meaning ascribed to the term in Clause 3.3;

“Security Services” shall mean the security services (forming part of the Reserved Services), as set out in Schedule 8 attached hereto;

“Security Services Representative” shall mean the authorized representative of the department/agency providing the Security Services, nominated by the GOI, from time to time, on the Joint Co-ordination Committee;

“Term” has the meaning ascribed to the term in Clause 5.

## 1.2 Rules of Interpretation

1.2.1 The words and expressions beginning with capital letters and defined in this MoU has the meaning ascribed thereto herein, and the words and expressions used in this MoU and not defined herein but defined in the Concession Agreement shall, unless repugnant to the context, have the meaning ascribed thereto in the Concession Agreement.

1.2.2 References to Clauses are, unless stated otherwise, references to Clauses of this MoU.

1.2.3 The rules of interpretation stated in Clauses 1.2, 1.3 of the Concession Agreement shall apply, mutatis mutandis, to this MoU.

## 2. EFFECTIVE DATE

The provisions of this MoU (other than those contained in Clauses 1, 2, 3.4, 3.11, 8, and 9 which are, accordingly, binding on the Parties as from the date of this MoU) shall take effect and become binding on the Parties from the Effective Date.

## 3. GOI SUPPORT

With effect from the Effective Date, GOI hereby undertakes to provide the following support in relation to the Project (“GOI Support”):

### 3.1 Applicable Permits

3.1.1 GOI shall, upon written request from the Concessionaire and subject to the Concessionaire complying with Applicable Laws, endeavour to grant to the Concessionaire such Applicable Permits as are required for or in connection with the Project within the relevant statutory period



(if any). The Parties agree that where no statutory period is prescribed, GOI shall use all reasonable efforts to grant such Applicable Permits as are required for in connection with the Project within 45 (forty-five) days from the date of receipt of such written request from the Concessionaire, subject to the Concessionaire fulfilling all the criteria specified for the purpose of obtaining the Applicable Permits.

3.1.2 The Concessionaire hereby undertakes that in order to expedite the grant of Applicable Permits, it will, in a diligent and timely manner:

- (a) prepare and file applications, which are in full compliance with the Applicable Law, with the concerned authorities;
- (b) follow-up the aforesaid applications with the concerned authorities; and
- (c) respond in a timely manner to all requests for further information and clarifications.

### 3.2 Principles for Determination and Revision of Aeronautical Charges

3.2.1 The Parties hereto acknowledge and agree that any and all Aeronautical Charges for Aeronautical Services that the Concessionaire can levy, collect and appropriate from a User shall be determined and revised by AERA, by way of an order by AERA, in accordance with the provisions of the AERA Act and as per the extant guidelines issued by AERA.

The National Civil Aviation Policy (NCAP), 2016 provides for “30% (thirty per cent) shared-till framework for the determination and regulation of the Aeronautical Charges at the Airport, and the same, or any such order as issued by GoI in respect of Till Framework from time to time, shall be accordingly considered by AERA. For avoidance of doubt, revenues of the Concessionaire from City Side Development and City Side for Residential Development of area in accordance with Schedule A, shall be excluded from the shared-till framework for the determination and regulation of the Aeronautical Charges.

3.2.2 The Aeronautical Charges shall be regulated and set/ re-set, in accordance with the framework of the AERA Act 2008 and Tariff Guidelines as applicable from time to time. Provided however, the Per-Passenger Fee paid/ payable by the Concessionaire to the Authority, under and pursuant to the terms of the Concession Agreement, shall not be included as a part of costs for provision of Aeronautical Services and no pass-through would be available in relation to the same.

3.2.3 The Concession Fees shall be considered as a part of the operating expense for the purpose of the determination of the Aeronautical Charges.



