



Ref. No.: AAI/VOGB/COMML/2021/012

Date: 25.11.2021

To

M/s. Sapphire Souvenirs

143/N, G-2, Mamai Kamat Apts,

Alto Dabolim,

Goa-403801

Sub: Letter of Intent to Award – License for operating Convenience Retail Shop at Security Hold Area of Kalaburgi Airport

Sir,

This is with reference to e-tender (ID: 2021\_AAI\_85862\_1) for License for Convenience Retail Shop at Security Hold Area of Kalaburgi Airport.

The Competent Authority is pleased to award the license to operate Convenience Retail Shop at Security Hold Area of Kalaburgi Airport at the location shown in the sketch attached; under the following terms and conditions:

|    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | License              | To operate <b>Convenience Retail Shop at Security Hold Area of Kalaburgi Airport</b> (Area – 10.8 Sqm, A/C area)                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2. | Period of License    | <b>5 years</b> from Date of Actual Commencement of Operations or date of completion of Gestation period whichever is earlier.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3. | License Fee          | <b>Rs.9,500/-</b> (Rupees Nine thousand five hundred only) per month + GST and other Govt. levies as applicable.<br>License fees shall be subject to compound annual escalation of 10%.                                                                                                                                                                                                                                                                                                                                                             |
| 4. | Advance License Fees | Payment of <b>advance license fees of Rs.9,500/-</b> (one month) within 15 days from the days of issuance of award letter.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 5. | GST                  | Payable as applicable from time to time. The present rate of GST is @ 18%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 6. | Security Deposit     | An amount of <b>Rs. 67,000/- (Rupees Sixty Seven thousand only)</b> towards <b>Security Deposit</b> in the form of DD/ Pay order/ Bank Guarantee from nationalized/ scheduled banks within 15 days of issuance of award letter.<br>In case of Bank Guarantee, it should be valid for entire period of License plus 06 months.<br>Security Deposit includes amount of Rs.57,000/- (06 months license fees) plus Rs. 10,000/- towards security deposit for utilities (Electricity, water etc.).<br>The security deposits shall not bear any interest. |



|    |                     |                                                                                                                                                                                                                                                                                                      |
|----|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | Electricity Charges | As per actual consumption, this is subject to revision from time to time, as per discretion of Authority.                                                                                                                                                                                            |
| 8. | Agreement           | An agreement in Original (02 copies) is required to be submitted by the Licensee as per the format enclosed herewith along all its enclosures as prescribed on a Non- Judicial Stamp paper of Rs. 100/- within 15 days of receipt of Award letter along with photograph of the authorized signatory. |
| 9. | Utility Charges     | Utility/ Facilitation Charges at 10% of normal space rent (or) as may be notified by AAI from time to time.                                                                                                                                                                                          |

**1. Terms and Conditions:**

- I. The License fee shall be payable in advance on or before 25<sup>th</sup> of each Calendar month, failing which interest on delayed payment @ 9% per annum shall be charged from the due date of the delay period of up to 30 days, then interest at 18% per annum shall be charged from the due date, for entire delay period. However, Electricity/ Water charges based on actual consumption at the rates as fixed by AAI from time to time shall be paid extra.
- II. The Charges for issuance of Airport Entry Permits (AEPs) etc., shall be borne by the licensee.
- III. No soliciting or canvassing of the business shall be done by the licensee.
- IV. The penalty of Rs.500/- per occasion shall be levied on account of un-satisfactory performance such as:-
  - a. Non-observance / Non-display of approved rates.
  - b. Not maintaining the quality in service facility.
  - c. Not maintaining cleanliness in and around the retail outlet.
  - d. Any other breach in the terms of the agreement.
- V. The Licensee shall comply with all the rules and regulations under the Contract Labour (Regulation & Abolition) Central Rules, 1971 and any other law prevailing from time to time in respect of the personnel employed by him for running the said license.
- VI. It is responsibility of the Licensee to obtain proper insurance coverage for the properties & goods to be stored or used in the licensed premises.
- VII. Any disputes arising out of this License, the decision of the AAI, in the matter shall be final and binding.
- VIII. At any stage, even after the award of License, AAI found that the agency has submitted false/ incorrect documents in the tender bid; AAI reserves the right to terminate the license by giving reasons thereto.
- IX. If the Licensee does not operate the license up to 50% of the License period, then the agency is liable to be debarred from participation in any tenders of AAI for next TWO Years.



