

NEW DELHI MUNICIPAL COUNCIL
PALIKA KENDRA : NEW DELHI.

COUNCIL'S SPECIAL MEETING NO. 08/2011-12 DATED 07.10.2011 AT 3-00 P.M.

Arrangement of business

ITEM NO.	SUBJECT	PAGES	ANNEXURES
01 (A-15)	Requirement of land on permanent & temporary basis for construction of Janpath and Mandi House Metro Station on Central Secretariat to Lal Quila Corridor, Phase-III MRTs Project of Delhi.	2 – 9	10 – 31
02 (L-03)	Extension of Collaboration Agreement between NDMC & M/s IHC in respect of Hotel Taj Man Singh beyond 10.10.2011.	32 – 39	40 – 55
03 (B-13)	Inspection of 66 KV GIS Holec Make Switchgear boards by the Service Engineers of M/s Siemens, Netherlands and Supply of spares for 66 KV ESS Vidyut Bhawan and 66 KV ESS, School Lane.	56 – 60	61 – 71

ITEM NO. 01 (A-15)**1. Name of the subject/project**

Requirement of land on permanent & temporary basis for construction of Janpath and Mandi House Metro Station on Central Secretariat to Lal Quila Corridor, Phase-III MRTs Project of Delhi.

2. Name of the Department

Civil Engineering Department, Road-I Division

3. Brief history of the subject/project

(i) DMRC has planned to take up the construction work of underground tunnel and Metro Station at Janpath and Mandi House on Central Secretariat - Lal Quila Corridor, Phase-III MRTs Project of Delhi. DMRC had requested for handing over permanent and temporary vide their letter No.DMRC/15/MOUD/CS-MandiHouse/1313/9 dated 31.01.2011, DMRC/15/MOUD/CS-MandiHouse/1313/8 dated 03.02.2011, DMRC/15/MOUD/CS-Mandi House/1313/11 dated 03.02.2011 and DMRC/15/MOUD/CS-Mandi House/1313/12 dated 03.02.2011 (**Annexure 'A' See pages 10 - 13**).

(ii) Subsequently, DMRC had submitted the modified drawings for the land after field survey on 22.09.2011 which indicates that permanent and temporary land, both are consisting the portion of land in Right Of Way of respective road and some portion in private land/ premises of STC, MTNL, NDMC, NSD, Eastern Court, Western Court, Embassy of Nepal, Massonic Clubs etc. The NOC from the respective owners are yet to be obtained by DMRC.

(iii) The details of permanent and temporary land required by DMRC are as under:-

(a) Temporary land requirement for Janpath & Mandi House Station in Right Of Way of the roads vide drawing No.DMRC/Line-6/EXTN/CS-MH/LP/JP01T-JP09T (**Annexure 'B' See page 14**). dated 26.08.10 and No.DMRC/Line-6/EXTN/CS-MH/LP/MH01T-MH06T dated 26.08.2010, (**Annexure 'C' See page 15**) modified on dated 22.09.2011 (**Annexure 'D' See page 16**) are as under:-

Location marked in Drawing	AREA (in Sqm.)	Purpose	Location & Detail
JP01T	13983.62	STATION BOX	(i) In front of Jawahar Vyapar Bhawan, Kidwai Bhawan/ MTNL building and Chanderlok building on main carriage way

Location marked in Drawing	AREA (in Sqm.)	Purpose	Location & Detail
			of Janpath, paved footpaths on both sides. (ii) Service road in front of Tibetan Market 5.0 m wide from face of shop from Tolstoy and Janpath crossing upto Western Court will remained open for safe pedestrian movement.
MH04T	5625.70	X-OVER AND CUT & OVER TUNNEL	Portion of land at Mandi House roundabout, Right of Way of Bhagwan Dass Road and Firozshah Road, Consisting bitumen carriage way, footpath, katcha and developed green area.
MH05T	4094.00	X-OVER AND CUT & OVER TUNNEL	Mandi House roundabout consisting green developed portion.
CS03T	1110.265	LAUNCHING SHAFT AT CH 0.0.M	Opposite of press club of India and 33 KV ESS of NDMC and in front of Chelmsford club side, consisting katcha portion and red stone footpath.

