



भारतीय विमानपत्तन प्राधिकरण AIRPORTS AUTHORITY OF INDIA

Ref:AAI/MDU/C-1A/

Dt:19-04-2023

By Speed Post/Email

To

M/s. Podhigai Ads Private Limited,
No.561, 562, No.6A,
6th Floor, Century Plaza,
Teynampet, Chennai,
Tamilnadu - 600018.

Subject: Advertising Rights Concession to Design, Develop, Operate and Market, the Advertising opportunity at Madurai Airport – Letter of Intent of Award (LOIA) – Reg.

Sir,

Reference is made to the proposal submitted by M/s. Podhigai Ads Private Limited in response to Request for Proposal (RFP) vide Tender ID: 2023-AAI_141100_1 dated 10.01.2023 for “Advertising Rights Concession to Design, Develop, Operate, and Market, the Advertising Opportunity at Madurai Airport,” for which Technical Bids opened on 01.02.2023, Financial Bids opened on 06.04.2023 and forward auction was conducted on 10.04.2023.

The Competent Authority is hereby pleased to award “Advertising Rights Concession to Design, Develop, Operate, and Market, the Advertising Opportunity at Madurai Airport” at the designated locations mentioned in the above RFP, on the following broad terms and conditions.

1. General:

The Selected Bidder M/s. Podhigai Ads Private Limited shall, within seven (07) working days of the receipt of the LOIA, sign and return the duplicate copy of the LOIA in acknowledgement thereof. 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. After acknowledgement of the LOIA as aforesaid, it shall fulfil the conditions set fourth in clause 4.2 of RFP and shall execute the Concession Agreement within the period prescribed in LOIA. The selected Bidder shall not be entitled to seek any deviation, modification or amendment in the draft Concession Agreement forming part of RFP as Appendix III.

2. Concession Term: The Concession is for a period of Seven (07) years.

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3. Concession Fee: Concession fees (Quoted rate per passenger) i.e. Rs.13.67/- (Rupees Thirteen and Sixty Seven Paise only) per pax per month OR minimum monthly guarantee (MMG) for the Month i.e. Rs.10,98,448, Whichever is higher plus applicable taxes and charges as per chapter 1 of the RFP (ID:2023-AAI_141100_1) and Article 10 and Article 14 of the concession Agreement.

The concession fee payable is as under:

- (i) For the first year: - 50% of "Minimum Monthly Guarantee (MMG)" or 50% of "Quoted rate per Passenger X Number of total passenger", whichever is higher per month plus applicable GST/Taxes.
- (ii) Second year onwards: - "Minimum Monthly Guarantee (MMG)" or "Quoted rate per Passenger X Number of total passenger", whichever is higher per month plus applicable GST/Taxes.
- (iii) The Concession fee for a part of the month shall be determined in proportion to the number of days considering the month to be thirty (30) days. However, any GST applicable with respect to the grant of right to use the Advertisement Space(s) shall be borne by the Concessionaire and shall not be deducted from the Concession Fee.
- (iv) In respect of the additional Advertisement Locations over and above the tendered area handed over at a subsequent stage, the Concession Fee applicable will be the Concession Fee applicable for Advertisement Locations handed over at the first instance. For the sake of clarity, if additional Location is handed over in the Second Concession Year, the Concession Fee applicable for such location will be the Concession Fee for Second Concession Year.
- (v) The annual escalation of license fee on both MMG and Quoted rate per passenger shall be escalated at 5% per annum, as per Article 10, Clause 10.2.3 - of the RFP (Tender ID:2023-AAI_141100_1).