## 2. SPECIAL TERMS & CONDITIONS:

1. The Convenience Retail Shop may be operated during the watch hours. The said branded retail outlet shall sell only Bags & Leather Goods, Confectionary/sweets /candies, packaged water, Travel, Magazines, Mobile/Cellular Phone Handset and Accessories.
2. No product other than above can be sold at the counter. No other advertisements other than their company for this service shall be permitted by AAI in the counter/ allotted space.
3. The licensee shall abide by the rules and regulation and legislation of Central and State Government on Environmental protection.
4. That the authority shall not be responsible in any way for the loss or damage by any means cause to the licensee's men or property. Licensee shall be solely responsible for any such losses/claims.
5. Licensee shall fix the Electricity Meter and wiring etc. as required at his own cost for the area for which electricity charges is applicable.
6. All taxes, levies and duties payable under this license would be the Licensee's liability and he/she/they shall be liable and responsible for payment of all income and other taxes and duties which may be levied by Authorities on the earnings under this license. Licensee shall also be liable to pay all assessments/charges license fees and expenses, in connection with his/her/their right to use, as may be assessed or demanded in this respect by Municipal or other authorities. Licensee shall keep and will continue to keep AAI indemnified and harmless against any claim or liability that may arise in this regard.
7. The above special conditions shall form part of the agreement.
8. The successful bidder/licensee has to obtain prior permission from BCAS for operating the facility in restricted area of Airport by acquiring Security Clearance from BCAS before commencement of operations/ within gestation period. The successful bidder has to apply through e-SAHAJ (Security clearance online portal). AAI, Kalaburagi will not responsible for delay in getting security clearance from BCAS. It is the responsibility of the licensee to obtain all necessary security clearance from BCAS/any other regulatory agency as required.
9. AAI shall impose penalty if the licensee violates the conditions regarding sale of items, violation of MRP and resorts to any additional item. Any sale of unauthorized items by the licensee shall be considered seriously and AAI shall impose penalty of Rs. 500/- per instance per day for selling unauthorized items or for unsatisfactory performance. Also AAI may take action against the Licensee for termination of the licensee forthwith.

## 3. Other Terms and Conditions:-

It may be noted that the EMD of the successful bidder may be forfeited and bidder may be debarred for further participation in AAI's tenders for a period of TWO YEARS on account of the non-completion of the following time period for commencement of the



license including gestation period and fulfilling of contractual formalities, will be as follows:

- I. Acceptance of the offer within 07 days of issuance of award letter.
- II. Payment of advance license fees for one month within 15 days from the days of issuance of award letter.
- III. Submission of Security Deposit as described above within 15 days of issuance of award letter.
- IV. Execution of License Agreement within 15 days of issuance of the award letter. The license will become void and can be terminated without any notice and the party cannot claim any damage, if the agreement in the prescribed format is not executed within time frame.
- V. **Business Incubation Period** shall mean a period of 15 days from the date of issuance of this letter.
- VI. **Handing Over of Sites:** Sites will be handed over upon fulfillment of conditions of award within the stipulated time of business incubation period.
- VII. **Gestation period** will be calculated from the date of handing over of sites (or) 16<sup>th</sup> day from the issue of LOIA (immediately after expiry of business incubation period) whichever is earlier.
- VIII. **Maximum Gestation period** will be 120 days or actual date of commercial commencement, whichever is earlier. The agency is bound to pay the License fee from the 121<sup>st</sup> day, even if the facility has been taken over or not.
- IX. The Licensee shall use the said premises only for the purpose mentioned in the agreement and award letter and for no other purpose whatsoever, unless permission from the Airport Director is obtained in writing.
- X. The Licensee shall not assign or transfer or sublet the license or any part thereof.
- XI. The joint measurement of the area of the facility shall be made within 15 days from the date of handing over of site. The joint measurement will form part of the agreement. In case of excess area in occupation as per actual measurement at site, any time after handing/taking over of the space, the licensee is liable to pay the proportionate license fee for the additional area occupied.
- XII. In case space allotted is required by AAI, the licensee has to vacate/shift his sales counter & other establishment to newly identified/allocated location at his own cost at short notice.
- XIII. The name board and its dimension etc. should have the prior approval of AAI and should be within the space allotted.
- XIV. The license can be terminated by either side by giving 120 days' notice in writing. However AAI reserves the right to terminate the contract on a short notice, on grounds of unsatisfactory performance or passenger/ users complaints. In such cases the Licensee shall vacate the premises without claiming any compensation or raising any dispute.

All other terms and conditions as per NIT shall remain unchanged and shall form part & parcel of this award letter.



भारतीय विमानपत्तन प्राधिकरण / AIRPORTS AUTHORITY OF INDIA

कलबुरगि हवाई अड्डा – 585102 / KALABURAGI AIRPORT – 585102

Kindly return a sealed & signed copy of this award letter within 07 days from the date of issue of this award letter as a token of your acceptance.

The acceptance of award letter shall form part and parcel of the license agreement.

Thanking You,

Yours sincerely,

(S Ganeswara Rao)

Airport Director

Kalaburagi Airport

Copy to:

1. The Regional Executive Director, Airports Authority of India, Southern Region, Chennai Airport, CHENNAI – 600 026. (Kind Attn.: Jt. GM (Commercial)/SR) for information please.
2. GM (FIN), RHQ-SR, Chennai