



भारतीय विमानपत्तन प्राधिकरण / AIRPORTS AUTHORITY OF INDIA
कलबुरगि हवाई अड्डा – 585102 / KALABURAGI AIRPORT – 585102

Ref. No.: AAI/VOGB/COMML/2021/009

Dt. 18.06.2021

To
M/s. Coral Media
3F, Quanta Trinity Apartment
West CIT road, CIT Nagar,
Chennai

Sub: Letter of Intent to Award – License for Advertising Rights Concession to Design, Develop, Operate and Market the Advertising Opportunity in the Entire Airport Estate at Kalaburgi Airport, Kalaburgi Allotment of Office Space – Kalaburagi Airport, Kalaburagi – reg.

Sir,

1. This is with reference to e-tender (Bid No 2021_AAI_70592_2) for Exclusive Advertising Rights concession to Design, Develop, operate, Market and Maintain the Advertising Opportunity in the Entire Airport Estate at Kalaburagi Airport.
2. Airports Authority of India (AAI), is pleased to accept your tender as the highest bidder subject to compliance of all the terms & conditions stipulated in the 'RFP'.
3. The total space for Advertising Rights concession to Design, Develop, Operate, Market and Maintain the Advertising Opportunity in the Entire Estate at Kalaburagi Airport is mentioned below. The scope of concession shall be as per the provisions of the RFP.

Concession Fee shall be payable at the agreed amount as per the following:

Sl. No	Airport	Area Sq.Ft.	Rate Rs.	Total Amount Rs.
1	Kalaburagi	800	145/-	1,16,000/- +GST

4. Utility charges

The Concessionaire shall pay to the Authority or any other agency appointed by Authority in this regard, the Utility charges for use of utilities such as electricity, water' etc. in relation to each of the backup office/ go down area, service Area, Advertisement Display Location etc. comprised in the concession in accordance with this clause. Such Charges shall be paid by the Concessionaire to the Authority or any other agency appointed by the Authority in this regard, promptly and expeditiously. Such Utility charges shall be payable at the



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rate prescribed by the Authority for actual usage to be metered. After raising bills by AAI in respect of electricity/utility charges the concessionaire would be under obligation to make payments within 14 days of bill date.

5. Type of Concession

Monthly Concession Fee (MCF):

Concession fee (Licence fee) for the first concession year shall be quote offered by you for the tendered display area (i.e. Quoted rate per sqft. per month multiplied by the total advertisement display area in the RFP/tender). NIL escalation up to three years, thereafter the concession fee shall always be as per Clause 10.2.3 of RFP.

5.1 Initially, Licence fee shall be payable for 400 sqft advertisement area or actual area occupied by the licensee, whichever is higher.

5.2 On completion of two years of contract period, Licence fee shall be payable on pro-rata basis for the advertisement area whichever is higher of below three:

- i. 400 sqft advertisement area (or)
- ii. 50% of total area earmarked for Advertisement (or)
- iii. Actual area occupied by the licensee

5.3 On completion of three years of contract period Licence Fee shall be payable on pro-rata basis for the advertisement area whichever is higher of below two:

- i. 75% of total area earmarked for Advertisement (or)
- ii. Actual area occupied by the licensee'

6. Scope of Concession

6.1 The Concessionaire shall use the Advertising Locations within the Scope of Advertising Rights Concession defined in this RFP during the Concession Term. The Concessionaire shall ensure that the concept of execution of the Advertisement Rights Concession is in line with the international standards and the image envisaged for the Airport by Authority.

6.2 The approved Advertisement Locations as per approved Location Layout Plan would be physically handed over to the Concessionaire on "as is where is" basis and Authority shall not be responsible for its renovation, maintenance and up-keep from the Access Date.

6.3 Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the Concession Agreement shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall



continue to have effect in addition to its obligations under the Concession Agreement.

6.4 In order to clearly define the scope of Advertising Rights Concession an indicative list of the advertising media to be given under this RFP are set-out as follows :

The scope of advertisement shall be as per clause 1.1.1 of RFP which is at best an indicative guideline and is neither intended to suggest nor restrain the use of any form of Advertising Medium while formulating the business model/ Location Layout Plans by the Potential bidders.