Note:-

- Temporary land marked as JP10T in the Right Of Way of Tolstoy Marg near the X-Junction cannot be handed over at present due to the proposed diversion of traffic through Tolstoy Marg. This may be considered after completion of the aforementioned construction and after opening of Janpath Road.
- DMRC has stated in their drawing that **"The temporary land will be used for the construction of underground structures. This land will be restored back and handed over for the usage above ground level."**

(b) **Permanent land requirement for Janpath and Mandi House Metro Station, in Right Of Way of road** as per DMRC drawing No.DMRC/Line-6/EXTN/CS-MH/LP/JP0IP-JP16P dt26.08.2010, modified on dated 22.09.2011 (**Annexure 'E' See page 17**) are as under:-

Location	AREA (in Sqm.)	Purpose	Location & Detail
JP03aP	161.44	LIFT WEST	Adjacent to compound wall of Imperial Hotel near Shop No.26, Tibetan Market of NDMC in paved area and katcha portion.
JP05P	123.09	ENTRY SOUTH/WEST	In front of Western Court, consisting Katcha portion and

Location	AREA (in Sqm.)	Purpose	Location & Detail
			pump house of underground Fire Water Tank of NDMC.
JP06P	79.60	VENT SHAFT SOUTH	In front of Eastern Court, in Katcha portion.
JP08P	108.84	ENTRY SOUTH/ EAST	In front of Eastern Court, in Katcha portion and paved parking area.
JP11P	56.15	LIFT EAST	In front of Kidwai Bhawan between gates of Jawahar Vyapar Bhawan and Kidwai Bhawan in Katcha portion.
JP013P	81.97	ENTRY NORTH/EAST	In front of Jawahar Vyapar Bhawan in katcha portion.
JP015P	54.90	VENT SHAFT NORTH	In front of Jawahar Vyapar Bhawan in paved CC slab footpath and one underground Fire Water Tank of Fire Deptt., NDMC.
JP018P	158.09	ENTRY NORTH/WEST	Adjacent to the boundary wall of Masonic in Right of Way of Janpath as well as Tolstoy Marg. This will be given after opening of Janpath Road and NOC from the Masonic Club.

- (c) **Portion of land required inside 'Chanderlok building' NDMC premises on temporary basis,** after the completion of work, the portion of approached tunnel will remain inside the ground level as per detail below:-

Location	AREA (in Sqm.)	Purpose	Location & Detail
JP07T	215.08	ENTRY SOUTH/ EAST	In front set back of Chanderlok building consisting parking and access to building. Closing of both entry & exit of Chanderlok building on Janpath road side but DMRC has ensured to provide light vehicular traffic from Imperial Hotel side through temporary decking, since no other access available to Chanderlok building.

4. Detailed proposal on the subject/project

DMRC requires the land for construction of Metro Station at Janpath and Mandi House for the corridor Central Secretariat to Lal Quila, Phase-III, MRTS Project of Delhi. DMRC requested for temporary land and permanent land for the above work and had also requested to Land & Development Deptt. for necessary charges to be paid. The details of actions are as under:-

- i) DMRC was asked vide letter No.D/1000/SE(R) dated 03.03.2011 (**Annexure 'F' See page 18**) to confirm its commitment to take following actions:-

- a) "Diversion, Restoration of Drainage System damaged during construction of underground corridor has to be carried out by DMRC.
 - b) Relaying/ Redevelopment of affected roads, pavements, green areas etc. by DMRC as per scheme approved by the NDMC.
 - c) Clearance from other departments i.e. Water Supply, Sewerage, Horticulture & Architect Department including other statutory bodies like DUAC, UTTIPEC, Traffic Police, Fire Services, ASI etc.
 - d) DMRC has to inform Embassies of Iran & Nepal.
 - e) DMRC has to ensure that during construction no water-logging takes place in and around the work zone and no lines are diverted/ shifted without permission.
 - f) DMRC has to get the circulation plan around Metro Stations for approved by UTTIPEC."
- ii) In response the above, DMRC replied vide their letter No.DMRC/CPM-8/CS-MH/2011/CC-01/01/286 dated 07.06.2011 (**Annexure 'G' See page 19**) as below:-
- a) "The undersigned received the above referred letter on 07.06.2011. DMRC will reinstate all the works of road, footpath, drainage, greenery etc. wherever work is taken up by us. However, for utility diversions, permission from local agencies like, NDMC, MCD, MTNL etc. will be taken.
 - b) For road diversions, traffic police permission etc. will be taken during the course of work wherever is required. Alignment plan has been sent to various agencies. The undersigned also attended meetings with UTTIPEC where your Executive Engineer was also present. All such suggestions which are practical and feasible have been incorporated.
 - c) We have already sent a letter No. DMRC/CPM-8/CS-MH/2011/CC-01/01/280 dated 04.06.2011, along with drawings, showing land requirement which indicates our specific need for land / roads".
- iii) DMRC again requested vide letter No.DMRC/CPM-8/CST-MH/2010/24/724 dt.06.09.11 to handover the permanent and temporary land at Janpath Road, Mandi House & further clarified that "there will be no road closer at Mandi House for the present".
- iv) DMRC informed vide No. DMRC/CPM-8/CTST-MH/2011/03/ 758 dt 10.09.11 (**Annexure 'H' See page 20**) that the matter with L&DO for issuing the formal NOC for the above requirement of land is also being pursued and has requested as under:-
- "Delhi Metro Rail Corporation has started construction work for Phase-III. In this connection, we requested NDMC to handover Janpath Road to start the work of the

proposed Janpath Station. **All the due charges will be paid to L&DO whenever their demand note is received by us in reference to our letters.**

