

Duplicate Copy

संदर्भ संख्या /Ref. No.: AAI/PO/Commercial/240B/526

दिनांक /Date 04/05/2023

To,
M/s Sherisha Technologies Pvt. Ltd.,
(Lead Member of Consortium)
Bascon Futura SV IT Park,
Ground Floor, Venkatanarayan Road,
T.Nagar, Chennai-600017, Tamil Nadu

(Kind Attention: Mr. Sachin Navtosh Jha)

LOIA

Subject: Concession to design, fit-out, finance, develop, market, operate, maintain and manage the Retail outlets at the Pune Airport

(Tender ID: 2023_AAI_147786_1)

With reference to captioned subject, this is to inform you that the Competent Authority has conveyed his approval for award of contract for Concession to design, fit-out, finance, develop, market, operate, maintain and manage the Retail outlets at the Pune Airport on following terms and conditions;

1.	Concession	Concession to design, fit-out, finance, develop, market, operate, maintain and manage the Retail outlets at the Pune Airport
2.	Term of Concession	Seven (07) Years
3.	Gross Floor Area of Outlets	1206.1 Sq.mtr

P. Muthu Kumar
04/05/2023

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P. MUTHU KUMAR / पी. मुत्तु कुमार
Jt. General Manager (Comml.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

पुणे विमानतळ, पुणे - 411 032

दुरध्वनी : (020) 26683232, 26685201

फैक्स : (020) 26685599

पुणे हवाई अड्डा, पुणे - ४११ ०३२

दुरभाष : (020) 26683232, 26685201

फैक्स : (020) 26685599

Pune Airport: Pune - 411 032

Phone : (020) 26683232, 26685201

Fax : (020) 26685599

E-mail : apdpune@aai.aero

4.	Type of Concession	Quoted Annual Guarantee (QAG) or Progressive Revenue Share, whichever is higher
5.	Concession Fee	Concession Fee to be paid for each Month shall be the Quoted Monthly Guarantee (QMG) or the Base Revenue Share for the Month, whichever is higher. For the first year, Concession fee shall be Quoted Monthly Guarantee of Rs. 30.33 per passenger OR Base Revenue Share for the month (20% of Net Sales), whichever is higher. The QG per PAX is further clarified as follows: - - For the first Concession Year, QG per PAX shall be the guaranteed amount per domestic passenger quoted by the Selected Bidder. For the first Concession Year, two times of QG per PAX shall be guaranteed amount per international passenger. - For the second Concession Year, QG per PAX shall be the guaranteed amount per domestic PAX quoted by the Selected Bidder plus annual escalation thereon. For the second Concession Year, two times of QG per PAX shall be guaranteed amount per international passenger. - For the subsequent Concession Years, QG per PAX shall be the QG per PAX for immediate preceding year plus annual escalation thereon. At the end of each Concession Year, the Actual Total Passenger Traffic for a particular Concession Year is to be compared with the Projected Passenger Traffic for that Concession Year to determine the applicable slab of Progressive Revenue Share Percentage. Accordingly, Quoted Annual Guarantee (QAG) and Progressive Revenue Share shall be determined to arrive at Annual Concession Fees for a particular Concession Year. Higher of Quoted Annual Guarantee (QAG) or Progressive Revenue Share shall be Annual Concession Fees for a particular Concession Year. The Concession Fee is exclusive of any Taxes. All Taxes with respect to the Concession, including GST, shall be borne by the

पुणे विमानतळ प्राधिकरण
Pune Airport Authority
Jt. General Manager (Comm.)
Pune Airport, Pune

P. Muthu Kumar
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Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
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		Concessionaire and shall not be deducted from the Concession Fee paid to the Authority. All other aspects of Concession Fee, including escalation would be as per provisions of 5.4 of RFP.
6.	Payment of Concession Fee	a) The Concessionaire shall, within seven (7) days of each Month end, provide the Authority with a statement (along with itemized sales report /statement) duly certified by head of finance of the Concessionaire, showing gross sales and Net Sales earned from the Concessioned Premises in the respective Month ("MIS Statement") b) 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, 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 draft Concession Agreement. c) The Concession Fee is exclusive of any Taxes. All Taxes with respect to the Concession, including GST, shall be borne by the

P. MUTHU KUMAR / पी. मुथु कुमार
 Jt. General Manager (Comm.) / संयुक्त महाप्रबंधक (वाणिज्य)
 Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
 Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