- 3.2.4 Any payments made by the Concessionaire to any Government Instrumentality for providing sovereign functions shall be considered as pass through for the purpose of the determination of the Aeronautical Charges, and shall accordingly be considered as a part of the cost for the determination of the Aeronautical Charges.
- 3.2.5 The Concessionaire shall be entitled to levy, collect and appropriate the Aeronautical Charges with effect from the Phase I COD from the Users of the Airport, at the initial/ad-hoc rates of the tariff as may be approved by AERA. Such, initial/ad-hoc rates of tariff shall be applicable and valid until the approval of Aeronautical Charges by AERA in accordance within the provisions of the AERA Act.
- 3.2.6 Any under-recovery or over-recovery of the Aeronautical Revenues in respect of the ad-hoc or final Aeronautical Charges approved by AERA for the first tariff control period (currently 5 (five) years) commencing from Phase I COD, shall be carried forward and adjusted by AERA, while determining the allowable Aeronautical Revenues in the second tariff control period, as per AERA Act and as per the guidelines issued by AERA from time to time provided such carry forward/adjustment shall be available only in respect to under recovery or over recovery of aeronautical revenue determined by AERA based on Aggregate Revenue requirement (ARR) and actual aeronautical revenue earned. For avoidance of doubt, it is clarified that any losses/profits during pre-COD shall not be considered by AERA for determination of adhoc rates/tariff for any control period.
- 3.2.7 The Preservation Costs shall be specifically excluded for the purposes of the determination of the Aeronautical Charges, to be determined by AERA.
- 3.2.8 Any expenditure on connectivity provided or any infrastructure created outside the airport fencing area (as detailed in Annex-1 Schedule - B of Concession Agreement) shall be the responsibility of State Government and expenditure incurred on such connectivity to the airport would not form part of RAB.
- 3.2.9 Notwithstanding anything contained in the Concession Agreement or any other Agreements, the inclusion of any capital expenditure in the Regulated Asset Base is subject to due diligence of AERA and the decision of AERA in this regard will be final and binding subject to AERA Act.





### 3.3 Reserved Services

3.3.1 The GOI shall, throughout the Term, provide, or cause to be provided, at the Airport, the following services (“Reserved Services”):

- (a) CNS/ATM Services;
- (b) Customs Control;
- (c) Immigration Services;
- (d) Plant Quarantine Services;
- (e) Animal Quarantine Services;
- (f) Health Services;
- (g) Meteorological Services; and
- (h) Security Services.
- (i) Any other services as may be designated by GOI from time to time.

3.3.2 The Parties recognize that the fee levied for security services and its collection and utilization thereof will be regulated in accordance with the applicable guidelines issued by Ministry of Civil Aviation from time to time.

3.3.3 The Concessionaire shall, during the drawing/designing stage, consult with the Bureau of Immigration, Department of Revenue (for customs services), Central Industrial Security Force (CISF), Ministry of Health and Family Welfare and other relevant Government agencies as suggested by Ministry of Civil Aviation. The Concessionaire shall also consult BCAS during the design stage in respect of the aviation security as per ICAO standards and NCASP. Reasonable suggestions/requests of such agencies will generally be adhered to by the Concessionaire, unless there exists an overriding reason to not be able to adhere to the suggestions and requests.

3.3.4 The Concessionaire shall at all times ensure to provide the Designated GOI Agencies with (a) such access and facilities at the Airport, and (b) the space requirements, as may be required by any or all of them to perform the Reserved Services at the Airport.

3.3.5 The Concessionaire shall not be entitled to reduce the space and facilities provided to any Designated GOI Agency at the Airport without the consent of that Designated GOI Agency.



3.3.6 In the event of any expansion, modernization or redevelopment at the Airport which involves the movement or reconfiguration of any space or facilities used by any Designated GOI Agency for the purposes of providing the Reserved Services or otherwise, the Concessionaire shall duly inform the Designated GOI Agency and the Concessionaire and that Designated GOI Agency shall discuss and agree on any change to the space requirements of that Designated GOI Agency that may be required as a result of such expansion, modernization or redevelopment at the Airport.

### 3.4 Memorandum of Understanding with GOI Agencies

3.4.1 The GOI hereby undertakes to procure the execution of the memorandum of understanding between the Concessionaire and each GOI agency/department, providing the Reserved Services hereunder, setting out the terms and conditions on which the Reserved Services shall be provided by the relevant GOI agencies/departments. In this regard, the Concessionaire shall provide free of charge, except the cost of utilities, such as electricity, water, etc., which shall be recoverable by the Concessionaire, and in accordance with Good Industry Practice, office space along with necessary office utilities for operational area to customs, security, quarantine and other designated GOI agencies, as the case may be, for discharging their statutory functions. As regards space for back office usage by the GOI agency/department, the Concessionaire shall charge at the rate of 50% (fifty per cent) of the applicable market rates.