DCP(Traffic), vide letterNo.2197/SO/DCP/T/CR dt. 04.08.2011 (**Annexure 'I' See page 21 - 22**), has given the permission for closure of Janpath Road."

- v) DMRC have made presentation before Chairperson, NDMC, EIL, NDTA and DCP(Traffic) on 14.09.2011 in regard the proposed traffic diversion as per the permission of DCP(Traffic) in which Traffic will be diverted through Ashoka Road to Jantar-Mantar Road, Tolstoy Marg, Atul Grover Road to Firozshah Road and Chairperson directed to find out the affect of proposed closure of Janpath road on the work of Redevelopment of Connaught Place. Minutes was issued vide No. D/70/CE(R) dated 15-09-2011 (**Annexure 'J' See pages 23 - 24**). Proper walkway/ passage for pedestrian will be provided by DMRC during the construction and Signages, utilities, taxi-stand, kiosk, BQS and other street furniture's will be shifted temporarily in consultation with NDMC. The same shall be restored back by DMRC at their own cost.
- vi) A meeting was held with NDTA, Delhi Traffic Police, EIL and DMRC, especially in regard the ongoing work of Redevelopment of Connaught Place and Minutes of meeting was issued vide No. D-487/CE(R) dated 21-09-2011 (**Annexure 'K' See pages 25 - 27**). It has been agreed that DMRC work shall not affect the Redevelopment of Connaught Place work schedule. The traffic permission for Redevelopment of Connaught Place will not be delayed on account of DMRC work on Janpath.
- vii) DMRC informed for carrying out certain ancillary/ preparatory works vide letter No.DMRC/ CPM-8/CTST-MH/2011/03/796 dated 16.09.2011 till closure of Janpath Road (**Annexure 'L' See pages 28 - 29**). The soft trial for traffic diversion were proposed, followed by closure of Janpath Road immediately, for which permission from Council is required. The soft trial for traffic diversion couldn't take place as preparation works such as chamfering of footpath, fixing of sign boards and miscellaneous preparatory works were not carried out by DMRC and accordingly DMRC was replied vide letter No.D/1219/SE(R-I) dated 21.09.2011 (**Annexure 'M' See pages 30 - 31**).
- viii) DMRC was further asked with regards to the area being developed for approach/ platform as permanent fixtures after the completion of the project, duly maintained by DMRC and to undertake for not using these permanent fixtures/ buildings/ exterior wall/ walkways/ approached way/ platform **for any other commercial activities** such as advertisement, hawkers, vending, kiosks etc. other than smooth and safe walkway for the commuters to Metro Station only.

- ix) Land requirement on temporary and permanent basis in the premises of individual owner such as STC, MTNL, Eastern Court, Western Court, NSD, LKA, Masonic, Embassy of Nepal etc, the NOC have to be taken by DMRC separately from the individual owner.
- x) The permission from the L&DO is awaited.

Therefore, in view of the position explained above, it is proposed that the case may be placed before the Council for NOC to handover the permanent and temporary land and for the necessary permission for closure of Janpath Road for carrying out the DMRC work, after the public notice.

5. Financial Implication of the proposed Project/Subject.

There will be no financial implication on NDMC on account of transfer of this land with inventories to DRMC. Since, DMRC will restore the temporary land alongwith the inventory as to original condition of the roads, footpath, other utilities etc. as per the inventories prepared and accepted jointly by NDMC and DMRC.

6. Implementation schedule with time limits for such stage including internal processing.

The temporary land will be used for three years period and shall be returned after completion of construction and restoration the same. The permanent land shall be used for utility structures as per the L&DO approval.

7. Comments of the Finance Department on the subject

N.A.

8. Comments of the Department on comments of Finance Department.

N.A.

9. Legal implications on the subject/project

N.A.

10. Details of previous Council Resolution existing law of Parliament and Assembly on the Subject.

N.A.

