



By -SPEED POST/E-MAIL

Date : 26.04.2023

Ref. No. : AAI/TP/CML/Advertisement/2023/403

To

M/s Khushi Advertising Ideas Pvt Ltd
4th & 5th Floor, Block-12
Magnet Corporate Park
Behind Intas, Nr. Sola flyover,
S.G Highway, Ahmedabad
Pin-380054

Sub: Letter of Intent to Award (LOIA) for “Advertising Rights Concession to Design, Develop, Operate and Market the advertising Opportunity” at Tirupati Airport, Tirupati.

Dear Sir,

Reference is made to the proposal (bid id-523062) submitted by M/s Khushi Advertising Idea Pvt Ltd in response to the Request for Proposal (RFP) vide Tender ID- 2023_AAI_142712_1 for “Advertising Rights Concession to Design, Develop, Operate and Market the advertising Opportunity” at Tirupati Airport, Tirupati for which the technical bid was opened on 21.02.2023 and financial bid was opened on 17.04.2023 followed by forward auction which was conducted on 17.04.2023.

The Competent Authority is hereby pleased to award “Advertising Rights Concession to Design, Develop, Operate and Market the advertising Opportunity” at Tirupati Airport, Tirupati at the designated locations mentioned in the above RFP on the following Terms and Conditions:

1. General:

- 1.1 The selected Bidder, M/s Khushi Advertising Idea Pvt Ltd shall within 07(seven) days of issue of this letter, return duplicate copy of the Letter of Intent to Award (LOIA) as acknowledgment of the award. M/s Khushi Advertising Idea Pvt Ltd shall submit details of designs/drawings, layout plan and related materials for each of the location within the deadlines stipulated in the RFP (Tender ID 2023_AAI_142712_1). In the event the duplicate copy of the LOIA duly signed by M/s Khushi Advertising Idea Pvt Ltd 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 M/s Khushi Advertising Idea Pvt Ltd as damage on account of failure to acknowledge the LOIA, as per RFP (Tender ID 2023_AAI_142712_1).
- 1.2 The Business incubation period shall mean a period of 60(Sixty) days from the date of issuance of LOIA to M/s Khushi Advertising Idea Pvt Ltd . M/s Khushi Advertising Idea Pvt Ltd agrees and undertakes that within the business incubation period, or any shorter time as specified in the RFP (Tender ID 2023_AAI_142712_1), unless extended in writing by the Authority, it shall fulfill all of the conditions as per the RFP(Tender ID 2023_AAI_142712_1).



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- 1.3 M/s **Khushi Advertising Idea Pvt Ltd** shall execute the concession agreement as per the provisions of the Bidding documents not later than 30(thirty) days from commencement of Business Incubation Period as per the RFP (Tender ID 2023_AAI_142712_1).
- 1.4 M/s **Khushi Advertising Idea Pvt Ltd** shall execute the Integrity Pact as per the RFP (Tender ID 2023_AAI_142712_1).
- 1.5 M/s **Khushi Advertising Idea Pvt Ltd** shall within fifteen (15) days from the date of LOIA, shall submit a Detailed Draft Media Plan in consonance with the location layout Plan as per RFP (Tender ID 2023_AAI_142712_1).
- 1.6 Gross Floor area and locations proposed for the designated Concessioned premises shall be as per the RFP (Tender ID 2023_AAI_142712_1).

2. Concession Terms:

- 2.1 The Concession term shall expire on the (07th) Seventh Anniversary from the date of commencement of the Concession Terms, as designated in the RFP (Tender ID 2023_AAI_142712_1), unless the agreement is terminated earlier in accordance with the terms and condition of the RFP and Concession Agreement.
- 2.2 The Concessionaire will have to operate the concession for a minimum period of 3 ½ (Three & a half) Years ("Minimum Lock in Period"), failing which M/s **Khushi Advertising Idea Pvt Ltd** shall be liable to be debarred for a period of 03 (three) years or as may be decided by the Authority from participating in any bidding process of the Authority. Apart of 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 (Quoted Rate per passenger) **Rs. 26.70/- (Rupee Twenty Six and Seventy Paise only)** per pax per month or (Minimum Monthly Guarantee-MMG) of **Rs. 9, 19,500/- (Rupee Nine Lakh Nineteen Thousand Five Hundred Only)**, whichever is higher per month plus applicable taxes and charges as per the RFP (Tender ID 2023_AAI_142712_1) and the Concession Agreement.
 - 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.

