



भारतीय विमानपत्तन प्राधिकरण

AIRPORTS AUTHORITY OF INDIA

F.No.13025/3/2022/APD-CHENNAI/2570

Date :12.10.2023

To,
Times Innovative Media Limited,
Times Centre, First Floor,
FC 6, Film City Sector 16 A,
Noida – 201301.

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

Dear Sir,

Reference is made to the proposal submitted by **M/s Times Innovative Media Ltd** in response to the Request for Proposal (RFP) vide Tender ID- 2023_AAI_162646_1 for “Advertising Rights Concession to Design, Develop, Operate and Market the advertising Opportunity” at Chennai Airport, Chennai for which the technical bid was opened on 06.09.2023 and financial bid was opened on 13.09.2023 followed by forward auction conducted on 14.09.2023.

The Competent Authority is hereby pleased to award “Advertising Rights Concession to Design, Develop, Operate and Market the advertising Opportunity” at Chennai Airport for a period of Seven (07) Years on the following Terms and Conditions:

1. General:

- 1.1 The selected Bidder, **M/s Times Innovative Media 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 Times Innovative Media Ltd** shall submit details of designs/drawings, layout plan and related materials for each of the location within the deadlines stipulated in the RFP. In the event the duplicate copy of the LOIA duly signed by the selected bidder is not received by the stipulated date, Authority may, unless it consents to extension of time for submission thereof, appropriate the Earnest Money Deposit (EMD) of **M/s Times Innovative Media Ltd** as damage on account of failure to acknowledge the LOIA, as per RFP.
- 1.2 The Business incubation period shall mean a period of **60 (Sixty)** days from the date of issuance of LOIA. The selected bidder agrees and undertakes that within the business incubation period, or any shorter time as specified in the RFP, unless extended in writing by the Authority, it shall fulfill all of the conditions as per the RFP.
- 1.3 **M/s Times Innovative Media 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

.....Contd.

फैक्स : 044 - 2256 0008 इ पी ए बी एक्स : 2256 0551, चेन्नई हवाईअड्डा, चेन्नई - 600 016.

Fax : 044 - 2256 0008 EPABX : 2256 0551, Chennai Airport, Chennai - 600 016.

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- 1.4 **M/s Times Innovative Media Ltd** shall execute the Integrity Pact as per the RFP.
- 1.5 **M/s Times Innovative Media 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.
- 1.6 The Selected Bidder/ Concessionaire shall, 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;
- 1.7 The Selected Bidder/ Concessionaire shall, 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;
- 1.8 The Selected Bidder/ Concessionaire shall 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.

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_162646_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 Times Innovative Media 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 Six (06) months security deposit equivalent to particular month concession fee.

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. 23.11/- (Rupees Twenty Three and Eleven Paise only)** per pax per month or (Minimum Monthly Guarantee- MMG) of **Rs. 4,08,77,900 /- (Rupees Four Crore Eight Lakhs Seventy Seven Thousand Nine Hundred Only)**, whichever is higher per month plus applicable taxes and other charges as per the RFP and the Concession Agreement.

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- 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.

3.2 Both MMG and Quoted rate per pax. shall be escalated @ 5% per annum.

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.

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.

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.19,29,50,000/-
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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Further, in the first year, Security amount shall have to be deposited on or before the date of execution of the concession Agreement.

- 4.2 **M/s Times Innovative Media 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 in 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 Times Innovative Media 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 Times Innovative Media 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 the advertising hardware as per approved Concessionaire managed Location layout Plan and approved media plan.
- 5.3 The Concessionaire however would be permitted sample marketing during this Gestation period and would be liable to pay the proportionate Concession fee for the actual Concessioned Premises area put to use without having any effect on the Concession Fee Commencement Date.
- 6 In addition, all terms and conditions enumerated in the RFP and the Draft Concession Agreement and its Corrigendum shall form part and parcel of the Letter of Intent to Award (LOIA). In case of any discrepancy between the provisions of RFP & LOIA, the provisions of RFP shall prevail.



CONTINUATION SHEET.....

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You are requested to convey your acceptance along with the copy of this letter (duly signed and stamped by the licensee) within **07** working days of the receipt of this letter and to complete the other formalities as per LOIA.

Thanking you,

Yours sincerely,

[Signature]
12-10-23

M. Selvanayagam/ एम. सेल्वनायगम
Jt. General Manager (Comm)/संयुक्त महाप्रबंधक (वाणिज्य)
Commercial Department/ वाणिज्यिक विभाग
AAI, Chennai Airport , Chennai.
एएआई, चेन्नई एयरपोर्ट, चेन्नई।