



भारतीय विमानपत्तन प्राधिकरण
AIRPORT AUTHORITY OF INDIA



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

Ref: CL-13021/1/2023-APD-SR-VIZAG/182.

Date: 01.11.2023
By Mail/Speed Post

To
M/s Aroon Aviation Services Private Limited,
A-113, Road No.2, Mahipalpur Extn.,
New Delhi-110037.
aroonaviation@yahoo.com

Reference: - **Tender ID: 2023_AAI_153012_1**

Subject: Letter of Intent to Award (LOIA) for Comprehensive License for Executive Lounge, Meet & Greet, Airport Entry Ticket and Trolley Advertisement Rights cum Retrieval facilities at Visakhapatnam Airport

Sir,

In response to your offer to the e-tender (Tender ID: 2023_AAI_153012_1), AAI has decided to award the subject licence to your firm (M/s Aroon Aviation Services Private Limited) on the following terms and conditions: -

1. You shall operate the subject licence at Visakhapatnam Airport whose location / area is as follows:
 - i. Executive Lounge: **105 Sq. mts** (bare space) at 1st floor domestic SHA.
 - ii. Meet & Greet Facility: **4 Sq. mts** (bare space) at City side and **2 Sq. mts** (bare space) at Arrival Hall.
 - iii. Airport Entry Ticket: **4 Sq. mts area** (bare space) at city side, opp. departure gate.
 - iv. Trolley Advertisement Rights cum Retrieval: **500 Nos. of trolleys**

Note: AAI, at its discretion, may increase number of trollies based upon operational requirements and for passenger facilitation and it shall be obligatory on the part of the licensee to take over such additional trollies

Refer Appendix 4 of Annexure A of tender document for Schedule of premises.

2. The period of Licence shall be **Four (4) Years extendable by one year** unless terminated earlier on account of following: -
 - a. By giving **120 (One Hundred Twenty) days** of notice in writing without assigning any reason.
 - b. Terminated by AAI on a short notice on account of unsatisfactory performance.
 - c. Termination on expiry of the specified time period allotted for unresolved internal dispute resolution
3. The Business Incubation Period (15 days), handing over of the site, Gestation Period (90 days), Commencement of Business and Date of Commencement of Licence Fee / Concession Fee shall be as per NIET / tender document.
4. You shall pay quoted monthly licence fee of **Rs.28,88,788/- (Rupees Twenty-Eight Lakhs Eighty-Eight Thousand Seven Hundred Eighty-Eight only)** plus applicable Govt. taxes and other applicable charges as per NIET / tender document. The quoted License fee is subject to annual escalation as detailed in NIET.

[Signature]
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5. In addition to above, you shall also be liable to pay following additional charges: -
 - a. Utility / Facilitation Charges at 10% of normal space rent (or as may be notified by AAI from time to time) for allotted space. Presently normal notified Space Rent is **Rs. 1,440/- Per Sqm Per Month** for AC Space and **Rs. 960/- Per Sqm Per Month** for Non-AC Space, which are subject to annual escalation of 7.5% from 1st April of every year; or as may be decided by AAI from time to time. The rates derived after annual escalation shall be rounded off to the nearest multiple of 10 (ten).
 - b. 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.
 - c. Charges for the consumption of the electricity and water consumed (as per actuals) for the purpose 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.
6. You shall make the payment of Licence Fee, Utility / facilitation charges etc. plus applicable Govt. taxes by **25th** of the same month and all charges towards consumption of electricity / water within the date(s) specified in the bill(s), failing which interest on delayed payment at the rate of **9%** per annum shall be charged from the due date for delay period of upto **thirty (30) days** and if delay is for more than **thirty (30) days**, then interest at the rate of **18%** per annum shall be charged from the due date, for the entire delay period.
7. You are required to complete the following formalities within Business Incubation period of **fifteen (15) days** starting from the date of issuance of this award letter / LOIA: -
 - a) Acceptance of the offer within **07 (three) days** from the date of issuance of the award letter / LOIA.
 - b) Payment of **one month's** advance license fee of **Rs. 34,27,858/-** within **15 (fifteen) days** from the date of issuance of the award letter / LOIA.
 - c) Payment of Security Deposit of **Rs. 2,05,68,000/-** within **15 (fifteen) days** from the date of issuance of award letter / LOIA.
 - d) Execution of the Agreement within **15 (fifteen) days** from the date of issuance of award letter / LOIA (on Rs. 500 Stamp Paper of AP Govt., related costs to be borne by the licensee).
 - e) Commencement of the facility within gestation period.
8. **Advance License Fee, Security Deposits, Letter of Understanding**
 - a) The amount of one (01) month's advance licence fee of **Rs. 34,27,858/- (Rupees Thirty-Four Lakhs Twenty-Seven Thousand Eight Hundred Fifty-Eight only)** inclusive of Utility / facilitation charges plus GST amount @18% is to be deposited in the form of RTGS / NEFT within **fifteen (15) days** from the date of this letter of intent / award.
 - b) An interest free Security Deposit (SD) of **Rs. 2,05,68,000/- (Rupees Two Crores Five Lakhs Sixty-Eight Thousand only)** equivalent to **six (6) months** 1st year licence fee including utility / facilitation charges and Govt. taxes is to be deposited in the form of NEFT / RTGS or Bank Guarantee (BG) from any Nationalized / Scheduled Commercial Banks (as per Reserve Bank of India guidelines) in the format as per