विमानपत्तन निदेशक / Airport Director

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- 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 sub sequent 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
- 3.2 Both MMG and Quoted rate per pax. shall be escalated as per the RFP (Tender ID 2023_AAI_142712_1), read along with its insertion issued vide Corrigendum.
- 3.3 The Authority shall raise invoice(s) in accordance with the terms and conditions of the draft Concession Agreement by 10th of every month. Irrespective of the date of Authority raising an invoice or receipt of the invoice 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, failing which Penal Interest on Delayed Payment shall be levied as per the RFP (Tender ID 2023_AAI_142712_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 MMG and Quoted rate per pax will be entertained by Airports Authority of India as any stage for whatever reasons.

4. Security Deposit:

- 4.1 Concessionaire shall deposit with the Authority, an interest free refundable 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 SD amounting to Rs.43,40,040/-
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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As per provisions of RFP (Tender ID 2023_AAI_142712_1); In the first year, Security amount shall have to be deposited on or before the date of execution of this Agreement on or before the date of execution of the concession Agreement M/s Khushi Advertising Idea Pvt Ltd.

- 4.2 M/s Khushi Advertising Idea Pvt Ltd 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 M/s Khushi Advertising Idea Pvt Ltd 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 M/s Khushi Advertising Idea Pvt Ltd 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 and expiring on the 61st 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 outlets as per approved Concessionaire managed Location 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.
 - 5.4 The Concessionaire however would not entitled any Resurrection Period, If the relocation of an Original Location to an Alternate Location has been permitted by the Authority upon the written request made by the Concessionaire.
6. The Concessionaire agrees and acknowledges that it shall not be entitled for any additional area ("Additional Location s")), apart from the Original Locations, granted to the Concessionaire under the terms and provisions of the RFP (Tender id 2023_AAI_142712_1).
 7. In addition, all terms and conditions enumerated in the RFP (Tender ID 2023_AAI_142712_1) and the Draft Concession Agreement and it's Corrigendum shall form part and parcle of the Letter of Intent to Award (LOIA)

विमानपत्तन निदेशक / Airport Director

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8. The acceptance of the above terms and conditions must be forwarded to this office within 07 (Seven) days of the receipt of this LOIA. In the event the duplicate copy of the LOIA duly signed by M/s Khushi Advertising Idea Pvt Ltd is not received by the stipulated date, then as per RFP (Tender ID 2023_AAI_142712_1), Airports Authority of India may, unless its consents to extension of time for submission thereof, appropriate the Earnest Money Deposit (EMD) by M/s Khushi Advertising Idea Pvt Ltd as demurrage on account of failure of M/s Khushi Advertising Idea Pvt Ltd to acknowledge the LOIA.

Thanking you,

Yours faithfully,


26/04/23

(M. Raja Kishore)

विमानपत्तन निदेशक / Airport Director
आयुक्त, विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA
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रेनिगुन्टा / RENIGUNTA-517 520

Copy to :

The Regional Executive Director (SR) AAI, Operational Offices Complex, Chennai Airport, Chennai-600016 [Kind Attn : Smt. T.S. Subha Lakshmi , JGM(Comml)].

Internal Copy to :

Jt.GM (Electrical)/ DGM (Civil) /DGM(OPS)/ AGM (CNS) / CSO/ Mgr(F&A), OSD to APD, Tirupati Airport, Tirupati.

DC, CISF Tirupati Airport