3.4.2 The memorandum of understanding signed between the Concessionaire and the GOI agencies/department performing the Reserved Services shall give effect to and incorporate provisions of the National Civil Aviation Policy, as issued by GOI from time to time.

### 3.5 Customs, Immigration and Quarantine

The GOI shall establish, at its own cost, the customs, immigration and quarantine procedures at the Airport, in such a manner that the Key Performance Parameters of the Concessionaire are not affected for any direct cause attributable to the GOI in respect of any or all of such services. The Parties intention is to use reasonable endeavours to agree on the appropriate service level standards in respect of customs and immigration procedures and quarantine services to be ensured by GOI pursuant to this MOU and the Ministry of Civil Aviation, GOI will use its efforts to assist accordingly as and when so requested by the Concessionaire in such regard.



### 3.6 Meteorological Service

3.6.1 The GOI confirms that it shall, through Indian Meteorological Department, a Designated GOI Agency, cause to provide meteorological services at the Airport in accordance with the practices established or recommended from time to time pursuant to the Chicago Convention on Meteorological Service for International Air Navigation.

3.6.2 The functions provided by the Indian Meteorological Department, a Designated GOI Agency and the access and space provided by Concessionaire under this Clause 3.6 shall be provided as per Good Industry Practices.

### 3.7 Single Window Clearance

GOI hereby undertakes to establish a single window clearance mechanism/route by means of a single point of contact in GOI for providing assistance to the Concessionaire in liaising with the relevant agencies, authorities, departments, inspectorates, ministries under the control and direction of GOI.

### 3.8 Master Plan

GOI undertakes that in the event any modification to the Master Plan of the Airport is required, which is in deviation of the guidelines prescribed by the DGCA or any other applicable guidelines, GOI shall procure approval of the Master Plan by the appropriate authority within 30 (thirty) days of a written request from the Authority. Provided that GOI may refuse to grant such approval if such modifications are not in harmony with the overall design and environment of the Airport and / or are not conducive for the discharge of sovereign functions of any GOI department or agency.

### 3.9 Closure of scheduled commercial operations in the existing Vizag Airport

The GOI has set out a condition while granting the "Site Clearance" vide the Ministry of Civil Aviation (MoCA), GoI No. AV-20015 /111/2015/AD dated 27 January, 2016, that the scheduled commercial operations at the existing Vizag Naval Airfield (IND Dega) will be stopped once the operation of Greenfield airports at Bhogapuram starts, for a period of 30 years. Accordingly, the GOI agrees that the scheduled commercial operations at the existing Vizag Naval Airfield (IND Dega) will be stopped in accordance with the No Objection Certificate (NOC) granted by the Ministry of Civil Aviation to the State Government of Andhra Pradesh vide letter No. AV-29012/62/2021-AD dated 13.09.2022.





#### 4. JOINT CO-ORDINATION COMMITTEE

##### 4.1 Constitution of Joint Co-ordination Committee

4.1.1 In order to ensure smooth and efficient rendering of the Reserved Services, the Parties hereby undertake and agree to set up a joint co-ordination committee ("**Joint Co-ordination Committee**") consisting of the:

- (a) The Authority Representative;
- (b) The Bureau of Civil Aviation Security Representative
- (c) The CNS/ATM Services Representative;
- (d) The Customs Control Representative;
- (e) The Immigration Services Representative;
- (f) The Meteorological Services Representative;
- (g) The Security Services Representative;
- (h) The Plant Quarantine Services Representative;
- (i) The Animal Quarantine Services Representative;
- (j) The Health Services Representative and
- (k) The Concessionaires Representative.
- (l) The MoCA's Representative

4.1.2 The Joint Co-ordination Committee shall, unless otherwise agreed by the Parties to hold the meeting at a later date, meet at least once every quarter at the Airport, starting in the first instance within thirty (30) day(s) of the Effective Date.

