



भारतीय विमानपत्तन प्राधिकरण

AIRPORTS AUTHORITY OF INDIA

AAI/CH/SMOKINGLOUNGE-T2/COMML/1030

20.03.2023

Speed Post/ Email

Buddy Retail Private Limited,
Regd. Office: 1402, Tower-15, Vipul Greens,
Sohna Road, Sector-48, Gurgaon – 122002.

Subject: Letter of Intent to Award (LoIA) “LICENSE TO BUILD/RENOVATE, OPERATE AND MAINTAIN SMOKING LOUNGE AND SALES KIOSK [FOR 03 LOCATIONS] at New International Terminal [T-2] of Chennai Airport-Reg.

Reference: Notice Inviting e-Tender (NIT) with e-Bid no. 2022_AAI_138443_1 dated 19.12.2022.

Sir,

Reference is made to your bid against the tender inviting notice floated by AAI Chennai Airport on the above subject in CPP Portal on 19.12.2022 with Tender ID No. 2022_AAI_138443_1.

The Technical and Financial bid of the subject tender was opened on 25.01.2023 and on 16.02.2023 respectively wherein you have emerged as the H1 bidder. In this regard, approval of the Competent Authority is hereby conveyed to grant the License in your favour as per the following terms and conditions: -

1	License	License To Build/Renovate, Operate and Maintain Smoking Lounge and Sales Kiosk [For 03 Locations] at New International Terminal [T-2] of Chennai Airport.
2	Business Incubation Period.	Thirty (30) days from the date of issuance of LoIA. All formalities/conditions of award as specified herein are to be completed within the Business Incubation Period in the order mentioned herein: 1) Payment of outstanding dues at all AAI controlled airports pertaining to the period till the date of issuance of LOIA. 2) Acceptance of LOIA within seven (07) days from the date of issuance of the LOIA. The acceptance letter must declare the clearance of all outstanding dues as mentioned above. 3) Furnishing Security Deposit as specified in para-7 of LOIA within 15 days from the date of issuance of LOIA. 4) Payment of advance License Fee for one month plus applicable taxes within 15 days from the date of issuance of the LOIA 5) Execution of license agreement as per Annexure-A of NIT within 15 days from the date of issuance of LOIA.
3	Handing over of sites	On Completion of all the formalities mentioned in Para No.2 above.

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.

Page 14

20.03.23

4	Gestation period	One Twenty (120) days or commencement of facility whichever is earlier for all the locations, reckoned from the date of handing over of sites shall be permissible. In case of failure to complete formalities of Business Incubation period, Gestation period will be deemed to have commenced on thirty first (31st) day from the date of issuance of LOIA. However, sites shall be handed over only after completion of formalities of Business Incubation Period.
5	Period of concession	Five (05) years from the date of commencement of facility or completion of Gestation period, whichever is earlier.
6	License fee	Rs. 4,59,000/-per month (Rupees Four Lakh and Fifty-Nine Thousand only) per month plus applicable taxes subject to escalation as per Clause 4 of NIT. - Applicable Space rental for allotted Kiosk of 02 Sq.m which should be placed near to the Smoking Lounge. Presently normal notified AC space rent is Rs. 3230/- per sqm. per month for FY 2022-2023. Further the rates are subject to annual escalation @ 7.5% compounding on 1st April of every year or as may be notified by AAI from time to time. - Utility/ Facilitation Charges at 10% of normal space rent (or as may be notified by AAI from time to time) for the total allotted area including smoking lounge(s)and Kiosk area of 02 Sq.m each. - All applicable Government Taxes, including GST (presently at the rate of 18%) or at the rates declared by Government of India or State Government from time to time. - Charges for the consumption of the electricity and water consumed for the purpose of use of the said license as becomes due and payable and in accordance with the directions of the Authority and at the rates as fixed by AAI from time to time.
7	Security Deposit (Non-Interest Bearing)	Rs. 34,19,000/- (Rupees Thirty Four Lakhs and Ninteen Thousand only) towards License Fee, Space Rent, Utility etc. Rs.2,90,000/- (Rupees Two Lacs Ninety Thousand Only) towards security deposit in respect of electricity charges. Total =Rs.37,09,000/- (Rupees Thirty-Seven Lacs and Nine Thousand Only). Mode: RTGS/NEFT/Bank Guarantee. If Bank Guarantee is submitted, bank guarantee should be from a nationalised/scheduled bank. Bank guarantee from co-operative banks, even scheduled co-operative banks, shall not be acceptable.
8	Advance license fee	Rs.4,82,902/- (Rupees Four Lacs Eighty-two Thousand Nine Hundred and Two Only). [Inclusive of One month License fee, Space Rent, utility charges and GST. [Please refer clause 1 at NIT Page no. 07]
9	License agreement	Execution of license agreement (as per NIT) on stamp paper of Rs.100/-. All related costs to be borne by the licensee.

**OTHER TERMS AND CONDITIONS**

1 Please note that non-acceptance of award or non-completion of the above formalities within the time stipulated herein may result in **forfeiture of Earnest Money Deposit and/or debarment for further participation in the tenders at AAI airports or at any other place in control of AAI for a period of one (01) year.**

2 Please note that the Locations of Smoking Lounge and Sales Kiosk facility at NITB [T-2] are as follows:

S. no.	Location	Smoking Lounge Area (Sq.mtr.)	Sales Kiosk Area (Sq.mtr)	Total area (Sqm)
1.	Arrival Level	12.00	2.00	14.00
2.	Mezzanine Level	28.00	2.00	30.00
3.	CIP Lounge	22.00	2.00	24.00

NOTE:

Values and locations shown/ mentioned in Appendix-3 and Appendix-4 of NIT are indicative and approximate in nature. Actual area and location shall be measured jointly by AAI and licensee while handing over/taking over of sites.

3. The licensee should ensure strict compliance of COTPA Act 2003 and any amendments in the act.

4. The licensee has to ensure security compliances etc., within the business incubation period itself. The licensee has to apply for BCAS Security Clearance through online in the website <https://esahaj.gov.in> as a concessionaire. Hence, the licensee has to submit the required document as per the BCAS requirement and to get the clearance. After obtaining clearance the agency should ensure to submit Security Programme.

5. The licensee has to ensure that the Police Verification / Antecedents verification for their employees as per the guidelines of BCAS is available before applying for Airport Entry Permit in favour of their employees. Charges applicable for issue of Airport Entry Permit shall be borne by the licensee.

6. The entities who have already obtained Security Clearance for their operations in other region(s), should intimate RO, BCAS, Chennai accordingly duly enclosing 1) Intimation letter regarding establishing their business in Chennai Airport, 2) Security Clearance issued by BCAS, HQ, 3) Provisional security Clearance(s) issued by RO, BCAS of other Region(s), 4) Written Contract Agreement by Jt.GM (Commercial), AAI Chennai. 5) Authorized Signatory for Chennai Airport and 6) Security programme for Chennai Airport.

7. Failure to comply with any of the above instructions will entail suspension or withdrawal of TAEP/AEP issued.

8. The above points are not exhaustive and the updation/ addition/ omission if any will be appraised from time to time.



9. AAI reserves the right to amend this LOIA by subsequent letters.

10. All other terms and conditions including Special terms and conditions as per NIT shall be applicable.

11. All the above conditions shall form part of the agreement.

Thanking you,

Yours Sincerely,

(M. SELVANAYAGAM)
Jt. GM (Commercial)
For Airport Director