11. Comments of Law Department on the subject.

- (a) Proposal is not very clear. If land belongs to NDMC, its transfer whether temporary or permanent will be governed by section 141 of the Act.
- (b) If land belongs to L& DO and its being used for public purpose or vesting for management by NDMC, Council will give no objection, but, permission shall be given by L&DO or other land owning agency & charges shall be collected by such agency.
- (c) When kiosks, Taxi stands are to be shifted, necessary intimation to licenses would be necessary by NDMC indicating the place for their shifting and duration for which these will be shifted. Expenditure on such construction shall be by DMRC. Taxi stands are notified by Delhi Police. New site will need a fresh notification by Delhi Police.
- (d) If the regulation or prohibition of public streets is covered by clause (a) and (c) of Section 207 of the Act, such action shall require sanction of the Council. Clause (b) of section 207 does not require sanction of the Council.
- (e) Provision of section 207(2) of the Act have to be complied with duration of such regulation and prohibition will be intimated.
- (f) DMRC shall be liable to property tax/ service charges or their building as per provision of the NDMC Act and OM of Govt. of India.
- (g) Advertisement shall be permitted as per NDMC policy and provision of NDMC Act 1994.
- (h) In respect of Chanderlok building necessary intimation will have to be given to licenses of the building.

12. Comments of the Department on the comments of Law Departments

The comments of the Law Department are accepted. Wherever the land belongs to NDMC and is transferred on temporary basis or permanent basis, necessary charges shall be collected. In respect of land which does not belongs to NDMC, NOC shall be given and the DMRC shall take permission from the land owning agency and pay necessary charges, if any, to the said agency.

In respect of the taxi stands, property tax/ service charges or advertisement and Chanderlok building licensees, the information shall be forwarded to the concerned department for necessary action as per law. In respect of the streets covered by the DMRC project, permission of the Council is being sought U/s-207 of the Act for regulation and prohibition of the streets, for the period for which the construction work is completed.

13. Certification by the department that all Central Vigilance commission (CVC) guidelines have been followed while processing the case.

N.A.

14. Recommendations :-

The case is laid down before the Council for according the approval for following:-

- (a) To issue 'No Objection' to handover the permanent and temporary land belongs to L&DO and approval to hand over the temporary land belongs to NDMC as above, subject to the undertaking from DMRC as mentioned at 4 (viii) above, for carrying out work of Metro Station Janpath and Mandi House and necessary permission for closing the Janpath Road and for traffic diversion as per the permission of Delhi Traffic Police after issuing the public notice.

DMRC will restore the temporary land at their own cost after completion of the work and will return back to the NDMC.

- (b) To initiate further action in anticipation of confirmation of minutes for the council meeting.

COUNCIL'S DECISION

Resolved by the Council to accord approval to the following :-

- (a) To issue 'No Objection' to handover the L&DO land on the Right of Way on Road on permanent/temporary basis and to hand over the NDMC land (Chanderlok Building) on temporary basis against charges to be paid by DMRC. The Council's approval is subject to the following :-

- (i) The approval is subject to grant of prior permission and 'no objection' by the L&DO for the above;
- (ii) DMRC shall not use the permanent buildings / exterior walls / walkways / platforms for any other commercial activities, including advertisements, hawkers, vending, kiosks, etc. except with prior approval of NDMC.
- (iii) DMRC will obtain all other required permissions from other land owning agencies like MTNL, State Trading Corporation (Jawahar Vyapar Bhawan), Western Court, Eastern Court, Bahawalpur House, plot no.1, Sikandara Road, Postal & Telegraph, Chelmsford Club, National School of Drama, Lalit Kala Academy and Nepal Embassy etc.;
- (iv) DMRC will restore the temporary land to the original status at the time of handing over, at their own cost after completion of the work and will return it to the NDMC free from encumbrances.

- (b) It was also resolved by the Council that necessary permission for regulation and prohibition on the Janpath Road be accorded and traffic diversion be regulated as per the permission of Delhi Traffic Police after issuing requisite public notice.

It was also resolved by the Council that further action may be taken by the department in anticipation of confirmation of the minutes by the Council.

ANNEXURES 10 - 31

ANEXURE ENDS

ITEM NO. 02 (L- 03)**1 Name of the Subject:**

Extension of Collaboration Agreement between NDMC & M/s IHC in respect of Hotel Taj Man Singh beyond 10.10.2011.

2 Name of the Department:

Estate-I Department

3. Brief History of the Subject:

3.1 NDMC, in 1976, with the objective of developing tourism in the capital city before the PATA Conference of 1978 and to boost its own revenues decided to develop a 5 star hotel as per the standards laid down by Government of India. NDMC made a request to the Ministry of Works & Housing, Govt. of India for the plot of land measuring 3.78 acre at 1, Man Singh Road, New Delhi. Around the same time, the Ministry was also approached by Indian Hotels Co. Ltd. (IHC) for this plot. Finally L&DO, Govt. of India initiated the allotment of this plot at 1, Man Singh Road, New Delhi to NDMC.

