

F.No. CL-13024/26/2022-APD-CHENNAI/1410-1417

18.04.2023

M/s.H.R.Sons,  
89,Lazarus Complex,  
Avadanam Papiers Road,  
Choolai, Chennai – 600 112.

**By Speed Post / Email**

**Subject:** Award of Short-Term License to Operate Khadi Products and Stationaries Shop in Domestic Terminal at Chennai Airport - 06 months extendable by 06 months or finalization of regular tender, whichever is earlier-Reg.

**Reference:** Notice Inviting E-Tender (NIT) with Tender Id no. 2023\_AAI\_146349\_1 dated 21.02.2023.

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Sir,

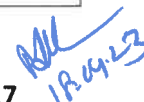
Reference is made to your bid against the tender inviting notice floated by AAI Chennai Airport on the above subject in CPP Portal on 21.02.2023 with Tender ID No. 2023\_AAI\_146349\_1.

The Technical and Financial bid of the subject tender were opened on 14.03.2023 and 06.04.2023 respectively wherein you have emerged as the H1 bidder. In this regard, approval of the Competent Authority is hereby conveyed to grant the subject license in your favour as per the following terms and conditions: -

|   |                      |                                                                                                                                                                                                                                                        |
|---|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | License              | License to Operate Khadi Products and Stationaries Shop in Domestic Terminal at Chennai Airport - 06 months extendable by 06 months or finalization of regular tender, whichever is earlier.<br>[Please refer Annexure I for List of permitted items]. |
| 2 | Location             | Area admg. <b>17.55 sqm</b> in the Domestic Terminal. (Please refer Annexure I below.)                                                                                                                                                                 |
| 3 | Period of concession | <b>06 (Six) Months</b> extendable by another <b>06 (Six) months</b> or finalization of regular tender whichever is earlier.                                                                                                                            |
| 4 | Conditions of award  | All formalities/conditions of award as specified herein are to be completed in the order mentioned herein below:<br><br>a) Payment of outstanding dues at all AAI controlled airports pertaining to the period till the date of issuance of LOIA.      |

18/04/23

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|---|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |                                         | <p>b) Acceptance of the offer within <b>seven (07) days</b> from the date of issuance of the LOIA. The acceptance letter must declare the clearance of all outstanding dues as mentioned above.</p> <p>c) Payment of advance license fee for one month within <b>Fifteen (15) days</b> from the date of issuance of the LOIA.</p> <p>d) Payment of Security Deposit as specified in para-8 within <b>Fifteen (15) days</b> from the date of issuance of LOIA.</p> <p>e) Execution of the Agreement within <b>Fifteen (15) days</b> from the date of issuance of LOIA on stamp paper of Rs.100/-</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 5 | Handing over of sites                   | Being the existing licensee at the same location, the site is already occupied by M/s. H R Sons., No separate handing over will be made.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6 | Gestation period                        | <p><b>No gestation period is permitted since the award of the concession/license is in favour of the exiting licensee in the same place i.e., same area as well as location.</b></p> <p><b>Accordingly, this contract will be effective from 18.04.2023 onwards.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 7 | License fee                             | <ol style="list-style-type: none"> <li><b>Rs. 8,20,000/-</b> (Rupees Eight Lakhs and Twenty Thousand only) or <b>30%</b> revenue share whichever is higher plus applicable taxes.</li> <li>Utility/Facilitation Charges at 10% of normal space rent for allotted space as notified by AAI from time to time (For the financial year 2023-24 the space rent charges will be Rs. 3470/- Per Sqm Per Month for A/C space. Further from 01.04.2024 the rates are subject to annual escalation @ 7.5% compounding on 1st April of every year or as may be notified by AAI from time to time).</li> <li>All applicable Government Taxes including GST (presently at the rate of 18%) or at the rates declared by Government of India or State Government from time to time.</li> <li>Charges for the consumption of the electricity and water consumed for the purpose of use of the said license as becomes due and payable and in accordance with the directions of the Authority and at the rates as fixed by AAI from time to time.</li> </ol> |
| 8 | Security Deposit (Non-Interest Bearing) | <b>Rs. 29,24,000 /-</b> (Rupees Twenty-Nine Lakhs and Twenty-Four Thousand only) towards License Fee, Utility Charges etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