#### 5. TERM AND TERMINATION

Subject to Clause 2 above, this MoU shall come into full force and effect from the Effective Date and shall continue to be in full force and effect unless mutually terminated by the Parties ("Term"). Provided that upon termination of the Concession Agreement in terms thereof, the Concessionaire shall cease to be a Party to this MoU and, unless the Concessionaire is substituted by the Authority with another entity, the rights and obligations of the Concessionaire under this MoU shall vest in the Authority. For the avoidance of doubt, termination of the Concession Agreement shall have no bearing on the Term.



## 6. FORCE MAJEURE

- 6.1 Any Party shall be entitled to suspend or excuse performance of its respective obligations under this MoU to the extent that it is/ they are unable to render such performance due to an event of Force Majeure.
- 6.2 Where a Party is claiming suspension of its obligations on account of Force Majeure, it shall promptly, but in no case later than seven (7) days after the occurrence of the event of Force Majeure, notify the other Parties in writing giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons for its suspension.
- 6.3 A Party claiming Force Majeure shall exercise reasonable diligence to seek to overcome the Force Majeure event and to mitigate the effects thereof on the performance of its obligations under this MoU. The Party affected shall promptly notify the other Parties as soon as the Force Majeure event has been removed and no longer prevents it from complying with the obligations, which have been suspended and shall thereafter resume compliance with such obligations as soon as possible.
- 6.4 Where a Party is prevented from exercising any rights or performing any obligations under this MoU due to an event of Force Majeure, the time for the performance of the obligations affected thereby or the exercise of any right dependent thereon, shall be extended by such additional period as corresponding to the period of pendency of the event of Force Majeure preventing and/or delaying performance, or such other period as may be agreed between the Parties.
- 6.5 Notwithstanding anything contained hereinabove, if an event of Force Majeure occurs and continues for a period of ninety (90) days, the Parties shall meet to discuss the consequences of such event of Force Majeure and the course of action to be taken to mitigate the effects thereof or to be adopted in the circumstances.

## 7. GOVERNING LAW AND DISPUTE RESOLUTION

- 7.1 This MoU (including this Clause 7) and all questions of its interpretation shall be construed in accordance with the laws of the Republic of India.
- 7.2 The Parties agree that they shall attempt to resolve through good faith consultation, disputes arising in connection with this MoU, and such consultation shall begin promptly after a Party has delivered to the other Party a written request for such consultation. Provided that if such good faith consultations have not resulted in a resolution of the dispute within sixty (60) days of such consultations having commenced, the provisions of Clause 7.2 shall apply.



### 7.3 Arbitration

- 7.3.1 Any dispute, which could not be settled by the Parties through amicable settlement (as provided for under Clause 7.2 hereinabove) shall be finally settled by arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996.
- 7.3.2 The disputes shall be referred to a tribunal comprising three (3) arbitrators. Each Party to the arbitration shall appoint one arbitrator and the two arbitrators thus appointed shall choose the third arbitrator who will act as a presiding arbitrator of the tribunal (together forming “**Arbitral Tribunal**”). In the event of failure by the either Party to appoint their arbitrator(s) or by the two arbitrators appointed by the Parties to appoint the third arbitrator, the said arbitrator(s) shall be appointed by the High Court of Delhi at New Delhi.
- 7.3.3 Such arbitration shall, unless otherwise agreeable to the Parties, be held at New Delhi, India. All proceedings of such arbitration shall be in the English language.
- 7.3.4 The decision(s) of the Arbitral Tribunal shall be final and binding on the Parties.
- 7.3.5 Subject to this Clause 7, the Courts at New Delhi shall have jurisdiction over this MoU.

## 8. MISCELLANEOUS

### 8.1 Notice

- 8.1.1 Any notice required or permitted under the terms of this MoU or required by Applicable Laws shall (unless otherwise agreed) be in writing and shall be delivered in person, sent by registered mail or air mail as appropriate, properly posted and fully prepaid in an envelope properly addressed or sent by facsimile to the respective parties as follows:

#### GOI:

**Attention:** Secretary to Ministry of Civil Aviation, Government of India

**Address:**

Rajiv Gandhi Bhavan

Safdarjung Airport

New Delhi.

