



भारतीय विमानपत्तन प्राधिकरण
ONE EARTH - ONE FAMILY - ONE FUTURE



भारतीय विमानपत्तन प्राधिकरण/AIRPORTS AUTHORITY OF INDIA
विशाखपट्टणम हवाईअड्डा/ VISAKHAPATNAM AIRPORT
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 & ISO 10002:2018 Certified

No.: CL-13025/1/2022-APD-SR-VIZAG/ 65.

Date: 11.05.2023
By Mail/Speedpost

To
M/s Orango Solutions,
G7-13022, Opp DC Residence Gate,
Maqbool Road, Amritsar,
Amritsar, Punjab - 143001.

Sub: Letter of Intent of Award (LOIA) for advertising rights concession to Design, Develop, Operate and Market the Advertising opportunity at Visakhapatnam International Airport.

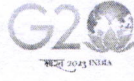
Dear Sir/Madam,

Reference is made to the proposal submitted by **M/s Orango Solutions** in response to the Request for Proposal (RFP) vide Tender ID No 2023_AAI_140935_1, for **Advertising rights concession to Design, Develop, Operate and Market the Advertising opportunity at Visakhapatnam International Airport**, for which the Technical Bid was opened on 15.02.2023 and Financial Bid was opened on 06.03.2023.

The Competent Authority is hereby pleased to award the Advertising rights concession to Design, Develop, Operate and Market the advertising opportunity at Visakhapatnam International Airport at the designated locations mentioned in the above RFP on the following broad Terms and Conditions:

1. General:

- 1.1 The selected Bidder M/s Orango Solutions shall **within 07 (seven) days of issue of this letter, return duly signed duplicate copy of the LOIA as willingness to operate the contract** and submit details of designs/drawings, layout plan and related materials for each of the location as per Chapter-4 of the RFP. In the event the duplicate copy of the LOIA duly signed by the Selected Bidder is not received by the stipulated date, Authority may, unless it consents to extension of time for submission thereof, appropriate the Earnest Money Deposit (EMD) of such Bidder as Damages on account of failure of the Selected Bidder to acknowledge the LOIA, as per clause 3.4.5 of the RFP (Tender ID No 2023_AAI_140935_1).
- 1.2 **Business Incubation Period** shall mean a period of **60 (sixty) days** from the date of issuance of LOIA to the selected bidder. The Selected Bidder agrees and undertakes that within the Business Incubation Period, or any shorter time period specified below, unless extended in writing by the Authority, it shall fulfill all of the following conditions as per Chapter-4 of the RFP (Tender ID No 2023_AAI_140935_1).



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1.3 Gross advertisement area (9606.3 sq.ft.) and locations proposed for the designated Concessioned Premises shall be as per the RFP (Tender ID No 2023_AAI_140935_1). Only bare space shall be provided by AAI.

2. Concession Term:

2.1 The Concession Term shall expire on the **Fourth (4th) anniversary** of the date of commencement of the Concession Term, as designated in the clause 5.3 of the RFP (Tender ID No 2023_AAI_140935_1), unless the Agreement is terminated earlier or extended for 1(one) more year in accordance with the terms and conditions of the RFP and Concession Agreement.

2.2 The Concessionaire will have to operate the Concession for a minimum period of **2 (two) years ("Minimum Lock in Period")**, failing which the Bidder shall be liable to be debarred for a period of three (3) years or as may be decided by the Authority from participating in any bidding process of the Authority. Apart from the debarring process, the Authority shall be entitled to forfeit and appropriate the Security Deposit.

3. Concession Fee:

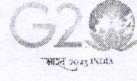
3.1 The Concessionaire shall in consideration of the concession agreement granted by Authority, pay to the Authority Concession fee as follows:

For the 1st year: 50% of the "Minimum Monthly Guarantee (MMG i.e., Rs. **28,33,858.50/-**)" or 50% of (Quoted Monthly Guarantee -QMG) of **Rs 15.71/-** (Rupees Fifteen and Seventy-One paise only) **per pax** multiplied with number of passengers whichever is higher per month plus applicable taxes and charges.

From 2nd year onwards: "Minimum Monthly Guarantee" or "Quoted Monthly Guarantee multiplied with number of passengers" (after applicable escalations) whichever is higher, per month plus applicable taxes and charges as per Chapter 1 and Chapter 5 of the RFP (Tender ID No 2023_AAI_140935_1) and Article 10 and Article 14 of the Concession Agreement.

3.2 The MMG & Quoted Rate per pax shall be escalated as per the Clause 1.1.2 (vii) of the RFP (Tender ID No 2023_AAI_140935_1) and 10.2.3 of Concession Agreement.

3.3 The Authority shall raise invoice(s) in accordance with the terms and conditions of the draft Concession Agreement by 10th of the succeeding month to which billing pertains. Irrespective of receipt of any invoice from the Authority by the Concessionaire, the Concessionaire is bound to remit the Concession Fee, Space Rent, CAM Charges etc. by the 25th day of the same month (i.e. the succeeding month to which billing pertains), failing which Penal Interest on Delayed Payments shall be levied as per Clause



एक धरती - एक परिवार - एक भविष्य
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10.5.3 of the Draft Concession Agreement of RFP (Tender ID No 2023_AAI_140935_1).

- 3.4 Concession Fee Commencement Date for each location shall mean the date on which the Gestation Period of that location has expired i.e. the 61st day from the Access Date of such location or commencement of business on that location whichever is earlier, unless extended in writing by the Authority.
- 3.5 No reduction in Concessioin Fee will be entertained by Airports Authority of India at any stage for whatever reasons.