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 Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

		Concessionaire and shall not be deducted from the Concession Fee paid to the Authority.
7.	Business Incubation Period	Period of sixty (60) days from the date of issue of LOIA to the Concessionaire, unless extended in writing by the Authority. Provided that if such an extension is needed due to a fault of the Concessionaire and it is provided by the Authority, damages at the rate of INR 5,000/- shall be appropriated from the Security Deposit/ Earnest Money Deposit (EMD) for each day of extension provided and utilized for each obligation that is delayed.
8.	Gestation Period	Period of sixty (60) days for each location from Access Date of such location or commencement of business on that location whichever is earlier, unless extended in writing by the Authority.
9.	Security Deposit	a) Phase - I: On or before the date of execution of the Concession Agreement the bidder shall deposit with AAI, Bank Guarantee (BG) equivalent to eight (8) months' QMG of the first Concession Year i.e. Rs. 19,05,89,454/- (Rupees Nineteen Crores Five Lakhs Eighty-Nine Thousand Four Hundred Fifty-Four), with validity of four (4) years from the date of commencement of the Concession. (Determined on the basis of projected Passenger Traffic for the first Concession Year) Please refer Annexure 1 for calculation b) Phase - II: BG equivalent to eight (8) months' QMG of the 4th Year i.e. Rs. 32,31,11,619/- (Rupees Thirty-Two Crores Thirty-One Lakhs Eleven Thousand Six Hundred and Nineteen) with a validity of six (6) months from the expiry of Concession Term shall be submitted by the Concessionaire within six (6) months prior to completion of the 4th Concession Year or validity of BG already submitted in the first phase, whichever is earlier. The Successful Bidder will have the option to renew the existing BG for enhanced amount or submit a fresh BG to the Authority. The Successful Bidder will have the

पुणे हवाई अड्डा / PUNE AIRPORT
 (आरक्षक) / (Reserve) (Comm.) 19086M leayouA
 पुणे हवाई अड्डा / PUNE AIRPORT

P. MUTHU KUMAR / पी. मुथु कुमार
 Jt. General Manager (Comm.) / संयुक्त महाप्रबंधक (वाणिज्य)
 Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
 Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

	option to deposit single Bank Guarantee for the stipulated amount or two Bank Guarantees amounting to the stipulated amount Please refer Annexure 1 for calculation c) Security Deposit in respect of Service Areas and Seating Areas, allocated over and above the area indicated in the RFP, shall be an amount equivalent to eight (8) months' space rent and CAM charges, to be deposited as Bank Guarantee or cash in advance upon allotment of such Service Areas and Seating Areas by the Authority. d) The Bank Guarantee (BG) to be submitted in accordance with the bank details as follows: <table border="1"> <tr> <td>Corporate Name</td><td>AIRPORTS AUTHORITY OF INDIA</td></tr> <tr> <td>Bank Name</td><td>ICICI BANK</td></tr> <tr> <td>IFSC Code</td><td>ICIC0000007</td></tr> <tr> <td>BG Advising Message</td><td>IFN 760COV (BG ISSUE) IFN 767COV (BG AMENDMENT)</td></tr> <tr> <td>Unique Identifier Code</td><td>AAIPUNE to be mentioned in the Unique Identifier Code (7037) field of BG advising message code.</td></tr> </table> While submitting the documents to BG issuing bank, also submit letter to the issuing bank as per format provided in Appendix - IV of RFP. Along with the original BG document, successful bidder to attach copy of SFMS BG confirmation message sent by the BG issuing bank to ICICI bank.	Corporate Name	AIRPORTS AUTHORITY OF INDIA	Bank Name	ICICI BANK	IFSC Code	ICIC0000007	BG Advising Message	IFN 760COV (BG ISSUE) IFN 767COV (BG AMENDMENT)	Unique Identifier Code	AAIPUNE to be mentioned in the Unique Identifier Code (7037) field of BG advising message code.
Corporate Name	AIRPORTS AUTHORITY OF INDIA										
Bank Name	ICICI BANK										
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BG Advising Message	IFN 760COV (BG ISSUE) IFN 767COV (BG AMENDMENT)										
Unique Identifier Code	AAIPUNE to be mentioned in the Unique Identifier Code (7037) field of BG advising message code.										
10.	Within the Business Incubation Period, or any shorter time period specified below, unless extended in writing by the Authority, you shall fulfil all of the following conditions unless waived in writing by the Authority. Provided that if an extension is needed due to a fault of the Concessionaire/ Selected Bidder as determined at the sole discretion of the Authority and provided by the Authority,										

पुणे हवाई अड्डा / P. MUTHU KUMAR / पी. मुथु कुमार
Jt. General Manager (Comml.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

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Jt. General Manager (Comml.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

damages at the rate of INR 5,000/- shall be appropriated from the Earnest Money Deposit (EMD) / Security Deposit, as applicable, for each day of extension provided and utilized for each obligation that is delayed.

