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भारतीय विमानपत्तन प्राधिकरण/AIRPORTS AUTHORITY OF INDIA
विशाखपट्टणम हवाईअड्डा/ VISAKHAPATNAM AIRPORT
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 & ISO 10002:2018 Certified

Ref: CL-13033/2/2019-APD-SR-VIZAG/46.

Date: 13-08-2024
By Mail/Speed Post

To

M/s Varun Hospitality Pvt. Ltd.,
7-8-1/1, Kasturaba Marg,
Siripuram, Visakhapatnam 530 002.

Sub: - Letter of Intent to Award (LOIA) for License for operating "Hotel Reservation Counter" facility at Arrival Hall of Visakhapatnam Airport. (Tender ID No. 2024_AAI_193497_1) - reg

Sir,

Reference is invited to your Technical Bid vide above tender ID opened on 22-05-2024, subsequent Financial Bid opened on 08-07-2024 in respect of above cited license. Competent Authority has accepted your Bid and approved to award the license for the subject facility on the following terms and conditions.

1. The award of license shall be for a period of **03 (Three) years or closure of operations of Airport, whichever is earlier** with an area of **6 sq. mts.** (Bare space) for counter at arrival hall of Visakhapatnam Airport. However, location may change due to operational requirement.
2. a. The license fee shall be the Quoted License Fee of **Rs. 1,84,800/- (Rupees One Lakh Eighty-Four Thousand and Eight Hundred only)** per month plus applicable charges and taxes to be payable to AAI during the period of license.
b. License Fees shall be subject to annual escalation of 10%. The first annual escalation will be applicable after completion of One Year/ Twelve (12) months license period. Thereafter the same will be applicable after completion of subsequent one-year period there from.
c. In addition to License fee, utility charges @ 10% of the normal space rent (present space rent is Rs. 1,550/- per sqmtr/month subject to annual escalation @7.5% every financial year w.e.f. 01.04.2025) for the counter area/shop area shall be payable by the licensee.
3. The Licensee shall not surrender the subject license before the expiry of 50% of the period of license, failing which the licensee shall be debarred from participating in any of AAI's tenders for a period of 1 (one) year and also applicable other terms & conditions as per exit clause of NIET.
4. Authority shall raise all bills (including License fee/MMG/MAG and any other bills except annual land lease bills) for the current month on 1st day of month in advance expect true-up and reimbursement of expenditure bills like electricity, water etc.

The invoices for reimbursement of expenditure like electricity, water charges etc. for the completed month shall be raised on 5th of succeeding month.

A credit period of 15 days (date of invoices plus 15 days) shall be provided, which is subject to reduction as and decided by Authority.

SM(2)/ra



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Authority shall levy penal interest @12% per annum from the due date (i.e. date of invoice plus 15 days) till the actual date of payment received in Authority's account in the cases concessionaire/ agencies settled the invoice after due date but within 90 days (date of invoice plus 90 days) and 18% per annum from the due date till the actual date of payment received in Authority's account in the case of concessionaire/ agencies settled the invoices after 90 days. In case of part payment made by any agency, same rate of interest on the balance amount of invoice as applicable shall be charged.

5. The licensee shall be required to submit Security Deposit of **Rs. 8,77,000/-** (Rupees Eight Lakhs and Seventy-Seven Thousand only) equivalent to 4 (Four) months of 1st year license fee (including utility charges @ 10% on space rent and amount equivalent to GST @ 18%) in the form of RTGS/NEFT/Bank Guarantee from Scheduled/Nationalized Bank in favour of Airports Authority of India, payable at Visakhapatnam with claim period of 180 days. The Licensee shall also be required to submit Security Deposit for Electricity charges i.e. **Rs. 1,32,000/-** (Rupees One Lakh Thirty-Two Thousand only) in the form of RTGS/NEFT only.

6. It may be noted that the EMD may be forfeited and you may be debarred from further participation in AAI's tenders for a period of 1 (one) year on account of non-completion of the following:

- Acceptance of offer within **7 days** from the date of issue of this letter.
- Payment of Advance License fee for one month of **Rs. 2,19,162/-** (Rupees Two Lakhs Nineteen Thousand One Hundred and Sixty-Two Only) including utility charges and GST @ 18% in the form of RTGS/NEFT within 15 days from the date of issue of this letter.
- Submission of Security Deposit of **Rs. 8,77,000/-** in the form of RTGS/NEFT/BG and Electricity Deposit of **Rs. 1,32,000/-** in the form of RTGS/NEFT within 15 days from the date of issue of this letter.

Note:

- Bank details of AAI, Visakhapatnam are enclosed as **Annexure -A**.
- Submission of BG shall be as per format provided in NIET Document.
- A Letter of Understanding is also to be submitted along with Bank Guarantee(s) in the format as per **Annexure-L** of tender document.
- Bank Charges shall be borne by the licensee.
- The Bank Guarantee (BG) from Co-operative Bank (even scheduled) / Societies / Payment Banks or in the form of FDR shall not be acceptable.
- 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)

[Handwritten Signature]
EM/01/kan



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*Unique Identifier Code	AAIVISAKHAPATNAM (to be mentioned in field 7037 of the BG advising message code)
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- vii. 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**.
- viii. 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.
- d) Depute any authorized representative for the joint measurement within 15 days from the award letter. The joint measurement shall form part of agreement. If the party fails to depute any authorized representative for the measurement within 15 days, then AAI representative shall conduct the measurement and inform the party that the same will be forming part of agreement and will be binding.
- e) Execution of license agreement on non-judicial stamp paper of **Rs.500/-** Govt. of Andhra Pradesh within 15 days the date of issue of award of letter.