4. SECURITY DEPOSIT:

4.1 Phase – I (1st year):

On or before the date of execution of the Concession Agreement the selected bidder shall deposit with Airports Authority of India, Security Deposit (SD) equivalent to 50% of eight (8) months' MMG of the first Concession Year, i.e. an amount of **Rs 1,33,76,000 /- (Rupees one crore thirty-three lakhs seventy-six thousand only)** with validity of four (04) years from the date of commencement of the Concession.

Phase – II (2nd to 4th year):

SD equivalent to eight (8) months of average monthly concession fee paid during the 1st concession year multiplied by 2 for 2nd to 4th concession year with validity of four (04) years from the date of commencement of the Concession, to be submitted within 60 days of completion of 1st year.

Phase – III (5th year onwards, if applicable):

SD equivalent to eight (8) months of average monthly concession fee paid during the 4th concession year, to be submitted within 60 days of completion of 4th year.

M/S Orango Solutions will have the option to deposit a single Bank Guarantee for stipulated amount or two BGs amounting to the stipulated amount to the Authority. SD may be submitted in cash also.

- 4.2 BG is to be issued by a Scheduled bank having at least a validity period of 180 days from the date of expiry of contract. The interest free Security Deposit (in the form of BG) shall only be accepted from a scheduled/nationalized bank. A Bank Guarantee from a co-operative bank shall not be accepted.

- 4.3 The Concessionaire agrees and acknowledges that the Airports Authority of India shall not be liable to pay any interest on the Security Deposit.

5. GESTATION PERIOD:

- 5.1 "Gestation Period" for each location shall mean a period commencing on the Access Date in respect of each location as part of Concessioned Premises



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- and expiring on the 60th day from Access Date of such location or commencement of business on that location whichever is earlier, unless extended in writing by the Authority.
- 5.2 The Gestation Period of **Sixty (60) days** is a Concession Fee Holiday Period. However, it is expected that the Concessionaire within this period completely installs media as per approved Concessionaire Managed Layout Plan.
- 5.3 The Concessionaire however would be permitted sample marketing during this Gestation Period and would be liable to pay the proportionate Concession Fee for the actual Concessioned Premises area put to use without having any effect on the Concession Fee Commencement Date.
6. The concessionaire can seek and, at the discretion of the Authority, may be provided additional space/premises ("Additional Concessioned Premises") subject to operational feasibility on payment of additional applicable Security Deposit and additional applicable QMG, as per terms and conditions of RFP or Concession Agreement. The provision of such Additional Concessioned Premises would however cease on or before the Concession Term expiry date.
7. Joint measurement of the total area to be conducted by AAI and the party at the time of handing over/ taking over of possession, which shall in any case not exceed beyond the prescribed period of handing/taking over of sites. This Joint measurement shall form part of the agreement.
8. **The acceptance of the above terms and conditions must be forwarded to this office within 07 days of receipt of this LOIA to show willingness to operate the contract.** In the event the duplicate copy of the LOIA duly signed by the Selected Bidder is not received by the stipulated date, Authority may, unless it consents to extension of time for submission thereof, appropriate the Earnest Money Deposit (EMD) of such Bidder as Damages on account of failure of the Selected Bidder to acknowledge the LOIA.
9. All the terms and conditions enumerated in this Letter of Intent of Award, RFP and its Corrigendum shall form part and parcel of the Concession Agreement.

कृपया प्राप्ति की पावती भेजें / Please acknowledge receipt

भवदीय/Yours Sincerely

(आदित्या रघुनंदन बु.)/(Aditya Raghunandan B.)

सहा.प्रबन्धक (वाणिज्य)/AM (Commercial)

कृते विमानपत्तन निदेशक/For Airport Director



भारतीय विमानपत्तन प्राधिकरण/AIRPORTS AUTHORITY OF INDIA
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प्रतिलिपि/Copy to:-

- क्षेत्रीय कार्यपालक निर्देशक, भाविप्रा, दक्षिणी क्षेत्र, चेन्नै
(ध्यान आकर्षण: सं.म.प्र (वाणिज्य), आरएचक्यू द.क्षे)
The Regional Executive Director, AAI, Southern Region, Chennai
(Kind Attn: JGM (Comm), RHQ, SR)

आंतरिक/Internal copy :-

1. कार्यभारी (प्रचालन)/ Operations Dept. In-charge	4. कार्यभारी (विद्युत)/ Electrical Dept. In-charge
2. कार्यभारी (सी.एन.एस.)/ CNS Dept. In-charge	5. कार्यभारी (सुरक्षा)/ Security Dept. In-charge
3. कार्यभारी (वित्त)/ F&A Dept. In-charge	6. कार्यभारी (सिविल)/ Civil Dept. In-charge

BANK DETAILS FOR RTGS

Particulars	Details
Vendors' name	AIRPORTS AUTHORITY OF INDIA
Particulars of Bank account	
Name of the Bank	STATE BANK OF INDIA
Name of the Branch	AIRPORT VISAKHAPATANAM
Address of the Branch	AIRPORTS AUTHORITY OF INDIA CIVIL ENCLAVE, VISAKHAPATNAM-530009
Account number (as appearing on the Cheque book)	00000030995490317
9-Digit code number of the Bank and Branch appearing on the MICR Cheque	530002040
Enabled for NEFT (Yes/ No) (To be confirmed from the Bank Branch)	YES
11-Digit NEFT IFS code number of the Bank Branch (to be obtained from your Bank Branch)	SBIN0010373
Type of account (current or Cash Credit) Current (code 11) Cash Credit (code 13)	CA-GEN-PUB-IND-NONRURAL-INR

Reddy

Signature Not Verified