



Commercial Instruction No. 07/2019

Subject: Commercial Manual 2019 - Amendments No. 02


Commercial Manual-2019 came into force w.e.f. 01.04.2019. Subsequently, based on the comments/ suggestions/ proposition received from various Regions and Stations, Commercial Manual Amendments no. 01 were issued vide Commercial Instruction no. 04/2019 dated 06.08.2019.

2. In continuation to above, based upon the recommendations of CAB in its 293rd meeting, Chairman has approved the amendments no. 02 (enclosed herewith as Annexure-A, containing 10 pages), regarding various provisions of Commercial Manual-2019.

3. This is applicable with immediate effect.

4. The commercial instruction is available at AAI website under the following path:

www.aai.aero/en → Emp Login → Circulars & Orders (Double Click) → check Circulars only → select Department (Commercial) → Search


(K.L. Sharma) 18/11/2019

Executive Director (Commercial)

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RHQ, NR/ER/SR/WR/NER/Chennai/Kolkata Airports
12. GM (Vigilance), AAI, CHQ
13. GM (IT), Safdarjung Airport - Please Upload the above Commercial
Instruction no. 07 on AAI Website.

ANNEXURE-A

**MODIFICATIONS/ AMENDMENTS TO THE COMMERCIAL
MANUAL- 2019**

S No	Page No., Para & Chapter of CM	Existing Provision	Amended Provision
1.	Page No. 54, Chapter 7.14, Para 7.14.7	In the event of unsuccessful attempt, as above, the Airport Director may ensure managing these facilities departmentally through DGR sponsored agencies/registered manpower agencies temporarily.	In the event of unsuccessful attempt towards award of stop gap arrangement through short-term tender or paucity of time for inviting short term tender, Airport Director may ensure managing the contingency facility through DGR sponsored agencies/registered manpower agencies or by ab-initio negotiation temporarily. The period of such award shall not be more than 6 months and further extendable by 3 months, or award and commencement of regular contract, whichever is earlier. The approving authority shall be as per DOP.
2.	Clause no. 12.2.1 Page no. 91	Mandatory/Regulatory agencies (Immigration, Customs, Health, Security, Meteorological Dept. , Plant Quarantine and Scheduled PSU banks in case of collection of FTT & Customs Duty etc.). Mandatory essential services provided by the Government departments like Department of Immigration. Customs, Health, Police, Plant Quarantine, IB etc. will not attract any rentals or electricity charges for providing counters etc. in the common area/passenger handling area. However, the requirement of office space or	Mandatory/Regulatory agencies (Immigration, Customs, Health, Security, Plant Quarantine and Scheduled PSU banks in case of collection of FTT & Customs Duty etc.). Mandatory essential services provided by the Government departments like Department of Immigration. Customs, Health, Police, Plant Quarantine, IB etc. will not attract any rentals or electricity charges for providing counters etc. in the common area/passenger handling area. However, the requirement of office space or back up area will be allotted

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		back up area will be allotted based on the applicable space rent, electricity and other charges.	based on the applicable space rent, electricity and other charges. In case of Meteorological Dept, as there is a separate MOU between AAI and MET, the charges would be levied as per the said MOU.
3.	Page No. 94, Chapter 12.2, Para 12.2.8	Heading- Allotment of Space to Government Agencies for Handloom and Handicraft Emporium at the Airport	Heading- Allotment of Space to Government Agencies (Central Government and/or State Government) for Handloom and Handicraft Emporium at the Airport
4.	F & B Facility Annex-IV, C.2, Page No 130-131	<p>d. The participating agency shall be currently an operator of the food and beverage business in a three-star hotel having valid star category or heritage category issued by Hotel & Restaurant Approval and Classification Committee (HRACC), Ministry of Tourism, Government of India with at least two (02) years of experience during the last seven (07) years. The copy of work order/license/MoU with the hotel, proof of completion of requisite tenure of two (02) years shall be submitted for verification.</p> <p>e. The applicant is currently functioning as a flight kitchen operator with at least two (02) years' experience during the last seven (07) years. The copy of work order/ license/ MoU with the Airline Company and proof of completion of requisite tenure of two (02) years shall be attached as proof.</p>	<p>d. The participating agency shall be currently an operator of the food and beverage business in a three-star hotel having valid star category or heritage category issued by Hotel & Restaurant Approval and Classification Committee (HRACC), Ministry of Tourism, Government of India with at least two (02) years of experience during the last seven (07) years. The copy of work order/license/MoU with the hotel, proof of completion of requisite tenure of two (02) years shall be submitted for verification.</p> <p style="text-align: center;">OR</p> <p>e. The applicant is currently functioning as a flight kitchen operator with at least two (02) years' experience during the last seven (07) years. The copy of work order/ license/ MoU with the Airline Company and proof of completion of requisite tenure of two (02) years shall be attached as proof.</p>

