

### **POLICY ON THE SUBMISSION OF BANK GUARANTEE**

- (A) The Airline shall provide a Bank Guarantee in favour of “GMR Hyderabad International Airport Ltd.” (GHIAL) as per the format provided by GHIAL, from a Nationalized or a Commercial Bank having a branch in Hyderabad (i.e., which can be invoked in Hyderabad).
- (B) The said Bank Guarantee shall be for an amount equivalent to two (02) months of billing (as mentioned in the below table) for the facilities offered by GHIAL, including but not limited to Landing and Parking, Passenger Service Fees (PSF), Common Infrastructure Charges (CIC) and User Development Fee (UDF). The Bank guarantee provided shall have a claim period of three months from the date of its expiry.

**The quantum of the BG calculation is given below:**

<b>Nature of Charge</b>	<b>Period to be covered by Bank Guarantee / Cash Deposit</b>	<b>Basis of Computation of amount</b>
Landing and Parking Charges	Bank Guarantee - 2 Months OR Cash Deposit – 1.5 Months	For new Airline – Projected billing of next 12 months For existing Airline – Highest billing in last 12 months
PSF, CIC and UDF	Bank Guarantee - 2 Months OR Cash Deposit – 1.5 Months	For new airline – projected billing of next 12 months <b><u>with 100% seating capacity</u></b>  For existing airline – Highest billing in last 12 months

- (C) The Airline shall enhance the value of Bank Guarantee on a yearly basis as instructed by GHIAL based as detailed above. However, GHIAL at its sole option may permit the Airline to deposit 1.5 months billing in cash in lieu of the Bank Guarantee.
- (D) In the event, the Bank Guarantee is invoked by GHIAL for whatsoever reason, the Airline shall replace the BG with the amount invoked within a period of seven (07) days from such date without any demur or protest.
- (E) The Bank Guarantee shall be furnished five (05) working days prior to the date the Airline commences its operations from the Airport or such other date when the Airline avails the services and facilities offered by GHIAL.

- (F) The Bank Guarantee provided to GHIAL by the Airline shall be used as a security and GHIAL shall have the right to invoke the said Bank Guarantee in the event the Airline commits breach of any of the terms, conditions and covenants of the Airport Charges Agreement or for the non-payment of charges or if the Airline fails to renew the Bank Guarantee before its expiry during the operations of Airline at RGIA.
- (G) The Bank Guarantees have to be renewed before its expiry and the renewed Bank Guarantee should reach GHIAL before five (05) working days of the expiry of the old Bank Guarantee failing which GHIAL shall invoke the existing bank guarantee without any intimation.