|    |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                     | <p><b>Rs. 4,96,000/- (Rupees Four Lakhs and Ninety-Six Thousand Only)</b> towards security deposit in respect of electricity charges.</p> <p><b>Total =Rs.34,20,000/-</b> (Rupees Thirty-Four Lakhs and Twenty Thousand Only).</p> <p><b>Mode:</b> RTGS/NEFT/Bank Guarantee. If Bank Guarantee is submitted, bank guarantee should be from a nationalised/scheduled bank. Bank guarantee from co-operative banks, even scheduled co-operative banks, shall not be acceptable.</p> |
| 9  | Advance license fee | <b>Rs.9,74,786/- (Rupees Nine Lakhs Seventy-Four Thousand Seven Hundred and Eighty-Six Only).</b>                                                                                                                                                                                                                                                                                                                                                                                 |
| 10 | License agreement   | Execution of license agreement (as per NIT) on stamp paper of Rs.100/-. All related costs to be borne by the licensee.                                                                                                                                                                                                                                                                                                                                                            |

#### **OTHER TERMS AND CONDITIONS**

1. Please note that non-acceptance of award or non-completion of the above formalities within the time stipulated herein may result **in forfeiture of Earnest Money Deposit and/or debarment for further participation in the tenders at AAI airports or at any other place in control of AAI for a period of one (01) year.**
2. The licensee has to ensure security compliances etc., within the business incubation period itself. The licensee has to apply for BCAS Security Clearance through online in the website <https://esahaj.gov.in> as an concessionaire. Hence, the licensee has to submit the required document as per the BCAS requirement and to get the clearance. After obtaining clearance the agency should ensure to submit Security Programme.
3. The licensee has to ensure that the Police Verification / Antecedents verification for their employees as per the guidelines of BCAS is available before applying for Airport Entry Permit in favour of their employees. Charges applicable for issue of Airport Entry Permit shall be borne by the licensee.
4. The entities who have already obtained Security Clearance for their operations in other region(s), should intimate RO, BCAS, Chennai accordingly duly enclosing 1) Intimation letter regarding establishing their business in Chennai Airport, 2) Security Clearance issued by BCAS, HQ, 3) Provisional security Clearance(s) issued by RO, BCAS of other Region(s), 4) Written Contract Agreement by Jt.GM (Commercial),AAI Chennai. 5) Authorized Signatory for Chennai Airport and 6) Security programme for Chennai Airport.

5. Failure to comply with any of the above instructions will entail suspension or withdrawal of TAEP/AEP issued.
6. The above points are not exhaustive and the updation/ addition/ omission if any will be appraised from time to time
7. AAI reserves the right to amend this LOIA by subsequent letters.
8. All the above conditions, General terms and conditions in Annexure II herein and all other terms and conditions as per NIT, shall form part and parcel of the agreement.
9. Acceptance of the award may be conveyed by signing and submitting a copy of this LOIA to AAI within 07 days.

Thanking you,

Yours Sincerely,  
Sd/-  
(M. SELVANAYAGAM)  
Jt. GM (Commercial)  
For Airport Director

**N.O.O**

C.C

ED(Commercial),AAI, CHQ, New Delhi- For Kind Information please.

Internal

GM(Ops) / GM (F&A) / GM (E-E) / JGM (E-C) / / DGM (Fire) -- For kind information please.