3.2 NDMC, being an urban local body (*Nagar Palika*), did not and does not have the expertise of setting up or running 5 star hotel. Indian Hotels Co. Ltd. (IHC) approached NDMC in 1976 for developing the 5 star hotel as joint venture project. Considering the lack of expertise with Council and paucity of time (in view of PATA Conference in 1978), it was decided by NDMC to have a collaboration with Indian Hotels Co. Ltd. (IHC). The approval for this joint venture / collaboration was granted by the New Delhi Municipal Committee, vide Resolution No. 35 dt.02.4.1976 **(Annexure – I) (See pages 40 – 41)**. The plot was allotted to NDMC vide the allotment letter No.L-II-A-16 (436)/76 dated 13.07.1976.

3.3 In this joint venture, NDMC provided the allotted land and financed the construction of building and IHC was to provide technical services such as planning, designing, supervision and quality control for construction of the hotel building by deploying qualified architects, consultants, engineers and quality surveyors. IHC was also to provide, at its own cost, necessary equipments, furniture, furnishings

and assets such as kitchen equipment, laundry equipment, furniture and furnishings. IHC was also to undertake, at its own cost and responsibility, regular running of this 5 star hotel as per laid down standards laid down by the D.G. (Tourism) Department of Tourism, Government of India by employing qualified and skilled staffs. This unique joint venture arrangement followed in case of hotel Taj Man Singh is fully captured by 3 agreements :-

3.3.1 License deed (18.12.1976) for land area of 3.78 acre (161706 sqft) and building covered area of 323438 sqft providing that NDMC owns the land and the constructed building with its assets; while IHC owns the movable assets such as laundry equipments, furniture, office equipments, etc. As per the License Deed, IHC was liable to pay the license fee at the rate of 10.5% of gross receipts or 15% of NDMC investments in the hotel building i.e. Rs.6.26 cr, whichever is higher, along with Rs.12 lacs per annum towards House Tax and ground rent of Rs.2.29 lacs per annum.

3.3.2 Collaboration agreement (18.12.1976), detailing the investments by NDMC in Schedule-II and those by IHC in Schedule-III. It captures total investments by NDMC and IHC as Rs.626 lacs and Rs.550 lacs respectively.

3.3.3 Supplementary agreement (25.9.1979), capturing final investments of NDMC of Rs.626 lacs including construction of the hotel building with fixtures and fittings, cost of land & construction supervision.

4. Detailed proposal on the subject:

4.1 The Hotel Taj Man Singh represents an unique Joint Venture/ Collaboration project between the NDMC & IHC where land and construction funding were provided by NDMC and IHC had undertaken construction though this funding and then provided for equipments, regular operations & maintenance. IHC has been fairly regular in clearing their dues of license fees. There have been no major legal disputes or proceedings between NDMC and IHC.

4.2 IHC have strived to increase their consumer base and created a strong brand name for the property. IHC and NDMC have long term interest in the property. After taking over hotel building from NDMC in 1976, IHC have invested about Rs. 129 cr

by March 2011 in substantive renovation and refurbishments of the hotel. This can be verified from the audited statements of IHC.

4.3 As per the Agreement and license deed, the term given to IHC was for 33 years i.e. upto 10.10.2011. This was calculated from the date on which the first paying guest occupied the hotel room. The clause – II of the License Deed provides that:-

"the licensor shall have the option to grant the licence for a further period on such terms and conditions as may be mutually agreed upon between the licensor and the licensee... if the licensee shall be desirable of obtaining the licence for a further period after the expiry of the present licence it shall give to the licensor a notice in writing of not less than 60 days prior to the date of expiry of the present licence for consideration of the licensor".

4.4 Thus the license deed of 18.12.1976 itself provides for extension of the license period on mutually agreed terms and conditions. IHC, the collaboration partner and the present operator has applied for extension of term in February 15, 2010. As the original agreement/deed provided option to grant further term to IHC, the case was processed for appropriate decision.

4.5 Chairperson, NDMC constituted a Committee on 27.07.2010 to examine the legal, contractual and financial aspects of the proposal and suggest course of actions on the request received from IHC. The Committee consisted of the following officers:

- | | | |
|----|---------------------|----------|
| 1. | Financial Advisor | In Chair |
| 2. | Legal Advisor | Member |
| 3. | Director (Estate-I) | Member |

4.6 The Committee held a number of meetings/discussions, including those with IHC. It also considered legal advice of Counsel forwarded by IHC and Standing Counsel of NDMC (**Annexure – II**) (**See pages 42 – 47**). She advised that this project is a Joint Venture Collaboration Agreement and it can't be equated with normal license shops/units. She has concluded that 'The decision of the Supreme Court of India interpreting the provisions of section 141(2) and Resolution dt.

