



भारतीय विमानपत्तन प्राधिकरण Airports Authority of India

AAI/ASR/Comm1/MCFB/2023/170

Date: 17.01.2023

To

M/s Balaji Caterers
D-201, Ashok Nagar,
CHS Military Marol,
Andheri E, Sakinaka,
Mumbai-400072.

Subject: Letter of Intent of Award (LOIA) for Concession to Design, Fit-out, Finance, Develop, Market, Operate, Maintain and Manage the Food & Beverage Outlets at SGRDJI Airport Amritsar.

Reference :- Tender ID: 2022_AAI_133411_1

Dear Sir,

Reference is made to the proposal submitted by **M/s BALAJI CATERERS (Proprietor - Mr. Paichmuthu Pandara Thevar)** in response to the Request for Proposal (RFP) published under Tender ID No 2022_AAI_133411_1, for **Concession to Design, Fit-out, Finance, Develop, Market, Operate, Maintain and Manage the Food & Beverages outlets at SGRDJI Airport Amritsar**, for which the Technical Bid was opened on 06.12.2022 and Financial Bid was opened on 17.12.2022.

The Competent Authority is hereby pleased to award a non-exclusive Concession to Design, Fit-out, Finance, Develop, Market, Operate, maintain, and Manage the Food & Beverage outlets at SGRDJI Airport Amritsar at the designated locations mentioned in the above RFP on the following Broad Terms and Conditions:

1. General:

1.1 You (M/S BALAJI CATERERS) shall **within 07 (seven) days of issue of this letter, return duly signed duplicate copy of the LOIA as willingness to operate the contract** and submit details as per **Chapter-4** of the RFP. In the event the duplicate copy of the LOIA duly signed 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 to acknowledge the LOIA, as per clause **3.4.8** of **Chapter-3** the RFP.

1.2 **Business Incubation Period** shall mean a period of **60 (sixty)** days from the date of issuance of LOIA. You shall agree and undertake that within the Business Incubation Period, or any shorter time period specified below, unless extended in writing by the Authority, it shall fulfill



भारतीय विमानपत्तन प्राधिकरण Airports Authority of India

all of the conditions as per **Chapter-4** of the RFP

- 1.3 You shall produce binding MoUs/agreements signed with Brand owners of at least **2 (two)** Branded Outlet as per **Chapter-5** of the RFP and **Technical Form-5** submitted by **M/S BALAJI CATERERS**.
- 1.4 Gross floor area and locations proposed for the designated Concessioned Premises shall be as per the RFP

2. Concession Term:

- 2.1 The Concession shall become effective from the date of execution of Agreement and the term of the Concession (the "Concession Term") shall commence on the earlier of:

- (a) **61st day** from the date on which the Access Date(s) of at least **fifty percent (50%)** of the area designated for Concessioned Premises in the Concessionaire Managed Locations Layout Plan have occurred; or
- (b) the date of deemed commencement of Concession Term which may be specified by the Authority by a written notice of not less than **seven (7) days**.

The Concession Term shall expire on the **seventh (7th)** anniversary of the date of commencement of the Concession Term, unless the Agreement is terminated earlier in accordance with the terms and conditions of the RFP and draft Concession Agreement.

- 2.2 The Concessionaire shall be obligated to operate the Concession for at least the Minimum Lock in Period as per the terms and conditions of the draft Concession Agreement. The Concessionaire cannot terminate the Concession Agreement prior to expiry of the Minimum Lock in Period. If the Concessionaire fails to perform any of its obligations as per the terms and conditions of the agreement / RFP, it would lead to forfeiture of Security Deposit and debarring for a period of **three (3) years** from participation in future tenders/RFPs floated by Authority.

3. Concession Fee:

- 3.1 The Concessionaire shall pay to the Authority, Concession Fee (Quoted Monthly Guarantee - QMG) for the First Concession Year i.e. **Quoted Guarantee (QG) of Rs.31/- Per PAX** multiplied with Number of Domestic Passengers Per Month and **Rs.62/- (i.e. Quoted Guarantee of Rs.31/- X 2) Per PAX** multiplied with Number of International Per Month OR Progressive Revenue Share of the Net Sales for the Month whichever is higher along with CAM Charges plus other



भारतीय विमानपत्तन प्राधिकरण Airports Authority of India

applicable Charges and applicable taxes as per Chapter 1 and Chapter 5 of the RFP and Article 10 and Article 14 of the draft Concession Agreement in RFP.

Verification of Net sales shall be as per Clause 10.6 of Article 10 of draft Concession Agreement of RFP.

For Electronic Point of Sale (EPOS), please refer Clause 10.7 of Article 10 of draft Concession Agreement of RFP.

Note: 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") as per clause 10.4.2 of Article 10 of Draft Concession Agreement of RFP.

3.2 The Quoted Guarantee per Passenger (QG per PAX) is subject to annual escalation at the rate of 5% as per Clause 1.1.13 of Chapter – 1 of the RFP and Clause 10.2.5 of Article-10 of draft Concession Agreement of RFP.