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5.	5.2.1/C1/b). Page 143	<p>Mega/Group ‘A’ category Airports – Reputed car rental service providers having ownership of minimum 50 A/C cars; Group B/C Airports – 25 A/C cars ; and Group D/E Airports – 5 A/C cars duly registered in the name of the tenderer or having acquired the same through a hire purchase/lease agreement are eligible to apply.</p> <p>The agency should have three years’ experience for Mega/Group A airports, and two years of experience for B, C category airports. The experience shall be during the last five years.</p> <p>No experience is required for D and other airports.</p> <p>50% of cars should not be more than five years old.</p>	<p>Mega/Group ‘A’ category Airports – *minimum 50 A/C cars; Group B/C Airports – *25 A/C cars ; and Group D & Other Airports – *5 A/C cars ;</p> <p>*The tenderer should possess Cabs (can be a mix of Motor Cab and Maxi Cab) either in its own name or having acquired the same through a hire purchase/lease agreement.</p> <p>The agency should have two years’ experience during the last Seven years for all categories of Airports.</p> <p>50% of the cars should not be more than three years old.</p> <p>Note:-</p> <p>Definition of Motor cab and Maxi cab as per Motor Vehicle act 1988 is as under:</p> <ol style="list-style-type: none"> 1. “Motor cab” means any motor vehicle constructed or adapted to carry not more than six passengers, excluding the driver, for hire or reward. 2. “Maxi cab” means any motor vehicle constructed or adapted to carry more

S No	Page No., Para & Chapter of CM	Existing Provision	Amended Provision
			than six passengers, but not more than twelve passengers, excluding the driver, for hire or reward.
6.	Executive lounge Pg no. 149. C1 iii)	<p>(iii) In case of F&B business The applicant should have at least two (02) years' experience in last five years of managing and operating minimum Five F&B outlets at any airports</p> <p>OR</p> <p>Other passenger transport terminals (Railway station/ Metro rail station) in a city of minimum 2.5 million populations (as per 2011 census).</p> <p>OR</p> <p>at Commercial complex having floor plate area of 10000 Sq. mtr and outlet area of 50 Sqr mtr during the last five years from the date of publication of RFP.</p> <p>The outlets should fulfill either of the following:</p> <p>i. At least one outlet should be located at an airport having 2 million passengers per annum.</p> <p>OR</p> <p>ii. At least three outlets having owned/franchised brands</p> <p>OR</p> <p>iii. The outlet should be ISO 22000 or HACCP certified.</p>	<p>(iii) In case of F&B business (a) The applicant should have at least two (02) years' experience in last seven (07) years of managing and operating minimum Five F&B outlets at:</p> <p>i. Airport (s)</p> <p>OR</p> <p>ii. Other passenger transport terminals (Railway station/ Metro rail station) in a city of minimum 2.5 million population (as per 2011 census).</p> <p>OR</p> <p>iii. at Commercial complex having floor plate area of 10000 Sq. mtr and outlet area of 50 Sqr mtr during the last seven years from the date of publication of RFP.</p> <p>(b) The outlets should fulfill either of the following:</p> <p>i. At least one outlet should be located at an airport having 2 million passengers per annum.</p> <p>OR</p> <p>ii. At least three outlets having owned/franchised brands</p> <p>OR</p> <p>iii. The outlet should be ISO 22000 or HACCP certified.</p>
7.	Executive Lounge	<p>C2. Financial Capacity: C2.1 The following financial capacities are</p>	<p>C2. Financial Capacity: C2.1 The following financial capacities are</p>