CSO- For information and onward submission of a copy to BCAS, Chennai Please

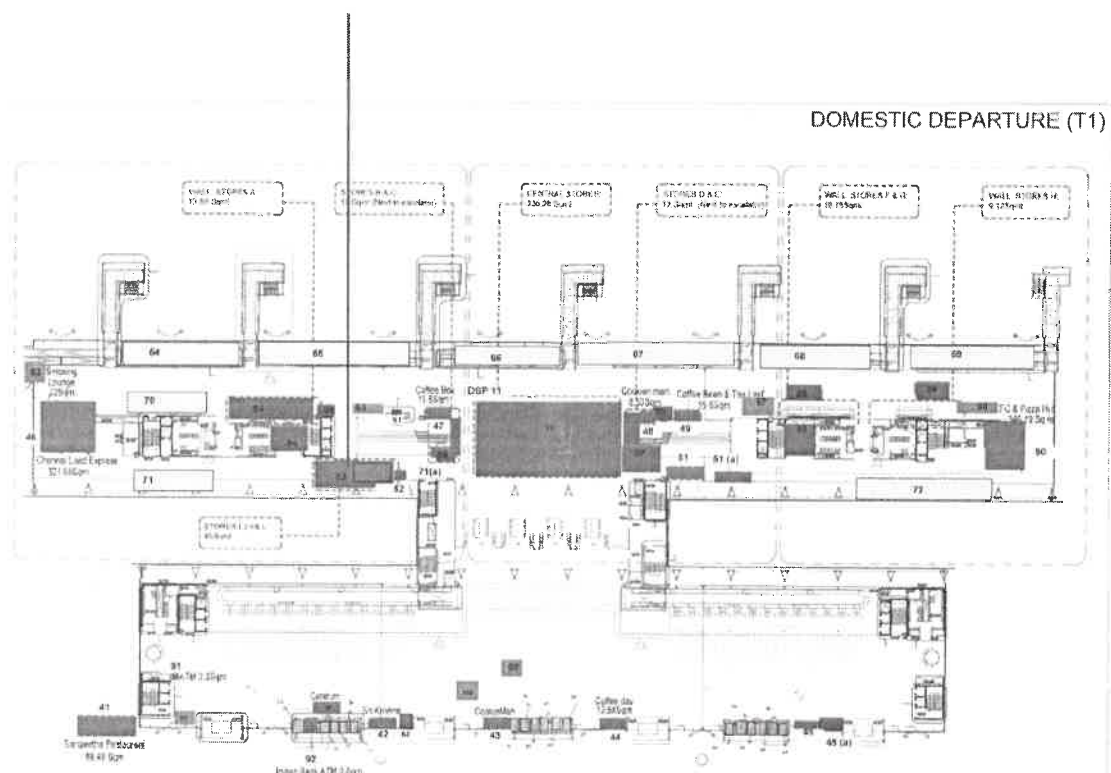
  
(M.Selvanayagam)  
Jt.GM(Commercial)

## Annexure I

Location: Domestic Departure

1. Area Allotted: 17.55 Sqm
2. Location : Dom SHA
3. Location Ref. No: 53

### Tentative Location



### **Tentative List of Permitted Items Under the License**

**Stationary, Men's Clothing, Ceramics, Show -Pieces.**

**Note:**

**It is hereby informed that all the items sold in the outlet should conform to the Government Standards viz. ISI by BIS etc. Any violation will attract termination of contract.**

18.04.23

## Annexure-II

### GENERAL TERMS AND CONDITIONS

The Authority hereby covenants with the licensee as follows:

- (1) The Licensee, his servants and agents shall be entitled to use all ways, paths and passages as may from times to time be maintained on the said airport ground subject to such rules and regulations as may be imposed by the lawful authorities of the airport ground.
- (2) The Licensee paying the license fee and performing the covenants herein contained and, on his part, to be performed shall and may peacefully possess and enjoy the premises with the use of the ways, paths and passages as aforesaid during the said term without any lawful interruption from or by the Authority or any person claiming under the Authority.
- (3) Either party, AAI on one part or the licensee on the other party can serve the notice for termination by giving **30 days**.
- (4) Any notice required to be served on the licensee under this agreement shall be deemed to have been served if delivered at or sent by registered post to his last known address or to his authorized representative or agent. Similarly, any notice to be given to the Authority under this agreement shall be deemed to have been served if delivered at or sent by registered post to the Authority.
  - a. The period of notice given under this Agreement will count from the date of receipt of notice by either side.
- (5) Subject as herein before otherwise provided, all notices to be given on behalf of the Authority and all other actions to be taken on behalf of the Authority, may be given or taken on behalf of the Authority by the Airport Director of the Airport or by any other officer for the time being authorized by or entrusted with the functions, duties and powers of the said Airport Director, in respect of the Airport under his charge.
- (6) (a) The Licensee shall not, unless with the written consent of the Authority, create a subcontract of any description with regard to this license or any part thereof, nor shall be without such written consent as aforesaid, assign or transfer his license or any part thereof.
  - (b) The Licensee shall use the premises only for the purpose indicated in this agreement and for no other purpose whatsoever.
- (7) The Licensee his agents and servants shall observe, perform and comply with all rules and regulations of the shop and Establishment Act, Factories Act, Industrial Disputes Act, Minimum Wages Act and the provisions of any statutory law applicable to the licensee including any rules and regulations made by the Authority, Civil Aviation Department or any other Department of government and or local body or Administration in force from time to time and to the business which the licensee is allowed to carry on under this agreement and to the area in which the said premises are located.