6.5 **The Negative List of Advertisement Media not covered under this RFP are set-out as follows:**

- i. Advertisement on Passenger Baggage Trolleys
- ii. Sponsored development of Horticulture and Outdoor Landscaping indicating name & logo of sponsoring agency within the limitation of Authority's Policy in the matter.
- iii. Sponsored Pay & Use Toilets and Advertisements there on (as per area specified by Authority)
- iv. Government sponsored Social Advertisement (**Swatch Bharat Mission etc.**) with no commercial motives on the Advertisement Display Locations under Airport Branding Area.
- v. Welcome desk/Reception counter
- vi. Mobile/Wi-fi as a medium for any kind of advertisement/ interactivity with Airport boarding Pass, Self-Check-in Kiosk, Complaint Kiosk.
- vii. Any advertisement sites/media which is not possible to be permitted due to mandatory/statutory/operational constraints.
- viii. Duly authorized display of the bonafide licensees of the Airport.
- ix. Advertisement for medical check-up facility present in airport premises.

7. **Penal Interest on Delayed Payments:**

Airports Authority of India (AAI) shall raise bill by 10th of every month. The concessionaire has to make the payment of License Fees etc. by 25th of the same month, failing which interest on delayed payment at the rate of 9% per annum shall be charged from the due date for delay period of upto 30 days and if delay is for more than 30 days, then interest at the rate of 18% per annum shall be charged from the due date, for entire delay period. **In case, default persists on the 31st day counted from Due Date, AAI will issue a notice of dissatisfaction. After expiry of notice of dissatisfaction, if the default still persists, AAI shall be free to terminate the concession forthwith, in any case not exceeding 90th day from notice of termination.**



8. Dispute Resolution

All disputes and differences arising out of or in any way touching or concerning this Concession Agreement shall in the first place be tried by mutual consent within the definitions and interpretations provided herein within a period of thirty (30) days from the date on which the Concessionaire has sought resolution of the dispute from Authority. Failing which the matter would be sought to be referred to Dispute Resolution Committee set up by Authority on receipt of a written application from the Concessionaire outlining clearly the specific dispute. In the event of dispute remaining unresolved for forty-five (45) days after the date of written application the Concessionaire would be free to seek Arbitration under Arbitration and Conciliation Act 1996 duly amended from time to time. The Concessionaire by means of a written application can seek appointment of an Arbitrator and Authority would appoint such an Arbitrator within 30 days of receipt of the application, subject to fulfilling, the pre-requisites for appointment of the Arbitrator as laid hereunder. The Dispute Resolution Process would however cease to operate after the concessionaire seeks arbitration. It will be no bar that the Arbitrator appointed as aforesaid is or has been an employee of the Authority and the appointment of the Arbitrator will not be challenged or be open to question in any Court of Law, on this account.

Before making a reference to Dispute Resolution Committee, the licensee will have to first deposit the 50% of the disputed amount (in the form of BG (Additional Bank Guarantee with validity of minimum two years from the date of making reference to DRC, and further extendable) DD/PO/NEFT) with AAI and the consent shall be given by the licensee for acceptance of the recommendations of the Dispute Resolution Committee.

The case shall be referred to the sole Arbitrator by the Chairman/Member/ RED of the Authority, subject to the condition that the licensee shall have to deposit 50% of the disputed amount (in the form of BG (Additional Bank Guarantee with validity of minimum two years from the date of making reference, and further extendable/DD/PO/ RTGS/ NEFT) with AAI as condition precedent before making reference to the Arbitration for adjudication of dispute.

During the arbitral and Dispute resolution proceedings, the licensee(s) shall continue to pay the full amount of license fee/dues regularly as per the award/agreement and perform all covenants of the agreements.

9. Exit Clause

In the event of Concessionaire causing Unsatisfactory Performance and failing to make amends even after issuance of Notice of Dissatisfaction during the Minimum Lock In Period as defined herein, the Authority will be entitled to terminate the Concession Agreement after issuing Notice of Termination. However otherwise after the expiry of the Minimum Lock In Period both



the parties can opt for this route after serving the Notices of Dissatisfaction and Notice of Termination on each other. Termination Notice period and Lock-in period may be coterminous.