**Fax No.:** 011 24602397





**Concessionaire:**

**Attention:** Chief Executive Officer

**Address:**

**GMR Visakhapatnam International Airport**

10-1-43, Flat No. 202, Second Floor,

Siripuram Fort, Siripuram,

Visakhapatnam 530003, Andhra Pradesh, India,

or to such other address or facsimile number as may from time to time be designated by notice hereunder.

8.1.2 Any such notice shall be in the English language and shall be considered to have been given at the time when actually delivered, if delivered by hand, or upon the next working day following sending by facsimile or in any other event within 3 (three) days after it was mailed in the manner hereinbefore provided

**8.2 Severability**

In the event that any, or any part of the terms, conditions or provisions contained in this MoU shall be determined by any competent authority to be invalid, unlawful or unenforceable to any extent, such terms, conditions or provisions shall, to that extent be severed from the remaining terms, conditions and provisions, which shall continue to be valid and enforceable to the fullest extent permitted by Applicable Law.

**8.3 Entire Agreement**

This MoU, together with all the Schedules hereto, represents the entire agreement and understanding between the Parties with respect to the subject matter of this MoU and supersedes any prior agreement or understanding, written or oral, that the Parties may have had.

**8.4 Amendment**

No addition, amendment or to or modification of this MoU shall be effective, unless it is in writing and signed by the Parties.

**8.5 Assignment**

Notwithstanding any change in the Applicable Law after the date hereof, which might otherwise permit the assignment of this MoU, no Party may assign this MoU or any right or



obligation arising under or pursuant to it or any benefit or interest herein. Provided however that notwithstanding the foregoing, the GOI hereby expressly agrees to transfer and novate this MoU in favour of a substitute entity selected pursuant to the terms of the Substitution Agreement or any other entity accepted by the Authority as the Concessionaire in relation to the Project.

## 8.6 No Partnership

8.6.1 This MoU shall not constitute or be interpreted to constitute a partnership between the Parties. No Party shall have any authority (unless expressly conferred in writing by virtue of this MoU or otherwise and not revoked) to bind any other Party as its agent or otherwise.

## 8.7 No Waiver

No failure on the part of GOI or the Authority to exercise, and no delay on their part in exercising, any right, power, privilege or remedy under this MoU will operate as a waiver thereof, nor will any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Unless specified otherwise, the rights, powers, privileges and remedies provided in this MoU are cumulative and not exclusive of any other rights, powers, privileges or remedies (whether provided by law or otherwise).

## 8.8 Bilaterals

Without impinging on or in any way restricting the sovereign rights of the GOI, GOI shall review requests from aeronautical authorities of foreign airlines for flying rights and seat entitlements for providing scheduled airline services at the Airport. Upon review of such requests, GOI shall consider and may enter into or amend bilateral air services agreements with such countries.

## 9. DEFENCE AND MILITARY SERVICES

9.1 The Concessionaire acknowledges and agrees that the Defence Forces shall, at all times have the right to use the Airport and all facilities thereof, without any restriction or constraint of any nature whatsoever.



9.2 Without prejudice to the provisions of Clause 9.1, the Concessionaire's obligations to the Defence Forces in respect of allocation and closure of airspace and usage of the Airport during an Emergency shall be determined by GOI from time to time, and to the extent thereof, the Concessionaire shall be relieved of its obligations to provide services to civilian users of the Airport.

9.3 Notwithstanding anything contained contrary elsewhere, the Concessionaire shall:

- (a) make the Airport and the Project Facilities available, free of cost and to the extent necessary, for meeting exigencies such as war, natural disaster/ calamities, internal disturbances etc. in accordance with the provisions of the Union War Book of the GOI;
- (b) provide uninterrupted landing and parking facilities for defence and other paramilitary aircrafts, free of landing and parking charges, and also provide the infrastructure facilities and equipment required for defence operations;
- (c) make available to the security agencies access to the Airport for periodic and surprise inspections;
- (d) obtain approval of the relevant Government Instrumentalities for hiring of foreign nationals for senior decision making positions in any position at Key Managerial Personnel;
- (e) adhere to the security measures laid down by the BCAS and DGCA;
- (f) obtain prior verification of the credentials of foreign firms to be engaged for construction, ground handling or other important activities at the Airport Site and the Airport;
- (g) obtain clearance relating to the foreign direct investment limits in the development of the Airport from concerned Government Instrumentalities, if so required, and any change in the control or ownership shall be subject to security clearance from national security angle;
- (h) ensure the requisite infrastructure for handling international passengers and crew who must pass through immigration and customs; and
- (i) ensure appropriate arrangements for health services and plant quarantine at the Airport.

