A Navratna CPSE

NBCC (INDIA) LIMITED
(A GOVT. OF INDIA ENTERPRISE)
OFFICE OF THE RBG (ITPO)
NBCC Business Centre, Logix Technova, 8th Floor Sector-132, Noida (U.P.)
Email ID : sbg.delhi1@nbccindia.com

Date: 23.07.2019

CORRIGENDUM/ ADDENDUM -04

Sub: **Request for Proposal for Selection of Developer cum Operator of 5 Star Hotel at International Exhibition-cum-Convention Centre (IECC) Pragati Maidan.**

Ref: - **RFP No. NBCC/Land for Hotel/RFP/2019/03 dated June 11, 2019.**

With reference to above referred RFP, Corrigendum / Addendum -04 is hereby issued as under:-

1) The Clarifications/Replies to the Queries raised by one of the bidders vide his mail dated 11.07.2019.

All other terms and conditions of the RFP shall remain same.

Rakesh Gupta 23/7/19
Executive Director (Engg)

Request for Proposal for Selection of Developer cum Operator of 5 Star Hotel at International Exhibition-cum-Convention Centre (IECC) Pragati Maidan, New Delhi

RFP NO NBCC/Land for Hotel/RFP/2019/03 dated June 11, 2019

Replies to the Queries

<table>
<tr><th>S. No</th><th>Clause Reference in the RFP</th><th>As per RFP</th><th>Query</th><th>Reply</th></tr>
<tr>
<td>1.</td>
<td>Clause 5 5.1</td>
<td>SECTION 5 - PAYMENT TERMS
Once the Successful Bidder(s) is issued Letter of Award, the Bidder will be required to make payments as per following terms and schedule:
<table>
<tr><th>S. no</th><th>Name</th><th>Amount</th></tr>
<tr><td>1.</td><td>25% of highest bid value in Indian Rupees</td><td>Within 30 days (including holidays) of issue of Letter of Award.</td></tr>
<tr><td>2.</td><td>25% of highest bid value in Indian Rupees</td><td>Within 90 days (including holidays) of issue of Letter of Award.</td></tr>
<tr><td>3.</td><td>25% of highest bid value in Indian Rupees</td><td>Within 180 days (including holidays) of issue of Letter of Award.</td></tr>
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<td>As per RFP clause 5.1, the Successful Bidder has to make the payment as per the schedule tabled therein. Please confirm whether GST is applicable on the payments made under clause 5.1 of the RFP.</td>
<td>Bidder may please refer to Clause 5.2 of Lease Deed, which is reproduced below for ready reference.

“Service Tax/ GST/ VAT and other Taxes: It is specifically agreed by the Lessee that the Premium and Rent is exclusive of all Taxes levied or charged as per Applicable Law and the same shall be borne and paid by the Lessee alone. The Lessee shall bear pay and discharge all existing and future amounts, duties, imposing and outgoing of whatsoever taxes imposed or charged upon the Hotel Plot and Hotel Premises or upon the occupier in respect thereof from the Execution Date. It is agreed and understood that each Party shall bear their respective income tax arising out of the lease granted under this Lease Deed”

However, the Leasing authority has taken a legal opinion from a Tax Advocate (Supreme Court) in the matter. The Conclusion of the opinion is as below :-

“Setting up and development of markets have been core functions of municipalities. Organizing trade fairs and convention centers are manifestation of the same role. Such role is now being handled by specialized outfits like ITPO. Article 243W only gives broad description of the activities that may be the task of municipalities, for which they may be empowered through enabling legislation by State Governments. But the Supreme Court has explained that some such function may be entrusted to specialized agency for efficient discharge of the role. In view of the foregoing discussion, I am of the view that organizing trade fairs, setting up and running convention centers and</td>
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S. No	Clause Refer in the RFP	As per RFP			Query	Reply
		4.	25% of highest bid value in Indian Rupees	Within 240 days (including holidays) of issue of Letter of Award.		leasing of plots for construction of hotel adjacent to the convention hall are all activities that fall within the scope of Article 243W. ITPO was set-up as a non-profit company with the Government holding 100% of the shares. It is fully under the control of Government of India, and its major policies and activities are at the behest of Government of India. Therefore, ITPO qualifies as a Governmental Authority in terms of the definition in paragraph 2(zf) of Notification No. 12/2017 – CT (Rate), reproduced in para 8 above. In terms of Serial No. 4 of this Notification, GST is not payable on any service provided by a Governmental Authority. Therefore, ITPO would not be liable to pay GST on the upfront amount and ground rent receivable on the proposed lease transaction. Accordingly, the lessee would not be required to bear any cost towards GST on lease of the hotel plot by ITPO" The legal opinion is for information only.
		5.	Stamp duty, taxes and any other charges for registering Lease Deed.	As per actuals, to the relevant Authority at the time of execution of Lease Deed.		The bidder has to find out on his own regarding applicability of GST on the Stamp duty payable. The bidder has to bear Stamp duty, taxes and any other charges for registering lease deed as per actuals to the relevant Authority at the time of execution of Lease Deed.
		6.	Performance Guarantee for INR 40,00,00,000 (Rupee forty crore only) as Performance Guarantee as per the format given at Section-12 ("Performance Guarantee")	Before execution of Lease Deed.		Shall remain as per tender documents.

S. No	Clause Refer in the RFP	As per RFP	Query	Reply
2.	5.1		As per the RFP, the Successful Bidder has to enter into a 99 year lease deed with the ITPO. Please confirm whether Goods & Service Tax (GST) and/ or Stamp Duty is applicable on entering and / or registering the aforesaid lease deed.	This has already been clarified at Point no.1 of replies to the queries above.
3.	Clause 4.2	**SECTION 4 - DESIGN DETAILS** The proposed tunnel connecting the hotel premises to the IECC Complex is meant to enhance the viability of the hotel. Since the IECC project is already under implementation, it is advisable that this tunnel is constructed at this time along with the IECC project. It will be extremely difficult logistically to make this tunnel by the successful bidder at a later stage and even the cost involved would be much higher. The successful bidder may therefore agree to construction of this tunnel accordingly and also bear the cost/ expenditure incurred on construction of this tunnel which is estimated to be in the range of Rs.20-22 crores.	As per RFP clause 4.2, a tunnel connecting the hotel premises to the IECC complex shall be constructed and it is advisable to construct as this time along with the on-going IECC Project. It is understood that the tunnel will be constructed by the ITPO / NBCC and the actual cost will be borne by the Successful Bidder.	Leasing authority/ Tendering authority will construct the tunnel connecting the hotel premises to the IECC complex on the specific request of the bidder. However, bidder has to bear the cost / expenditure incurred on construction of this tunnel which is estimated to be in the range of Rs 20 – Rs 22 Crores.