7. Authority reserves to itself the right to change the location of the premises at any time and may at its discretion to call upon the Licensee to vacate the site and may give alternative premises for the purpose of this license. In such a case, the licensee shall be bound to vacate the premises immediately and accept the said alternate premises. The entire expenditure on such shifting shall be borne by him and the licensee shall not be entitled to claim any compensation or revision in the license fee on that score.

8. The license can be terminated by either side, by giving **60 days'** notice in writing. However, Airports Authority of India can terminate the contract on short notice, on grounds of unsatisfactory performance of passengers/users' complaints. In such an event, licensee shall vacate the premises and handover peaceful possession of the licensed premises to AAI without claiming any compensation or raising any dispute.

9. The licensee shall be required to meet all statutory taxes/levies to the Central/state/local bodies and obtain all applicable licenses as prescribed, if any, failing which AAI may exercise its option to settle, on licensee's behalf and recover the amount from the licensee. No claim in any respect regarding his property/goods shall be entertained by AAI.

10. The Licensee shall make arrangements to obtain appropriate insurance cover in respect of all properties/goods, if any, proposed to be stored or used by the licensee.

11. AAI reserves the right to grant license for similar facilities in the same/ different locations of the airport and enter separate commercial agreements with other firms/individuals and licensee shall have no objection for the same.

12. Following acts of licensee shall also be construed as grounds for Termination of contract:

- (a) Unsatisfactory performance.
(b) Non-payment of dues/ partial payment of dues.



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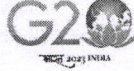
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13. The licensee shall not damage the premises or any part of the Airport Premises. In the event of any damage being caused intentionally or otherwise, AAI shall be entitled to repair the damage or make the requisite replacement and call upon you to replace or reimburse the cost thereof for which you shall have to pay forthwith on demand. In addition, AAI in any way will not be held responsible for any theft/pilferage etc. You shall have to make/provide necessary security arrangement for safety / security of the belongings at your own cost.
14. Business Incubation Period: - **15 days** of business incubation period from the date of issuance of LOIA shall be applicable for completing post award facility by the Licensee such as award acceptance, Submission of SD/BG, execution of Agreement, taken over the site, submission of security clearance documents of BCAS etc.
15. GST and Cess as applicable from time to time is payable by the licensee.
16. Agreement is to be executed on a non-judicial stamp paper of **Rs. 500/-** of Govt. of Andhra Pradesh and submission of the same to this office along with the photograph of authorized signatory (with documentary proof of authorization), signed copies of the award letter and NIET document which shall form an integral part of the license agreement
17. The licensee shall undertake to pay the full amount of licence fee / dues regularly as per the award / agreement and perform all the covenants of the agreement even he/they have requested for appointment of Arbitrator and / or during the course of arbitral proceedings.
18. No gestation period after completion of business incubation period/handover of site (as per the case) shall be applicable, being the incumbent Licensee. License fee shall be payable immediately after completion of previous contract.
19. However, 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 clearance from BCAS.
20. Water charges (if applicable)/Electricity charges are payable as per actuals. Electricity/Water meters, as applicable, shall be arranged by the licensee and are to be installed in coordination with concerned department of AAI.
21. Only bare space shall be provided by AAI and the fabrication of the counter has to be done at agency's own cost (as applicable). The structure/counter for the purpose is to be erected by the licensee should be as per the design, drawing and specification approved by AAI at the cost of the licensee.
22. The licensee shall adhere to all directives issued by AAI/BCAS from time to time.

Signature
SM (B)/100



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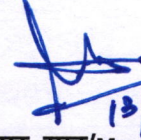
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23. All other terms and conditions mentioned in the NIET along with this award letter shall form part and parcel of the License Agreement.

Kindly convey your acceptance within **7 days** from the date of this award and complete the contractual formalities within the stipulated period as mentioned above.

कृपया प्राप्ति की पावती भेजें / Please acknowledge receipt

भवदीय/Yours Sincerely,


13/07/2022


मनोज कुमार साहू/Manoj Kumar Sahoo

वरिष्ठ प्रबंधक (इंजी-विद्युत/वाणिज्य)/SM (E-E/Comml)

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 (Comml), RHQ, SR)

आंतरिक/Internal copy :-

1. प्रचालन प्रभारी / Operations In-charge	5. सुरक्षा प्रभारी / Security In-charge
2. सी.एन. एस प्रभारी / CNS In-charge	6. सिविल प्रभारी / Civil In-charge
3. वित्त एवं लेख प्रभारी / F&A In-charge	7. सी.आई.एस.एफ प्रभारी /CISF In-charge
4. विद्युत प्रभारी / Electrical In-charge	8. ड्यूटी टर्मिनल मैनेजर /Duty Terminal Manager



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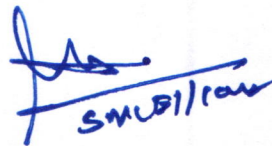
Annexure-A

BANK DETAILS FOR RTGS

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**


S. M. S. / raw