

Ref. No. : AAI/VOBZ/COMCL/SB ITB/158

Date : 28.05.2024

To  
M/s. K Anuradha,  
Flat No. 102, Fortune Krishna Apartment,  
Sri Nagar Colony, Gannavaram,  
Krishna Dist., AP – 521 101.

Sub : Letter of Intent to Award (LOIA) for “SNACKS BARS at International Terminal Building, Vijayawada International Airport”.

Dear Madam,

We are pleased to inform you that Competent Authority has accepted your bid for “Snacks Bars at International Terminal Building, Vijayawada International Airport” in response to E Bid No. 2024\_AAI\_192203\_1, dated 22.03.2024.

This Letter of Intent to Award (LOIA) for “Snacks Bars at International Terminal Building, Vijayawada International Airport” is hereby awarded to M/s K Anuradha for a period of 15 (Fifteen) Months extendable by 3 (three) months on the following terms & conditions.

1. This LOIA will be part & parcel of agreement. The Licensee (M/s K Anuradha) needs to convey her acceptance within 07 days from the date of disposal of this LOIA.
2. **Period of Contract** : The Period of Contract shall be 15 (Fifteen) Months extendable by 3 (three) months.
3. **Concession Fee** : The Concession Fee is the Quoted Amount Rs. 38799/- per month. In addition to the concession fee, the Licensee shall be liable to pay the following charges / taxes as per Tender Document :
  - a. Utility/ Facilitation Charges at 10% of normal space rent or as may be notified by AAI from time to time, presently normal notified space rent is Rs. 1550/- (AC Space Rent) and Rs. 1030/- (Non AC Space Rent) per sqm per month for the financial year 2024-25, (subject to annual escalation of 7.5% per annum - rounded off to nearest 10, w.e.f. 1<sup>st</sup> April, every year) for allotted space.
  - 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 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.

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Commercial Department Email – [vobz.comml@aai.aero](mailto:vobz.comml@aai.aero) Phone -0866 2846014

- d. Electricity Per Unit Consumption Rate is presently Rs. 12.75/- per unit. This rate is under revision by AAI, Vijayawada Airport from time to time.
- e. Water Charges per month per tap at the rates to be fixed by AAI (which is under finalization) will be payable by the Licensee.

4. **Business Incubation Period** : Business Incubation Period shall mean a period of **30 days** from the date of issue of this Letter of Intent to Award (LOIA), i.e. **30 days from 28.05.2024**, unless extended in writing by the Authority, which will expire on 27<sup>th</sup> June, 2024.

The Selected Bidder will be under obligation during this period to complete the formalities and meet the obligations as specified in para 5 of General Information and Guidelines the Tender Document, which includes payment of Advance Licence Fee, Security Deposit and Execution of the Agreement.

5. **Gestation Period** : Gestation period of 30 (Thirty) Days, reckoned from the date of handing over of sites shall be permissible. Further the Successful Bidder needs to commence this Staff Canteen within gestation period positively. Billing will be done on completion of gestation period or actual commencement of business, whichever is earlier.

If the Licensee fails to complete the conditions of award which are pre-requisite for handing over of site, then the gestation period will be deemed to have commenced on 31st day of issuance of LOIA i.e. immediately after expiry of business incubation period. However, actual handing over of sites shall only be done after completion of all conditions of award.

6. **Security Deposit** :

Security Deposit amounting to **Rs. 2,06,410/- (Rupees Two Lakh Six Thousand Four Hundred Ten only)** to be deposited within thirty (30) days from the date of issuance of award letter. This SD is amounting to 04 (Four) months equivalent Licence fee (plus SD for Electricity) of the First (01st) year to AAI as an interest free security Deposit.

The Security Deposit may be deposited in the form of Demand Draft / Pay order / RTGS/NEFT/ Bank Guarantee from a Nationalized/Scheduled Bank (Bank Guarantee from Co-operative Banks, even scheduled co-operative banks, shall not be acceptable) in favor of Airport Director, AAI, Vijayawada Airport.

*Philip*  
28/5/24

Bank Guarantee should be valid for the entire period of license plus six (06) months. In the event of the Licensee committing any breach of the terms & conditions of the license agreement, the Authority may without prejudice to other rights and remedies be entitled to forfeit the Security Deposit or any part thereof. In Such an event he shall pay in the same manner as stated above such additional sum immediately as he may be called upon by the Authority to pay, so that the Security Deposit shall at all times during the continuance of these presents, be for the same amount. On the expiration or earlier determination of the license the Authority shall return the Security Deposit or part thereof which has not been forfeited as aforesaid, to him, without interest

The value for Security Deposit includes towards all types of utilities (such as Electricity, Water, Data Port, Telephone etc.).