- a) Sign and return the duplicate copy of the LOIA in acknowledgement thereof within 7 (seven) working days of the receipt of the LOIA. 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.
- b) Form an appropriate Special Purpose Vehicle (SPV) under the Indian Companies Act, 2013), prior to signing of the Concession Agreement, as per the terms and conditions of RFP
- c) Submit the Security Deposit in the form and manner as specified in this RFP prior to signing of the Concession Agreement.
- d) Submit stamp paper of appropriate value and execute the Integrity Pact as per the Draft Integrity Pact forming part of this RFP as per Technical Form-17 of Appendix-I prior to signing of the Concession Agreement.
- e) Execute the Concession Agreement as per the provisions of the Bidding Documents not later than thirty (30) days from commencement of the Business Incubation Period. Any delay shall attract damages at the rate of Rs. 5,000/- per day of delay, as provided in Clause 4.1.1 of RFP.
- f) at its own risk and cost, obtain all Applicable Permits under the Applicable Laws which are required to execute and perform the Concession Agreement and submit copies thereof to the Authority
- g) at its own risk and cost, obtain the security clearances required to carry out commercial activities in the security restricted area from the Bureau of Civil Aviation Security (BCAS) or any other relevant Governmental Authority and submit copies thereof to the Authority
- h) submit its proposed layout plan by utilizing the indicative / tentative Concessionaire Managed Locations Layout Plan as provided in Schedule A of RFP, along with outlet-wise electrical power requirement, within seven (7) days of commencement of the Business Incubation Period. Such

P. MUTHU KUMAR / पी. मुथु कुमार
Jt. General Manager (Comm.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

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Jt. General Manager (Comm.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
Pune Airport, Pune / पुणे हवाई अड्डा, पुणे.

a layout plan shall also include the reasonably required quantity or capacity for any utilities required along with locations of any physical connections such as sewage, exhausts, etc. The Authority may take a maximum of fourteen (14) working days to assess compliance. In case the Authority notifies of non-compliance, then the Selected Bidder/ Concessionaire shall be required to address the non-compliance and submit revised Concessionaire Managed Locations Layout Plan within the limitations of Location Layout Plan Approval Protocol for approval by the Authority. The Authority may take a maximum of seven (7) working days to assess compliance of the revised Concessionaire Managed Locations Layout Plan. The Selected Bidder/ Concessionaire shall be required to address remaining non-compliances, if any, and obtain final approval of the Concessionaire Managed Locations Layout Plan from the Authority. The responsibility of demonstrating compliance and obtaining the requisite approvals within thirty (30) days from the commencement of the Business Incubation Period shall rest with the Selected Bidder/ Concessionaire. Any delay shall attract damages at the rate of Rs. 5,000/- per day of delay, as provided in Clause 4.1.1 of this RFP;

- i) demonstrate the planned interior and exterior designs of the Concessionaire Managed Locations comply with the Design Guidelines (as provided in Schedule L). The Authority may take a maximum of fourteen (14) working days to assess compliance. In case the Authority notifies of non-compliance, then the Selected Bidder/ Concessionaire shall be required to address the non-compliance and submit revised Concessionaire Managed Locations Layout Plan for approval by the Authority. The Authority may take a maximum of seven (7) working days to assess compliance of the revised Concessionaire Managed Locations Layout Plan. The Selected Bidder/ Concessionaire shall be required to address remaining non-compliances, if any, and obtain final approval of the Concessionaire Managed Locations Layout Plan from the Authority. Any delay shall attract damages at the rate of Rs. 5,000/- per day of delay, as provided in Clause 4.1.1 of this RFP

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Pune Airport Authority
Jt. General Manager (Comm.)
Pune Airport, Pune/पुणे हवाई अड्डा, पुणे.