- (8) (a) The Licensee shall indemnify the Authority from/against any claims made or damages suffered by the Authority by reason of any default on the part of the licensee in the due observance and performance of the provisions of any law which may be related to the purpose of this agreement and to the area in which premises are located.
- (b) The Authority shall not be responsible in any way for loss or damage by any means causes to the licensee's stock or property.
- (9) The Licensee shall at his own cost maintain the premises in a proper state of cleanliness and abide by such directions as may be given by the Authority and such other departments as may be entrusted by the rules and regulations with the works of inspection and enforcement about the conditions of sanitation, cleanliness and hygiene. If the premises is not maintained in reasonably clean condition by the licensee, Airport Director shall have powers to get the premises cleaned at the risk & cost of the licensee and recover liquidated damages at the rate of Rs.500/- per day for each default up to 07 days & thereafter Rs.1000/- per day and can take other actions including termination of the licence.

In addition to the above, the following penalties shall be applicable:

| <b>SI. No.</b> | <b>Offence/violation</b>                                                                                                   | <b>Penalty in (Rs)</b> |
|----------------|----------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1.             | Smoking in public area except where designated smoking chambers or areas are established.                                  | 300                    |
| 2.             | Spitting in airport premises.                                                                                              | 300                    |
| 3.             | Misuse of passenger baggage trolley.                                                                                       | 300                    |
| 4.             | Using language likely to cause offence /annoyance.                                                                         | 500                    |
| 5.             | Throwing loose papers, plastic cups or glass etc. in airport premises.                                                     | 300                    |
| 6.             | Non-display of Photo Identity Cards while entering in to or being in the terminal or operational area.                     | 300                    |
| 7.             | Transportation of overloaded airline baggage containers in operational area.                                               | 400                    |
| 8.             | Vehicle/ equipment operating without anti-collision light/ obstruction inside operational area.                            | 400                    |
| 9.             | Parking of vehicle/ equipment in no parking area on Kerb side and city side including approach road within airport premise | 500                    |
| 10.            | Un-authorized entry into terminal building or operational area.                                                            | 500                    |
| 11.            | Rash driving/over speeding in operational area.                                                                            | 500                    |
| 12.            | Driving in operational area while being in a state of intoxication.                                                        | 500                    |
| 13.            | Causing public inconvenience, unruly behaviour or creating nuisance in public area.                                        | 500                    |

|     |                                                                                                                                                                                                                    |     |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 14. | Organizing or taking part in any public assembly, demonstration, dharnas or procession likely to obstruct or interfere with proper use or orderly functioning of airport                                           | 500 |
| 15. | Display of banners, flags, posters, emblems or write slogans in or around terminal.                                                                                                                                | 500 |
| 16. | Obstruction of authorized persons in the discharge of his or her duties.                                                                                                                                           | 500 |
| 17. | Dumping garbage in operational area.                                                                                                                                                                               | 400 |
| 18. | Vehicle/ equipment left unattended in operational area outside designated parking area/hard stand for ground support equipment/vehicles.                                                                           | 500 |
| 19. | Vehicle/equipment not following vehicular lanes on Apron.                                                                                                                                                          | 500 |
| 20. | Vehicle/equipment person obstructing aircraft movement.                                                                                                                                                            | 500 |
| 21. | Crossing/operating vehicle/ equipment close to active runway/ taxiway without permission.                                                                                                                          | 500 |
| 22. | Vehicle/ equipment operation in the operational area without permit (ADP)                                                                                                                                          | 500 |
| 23. | Damage, display, deface or alter any building structure or other property of AAI whether movable or immovable. Besides penalty, action to be taken to recover the loss from the defaulter or his/her organization. | 500 |
| 24. | Photography and film shooting/ videography at airport without permission.                                                                                                                                          | 500 |
| 25. | Commercial activities at airport without permission.                                                                                                                                                               | 500 |

(10) The licensee shall comply with the requirements of all standard health clauses including those given below:

- a. The Airport Health Officer/ Medical Officer of AAI or persons authorized by them may without notice, enter the premises any time and inspect the premises, materials, instruments and implements etc. used by the licensee.
- b. All instructions given by the Airport Health Officer/Medical Officer of AAI or any persons authorized by them in the maintenance of public health of the Airport including sanitation control prevention of infectious diseases, control and prevention of nuisance from insects, rodents or any other source shall be carried out by them and his agent and servants.
- c. The licensee shall notify to the Airport Health Officer whenever any person working under him is suffering or suspected to be suffering or convalescing from any infectious disease. The Airport Health Officer may medically inspect the said person or any person who is suspected to have been in contact with the person and take any precautionary and preventive measures considered necessary.
- d. The licensee his agents and servants shall not without consent of the Airport Health Officer, interfere with injure, destroy or render useless any work executed

or any materials or things placed in, under or upon any land or building by or under the orders of the Airport Health Office with the object of preventing the breeding or entry of mosquitoes or maintenance of sanitation.

