



भारतीय विमानपत्तन प्राधिकरण AIRPORTS AUTHORITY OF INDIA

वारा/वाणिज्य-251/2023/6282-88

दिनांक : 17.08.2023

सेवा में,

मेसर्स अरुण एविएशन सर्विसेस प्रा० लि०,
ए-113, रोड नं. 2, महिपालपुर Extn.,
नई दिल्ली - 110037

विषय :- एलबीएसआई हवाई अड्डे, वाराणसी में खुदरा दुकानों के डिजाइन, फिट-आउट, वित्त, विकास, विपणन, संचालन, रखरखाव और प्रबंधन के लिए रियायत के लिए आशय पत्र (एलओआईए)।

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

महोदय,

संलग्न LOIA जो की स्वतः स्पष्ट है आपके अवलोकन एवं आवश्यक कार्रवाई हेतु प्रेषित है।

भवदीय,

शशांक
17/08/23

(शशांक शेखर सिंह)

सहायक प्रबंधक (वाणिज्य)

कृते निदेशक विमानपत्तन

प्रति : क्षेत्रीय कार्यपालक निदेशक, उत्तरी क्षेत्र, भा०वि०प्रा०, परिचालन कार्यालय परिसर, गुरुग्राम रोड, रंगपुरी, नई दिल्ली [ध्यानार्थ : संयुक्त महाप्रबंधक (वाणिज्यिक)]

प्रभारी (वाणिज्य)
Incharge (Commercial)
भा०वि०प्रा०, लालबहादुर शास्त्री हवाई अड्डा, वाराणसी
A.A.I., L.B.S. Airport, Varanasi

आंतरिक : संयुक्त महाप्रबंधक (विद्युत), उपमहाप्रबंधक (वित्त), उपमहाप्रबंधक (सिविल), सहायक महाप्रबंधक (सुरक्षा), सहायक महाप्रबंधक (प्रचालन)



भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

AAI/VNS/Comml/MC RETAIL-251/2023/6282-88

Date : 17.08.2023

To

M/s Aroon Aviation Services Pvt. Ltd,
A-113, Road No.2, Mahipalpur Extn.,
New Delhi - 110037

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

Reference :- Tender ID: 2023_AAI_155248_1 of CPP Portal
(<https://www.etenders.gov.in>)

Dear Sir,

Reference is made to the proposal submitted by M/s Aroon Aviation Services Pvt. Ltd. in response to the Request for Proposal (RFP) published under Tender ID No 2023_AAI_155248_1, for **Concession to Design, Fit-out, Finance, Develop, Market, Operate, Maintain and Manage the Retail outlets at LBSI Airport, Varanasi**, for which the Technical Bid was opened on 03.07.2023 and Financial Bid was opened on 26.07.2023.

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 LBSI Airport, Varanasi at the designated locations mentioned in the above RFP on the following Broad Terms and Conditions:

1. General:

- 1.1 You (M/S Aroon Aviation Services Pvt. Ltd) shall within **07 (seven)** days of receipt of this letter, return duly signed duplicate copy of the LOIA as acknowledgement & acceptance of terms & conditions of this LOIA. 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

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1.3 You shall produce binding agreements signed with Brand owners of at least 2 (two) Branded Outlet as per Chapter-4 & 5 of the RFP and Technical Form-5 of Appendix-I of RFP submitted by M/S Aroon Aviation Services Pvt. Ltd, within 30 days of issuance of this LOIA.

1.4 Gross floor area and locations proposed for the designated Concessioned Premises shall be as per the RFP. Gross floor area as per RFP is 444 sqm.

1.5 You shall operate this license in accordance with the provisions of 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.

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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. 16.08/- Per PAX** multiplied with Number of Domestic Passengers Per Month and **Rs. 32.16/- (i.e. Quoted Guarantee of Rs. 16.08/-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 applicable Charges & applicable taxes as per 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 1.1.12 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.

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3.5 "Concession Fee Commencement Date" for each location shall mean the 61st day from Gestation Period or the Commencement Date of the business, whichever is earlier, unless extended 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.

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 Rebate (if any) in concession fee will be considered by Airports Authority of India only as per specific provisions in the RFP/agreement in this regard.

4. SECURITY DEPOSIT:

4.1 Phase - I:

From the first Concession Fee Commencement Date to the end of the 4th Concession Year, the Security Deposit shall be **Rs. 4,24,92,515/- (Rupees Four Crores Twenty Four Lakhs Ninety Two Thousand Five Hundred Fifteen only)** i.e. amount equivalent to eight (8) months' QMG for the first Concession Year, (Determined on the basis of projected Passenger Traffic for the first Concession Year), to be deposited as Bank Guarantee or cash on or before the date of execution of Concession Agreement. The Concessionaire shall have the option to deposit a single Bank Guarantee for stipulated amount or two Bank Guarantees amounting to stipulated amount. The amount of BG can be worked out from QG per PAX for first concession year and Projected Passenger Traffic for first Concession Year.

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Phase - II:

BG equivalent to eight (8) months' QMG of the 4th Year 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. The Successful Bidder will have the option to renew the existing BG for enhanced amount or submit a fresh BG to the Authority. The Successful Bidder will have the option to deposit single Bank Guarantee for the stipulated amount or two Bank Guarantees amounting to the stipulated amount. 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 based upon following formula:

$$\begin{aligned} \text{Amount of BG} &= ((\text{QG per PAX for 4th Concession Year} \\ &\times \text{Proj. Domestic PAX for 4th Concession Year}) \\ &+ (\text{QG per PAX for 4th Concession Year} \times 2 \\ &\times \text{Proj. International PAX for 4th Concession Year})) \times \frac{8}{12} \end{aligned}$$

- 4.2 The interest free Security Deposit/Bank Guarantee 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.
- 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	AAIVARANASI 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.

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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, and QAG 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 and **Technical Form - 7** submitted by **M/S Aroon Aviation Services Pvt. Ltd.**
 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 shall 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.***

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12. All the terms and conditions enumerated in this Letter of Intent of Award along with those of RFP and Corrigendums published during the tender process for E-Bid no. 2023_AAI_155248_1 shall form part and parcel of the Concession Agreement.
13. This LOIA is subject to the terms & conditions of the RFP for Concession to Design, Fit-out, Finance, Develop, Market, Operate, Maintain and Manage the Retail Outlets floated as E-Bid no. 2023_AAI_155248_1 & in case of any contradiction between the terms & conditions of this LOIA & those of above referred RFP, the terms & conditions of RFP will prevail.

Please acknowledge receipt

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17/08/23

(शशांक शेखर सिंह)

सहायक प्रबंधक (वाणिज्य)

कृते निदेशक विमानपत्तन

प्रतिलिपि/Copy to:-

The Regional Executive Director, AAI, Northern Region, New Delhi (Comm), RHQ, NR)

प्रभारी (वाणिज्य)
Incharge (Commercial)
भारतीय विमानपत्तन प्राधिकरण, लॉन्गवॉशिंग हवाई अड्डा, वाराणसी
A.A.I., L.B.S. Airport, Varanasi

आंतरिक/Internal copy :-

1. प्रभारी (प्रचालन)/

HoD (Operations)

2. प्रभारी (संचालन)/

CNS In Charge

3. प्रभारी (वित्त)/

HoD (Finance)

7. निजी सहायक विमानपत्तन निदेशक/ PA to APD

4. प्रभारी (विद्युत)/

HoD (Engg. Electrical)

5. मुख्य सुरक्षा अधिकारी/

Chief Security Officer

6. प्रभारी (सिविल)/

HoD (Engg. Civil)