10. Payment of Monthly Concession Fee (MCF):

The payment of concession fee for the minimum area or the actual area-occupied by the licensee, whichever is higher shall commence from the concession fee commencement date. The Concessionaire has to make the payment of Monthly Concession Fee (MCF) along with applicable taxes, in respect of allotted locations to the Authority. The concessionaire is bound to remit the license fee on 25th of the current month as per concession agreement irrespective of receipt of the bills from AAI.

11. Period of License

The concession shall be for a period of (05) years commencing from the concession fee commencement date

12. Gestation Period

Gestation period will be applicable as per the provisions of the RFP.

13. Security Deposit

The details of deposition of Security Deposit based on the quoted per sq.ft. per month rate to be submitted on or before the date of execution of agreement for the respective airport is enumerated as under:

- a) Total Tendered Advt Display Area (in Sq. ft) – 800
- b) Your Financial Quote (in Rs.) per sq ft per month – 145/-
- c) Total amount (in Rs.) per month for total area: (a)x(b) – 1,16,000/-
- d) Total Amount payable in form of BG: (c) x8 – Rs 9,28,000/-

13.1 The Interest Free Security Deposit shall be deposited in the form of a Bank Guarantee (only from a scheduled commercial bank and BG from co-operative banks not acceptable) with validity upto 05 years and 6 months.

13.2 AAI reserve the right to modify the definition of security deposit and enhance the same according to prevailing AAI policies and guidelines from time to time.



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14. Completion of Formalities

The obligations and duties of the Concessionaire are as prescribed in the RFP and the Concession Agreement.

The Bidder within seven (07) days after accepting the LOIA shall submit a detailed Draft Location Layout Plan indicating specific locations, sizes, type of medium, fixing and hoisting arrangements, material specifications, illumination requirements etc. for consideration of Authority. It is further provided that the Revised Location Layout Plan after incorporating the observations of Authority which would be communicated within seven days of submission of Draft Location Layout Plan would need to be submitted back within seven (07) days of receipt of observations of Authority for final approval within the limitations of the Location Layout Plan Approval Protocol. On receipt of the Revised Location Layout Plan the Authority would approve the same at its earliest but in any case not later than the sixty (60) days from the date of LOIA within the business incubation period/access date.

15. Contract Management

The contract Management will be done at the respective Airports and the agency must pay the concession fee @ the agreed rate at Airport (including Security Deposit).

You are requested to attend the office of respective Airport Directors to sign and complete the formalities along with other required formalities as per RFP/RFP-Award/Concession Agreement provisions. Licensee shall submit the Concession Agreement on non-judicial stamp paper of Rs.100/- in the prescribed format as per RFP for execution within 30 days from the date of issue of this LOIA

16. The Bidder shall procure all Applicable Permits under Applicable Laws which are required to execute and perform the Agreement and submit copies thereof to Authority.

17. Any further correspondence in connection with this Concession for the respective Airports should normally be addressed to Airport Director, Kalaburagi Airport.

18. This letter of Intent/Award Letter along with the RFP / Corrigendum's in the tender process will form a part of the license agreement.

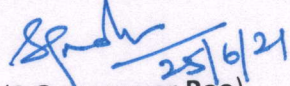


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19. Kindly return the duly signed copy of this letter as token of acknowledgement within seven (07) days from the date of issue of this letter.

Thanking You,

Yours sincerely,


25/6/21

(S Ganeswar Rao)

Airport Director

Kalaburagi Airport

विमानपत्तन निदेशक / Airport Director
भारतीय विमानपत्तन प्राधिकरण / Airports Authority of India
कलबुरगि हवाई अड्डा / Kalaburagi Airport

Copy to: The Regional Executive Director, Airports Authority of India, Southern Region, Chennai
Airport, CHENNAI - 600 027. (Kind Attn.: Jt. GM (Commercial)/SR) for information pl.

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