- e. The licensee, his agents and servants shall not abuse the water sources, and drainage facilities in the airport area so as to create a nuisance or in sanitary situation prejudicial to public health.
  - f. In the event of any default, failure, negligence or breach in the opinion of the Authority, on the part of the licensee in complying with either of these conditions specified in the foregoing sub-clause (a) to (c), the Authority will be entitled and be at liberty to determine the licensee forthwith and resume a possession of the premises without payment of any compensation or damages and forfeit in full or in part the amount deposited by the licensee for due performance of the agreement.
- (11) The licensee shall employ only such servants as shall have good character and as well behaved and skillful in their business. He shall furnish the Authority in writing with the names, parentage, age, residence and specimen signature or thumb impression of all servants whom he proposes to employ for the purpose of this agreement before they are so employed and the Authority shall be at liberty to forbid the employment of any person whom it may consider undesirable. The servants employed by him shall be under the general discipline of the Authority and shall confirm to such directions as may be issued by the Authority in respect of point or routes of entry to and exit from the premises and in respect of the use of toilet and wash rooms. He shall also have the character of all persons employed by him verified by the police to the satisfaction of the Authority, before the employment.
- (12) (a) The licensee would be required to install adequate number (as may be determined by Fire Officer or any other officer of AAI depending upon the area of the licensed premises) of minimum a 2.5 kg CO<sub>2</sub> fire extinguisher in the licensed premises at his cost before commencement of business.
- (b) No wooden partition / inflammable material shall be permitted in the licensed premises. The material to be used for partition / fabrication of the shop / office premises shall be as per the specification given by AAI and to be got approved by AAI in advance.
- (c) Licensee shall not use a naked light or cause or permit any such light to be used in the licensed premises.
- (13) The licensee shall not damage the premises for any part of the Airport premises and in the event of any damage being caused to the same intentionally or otherwise, by the licensee, or his employees or invitees or customers, the Authority shall be entitled to repair the damage or make the requisite replacement and call upon the licensee to replacement and call upon the licensee to reimburse cost thereof which the licensee undertakes to pay forthwith on demand.
- (14) The licensee shall not store or bring or keep in the premises heavy articles so as to injure or damage the premises or keep goods of combustible or inflammable nature unless required for executing the license.

- (15) (a) The licensee shall not use electrical heater, toaster and other allied appliances in the premises for preparation of tea, coffee and for heating of food etc. unless specifically provided under the agreement to perform contractual obligations.
- (b) The licensee hereby agrees to provide necessary training to the employees posted in the licensed premises for handling fires extinguisher as provided in the terminal/licensed premises.
- (c) The licensee will, during the continuance of this license insure against any claim for workmen's compensation or otherwise of all persons employed by him in connection with his business to be carried on as aforesaid with such insurance company as the Authority shall approve of and shall produce for inspection on demand by the Authority all policies in respect thereof and the receipts from time to time for current premium.
- (16) In the case of such breach of the terms of this license as minor offences and complaints coming to its notice for which in the opinion of the Authority this agreement need not be terminated, the Authority may at its discretion recover compensation from the licensee up to the limit of the Security deposit of the licensee. The decision of the Authority in this respect will be final and binding on the licensee.
- (17) The licensee shall not hold or permit to be held any public or private auction in the licensed premises.
- (18) The Licensee shall sell articles in the premises at prices which shall be marked on the articles or on tags attached thereto and it shall not be in excess of the retail prices/fair prices fixed by the manufacturers or Government or any other local authority whichever is lower or controlled price in case such case controlled price has been fixed by any authority and in all other cases, not exceeding the reasonable market rates for similar goods. The Authority can after giving reasonable opportunity to the Licensee to show cause, itself fix the price of any article or articles, if, in its opinion, the prices charged are unreasonable or exorbitant and thereupon the Licensee shall sell only at the price so fixed by the Authority and he/she shall also be liable to refund to any customers any amount in excess paid by such customer for any articles in excess of the price so fixed.
- (19) It shall be obligatory for the licensee to keep in stock and in case they are intended for distribution, distribute the same and display, literature, produced and released by the Publications Division of Government of India and/or Tourism Department of the Central Government or of the State Government within whose jurisdiction the Airport is situated on such terms and conditions as may be fixed by the said Publications Divisions or said Tourist Department.
- (20) The licensee shall not stock, sell, display, exhibit for sale any books, magazines, newspapers or periodicals, statues, idols or other articles which are repugnant to morals or indecent and immoral, improper or otherwise objectionable in character, it being expressly agreed that the decision of the Authority shall be conclusive in this behalf and absolutely binding on the licensee and shall not be subject to any dispute or review. Apart from any other legal / disciplinary action, the licensee shall immediately remove such book, journal or articles from premises, if, as decided by the Authority it is objectionable in any manner to keep, exhibit or sell the same.
- (21) The licensee shall maintain a complaint book in a prominent place in the premises and in such a way that it is easily accessible to any person who wishes to record any