[Signature]
SM (01)/com



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Annexure-K of tender document having a validity period of **180 (one hundred eighty) days** from the date of expiry of contract.

- c) Security Deposit (SD) in respect of electricity charges amounting to **Rs. 10,00,000/- (Rupees Ten Lakhs only)** equivalent to **5%** of annual licence / Concession Value subject to maximum of Rs. 10 lakhs. The said Security Deposit will cover Security Deposit (SD) towards all types of utilities such as CAM charges, Electricity, Water, Data Port, Telephone etc.
- d) A Letter of Understanding is also to be submitted along with Bank Guarantee(s) in the format as per **Annexure-L** of tender document.
- e) Bank Charges shall be borne by the licensee.
- f) **The Bank Guarantee (BG) from Co-operative Bank (even scheduled) / Societies / Payment Banks or in the form of FDR shall not be acceptable.**
- g) The amount of Security Deposit has been calculated by considering quoted licence fee, space rent, CAM charges or any other component etc. payable by the licensee / concessionaire.
- h) AAI has made arrangements for verifications of Bank Guarantee received by AAI from Successful bidder through Structural Financial Messaging System (SFMS) of ICICI Bank whose detail is as under: -

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	AAIVISAKHAPATNAM (to be mentioned in field 7037 of the BG advising message code)

- i) While submitting the documents to BG issuing Bank, you will also submit letter to the issuing bank as per the format mentioned in the **Annexure-L2 of tender document.**
- j) While submitting the Original BG document, you shall also submit the copy of the SFMS BG confirmation message sent by the BG issuing Bank to ICICI Bank.
9. You are requested to make payments by way of online through RTGS to AAI Bank, whose particulars are as per Annexure-B to this LOIA.
10. It would be your responsibility to obtain all necessary security clearance from BCAS/any other regulatory agency as required within the gestation period itself.
11. The successful tenderer shall be required to submit Security Programme as per Format A & A-1 available on BCAS website <http://esahaj.gov.in> through AAI within 05 days from date of issue of award letter. Any observations regarding shortcomings in Security Programme will be communicated by RDCOS and if compliance report is not received by BCAS, it will be presumed that the concessionaire is unwilling or unable to meet the shortfall and the application for approval will be deemed to be cancelled. AAI, Visakhapatnam will not responsible for delay in getting security clearances from BCAS.