P. MUTHU KUMAR / पी. मुत्तु कुमार
Jt. General Manager (Comm.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
Pune Airport, Pune/पुणे हवाई अड्डा, पुणे.

- j) produce binding agreements signed with Brand owners as per Technical Form-5 of Appendix-I of the RFP within thirty (30) days of issue of LOIA, as per the table below:

Airport category	Minimum number of Brands
For Pune Airport Category-A (4 million passengers per annum and above)	At least 3 Branded Outlets

Any delay in producing the required binding agreements shall attract damages at the rate of Rs. 5,000/- per day of delay, as provided in Clause 4.1.1 of this RFP.

Brands not falling within the indicative list provided under Appendix-V, may also be considered and permitted by Authority at post award stage at its sole discretion, to which bidder / concessionaire must obtain approval / permission of Authority in writing within business incubation period.

- k) apply for necessary approvals and clearances of security program from the Bureau of Civil Aviation Security (BCAS) or any other relevant Governmental Authority, and any other clearance as may be notified from time to time and submit copies thereof to the Authority.

11. You shall be under obligation to obtain the final approval of the detailed Concessionaire Managed Locations Layout Plan after incorporation of observations of the Authority within the limitations of the Concessionaire Managed Locations Layout Plan Approval Protocol under any circumstances before the Access Date. Also refer Schedule-A of the draft Concession Agreement for indicative / tentative Concessionaire Managed Locations Layout Plan and the relevant provisions applicable thereto.

12. a) Without prejudice and in addition to the rights of Authority to invoke the Earnest Money Deposit (EMD) as provided elsewhere in the RFP, the Earnest Money Deposit (EMD) shall be liable to be forfeited and appropriated by Authority in case of failure of Concessionaire to fulfil any of the Conditions of Award within the stipulated time and in accordance

P. Muthu Kumar

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P. MUTHU KUMAR / पी. मुत्तु कुमार
Jt. General Manager (Comm.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
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	with the manner prescribed therefore in this RFP and/or the Letter of Intent to Award. b) Upon forfeiture by Authority of the Earnest Money Deposit (EMD) as above, Authority shall have the right to cancel/ revoke the Letter of Intent to Award and immediately upon issuance of notice intimating such cancellation/ revocation, to select such other Bidders as may be deemed fit by Authority and /or deal with the Concession as it may deem fit in its sole and absolute discretion.
13.	The Authority, in its sole discretion, reserves the right to extend the timelines referred to in this LOIA.
14.	This LOIA shall form the part and parcel of the agreement.

Yours sincerely,
P. Muthu Kumar
04/05/2023

P. MUTHU KUMAR / पी. मुत्तु कुमार
Jt. General Manager (Comml.) / संयुक्त महाप्रबंधक (वाणिज्य)
Airports Authority of India / भारतीय विमानपत्तन प्राधिकरण
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Calculation of Security Deposit

Phase - I:

$$\begin{aligned} \text{Amount of BG} = & ((\text{QG per PAX for 1st Concession Year} \\ & \times \text{Proj. Domestic PAX for 1st Concession Year}) \\ & + (\text{QG per PAX for 1st Concession Year} \times 2 \\ & \times \text{Proj. International PAX for 1st Concession Year})) \times \frac{8}{12} \end{aligned}$$

$$\text{Amount of BG} = ((30.33 \times 9089789) + (30.33 \times 2 \times 168000)) \times \frac{8}{12}$$

Amount of BG = Rs. 19,05,89,454/- (Rupees Nineteen Crores Five Lakhs Eighty-Nine Thousand Four Hundred Fifty-Four)

Phase - II:

$$\begin{aligned} \text{Amount of BG} \\ = & ((\text{QG per PAX for 4th Concession Year} \\ & \times \text{Proj. Domestic PAX for 4th Concession Year}) \\ & + (\text{QG per PAX for 4th Concession Year} \times 2 \\ & \times \text{Proj. International PAX for 4th Concession Year})) \times \frac{8}{12} \end{aligned}$$

$$\text{Amount of BG} = ((35.11 \times 13226588) + (35.11 \times 2 \times 288834)) \times \frac{8}{12}$$

Amount of BG = Rs. 32,31,11,619/- (Rupees Thirty-Two Crores Thirty-One Lakhs Eleven Thousand Six Hundred and Nineteen)

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