complaint and the said book shall be open for inspection fortnightly by the Airport Director of the Authority or his authorized representative.

- (22) If because of any strike or lock-out in the Airport or in any airline, the licensee is unable to function or his business is affected, the Authority shall not be liable for any loss which the licensee may suffer in such an event. However, rebate in the licence fee due to ban on visitor entry at the airport and due to natural calamities and due to declaration of the closure of the airport for total operation shall be granted as per the merit of the case and policy laid down by AAI from time to time.
- (23) In the event of the Licensee being prohibited from selling one or more articles in the premises because of Government Laws/Rules/Regulations/Orders, the Authority shall not be liable for any loss suffered by the Licensee in such an event the Licensee shall not be entitled to any reduction in the fees payable to the Authority or permission for sale of additional items.
- (24) The Licensee shall deposit duplicate keys of the premises with the Authority whenever the Airport Director Demands and permit the Authority to make use of the keys during the emergency. The licensee shall not remove or replace the lock on the outer door or change the locking device on the said outer door of the shop.
- (25) The Authority do not recognize any Association of the Traders and in case any negotiation / bargain necessary with regard to the clarification of the terms and conditions of the licence or modification thereof such negotiations should be sought by the licensee alone and no collective representation / bargaining will be entertained.
- (26) On expiry of the licence period or on termination of the licence by the Airport Authority on account of any breach on the part of the licensee, the licensee shall deliver the possession of the premises in good condition and in peaceful manner along with furniture, fittings, equipment and installations, if any, provided by the Authority. Further, licensee shall remove his / their goods and other materials from the premises immediately, failing which Authority reserve its right to remove such goods / materials at the cost & risk of the Licensee and demand payment for such removal. If such payment is not made within 10 days, Authority shall be at liberty to dispose off the goods / materials of the Licensee by public auction to recover the cost. The licensee shall not be entitled to raise any objection in such an eventuality.

After the contract expires, the concessionaire shall stop business and shall be given a maximum of 07 days to vacate the premises (after settlement of dues). The onus of clearing all the dues and vacating the premises within 07 days lies on the licensee. If the agency fails to vacate the premises within 07 days of expiry of contract, twice of normal notified space rent of that area shall be charged from date of expiry to the date of vacation.

If agency fails to vacate even after 15 days, the agency ceases to claim any ownership of the un-cleared materials. AAI shall make arrangements to remove the leftovers and charge the costs incurred to the agency/adjusted from available SD along with outstanding dues if any. Taking over document has to be signed after clearance of premises by the concessionaire.

- (27) The license herewith granted shall not be construed in any way as giving or creating any other right or interest in the said space / building(s)/ land/ garden/ tank/ premises to

or in favour of the licensee but shall be construed to be only as a license in terms and conditions herein contained.

- (28) The Authority, its servants and agents shall at all times have the absolute right of entry into the said premises.
- (29) The provision of the Airports Authority of India Act, 1994 as amended by Act 2003 and the rules framed there under (Chapter VA – Eviction of Unauthorized Occupants etc. of Airport Premises) which are now in force or which may hereafter come in force shall be applicable for all matters provided in the said Act.
- (30) All disputes and differences arising out of or in any way touching or concerning this Agreement (except those the decision whereof is otherwise herein before expressly provided for or to which the AAI ACT, 1994 and the rules framed there-under which are now enforce or which may here-after come into force are applicable), shall, in the first instance, be referred to a Dispute Resolution Committee (DRC) setup at the airports, for which a written application should be obtained from the party and the points clearly spelt out. In case the dispute is not resolved within 45 days of reference, then the case shall be referred to the sole arbitration of a person to be appointed by the Chairman / Member/ RED of the Authority. The award of the arbitrator so appointed shall be final and binding on the parties. The Arbitration & Conciliation Act 1996 as amended up to date shall be applicable. Once the arbitration clause has been invoked, the DRC process will cease to be operative. 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 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 to DRC, 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.
- (31) It would be the responsibility of the licensee to obtain all necessary security clearance from BCAS/any other regulatory agency as required.
- (32) In case of any dispute where legal action is compelled to be initiated by any of the party, jurisdiction of the court shall be the city / town / district where the airport is located.
- (33) The Temporary Aerodrome Entry Permit (TAEP) initially for a period of 30 days will be issued by Airport Director, Airports Authority of India (AAI)/ respective Airport operators, with whom the entity entered into written agreement, following the due procedures, to commence business inside the Airport.
- (34) **Immediately thereafter, formalities to comply with the instructions of BCAS i.e., obtaining Provisional Security Clearance/ Security Clearance through e-sahaj portal and submission of Security Programme, are to be**