9.4 The Concessionaire hereby undertakes and agrees that it shall adhere to all the terms and conditions of NOC granted by Ministry of Defence for the Bhogapuram International Airport.





IN WITNESS WHEREOF the Parties have caused this MoU to be executed by their duly authorized officers and representatives as of the day and year first above written.

Signed by

<p>For and on behalf of <b>GOI</b></p> <p></p> <p><b>Rubina Ali</b> <b>Joint Secretary</b> <b>Ministry of Civil Aviation</b></p> <p></p>	<p>Witnessed by:</p> <p></p>
<p>For and on behalf of the <b>Concessionaire</b></p> <p></p> <p><b>Manomay Rai</b> <b>Chief Executive Officer</b> <b>GMR Visakhapatnam International Airport Limited</b></p> <p></p>	<p>Witnessed by:</p> <p> <b>(RAMIT CHOUDHARY)</b></p>



## Schedule 1

### Animal Quarantine Services

#### A. *Before Arrival:*

- (i) On receipt of an application for import of the animal, all the sheds and feed stoves are thoroughly cleaned, disinfected with suitable disinfectants and also fumigated;
- (ii) All animals are transported on a suitable animal carrier, as per the standards and requirements for different species of animals;
- (iii) The animal carrier is properly disinfected one day prior to the scheduled date of arrival of animals;
- (iv) All the arrangements are made for collection of necessary samples.

#### B. *On Arrival at the Point of Entry:*

- (i) On the day of arrival and time fixed with the Importer, the Regional/Quarantine Officer and other staff reach the airport;
- (ii) The animal or the products are thoroughly examined physically;
- (iii) The veterinary certificate accompanying the animals or products is checked thoroughly to ascertain the specified health requirements;
- (iv) After ensuring that the animals are clinically healthy and the health certificates accompanying the consignment are in order, a Provisional Quarantine Clearance Certificate (Import) or Veterinary Health Certificate (Import) is issued depending on the case to the importing agency for customs clearance;
- (v) The imported live animals are brought to the quarantine station under the supervision of the Regional/Quarantine Officer;
- (vi) The animals are kept under the quarantine for 30 days or as specified in the health protocol by the Government of India for monitoring the health status of the animals;
- (vii) In case of livestock products, representative samples shall be drawn and tested in the relevant laboratories as per conditions laid down in the sanitary import permit.



Schedule 2  
CNS/ATM Services

GOI, through AAI or any other Designated GOI Agency, throughout the Term, provide or cause to be provided, at the Airport following CNS/ ATM Services, through a separate CNS/ATM agreement:

- (a) cause to be provided the CNS/ATM Services at the Airport, in accordance with the practices established or recommended from time to time pursuant to the Chicago Convention and on the same terms as applicable to similar services at other airports in India, and in compliance with the directions of DGCA;
- (b) cause to be maintained the CNS/ATM Equipment, including carrying out of periodic flight calibration and tests of the CNS/ATM Equipment;
- (c) cause to be upgraded the CNS/ATM Equipment from time to time (i) as a minimum to comply with the relevant provisions of the Civil Aviation Requirements notified by DGCA to meet the operational requirements of current traffic demand and in accordance with Applicable Laws including the relevant ICAO Documents and Annexes; and (ii) as a result of the expansion /upgradation of the Airport;
- (d) cause to be purchased at its own cost or at the cost of the Designated GOI Agency, as the case may be, the equipment required from time to time, for providing CNS/ATM Services at the Airport;
- (e) procure Meteorological Facilities for provision of CNS/ATM services at the Airport, in accordance with the practices established or recommended from time to time, pursuant to the Chicago Convention and on the same terms as AAI provides at other similar airports in India; and
- (f) cause the Designated GOI Agency empowered to control and regulate air traffic to enable movement of aircrafts on the Runway in accordance with Applicable Laws and Good Industry Practice.