The Authority shall raise an invoice to the Concessionaire for Monthly Concession Fee, Space Rent and CAM Charges, in accordance with the terms and conditions of this Agreement, by 10th of the succeeding month to which billing pertains. Irrespective of receipt of any invoice from the Authority, the Concessionaire shall be bound to remit the Monthly Concession Fee, Space Rent, CAM Charges by the 25th of the same month (i.e. the succeeding month to which billing pertains). Any delay in the aforementioned payments shall attract an interest on the delayed amounts at the rate of 9% per annum from the respective due date for up to 30 days of delay. In the event,

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the delay in payment is for more than 30 days, an interest @ 18% per annum shall be charged from the due date, for the entire delayed period. In case, the default persists on the 31st day counted from the due date, Authority shall have the right to issue a written notice notifying the Concessionaire of the default. The Authority shall be entitled to terminate the Concession after fourteen (14) working days of such written notice by issuing a Notice of Termination in accordance with Clause 19.1.1 of the Concession Agreement.

Concession Fee Commencement Date shall be from 61st day in respect of all tendered sites i.e. at the expiry of the Gestation Period of 60 days, reckoned from the Access date or a later date if notified by Authority. However, in the event of concessionaire commencing commercial exploitation of the advertisement locations as a sample marketing exercise, the concession fee shall be charged on Pro Rata basis.

No reduction in quoted rate per passenger or MMG, will be entertained by Airports Authority of India at any stage for whatever reasons.

Electricity charges: shall mean the charges for the actual usage of electricity at the rate as applicable and as may be notified by the Authority from time to time, payable by the Concessionaire to Authority or any other agency appointed by Authority in this regard.

Common Area Maintenance Charges, Utility charges shall be as per Article-14 of the RFP.

4. Security Deposit:

Concessionaire shall deposit with the Authority, an interest-free refundable security deposit ("Security Deposit") as detailed below:

Concession term	Security deposit description
1st Year	Amount equivalent to 50% of Eight (08) months' MMG of the first Concession Year i.e equivalent to Eight months of 50% of MMG amounting to Rs.51,84,675/-
2nd to 4th year	Equivalent to Eight (08) months of average monthly concession fee paid during the 1st Concession Year X 2
5th year onwards	Equivalent to Eight (08) months of average monthly concession fee paid during the 4th Concession Year

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4.1 In the first year, Security amount shall have to be deposited on or before the date of execution of this Agreement.

4.2 The Concessionaire shall have the option to deposit a single Bank Guarantee for stipulated amount or two Bank Guarantees amounting to stipulated amount at its own cost. Security amount may be deposited is Cash also. Security Deposit furnished in the form of Bank Guarantee (BG) is to be issued by a Scheduled Bank having a validity period of 180 days from the date of expiry of contract. BG from Cooperative Bank (even scheduled) or in the form of FDR is not acceptable.

4.3 The Concessionaire shall provide Security Deposit based on full concession fee from 2nd year onwards. It shall ensure that security deposit based on full concession fee is submitted within 60 days of completion of 1st year / 4th year of the concession term as the case may be as per the provisions stipulated above.

4.4 The Authority reserves the right to modify the definition of Security Deposit and enhance the same according to prevailing Authority policies and guidelines from time to time. The Security Deposit shall be interest free and the Concessionaire agrees and acknowledges that the Authority shall not be liable to pay any interest on the Security Deposit.

4.5 Failure of the Concessionaire to provide and/or maintain the Security Deposit for the prescribed amounts in accordance with the provisions hereof, shall entitle the Authority to forfeit and appropriate the Security Deposit as damages, and to terminate this Agreement in accordance with Article 19.

5. Submission of Media Plan by the Concessionaire:

a) The Selected Bidder, within Fifteen (15) days from the date of LOIA, shall submit a detailed Draft Media Plan in consonance with Location Layout Plan of the Authority, indicating therein location wise, sizes, type of medium, fixing and hoisting arrangements, material specifications, illumination requirements etc. for consideration of Authority. It is further provided that Authority shall communicate to the Selected Bidder observations, if any, on the Draft Media Plan within Ten (10) days of submission of the Draft Media Plan by the Selected Bidder. The Revised Draft Media Plan after incorporating necessary rectification/ modification in respect of the observations of Authority need to be submitted back by the Selected Bidder within Ten (10) days of receipt of observations of Authority for final approval within the limitations of the Draft Media Plan Approval Protocol. On receipt of the Revised Draft Media 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.