**strictly adhered to. Necessary assistance/ guidelines, if required may be obtained from the Airport Operator/BCAS in this regard. The above are mandatory requirements for continuing business in the Airport Premises.**

- (35) The entities who have already obtained Security Clearance for their operations in other region(s), should intimate RO, BCAS, Chennai accordingly duly enclosing 1) Intimation letter regarding establishing their business in Chennai Airport, 2) Security Clearance issued by BCAS, HQ, 3) Provisional security Clearance(s) issued by RO, BCAS of other Region(s), 4) Written Contract Agreement by Airport Director, Chennai. 5) Authorized Signatory for Chennai Airport and 6) Security programme for Chennai Airport.**
- (36) Failure to comply with any of the above instructions will entail suspension or withdrawal of TAEP/AEP issued.
- (37) The above points are not exhaustive and the updation/ addition/ omission if any will be appraised from time to time.

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**FORM OF BANK GUARANTEE**

***(To be executed on Non-Judicial Stamp Paper of Rs.200/-)***

WHEREAS by a License Agreement dated \_\_\_\_\_ made between AIRPORTS AUTHORITY OF INDIA, the Licensor (hereinafter called "the AUTHORITY") of the one part and

\_\_\_\_\_ (hereinafter referred to as "the Licensee") of the other part, the Authority has granted to the Licensee the license for operating the \_\_\_\_\_ (complete name and place of work) and the License Fee and Royalty and other charges and for the due and performance of the covenants and conditions as stated or contained in the said License Agreement.

1. Now therefore in consideration of the promises aforesaid and at the request of the licensee we, \_\_\_\_\_ do, hereby irrevocably and unconditionally undertake to pay to you, the Authority on demand and without demur or protest and without reference to the Licensee, any sums of money at any time or from time to time demanded by the Authority on account of the License Fee and Royalty and other outstanding dues/ charges due from the Licensee (inclusive of any costs or expenses and interest) and or by way of losses and damages caused or that would be caused to the Authority by reason of any breach by the Licensee of any of the terms or conditions of the said License Agreement and AAI shall we sole judge for this demand: PROVIDED that our liability under this Guarantee shall be limited to a sum of (Rupees...../USD.....) and extended for the amount increased from time to time as aforesaid.
2. Notwithstanding any right the Licensee may have against the Authority or any dispute raised by the Licensee or any suit or proceedings pending in any Court /Tribunal/ any statutory authorities relating thereto or before any Arbitrator(s), your written demand stating that the amount is due to the Authority as stated herein above shall be conclusive evidence to us that the amount demanded by you, the Authority is payable under the terms of the said License Agreement without any consent or knowledge of the licensee.
3. We shall not be discharged or released from the aforesaid undertaking and guarantee by any variation(s) or any of the terms & conditions of the said License Agreement made between the Authority and the Licensee and or any act of omission on part of AAI or any indulgence to the Licensee by the Authority or any forbearance whether as to payment, time performance or otherwise or to enforce any of the terms and conditions of the said License Agreement without our consent and knowledge.
4. This Guarantee shall be a continuing guarantee and binding on us and our successors and assignee(s) and shall not be discharged or affected by any change in the constitution of \_\_\_\_\_ or that of the Licensee or the Authority.

5. We further confirm that the Guarantee has been issued with due observance and compliance of the appropriate Exchange Control laws and Foreign Exchange Regulations and applicable laws as in force in India.
6. This Guarantee shall be valid till \_\_\_\_\_ and you have the right to encash this Guarantee up to \_\_\_\_\_ from the said date unless extended on demand by AAI.