30.08.2000 would not prohibit the continuation of the license arrangement of NDMC with IHC, the vital and dominant consideration always being maximum consideration for immovable property even in cases governing contractual rights inter-se the parties where the NDMC is to offer state grant'. Further the Standing Counsel has also noted that "NDMC could vary the percentage of revenue sharing based on gross receipts of the hotel, so as to get an amount equivalent to the fair market value". Based on this input and detailed examination and discussion, the Committee submitted its detailed report in July, 2011.

4.7 In Brief, the Committee's recommendation regarding license fee as share of gross turnover are summed up as follows :-

Duration	Minimum License Fee	License fee as share in gross turnover
First ten years	21 crores per annum	17.25% of gross turnover
Second ten years	25 crores per annum	18.25% of gross turnover
Last ten years	30 crores per annum	19.25% of gross turnover

4.8 While the findings and recommendations of the Committee were under consideration, the Ministry of Urban Development, in a meeting with NDMC in August 2011, suggested that fresh bids should be invited for the property while giving first right of refusal to IHC (**Annexure – III**) (**See pages 48 – 51**). NDMC has written to the Ministry clarifying that this was not in accordance with the agreement between NDMC and IHC, which are legally binding documents (**Annexure – IV**) (**See pages 52-55**). The reply from MOUD is still awaited.

4.9 While the committee has given its recommendations based on internal inputs and records, it was felt necessary that the department may also examine other aspects such as recent transactions of DDA, DIAL, DMRC of similar nature and also the practices followed in hotel projects in other states where revenue sharing has been the bidding criteria. The Department should also assess NDMC's and IHC's investments in this joint venture. While NDMC has invested in land and building, IHC

has invested in refurbishment, regular operations, brand building and creating a loyal customer base.

4.10 Keeping all above factors in mind, NDMC has decided to take some expert opinion through a Consultant to give us the best possible evaluation for considering the extension on mutually agreed terms and conditions. In this regard, the Department is exploring various options for engaging a Consultant. However, the consultant would need some time to come up with detailed recommendations. Further the reply from MOUD is also still awaited. Therefore it is sought to extend the term of license for one year from 11.10.2011 to 10.10.2012 on the terms and conditions to be mutually agreed to. The matter will be reviewed and further taken up for negotiation, after the decision of the Ministry of Urban Development, based on the Committee's recommendations and Consultant's report.

5. Financial implication of the proposed Subject:

This is a joint venture agreement between IHC and NDMC and one year extension is sought on the existing arrangement while reserving the right to implement the final decision about terms of extension from 11.10.11. Hence no financial implication is involved.

6. Implementation schedule with timelines for each stage including internal processing:

N.A.

7. Comments of the Finance Department on the subject with diary number and date:

Financial Advisor was a member of the Committee. Further the Finance Department vide their note No. 2038/Fin./R-Secy. Dated 3.10.2011 that as the proposal of the deptt. in the draft agenda for extension of the existing Collaboration Agreement with M/s Indian Hotels Co. Ltd. (Hotel Taj Man Singh) for a period of one year on the existing terms and conditions, beyond 10.10.2011 i.e. the date on which

the existing agreement & licence deed for 33 years is expiring, is based upon the facts that Ministry of Urban Development has suggested to invite bids for the property while giving first right of refusal to IHC, and also that NDMC has decided to take some expert opinion before considering the extension on mutually agreed term, it would be advisable if the proposed extension is termed as Provisional while reserving the right to implement the final decision from 11.10.2011 itself about terms of extension, after the finality of the discussion/correspondence with MOUD and on the basis of the expert opinion at a late date. Accordingly the draft agenda may be amended accordingly. However, the legal advice may also be taken on this proposal to safeguard the interest of NDMC.

8. Comments of the Department on comments of Finance Department:

Comments of Finance Department have been incorporated in the draft resolution.

9. Legal implication of the subject:

The Agenda is proposed as per the provisions of Collaboration Agreement, License Deed and Supplementary Agreement between IHC and NDMC for this joint venture project.

10. Details of previous Council Resolutions on the subject:

As mentioned in para 3.2 above.

11. Comments of the Law Deptt on the Subject:

The opinion of Standing Counsel of NDMC has been incorporated in the draft resolution and also annexed. Legal Advisor has, inter-alia, observed that when licensee has exercised option, there is not much left, except to decide further period of license and terms and conditions to be mutually agreed upon. He has opined that under section 141, the power for disposal of immovable property is with sanction of the Council. He has noted that the license was issued under Punjab Municipal Act,

1911 and now is deemed to be license under the NDMC Act, 1994 as per s.416(2)(a) and that we may formally inform IHC about the Ministry's stand.