S No	Page No., Para & Chapter of CM	Existing Provision	Amended Provision
	Annex IV, Para -6, Clause C2 (i) page No 150.	<p>applicable to the airports where the annual passenger traffic is more than 1.25 million.</p> <p>(i) The applicant must have annual turnover of Rs.5 crores in any of the last three (03) years financial years from date of publication of tender/RFP from which the experience is claimed, in accordance with audited financial statement and duly certified by a Chartered Accountant.</p> <p>(ii) Out of above turnover of Rs.5 crore, at least 50% should be from the business claimed as experience, as listed in Technical qualification.</p> <p>(i) The applicant must have a positive Net worth of Rs.1 Crores (Rupees one crore) to assure ability to invest in High Quality Service and infrastructure. (As high value of</p>	<p>applicable to the airports where the annual passenger traffic <u>is more than 1.5 million.</u></p> <p>(iii) The applicant must have annual turnover of Rs.5 crores in any one of the financial years for which technical experience has been claimed, in accordance with audited financial statement and duly certified by a Chartered Accountant.</p> <p>(iv) Out of above turnover of Rs.5 crore, at least 50% should be from the business claimed as experience, as listed in Technical qualification.</p> <p>(v) The applicant must have a positive Net worth of Rs.1 Crores (Rupees one crore) to assure ability to invest in High Quality Service and infrastructure. (As high value of investment is required for High Quality Service and infrastructure</p>

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		<p>investment is required for High Quality Service and infrastructure for Executive Lounge).</p> <p>C2.2 However, for the airports where Annual Passenger Traffic is less than 1.5 million, the following financial capacity can be considered:</p> <p>(i) The applicant must have annual turnover of Rs.1 crore (Rupees One crore only) in any of the last three (03) financial years from the date of publication of tender for which the experience is claimed, in accordance with audited financial statement and duly certified by a Chartered Accountant.</p> <p>(ii) Out of Rs.1 crore turnover, at least 50% should be from the business claimed as experience, as listed in Technical qualification.</p> <p>(iii) The applicant must have a</p>	<p>for Executive Lounge).</p> <p>C2.2 However, for the airports where Annual Passenger Traffic is less than 1.5 million, the following financial capacity can be considered:</p> <p>(iv) The applicant must have annual turnover of Rs.1 crore (Rupees One crore only) in any one of the financial years for which technical experience has been claimed, in accordance with audited financial statement and duly certified by a Chartered Accountant.</p> <p>(v) Out of Rs.1 crore turnover, at least 50% should be from the business claimed as experience, as listed in Technical qualification.</p> <p>(vi) The applicant must have a positive net worth of Rs.25 lakhs.</p>

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		positive net worth of Rs.25 lakhs.	
8.	Money Exchange Page 152-153 <u>Annexure-IV-8.C2. (ii)-</u> Page 152.	As of now, Special Space Rent is charged from the Concessionaire apart from Licence Fees.	For future tenders, MRLF may be fixed by merging Special Space rent with Licence fee while inviting the tender for the said facility.
9.	Baggage wrapping services Page, 154, Para B of Clause 13 of Annexure IV (Eligibility Criteria)	<i>“Gestation period shall be thirty (30) days or actual commencement of operation, whichever is earlier”.</i>	<p>Business Incubation Period: A period of Thirty (30) days from the date of issuance of Letter of Intent to Award. The selected bidder will be under obligation during this period to complete all formalities (Submission of Acceptance, Security Deposit, Advance License Fee, Execution of agreement and Handing / taking over the site etc.) and meet other obligations as will be specified in the LOIA.</p> <p><u>Gestation period –</u> Gestation period of Ninety (90) days will be permitted starting from 31st day of the date of award of LOIA or handing over /taking over of site by the licensee, whichever is earlier.</p> <p>License fee shall be payable from 91st day of commencement of Gestation period or actual date of commencement of business, whichever is earlier.</p> <p>No gestation is applicable to existing licensee.</p>