**Set-Off Clause:**

"In the event. of a default or breach in payment of license fee or interest amount or any other amount due with the licensee of whatever nature as per the provision of this contract, AAI is hereby authorized to adjust such amount from time to time to the fullest extent, with prior notice of 7 (seven) days to the licensee, by set off and apply any or all amount at any time held with AAI as security deposit or bank guarantee or any other amount as part of this contract or from any other expired/closed/terminated contracts of licensee with AAI. This is without prejudice to any rights and remedies available with AAI to recover the dues from licensee as prescribed by Law."

Explanation 1: For the purposes of this agreement, set off means adjustment of any outstanding due(s) of Licensee, with any amount in form of BG /SD or otherwise, held by AAI in relation to any other agreement, at any AAI airport/airport premises.

Explanation 2: Outstanding dues shall mean and include any amount accrued/ due against the licensee under this or any other agreement at any of AAI airport or airport premises."

**NOTWITHSTANDING** anything contained herein:

- i. Our liability under this Guarantee shall be limited to a sum of \_\_\_\_\_ during the currency of the contract and 6 months thereafter.
- ii. This bank guarantee shall be valid up to \_\_\_\_\_ and you have the right to encash this guarantee up to 180 days from the said date.
- iii. We are liable to pay the guarantee amount or any part thereof under this bank guarantee amount or any part thereof under this bank guarantee only and if you serve upon as a written claim or demand on or before \_\_\_\_\_.

For Bank name

Dated:

Place:

### **Guidelines for BG Verification through SFMS of ICICI Bank**

1. Prospective successful bidder has to submit BG(PBG/BG-SD/FBG) in accordance with the following bank details.

|                        |                                                    |
|------------------------|----------------------------------------------------|
| CORPORATE NAME         | AIRPORTS AUTHORITY OF INDIA                        |
| BANK NAME              | ICICI BANK                                         |
| IFSC CODE              | ICIC00000007                                       |
| BG ADVISING MESSAGE    | IFN 760COV (BG ISSUE)<br>IFN 767COV (BG AMENDMENT) |
| UNIQUE IDENTIFIER CODE | AAICHENNAI                                         |

2. While submitting the documents to BG issuing bank, the vendor/ customer/ concessionaire will also submit letter to the issuing bank as per the format mentioned herein.
3. Based on the above inputs from the vendor/ customer/ concessionaire, the BG confirmation message through SFMS will be triggered to the beneficiary bank i.e ICICI bank and on the basis of unique identifier code, the BG confirmation mail will be received at AAI, Chennai.
4. While submitting the original BG document, the vendor/ customer/ concessionaire has to compulsorily attach copy of the SFMS BG confirmation message sent by the BG issuing bank to ICICI bank.

#### **Advisory: For Applicant and its BG issuing Bank Branch**

It is to be noted that along with physical BG; AAI has also activated an online facility to view the issued BG cover message transmitted to ICICI Bank through SFMS platform.

- For availability of BG in this platform, it is necessary that BG issuing/ amending bank send the BG advice in the form of message format **IFN 760COV** (BG issuance) / **IFN 767COV** (BG Amendment) via SFMS (Structured Financial Messaging System) as provided by RBI.
- In the event of BG issuing/ amending bank not sending the message IFN 760COV/ IFN 767COV or committing any error while capturing the details at least in the below field, BG confirmation through online portal would not be updated.

Request you to notify your bank (BG issuing bank) to update below details at time of submission of BG issuance/ amendment request to their respective banks:

BG Advising message – IFN 760COV/IFN 767COV via SFMS

IFSC CODE: ICIC00000007

Corporate Name – Airport Authority of India

**Field Number**

**Particulars (to be mentioned in Row 1)**

7037

AAICHENNAI

Note: Please note that the issuing bank while issuing/amending the BG, should ensure that the above information is correctly captured in the message i.e., IFN 760COV/ IFN 767COV.

**Request Letter: Transmission of Bank Guarantee Cover Message <to be submitted by applicant to BG issuing bank>**

Date: \_\_\_\_\_

The Manager,

(Bank),

(Branch)

**Sub: Inclusion of unique identifier code of AAI while transmitting BG cover messages where beneficiary bank is ICICI Bank (IFSC – ICIC0000007).**

Dear Sir/Ma'am,

I/We, \_\_\_\_\_, request you to include unique identifier \_\_\_\_\_ in field 7037 of the SFMS cover messages IFN COV 760 (for BG issuance) and IFN COV 767 (for BG amendment) while transmitting the same to the beneficiary bank (ICICI Bank- IFSC- ICIC0000007).

Thanking You,

\_\_\_\_\_  
**(Vendor/Customer/Concessionaire)**