12. Comments of the Department on the comments of the Law Deptt:

Comments of Finance Department has been incorporated in the draft resolution.

13. Certification by the Department that all Central Vigilance Commission (CVC) guidelines have been followed while processing the case.

Not application at this stage.

14 Recommendations:

Considering the facts as brought out above, the case is put up before the Council for sanction for extension of the existing Collaboration Agreement with M/s Indian Hotels Co. Ltd. For Hotel Taj Man Singh and extension of license deed for a period of one year on the terms and conditions to be mutually agreed to as also for reviewing and taking up for negotiations, after the decision of the Ministry of Urban Development, based on the Committee's recommendations and Consultant's report.

15. Draft Resolution

The proposal contained in the agenda presented before the Council was considered in detail and proposal as contained in para 14 of the agenda is approved. Further action may be taken by the department in anticipation of confirmation of minutes.

COUNCIL'S DECISION

The Council expressed its' displeasure regarding delay in processing the case. Considering the urgency of the matter, the council resolved, by majority, as follows:

- (i) to accord sanction for extension of existing collaboration project and lease deed for one year upto 10.10.2012, subject to the condition that the Indian Hotel Corporation (IHC) shall agree to pay license fee as per mutually agreed terms and conditions retrospectively w.e.f. 11.10.2011.
- (ii) to accord sanction for further review and actions in accordance with the decision of Ministry of Urban Development, the legal advice, the Committee's recommendations & Consultant's reports.

The Council also directed that the Deptt. should workout the timelines for completing the above exercise and the Council be informed of the progress.

It was also resolved by the Council that further action may be taken by the department in anticipation of confirmation of the minutes by the Council.

ANEXURER 40 – 55

ANEXURE ENDS

ITEM NO. 03 (B-13)

1. **Name of Work:** Inspection of 66 KV GIS Holec Make Switchgear boards by the service engineers of M/s Siemens, Netherlands and Supply of spares for 66 KV ESS Vidyut Bhawan and 66 KV ESS School Lane.
2. **Department:** ELECTRICITY DEPARTMENT
3. **Brief History of the Proposal:** Two nos. 66 KV GIS Boards comprising of 9 panels each were installed and commissioned by M/s Holec Ltd. at 66 KV ESS Vidyut Bhawan and 66 KV ESS School Lane during the year 2001, it was a joint venture between erstwhile DVB and NDMC. The 66 KV GIS boards are Holec make Type L-SEP, installed and commissioned by M/s Holec under the supervision of erstwhile of DVB & NDMC. The entire cost of the project was shared between erstwhile DVB & NDMC in ratio 5:4. Due to unbundling of DVB now all the 18 panels, 9 each at both the 66 ESS Vidyut Bhawan & School Lane respectively are being used by NDMC for their power supply network.

66 KV ESS Vidyut Bhawan and 66 KV ESS School Lane are the two prime sub-stations of NDMC receiving power supply at 66 KV voltage level from Gas Turbine, which is further being distributed in the NDMC area at 33 KV & 11 KV level. About 10 years have passed since these switch gears were installed and commissioned but no preventive maintenance of these GIS boards is being carried out except the general cleaning.

M/s SIEMENS, Netherlands NV, has taken over M/s Holec Co. It has been confirmed by M/s SIEMENS Ltd. that a 10 year inspection is required to be carried out to detect any defect or abnormal condition, in order to avoid any system failure. M/s SIEMENS Ltd. have also recommended for the procurement of some spare parts for GIS Switch gear.

4. **Detailed Proposal of the Subject:** The entire work including supply of material thereof, is of proprietary nature and it can be got done only from the manufacturers, namely M/S HOLEC, Netherlands, now reckoned as M/S SIEMENS, Netherlands NV (the work being handled M/S SIEMENS Ltd., India) and the work is essentially / inevitably required to be executed being the 10 year inspection, recommended by the manufacturers, as required to detect any defect or abnormal condition in order to avert any system failures leading the disruption of electricity supply at 66 KV voltage level in NDMC area.

Accordingly, an offer was obtained from M/s SIEMENS Ltd. for the subject work & supply. The firm quoted Rs. 94,50,000/- plus taxes, as inspection charges for the 10 year inspection of the above said GIS boards and spares to be procured and essentially required to be kept at site during the inspection work, the quantity & rates of which were to be clarified from the firm.