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12. Police verification / antecedents' verification of all employees (as per guidelines of BCAS) are to be ensured before applying for Airport Entry Passes (AEPs). The Charges applicable for issuance of Airport Entry Passes (AEPs) shall be borne by the Licensee.
13. The licensee shall adhere to all directives issued by AAI/BCAS from time to time.
14. For efficient Management of subject licence, you shall be required to strictly follow the provisions contained in the draft licence agreement to be executed including following Appendices of tender document: -
 - (i) General terms and conditions (Appendix 1 of Annexure A of tender document)
 - (ii) Special terms & conditions (Appendix 2 of Annexure A of tender document)
15. The licensee shall adhere to all directives issued by AAI/BCAS from time to time.
16. **Dispute Resolution**
 - 16.1.1 All disputes and differences arising out of or in any way touching or concerning this Agreement (except those the decision whereof is otherwise herein before expressly provided for or to which the AAI ACT, 1994 and the rules framed there-under which are now enforce or which may here-after come into force are applicable) (the "Dispute") shall be dealt as under:
 - 16.1.2 **Through Mediation:** All dispute(s), at the first instance, shall be referred to the "Mediation Committee of Independent Experts (MCIE)" or individual mediator for mediation as per "AAI Mediation Policy" and applicable laws. All cost of mediation shall be borne equally by the parties.
 - 16.1.2.1 In case either party withdraws from the Mediation or the dispute(s) is not resolved within 120 days of reference to the Mediation, then the aggrieved party may invoke arbitration through Clause 16.1.3 within 30 days from the date of receipt of Partial Settlement Agreement or Failure Report.
 - 16.1.2.2 Unless the contract has already been repudiated or terminated, the parties shall, in every case, continue to proceed to perform their respective obligations under the agreement. Once the request of the Party is accepted under Mediation Policy of AAI, the dues of the party shall be treated as disputed for all purposes.
 - 16.1.3 **Adjudication through Arbitration:** In case no final settlement has been arrived at between the parties after mediation or partially settled as per Clause 16.1.2 above, the unresolved dispute(s), on invocation by the aggrieved party shall be referred for adjudication by arbitration.
 - a. When the amount involved is above 25 crores, adjudication shall be made by Arbitral Tribunal comprising of 03 arbitrators. Each party to appoint one arbitrator and the two appointed arbitrators shall appoint the Presiding Arbitrator.
 - b. When the amount involved is Rs. 25 Crores and below shall be referred to a Sole Arbitrator to be appointed by the Authority, AAI, after obtaining consent of the other party, as per format annexed at **Annexure-A** to this LOIA.
 - c. In both the above cases, the licensee shall have to deposit 50% of the disputed amount (in the form of BG (Additional Bank Guarantee with validity of minimum two years from the date of making such reference, and further extendable)/ DD/PO/ RTGS/ NEFT) with



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AAI as condition precedent before making reference to the Arbitration for adjudication of dispute.

- 16.1.3.1 Unless the contract has already been repudiated or terminated, the parties shall, in every case, continue to proceed to perform their respective obligations under the agreement.
- 16.1.3.2 Arbitration proceedings shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time.
- 16.1.3.3 Fee payable to the Arbitrator(s) shall be as per Schedule-IV of the Arbitration & Conciliation Act, 1996 and shall be borne by both the parties equally.
- 16.1.3.4 No dispute shall be referred for resolution under this clause through arbitration in matters for which eviction & recovery procedure is provided under Chapter -VA of the Airports Authority of India Act, 1994.
- 16.1.3.5 The venue of such arbitration shall be, **Visakhapatnam Airport**, and the language of arbitration proceedings shall be English.
- 16.1.3.6 The Arbitrator shall make an award (the "Award") for each dispute and /or claim and shall give reasons for the Award. Any award made in any arbitration held pursuant to this Article shall be final and binding on the parties. For avoidance of doubt, the parties hereto agree that the adjudication hereunder shall not be final and binding until an appeal against such adjudication has been decided by an appellate tribunal or judicial court, as the case may be, or no such appeal has been preferred within the time specified in the Applicable Law.
- 16.1.3.7. The Concessionaire and the Authority agree that an Award may be enforced against the Concessionaire and /or the Authority, as the case may be, and their respective assets wherever situated.
- 16.1.3.8 This Agreement and the rights and obligations of the parties shall remain in full force and effect, pending the Award in any arbitration proceedings hereunder. For the avoidance of doubt, the Concessionaire hereto agree that the Concessionaire shall pay to the Authority, the Concession Fee, the Space Rent, Common Area Maintenance Charges, Utility Charges and Taxes and any other payments that may become due and payable, pending the Award in any arbitration proceedings hereunder.
- 16.1.3.9 The parties agree to use their best efforts for resolving all Disputes arising under or in respect of this Agreement promptly, equitably and in good faith, and further agree to provide each other with reasonable access during normal business hours to all non-privileged records, information and data pertaining to any Dispute.