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10.	Baggage wrapping services Page- 154, Para C1, Note (a) (2) of Clause 13 of Annexure IV (Eligibility Criteria)	The bidder should submit an undertaking in Rs.100/- stamp paper stating that in case they emerged as H1 bidder, they will have to procure and install Baggage Wrapping Machine as per the specifications given in the NIT within 90 days of issue of award letter. Noncompliance of the above within the 90 days period will leads to automatic cancellation of award letter and forfeiture of EMD”	The bidder should submit an undertaking in Rs.100/- stamp paper stating that in case they emerged as H1 bidder, they will have to procure and install Baggage Wrapping Machine as per the specifications given in the NIT before commencement of operation or expiry of Gestation period, whichever is earlier. Non-compliance of the same will lead to automatic cancellation of award letter and forfeiture of EMD”
11.	Baggage wrapping services Page 155, Para C3, of Clause 13 of Annexure IV (Eligibility Criteria)	<p>1. The basis of award of licence / concession shall be the highest quoted MMG.</p> <p>2. License fees will be the quoted MMG or Revenue Share of 20% of Net Sales whichever is higher.</p> <p>3. During the tender process, the bidders need to quote on the revenue share percentage offered to AAI.</p> <p>4. Quoted MMG will be subject to Annual Escalation of 10%.</p>	<p>1. The basis of award of licence / concession shall be the highest quoted MMG.</p> <p>2. License fees will be the quoted MMG or Revenue Share of 20% of Net Sales whichever is higher.</p> <p>3. Annual escalation – As per Chapter 7.4/Commercial Manual 2019 read with subsequent amendments.</p>
12.	Short Term Commercial Activity Page No. 162, Para 22,	Rates for Group B, C&D (in Rupees) was given for various short term commercial activity. Rates for “Others” category was not mentioned.	Rates for Group B, C, D & Others (in Rupees) for the various short term commercial activity.

S No	Page No., Para & Chapter of CM	Existing Provision	Amended Provision
			[Title of column 5 of base rates for short term commercial activities]
13.	Short Term Commercial Activity Page No. 162, Para 22,	Complimentary Newspaper/Paper Cups.	Complimentary Newspaper. The rates for Complimentary Newspaper along with applicable terms and conditions have been placed below. Further, the rate for paper cups is already covered on Page no. 142 of Commercial Manual under advertisement rate cards.
14.	Page No. 168, Annexure-IVA vehicle parking policy, clarification in the matter of eligibility criteria sub-para (c) of Note for Para 3	<i>c) In case of commercial complexes, it should have minimum 1,50,000/- Lakhs sqft area and it should have parking capacity of one hundred (100) 4 wheelers.</i>	<i>c) In case of commercial complexes, it should have minimum 1.5 Lakhs sqft area and it should have parking capacity of one hundred (100) 4 wheelers.</i>
15.	Pg 307, Baggage Wrapping Services, Special Terms & Conditions VIII/ Para 14	The tenderer/bidder should submit Sales Tax/Service Tax Number.	Following was agreed: The tenderer/bidder should submit GST Number or any such statutory identification number, as applicable
16.	Page 307, Baggage Wrapping Services, Special Terms & Conditions VIII/ Para 16	The Minimum Annual Guaranteed amount will be fixed by the respective Airport Director taking into account the movement space around the machine and the machine should be placed in aesthetically designed platform which should be approved by AAI.	The Minimum Monthly Guaranteed amount will be fixed by the respective Airport Director as per the provisions of Commercial Manual taking into account the movement space around the machine. Besides, the machine should be placed in aesthetically designed

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			platform which should be approved by AAI.

Rates for Complimentary Newspaper

Rates are in Rs. Per Month per Stand

	Mega Airports	Group A	Group B	Group C	Group D & Others
Complimentary Newspaper	15000	13000	13000	8600	6500

1. The periodicity of the contract should be for one year.
2. The newspaper should be kept at the available stand and no distribution to passenger shall be permitted.
3. The rates mentioned above would be effective from the date of issuance of this commercial instruction. Annual escalation at the rate of 10% shall be made effective w.e.f. 01.04.2020 and thereafter 1st April every year.
4. Applicable Taxes would be over and above the rates mentioned above.
5. The location, dimension & design of newspaper stand and permitted name display thereon will be as per the approval of Airport Director.
6. The party should not display any advertisement other than its own.