**Schedule 3**  
**Customs Control**

Customs functions shall include all the sovereign functions discharged in terms of the Customs Act 1962 and the Rules, Regulations and Instructions issued from time to time, in respect of the arrival and departure of aircrafts, passengers, baggage and cargo. It includes:

- (a) Customs Control at Walkthrough channel,
- (b) Customs Control at Baggage examination counters in Green / Red Channel,
- (c) Provision of the services of the Baggage Assistant / Deputy Commissioner within the Baggage hall,
- (d) Customs Control for detained goods,
- (e) Customs Control for mis-handled baggage,
- (f) Customs Control for valuables,
- (g) Customs Control for re-shipment goods,
- (h) Customs Control for confiscated goods,
- (i) Manning by the gate Officer near Exit Gate,
- (j) Issuance of Export Certificate,
- (k) Services of relevant officials in connection with Custom's functions,
- (l) Air Intelligence Unit, and
- (m) Customs K9 Squad.

The Concessionaire shall comply with the provisions of the Customs Act, 1962 and the Rules, Regulations and Instructions issued from time to time.



**Schedule 4**  
**Health Services**

- (a) The Parties hereby record that it is the intention of the DGHS to endeavour to provide at the Airport terminal, the following services and undertake the following activities (“**Health Services**”):
- (i) Medical facilities at the Airport terminal and the cargo complex at all times during the day for the benefit of the passengers, visitors, airline staff, employees and other personnel of the GOI, the Authority, the Concessionaire and other relevant Government departments;
  - (ii) Medical officers and other DGHS personnel to be located at the Airport terminal, as decided by DGHS from time to time;
  - (iii) DGHS shall, from time to time, determine the number of staff and fix timings of medical facilities at/around the airport;
  - (iv) DGHS shall also undertake such other functions at the airport as may be directed by the Central Government from time to time.
- (b) It is clarified that in the event the DGHS does not provide all or any of the Health Services and/or the facilities mentioned in Clause (a) above, it shall have no liability of any kind whatsoever to the Concessionaire. Any such liability is hereby expressly disclaimed. The Concessionaire hereby expressly acknowledges that it shall have no recourse against the DGHS or any other government body for non-provision or partial provision of any of the Health Services or the facilities mentioned in Clause (a)(i) above.



**Schedule 5**  
**Immigration Services**

Providing immigration facilitation and service at Airport and work relating to registration of foreigners under Applicable Laws.





**Schedule 6**  
**Meteorological Services**

This include aviation weather services according to the technical provisions of the ICAO, Annex 3 and the World Meteorological Organization, as well as standards and recommended practices of India Meteorological Department (IMD) and conventions in air navigation towards the safety of aircraft operation.



## Schedule 7

### Plant Protection and Quarantine Services

#### Regulatory Functions

- (a) Inspection testing, treatment & release of imported agriculture commodities to prevent ingress of exotic pests & diseases
- (b) Visual examination & treatment of agriculture commodities meant for export
- (c) Issuance of Phyto-Sanitary Certificate for agricultural commodities meant for export
- (d) Inspection and treatment of imported wood packaging materials
- (e) Post entry quarantine inspection
- (f) Fumigation/ disinfestations/ disinfection of agricultural commodities

These functions are performed under the Destructive Insects & Pest Act, 1914 and the Plant Quarantine (regulation of import into India) Order, 2003 and its amendments to minimize risk of entry of exotic pests and diseases into the country that may render adverse impact on Indian agriculture. These practices are accepted internationally under the International Plant Protection Convention and are recognized under the Sanitary and Phyto-sanitary agreement of the WTO.



**Schedule 8**  
**Security Services**

- (a) Providing security through designated GOI Agency, in accordance with Annex 17 to Chicago Convention of ICAO, for airport operators, airlines operators, and their security agencies responsible for implementing AVSEC measures;
- (b) Ensure that designated GOI Agency and its persons implementing security controls are appropriately trained and possess all competencies required to perform their duties;
- (c) Planning and coordination of Aviation security matters;
- (d) Conducting – Surprise/Dummy checks through designated GOI Agency to test professional efficiency and alertness of security staff and mock exercises to test efficacy of Contingency Plans and operational preparedness of the various agencies.
- (e) Agreement to be entered with BCAS