In the event of constitution of a statutory Regulatory Authority or Commission with powers to adjudicate upon disputes between the Concessionaire and the Authority, all disputes arising after such constitution shall, instead of reference to adjudication under this Clause 1 (ii), be adjudicated upon by such Regulatory Authority or Commission in accordance with the Applicable Laws and all references to Dispute Resolution Procedure shall be construed accordingly. For the avoidance of doubt, the parties hereto agree that the adjudication hereunder shall not be final and binding until an appeal against such adjudication has been decided by an appellate tribunal or judicial court, as the



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case may be, or no such appeal has been preferred within the time specified in the Applicable Law.

Dispute Resolution committee(s)/DRB shall stand replaced by mediation mechanism as per AAI Mediation policy 2022 which will be enumerated in detail in license agreement to be executed.

17. This LOIA along with all terms and conditions mentioned in the NIET shall form part and parcel of the licence/concession agreement to be executed.

With respect to above, you are required to submit the acceptance of subject award on your Company's Letter Head along with duplicate copy of this award letter duly signed & stamped by the authorized signatory of your Company within **seven (7) days** from the date of issuance of this letter of intent / award (LOIA).

कृपया प्राप्ति की पावती भेजें / Please acknowledge receipt

भवदीय/Yours Sincerely

मनोज कुमार साहू/Manoj Kumar Sahoo
वरिष्ठ प्रबंधक (इंजी-विद्युत/वाणिज्य)/ SM (E-E/Comm)
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



भारत सरकार
GOVERNMENT OF INDIA



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Annexure-A

Format Consent Letter

Dispute Resolution Clause

To,
The Chairman/Member/Regional Executive Director, Airports Authority of India,

SUB: Request for appointment of arbitrator under Clause _____ of the _____ agreement dated _____ for _____

Sir/Madam,

1. We state that _____ (contractor/agency) was awarded work/concession _____ of _____ at _____ Airport/ _____ (other location) of Airports Authority of India through Award Letter dated _____.
2. Dispute related to _____ arose between us (contractor/agency) and AAI.
3. On _____ (date), dispute was referred to Mediation as per AAI Mediation Policy and any settlement on the following claims/disputes was not reached between the parties:
 - (i)
 - (ii)
 - (iii)
4. A concise statement along with claim in respect of each of such disputes is attached herewith.
5. In view of the above, we invoke arbitration under clause _____ of the _____ agreement between us and AAI and as per provision to Section-12(5) of the Arbitration & Conciliation Act, 1996, we hereby agree and request the Chairman/Member/Regional Executive Director AAI to appoint arbitrator from AAI's panel of arbitrators.
6. I/ We also give my/our consent for appointing any of an arbitrator from AAI's approved panel of arbitrators, **as per paragraph-5 above.**

Thanking you,

(_____)

Authorized signatory of

Encl: As above

[Handwritten signature]
cm(ol)/comm



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Annexure-B

Particulars	Details
Vendors' name	AIRPORTS AUTHORITY OF INDIA
Particulars of Bank account	
Name of the Bank	STATE BANK OF INDIA
Name of the Branch	AIRPORT VISAKHAPATANAM
Address of the Branch	AIRPORTS AUTHORITY OF INDIA CIVIL ENCLAVE, VISAKHAPATNAM-530009
Account number (as appearing on the Cheque book)	00000030995490317
9-Digit code number of the Bank and Branch appearing on the MICR Cheque	530002040
Enabled for NEFT (Yes/ No) (To be confirmed from the Bank Branch)	YES
11-Digit NEFT IFS code number of the Bank Branch(to be obtained from your Bank Branch)	SBIN0010373
Type of account (current or Cash Credit) Current (code 11) Cash Credit (code 13)	CA-GEN-PUB-IND-NONRURAL-INR

Permanent Account Number (PAN) of AAI - **AAACA6412D**

Goods & Service Tax (GST) Registration Number (AAI, Visakhapatnam Airport) - **37AAACA6412D1Z7**