



भारतीय विमानपत्तन प्राधिकरण
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भारतीय विमानपत्तन प्राधिकरण/AIRPORTS AUTHORITY OF INDIA
विशाखपट्टणम हवाई अड्डा/ VISAKHAPATNAM AIRPORT
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 & ISO 10002:2018 Certified

No.: CL-13023/1/2021-APD-SR-VIZAG/ 04

Date: 05.01.2023
By Mail/Speedpost

To
M/s Balaji Caterers
201 D, Wing BLG,
Military road, Ashok Nagar,
CHS Marol, Andheri,
East Mumbai-400072.

Sub: Letter of Intent of Award (LOIA) for Concession to Design, Fit-out, Finance, Develop, Market, Operate, Maintain and Manage the Retail outlets at Visakhapatnam International Airport.

Dear Sir/Madam,

Reference is made to the proposal submitted by **M/s BALAJI CATERERS** in response to the Request for Proposal (RFP) vide Tender ID No 2022_AAI_134374_1, for **Concession to Design, Fit-out, Finance, Develop, Market, Operate, Maintain and Manage the Retail outlets at Visakhapatnam International Airport**, for which the Technical Bid was opened on 29.11.2022 and Financial Bid was opened on 22.12.2022.

The Competent Authority is hereby pleased to award a non-exclusive Concession to Design, Fit-out, Finance, Develop, Market, Operate, maintain, and Manage the Retail outlets at Visakhapatnam International Airport at the designated locations mentioned in the above RFP on the following broad Terms and Conditions:

1. General:

- 1.1 The selected Bidder 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 of designs/drawings, layout plan and related materials for each of the location as per Chapter-4 of 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 such Bidder as Damages on account of failure of the Selected Bidder to acknowledge the LOIA, as per clause 3.4.8 of the RFP (Tender ID No 2022_AAI_134374_1).
- 1.2 **Business Incubation Period** shall mean a period of **60 (sixty) days** from the date of issuance of LOIA to the selected bidder. The Selected Bidder agrees and undertakes that within the Business Incubation Period, or any shorter time period specified below, unless extended in writing by the Authority, it shall fulfill all of the following conditions as per Chapter-4 of the RFP (Tender ID No 2022_AAI_134374_1).



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- 1.3 The Selected Bidder/ Concessionaire shall produce binding MoUs/agreements signed with Brand owners of at least 2 (two) Branded Outlet as per **Chapter-5** of the RFP (Tender ID No 2022_AAI_134374_1) 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 (Tender ID No 2022_AAI_134374_1). Only bare space shall be provided by AAI.

2. Concession Term:

- 2.1 The Concession Term shall expire on the **fourth (4th) anniversary** of the date of commencement of the Concession Term, as designated in the clause 5.3 of the RFP (Tender ID No 2022_AAI_134374_1), unless the Agreement is terminated earlier or extended for 1(one) more year in accordance with the terms and conditions of the RFP and Concession Agreement.
- 2.2 The Concessionaire will have to operate the Concession for a minimum period of **2 (two) years ("Minimum Lock in Period")**, failing which the Bidder shall be liable to be debarred for a period of three (3) years or as may be decided by the Authority from participating in any bidding process of the Authority. Apart from the debarring process, the Authority shall be entitled to forfeit and appropriate the Security Deposit.

3. Concession Fee:

- 3.1 The Concessionaire shall in consideration of the concession agreement granted by Authority, pay to the Authority, Concession fee (Quoted Monthly Guarantee -QMG) of **Rs 13.50/-** (Rupees Thirteen and Fifty paise only) **per pax** multiplied with number of passengers per month OR Progressive revenue Share of the Net Sales for the Month to be calculated through EPOS - as reflected in the Chapter-7 of the RFP (Tender ID No 2022_AAI_134374_1), whichever is higher per month plus applicable taxes and charges as per Chapter 1 and Chapter 5 of the RFP (Tender ID No 2022_AAI_134374_1) and Article 10 and Article 14 of the Concession Agreement.

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 (Tender ID No 2022_AAI_134374_1).

- 3.2 The QMG shall be escalated as per the Clause 1.1.13 of the RFP (Tender ID No 2022_AAI_134374_1).

Raghu



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- 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 (Tender ID No 2022_AAI_134374_1).
- 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.
- 3.5 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:**

On or before the date of execution of the Concession Agreement the selected bidder shall deposit with Airports Authority of India, Security Deposit in the form of Bank Guarantee (BG) equivalent to eight (8) months' QMG of the first Concession Year, i.e. an amount of **Rs 2,45,53,000 /-** (**Rupees two crores forty two lakh fifty three thousand only**) with validity of four (04) years from the date of commencement of the Concession.

Phase – II (if applicable):

BG equivalent to eight (8) months' QMG of the 4th Year Concession Fee 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. M/S BALAJI CATERERS will have the option to renew the existing BG for enhanced amount or submit a fresh BG to the Authority. M/S BALAJI CATERERS will have the option to deposit single Bank Guarantee for the stipulated amount or two Bank Guarantees amounting to the stipulated amount.

- 4.2 The interest free Security Deposit shall only be accepted from a scheduled/nationalized bank. A Bank Guarantee from a co-operative bank 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.



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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.
7. The Capital Expenditure shall be applicable as per clause 5.6 of the RFP (Tender ID No 2022_AAI_134374_1) 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 part of the agreement.
9. **The acceptance of the above terms and conditions must be forwarded to this office within 07 days of receipt of this LOIA to show willingness to operate the contract.** 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.

Regdy



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10. All the terms and conditions enumerated in this Letter of Intent of Award, RFP and its Corrigendum shall form part and parcel of the Concession Agreement.

कृपया प्राप्ति की पावती भेजें / Please acknowledge receipt

भवदीय/Yours Sincerely,



(आदित्या रघुनंदन बु.)/(Aditya Raghunandan B.)
सहा.प्रबन्धक (वाणिज्य)/AM (Commercial)
कृते विमानपत्तन निदेशक/For Airport Director

प्रतिलिपि/Copy to:-

1. क्षेत्रीय कार्यपालक निर्देशक, भाविप्रा, दक्षिणी क्षेत्र, चेन्नै
(ध्यान आकर्षण: सं.म.प्र (वाणिज्य), आरएचक्यू द.क्षे)
The Regional Executive Director, AAI, Southern Region, Chennai
(Kind Attn: JGM (Comm), RHQ, SR)

आंतरिक/Internal copy :-

1. कार्यभारी (प्रचालन)/ Operations Dept. In-charge	4. कार्यभारी (विद्युत)/ Electrical Dept. In-charge
2. कार्यभारी (सी.एन.एस.)/ CNS Dept. In-charge	5. कार्यभारी (सुरक्षा)/ Security Dept. In-charge
3. कार्यभारी (वित्त)/ F&A Dept. In-charge	6. कार्यभारी (सिविल)/ Civil Dept. In-charge

Signature Not Verified