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b) It is provided that on receipt of Draft Media Plan of the Selected bidder, if no observation communicated by Authority within Ten (10) days from the submission of Draft Media Plan, it may be presumed that AAI has no observation in respect of the Draft Media Plan of the Selected Bidder.

c) It is further provided that if approval is not communicated by Authority to the Selected Bidder within Sixty (60) days from the date of LOIA within the business incubation period/access date, then the Draft Media Plan /Revised Draft Media Plan submitted by the Selected Bidder would be deemed to be approved.

6. Concessionaire is handed over physical possession of the Advertisement location (after completion of the contractual formalities like acceptance of LOIA, submission of security deposit, signing of agreement etc.) within the incubation period. In case the agency fails to take over the advertisement sites within 60 days of LOIA, the 61st day from LOIA shall be deemed to be the access date.

7. **Business Incubation Period** is for a period of sixty (60) days from the date of issuance of Letter of Intent to Award the Concession to the Selected Bidder. (Refer Clause 4.2.1) of the RFP (Tender ID: 2023-AAI_141100_1). The selected bidder will be under obligation during this period to complete all formalities and meet other obligations as will be specified in the LOIA by Authority.

8. Gestation period:

8.1 Gestation Period will be that of Sixty (60) days starting from the Access Date and expiring on the Concession Fee Commencement date.

8.2 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 the Advertising Hardware as per the Location Layout Plan and approved Media plan and puts in place the required marketing team to market the Advertising Product in full swing.

8.3 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 Advertisement Area put to use without having any effect on the Concession Fee Commencement date.

8.4 The Concessionaire would be entitled to a Resurrection Period of Thirty (30) days in respect of Displaced, & Withdrawn Locations which have to be resurrected at an Alternate Location from its Original Location. This resurrection period would be a Concession Fee Holiday Period on proportionate basis in respect of the affected locations only.

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9. Security Clearance: The successful tenderer shall be required to submit Security Programme (as per Format A & A1 available on BCAS website www.bcasindia.nic.in and/or www.bcasindia.gov.in) to the RDCOS office through Madurai Airport for issuance of Security Clearance / approval, for operating the facility in Security Restricted Area, **within Business incubation period.** The successful bidder also has to submit Security Programme online through e-Sahaj portal (<https://esahaj.gov.in>) and a copy of the online receipt of the application has to be forwarded to office of RDCOS through AAI along with the aforesaid documents in hardcopy. Further the Concessionaire shall submit 3 sets of the security program as per the prescribed format of BCAS for permission to operate in the Security Restricted Area.

10. The licensee shall handover the licensed premises peacefully on expiry of the license period.

11. All other terms and conditions mentioned in the original RFP and corrigendum thereon, accepted by you, shall also be applicable.

12. This award letter is part and parcel of the Concession Agreement & RFP document.

कृपया प्राप्ति की पावती भेजें / Please acknowledge receipt

भवदीय /Yours faithfully,

के.गोवर्धन रेड्डी /K. Govardhan Reddy

वरिष्ठ प्रबंधक (वाणिज्यिक) / Senior Manager (Commercial)

कृते विमानपत्तन निदेशक /For Airport Director

भा.वि.प्रा / AAI, मदुरै हवाई अड्डा / Madurai Airport

के. गोवर्धन रेड्डी / K.GOVARDHAN REDDY

वरिष्ठ प्रबंधक (वाणिज्यिक) / Senior Manager (Commercial)

भा.वि.प्रा, मदुरै हवाई अड्डा / AAI, Madurai Airport

Copy to: RED, AAI, SR- Kind Attn: JGM (Comml), AAI, SR.

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