



भारतीय विमानपत्तन प्राधिकरण Airports Authority of India

AAI/ASR/Comm/DFS/2023-24/ २५९५

Date: 03.08.2023

To

M/s Mumbai Travel Retail Pvt. Ltd.
Elegant Business Park, 3rd Floor,
MIDC Cross Road "B",
Off Andheri-Kurla Road,
Near Kohinoor Hotel,
Andheri (East), Mumbai-400059.

Subject: Letter of Intent of Award (LOIA) for Concession to Develop, Operate and Maintain Duty Free Outlets at Sri Guru Ram Dass Jee International Airport, Amritsar.

Reference :- Tender ID: 2023_AAI_151280_1

Dear Sir,

Reference is made to the proposal submitted by M/s Mumbai Travel Retail Pvt. Ltd. in response to the Request for Proposal (RFP) published under Tender ID No. 2023_AAI_151280_1, for **Concession to Develop, Operate and Maintain Duty Free Outlets at SGRDJI Airport Amritsar**, for which the Technical Bid was opened on 25.05.2023 and Financial Bid was opened on 21.07.2023.

The Competent Authority is hereby pleased to award the subject **Concession** at the designated locations of this airport mentioned in the RFP on the following Broad Terms and Conditions:-

1. General:

- 1.1 You (M/S Mumbai Travel Retail Pvt. Ltd.) shall **return duly signed duplicate copy of this LOIA within 07 (seven) days of issuance of this letter as acceptance / willingness to operate the contract** and submit the details as per **Chapter-3** 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 **3.4.9 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 all of the conditions as per clause 5.13 of **Chapter-5** of the RFP
- 1.3 You shall submit its proposed layout plan by utilizing the indicative / tentative Locations Layout Plan as provided in Schedule A within **seven (7) working days** of commencement of the Business Incubation Period. Such a layout plan shall also include the reasonably required quantity or capacity for any utilities required along with Concessionaire Managed Locations of any physical connections such as sewage, exhausts, etc. as per **Chapter-4** of the RFP.
- 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:

कार्यालय: निदेशक विमानपत्तन. O/o : The Airport Director
श्री गुरु राम दास जी अन्तर्राष्ट्रीय हवाई अड्डा, अमृतसर-143101
Sri Guru Ram Dass Jee International Airport, Amritsar-143101
An ISO 9001 : 2008, 14001 : 2004, 18001 : 2007 Certified Airport

दूरभाष / PHONE: 0183-2214118, फैक्स/FAX: 0183-2214358
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- (a) You shall execute the Concession Agreement as per the provisions of the Bidding Documents not later than **thirty (30) days** from commencement of the Business Incubation Period.

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 agrees and undertakes that the Concession Fee shall be paid each month under this Agreement. The concession fee shall be the "USD 1.44 i.e. **Quoted Rate Per International Passenger (USD) X Number of International Passenger (arriving + departing) Per Month**" Or "**Minimum Monthly Guarantee (MMG)**", **whichever is higher plus applicable taxes**. For the avoidance of doubt, the Concession Fee for a part of Month shall be determined in proportion to the number of days.

The MMG for 1st Year shall be USD 96268.33(USD Ninety six thousand two hundred sixty eight and thirty three cents) as per Chapter 1 of the RFP and Article 10 of the draft Concession Agreement in RFP.

All payments towards Concession Fee, payable by the Concessionaire to the Authority, shall be in Indian Rupees.

The Concessionaire hereby acknowledges and agrees that it is not entitled to any revision of Concession Fee or other relief from the Authority or any Government Instrumentality on account of any adverse effect of variation in actual international passenger traffic.

- 3.2 The Minimum Monthly Guarantee (MMG) and Rate per International Passenger is subject to annual escalation at the rate as per Clause 10.2.2 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 this 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 Monthly Concession Fee, Space Rent, CAM Charges 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 interest at the rate of 9% per annum shall be charged from the due date for delayed period up to 30 days. In the event, the delay in payment is for more than 30 days, an interest @ 18% per annum shall be charged from the due date, for the entire delayed period.

In case, the default persists on the 31st day counted from the due date, Authority shall have the right to issue a written notice notifying the Concessionaire Event of default. The Authority shall be entitled to terminate the Concession after fourteen (14) working days



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of such written notice by issuing a Notice of Termination in accordance with **Clause 19.1.1** of this Concession Agreement.

- 3.4 The Concession Fee paid by the Concessionaire to the Authority shall be exclusive of Taxes and all applicable GST/Taxes shall be paid by the concessionaire over and above the Concession Fee.
- 3.5 Concession Fee Commencement Date" shall mean the 61st day from the start date of Gestation Period or the commencement of the business, whichever is earlier, unless extended by the Authority.
- 3.6 In addition to the Concession fee, The Concessionaire shall also pay to the Authority, the following additional charges in relation to the Concessionaire Managed Locations (Duty Free Outlets) in accordance with the draft Concession Agreement.
- a. Common Area Maintenance (CAM) Charges
 - b. Utility Charges, as per metered actual consumption
- 3.7 The Concessionaire shall pay to the Authority, the following amounts in relation to each of the Warehouse/Service 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

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. 7,36,05,300/-** (Rupees Seven Crores Thirty Six Lakhs Five Thousand Three Hundred only) i.e. amount equivalent to eight (8) months' on the basis of Quoted Rate per International Passenger (arriving + departing) for the immediate preceding month of issuance of the LOIA" 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:

Further, the applicable Security Deposit from 5th year onwards shall be furnished in the very first month of 5th Concession Year. The Security Deposit shall be Equivalent to Eight (8) months of average monthly concession fee paid during the 4th Concession Year to be deposited as Bank Guarantee or cash. The concessionaire will have the option to renew the existing BG for enhanced amount or submit a fresh BG to the authority.

- 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.



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- 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:**

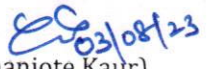
- 5.1 "Gestation Period" expiring on the **60th day** from Access Date of Concessionaire Managed Location(s) or commencement of business whichever is earlier, unless extended in writing by the Authority
- 5.2 The Gestation Period of **Sixty (60) days** is a Concession Fee Holiday Period. However, it is expected that the Concessionaire within this period completely installs outlets as per approved Concessionaire Managed Locations Layout Plan and commence the business.

6. **Construction of Concessionaire Managed Location (s) / Duty-Free Retail Outlets**

- 6.1 On or after the Access Date, the Concessionaire shall undertake the Construction Works at the Concessionaire Managed Location(s), Warehouse / Service Area(s) specified in **Schedule A**, and in conformity with Good Industry Practices. The Concessionaire agrees and undertakes that Construction Works shall be completed on or before the expiry of Gestation Period
7. 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.
8. 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.
9. You shall execute the Integrity Pact as per the Draft Integrity Pact forming part of this RFP as per **Form-VII** prior to signing of the Concession Agreement.
10. 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,


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