**7. Submission of required permissions / approvals & Certificates :**

The Concessionaire shall obtain all the requisite statutory / regulatory permissions/approvals, certifications etc. to open and operate Staff Canteen within Business Incubation Period. A copy of all such required permissions / approvals & certificates need to be submitted to the office Airport Director, Vijayawada Airport within Business Incubation Period, i.e. within 60 days from issue of LOIA.

**8. Snacks Bars Layout Plan :**

The layout of Snacks Bars are as per Schedule of Premises in Appendix 4 of Annexure A of Tender Document, which is as follows :

- a) 8 sqm area in SHA (AC Space).
- b) 6 sqm area in City Side (Non AC Space).

**9. Payment of Concession Fee and Commercial Bills :**

AAI shall raise bill on or before 10<sup>th</sup> of every month. The concessionaire has to make the payment of Licence Fees, etc. by 25<sup>th</sup> of the same month, failing which interest on delayed payment at the rate of 9% per annum shall be charged from the due date for delay period of up to 30 days and if delay is for more than 30 days, then interest at the rate of 18% per annum shall be charged from the due date, for entire delay period.

All revenue bills will be raised at Vijayawada Airport and the amount will be payable by the licensee at the following Bank details of AAI, Vijayawada Airport :

|                     |   |                                                  |
|---------------------|---|--------------------------------------------------|
| Name of the Account | : | Airports Authority of India. Vijayawada Airport. |
| Account Number      | : | 40524306627                                      |
| Nature of Account   | : | Current Account                                  |
| Name of the Bank    | : | State Bank of India                              |

*Handwritten signature and date:*  
28/5/24

IFSC : SBIN0000783  
GST Number : 37AAACA6412D1Z7  
PAN : AAACA6412D  
Bank Address : Roy Nagar, Gannavaram, Krishna District,  
Andhra Pradesh -521101  
Name of the Contact person : Shri Mogili Vinay Dhar, Manager (Finance).  
Contact Number & Email : 7207208040 - [vinaydhar@aai.aero](mailto:vinaydhar@aai.aero)

**10. Special Terms & Conditions for Snacks Bar Operation :**

- a) The concessionaire should ensure that the Snacks Bars remains available during whole the period of flight movement at Vijayawada Airport in International Terminal Building.
- b) The concessionaire needs to maintain food quality as per standards framed by FSSAI prescribed under Food Safety and Standards (Food Product Standards and Food Additives) Regulation, 2011, Food Safety and Standards (Packaging and Labelling) Regulation, 2011 and Food Safety and Standards (Contaminants, Toxins, and Residues) Regulations, 2011.
- c) All packaged commodities, such as Beverages, Mineral Water, Chips, etc. must be sold on MRP of the product. Any lapses, if found while selling packaged commodities more than MRP will be subject to penalty as per Legal Meteorology Act, 2009 and the Legal Meteorology (Packaged Commodities) Rules, 2011.
- d) **Prescribed rates of all food items (except packaged commodities) will be mutually decided between AAI and the Successful Bidder, before commencement of the business. The concessionaire needs to collect approved rate only, from the users. In case of any complaint found from user / Passengers against charging extra price, which is not as per AAI approved Rate Chart, or food quality, the Licensee will be liable to pay penalty @ Rs. 2000/- per complaint OR as per Ops directorate's guidelines.**
- e) The concessionaire needs to submit Security Clearance from BCAS and submit Security Programme as per guidelines available in e-sahaj portal of BCAS, within prescribed time limit circulated by Chief Security Officer / CASO.
- f) Airport Entry Passes will be issued only after submission of Security Programme in BCAS E-Sahaj Portal.

*Handwritten signature and date:*  
28/5/24

All other terms & conditions will be governed as per guidelines provided in Tender Document, vide **E Bid No. 2024\_AAI\_192203\_1, dated 22.03.2024.**

Accordingly, it is requested to mobilize your resources and efforts for completion of all procedures during business incubation period and commencement of business within gestation period please. Further Acceptance of this LOIA is required to be conveyed to this office within seven (7) working days from the date of disposal of this LOIA.

Thanking you,

Yours faithfully,

  
(Dilip Das) 28/5/24

AGM (Commercial)  
for Airport Director,  
Vijayawada Airport.

दिलीप दास / DILIP DAS

सहायक महाप्रबंधक (वाणिज्य) / AGM (Commercial)  
भा.वि.प्रा. विजयवाड़ा अंतरराष्ट्रीय हवाई अड्डा  
AAI, VIJAYAWADA INTERNATIONAL AIRPORT-521102

**Copy to :**

1. GM(Commercial), AAI CHQ for kind information please.
2. Regional Executive Director, SR, for kind information please.
3. Jt. G.M (Commercial), SR for kind information please.

**Internal copy to all HODs of Vijayawada Airport.**