3.3 The Authority shall raise invoice(s) in accordance with the terms and conditions of the draft Concession Agreement by 10th of the succeeding month to which billing pertains. 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 (i.e. the succeeding month to which billing pertains) and Utility Charges within 14 days of respective invoice date, failing which Penal Interest on Delayed Payments shall be levied as per **Clause 5.12** of the RFP.

3.4 The Concession Fee is exclusive of any Taxes. All Taxes with respect to the Concession, including GST, shall be borne by the Concessionaire and shall not be deducted from the Concession Fee paid to the Authority.

3.5 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.

3.6 The Concessionaire shall pay to the Authority, the following additional charges in relation to the Concessioned Premises comprising a part of the Concessionaire Managed Locations in accordance with the draft Concession Agreement.

(a) Utility Charges, as per metered actual consumption.



भारतीय विमानपत्तन प्राधिकरण Airports Authority of India

3.7 The Concessionaire shall pay to the Authority, the following amounts in relation to each of the Service Area(s) and Seating Area(s) if provided to the Concessionaire in respect of this Concession in accordance with the draft Concession Agreement.

- (a) Space Rent at rates as notified by the Authority from time to time
- (b) Common Area Maintenance (CAM) charges
- (c) Utility Charges, as per metered actual consumption

3.8 No reduction in QMG will be entertained by Airports Authority of India at any stage for whatever reasons.

4. SECURITY DEPOSIT:

4.1 Phase - I:

From the first Concession Fee Commencement Date to the end of the 4th Concession Year (i.e. validity of four (04) years from the date of commencement of the Concession), the Security Deposit shall be **Rs. 7,89,02,275/-** (Rupees Seven Crores Eighty Nine Lakhs Two Thousand Two Hundred Seventy Five only) i.e. amount equivalent to eight (8) months' QMG for the first Concession Year, to be deposited as Bank Guarantee or cash on or before the date of execution of Agreement. The Concessionaire shall have the option to deposit a single Bank Guarantee for stipulated amount or two Bank Guarantees amounting to stipulated amount.

Phase - II :

From the end of the 4th Concession Year to a period which is six (6) months after the date of expiry of Concession Agreement, the Security Deposit shall be an amount equivalent to eight (8) months' QMG for the fourth Concession Year, to be deposited as Bank Guarantee or cash at least six months prior to completion of the 4th Concession Year or validity of BG already submitted in the first phase, whichever is earlier. The amount of BG can be worked out based upon the QG per PAX for fourth Concession Year and projected Annual Traffic for the fourth Concession Year.

4.2 The interest free Security Deposit shall only be accepted from a scheduled/nationalized bank. A Bank Guarantee from a co-operative bank (even scheduled)/ Societies/ Payment Banks and in the form of FDR, shall not be accepted.

4.3 The Concessionaire agrees and acknowledges that the Airports Authority of India shall not be liable to pay any interest on the Security Deposit.



भारतीय विमानपत्तन प्राधिकरण Airports Authority of India

4.4 (i) The Bank Guarantee (BG) to be submitted in accordance with the bank details as follows:

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	AAIAMRITSAR to be mentioned in the Unique Identifier Code (7037) field of BG advising message code.

- (ii) While submitting the documents to BG issuing bank, the successful bidder to also submit letter to the issuing bank as per format provided in Appendix – IV.
- (iii) 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.

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 outlets as per approved Concessionaire Managed Locations Layout 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.
- 5.4 The Concessionaire however would not be entitled any Resurrection Period if the relocation of an Original Location to an Alternate Location has been permitted by the Authority upon the written request made by the Concessionaire.
6. The concessionaire can seek and, at the discretion of the Authority, may be provided additional space/premises ("Additional Concessioned Premises") subject to operational feasibility on payment of additional applicable Security Deposit and additional applicable QMG, as per Clause 2.6 of the draft Concession Agreement. The provision of such Additional Concessioned Premises would however cease on or before the Concession Term expiry date.



भारतीय विमानपत्तन प्राधिकरण Airports Authority of India

7. The Capital Expenditure shall be applicable as per clause 5.6 of the RFP and **Technical Form - 7** submitted by **M/S BALAJI CATERERS**.
8. Joint measurement of the total area to be conducted by AAI and the party at the time of handing over/ taking over of possession, which shall in any case not exceed beyond the prescribed period of handing/taking over of sites. This Joint measurement should form the part of agreement to be executed.
9. You shall sign the Concession Agreement as per the provisions of the Bidding Documents not later than **thirty (30) days** from commencement of the Business Incubation Period.
10. You shall 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 **within the Business Incubation Period after issuance of LOIA by Authority.**
11. **The acceptance of the above terms and conditions must be forwarded to this office within 07 (seven) days of receipt of this LOIA to show willingness to operate the contract.** In the event the duplicate copy of the LOIA duly signed 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) as Damages on account of failure to acknowledge the LOIA.
12. All the terms and conditions enumerated in this Letter of Intent of Award along with RFP and Corrigendums published shall form part and parcel of the Concession Agreement.

Please acknowledge receipt

भवदीय/Yours Sincerely,

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17/01/2023

(Harmanjote Kaur)
AM (Commercial)
For Airport Director
AAI Amritsar.