The offer of the firm along with subsequent correspondences was scrutinized and subsequently examined and evaluated by the sub-committee duly approved by the Chairman, NDMC, under the chairmanship of Advisor (Electric) which identified the issues / points to seek clarifications from the firm (M/s Siemens Ltd.) during the negotiations. DTL had also got similar type of work done for their 220 KV GIS Boards from their respective OEM, on the basis of which the department had evaluated the justified amount (**Annexure 'A'**) (**See page 61**) for the Inspection, based on the number working days & hours as per the offer of the firm for the work, considering the rates taken in the DTL Work Order and assuming the other time frames to be the same.

With the approval of Chairman, NDMC, the negotiations were held on 15.4.2011, with the firm, by the Negotiations Sub-Committee, under the Chairmanship of CE (E-II), wherein the issues / points identified by the earlier Sub-Committee under the Chairmanship of Advisor (Electric) with reference to the offer of inspection & supply of spares were discussed and deliberated at length by the negotiations sub-committee with the representative of M/S SIEMENS for the inspection of 66 KV GIS Holec make Boards and supply of spares for 66 KV ESS Vidyut Bhawan & School Lane, to make the firm reduce the inspection charges to Rs. 89,82,847/-, derived on the basis of the similar work order of DTL to M/S ABB Ltd.

The firm showed their inability to reduce the inspection charges during the negotiations. The negotiations Sub-Committee also asked the firm to provide bifurcation of inspection charges and the final list of spares along-with the prices for the same. The firm provided with bifurcation of inspection charges and the final list of spares along-with the prices for the same with confirmation of the points of negotiations vide their letter dated 2.8.2011 which was duly accepted by the negotiations Sub-Committee. However, some of the terms and conditions, even after the negotiations, are beyond the stipulated general guidelines/ rules as per CPWD/ GFR, but they are covered under specialized items/ jobs for electric work under CPWD Manual. As per GFR Rule 159, the advance payment for service rendered or supplies made should not exceed 30% of the contract value to the private firms, whereas, in this case the firm is demanding 50% advance of the inspection charges along-with the work order and 20% advance of the cost of spare parts along-with the purchase order & balance 80% of the cost of spares shall be on COD basis, which is equivalent to advance payment. On submission of proof of readiness of payment by NDMC, M/S SIEMENS will arrange dispatch of material, which seems to be beyond the GFR. Moreover the firm is not accepting the Warranty clause, Security Deposit clause, Performance Bank Guarantee (PBG) & Liquidities Damages clause (LD) which are beyond the general guidelines of CPWD Manual. The firm has however agreed to provide ABGs of equivalent amounts from the date of receipt of respective interest free advances of 50% till the mobilization of Engineer against inspection and 20% against supply respectively.

The firm namely M/s Siemens Ltd. have also certified that the rates quoted vide their offer no. GN/EOS/SE/08-09/SE20090272/NL are reasonable and are quoted with their standard terms and conditions. They have also certified that the quoted rates with terms and conditions are as being quoted to other state Electricity Boards, Govt. customer or PSU etc.

The expenditure incurred will be charged to the Chart of A/C 81-230-59-47 (Budget Head of A/C E-4-2) against R&M/O 66/33 KV Electric Sub-stations and cables during the year 2011-12 wherein a specific token provision of Rs. 10 Lac exists under "Specialized inspection of 66 KV panel board". However, necessary suitable provision shall be made in RE 2011-12 and BE 2012-13.

The negotiations sub-committee was of the considered view that the entire work including supply of material thereof, is of proprietary nature and seems that it can be got done only from the manufacturers namely M/S HOLEC, Netherlands now reckoned as M/S SIEMENS, Netherlands NV (the work being handled M/S SIEMENS Ltd., India) and there is no option but to get the work done from M/S SIEMENS Ltd., inspite of the fact that some of the terms and conditions as detailed above are beyond the stipulated guidelines/ rules as per GFR/CPWD, at their quoted amount of Rs. 94,50,000/- plus service taxes @ 10.3% i.e Rs. 1,04,23,350/- for Inspection Part and Rs. 30,35,000/- plus duties & taxes i.e Rs. 34,14,557/- plus Transport (Freight & Packaging) @ Rs. 2,00,000/- for Supply Part plus overtime charges @ 19,110/- per hrs. and charges for working on 7th day & public holidays @ Rs. 36,750/- per hrs. if any, as per the terms and conditions of the original offers and the negotiated terms & conditions vide their letter dated 02/08/2011.

The firm has extended the validity of their offer and subsequent correspondences upto 31.10.2011 only and has regretted that no further extension shall be given against offer and an increase of 7% shall be applicable beyond 31.10.2011.

The case was examined by the Finance and subsequently concurred in vide dairy No. 2041/ Finance / R-Elect Dt. 4.10.2011 with the remarks that now the department may take the approval of the competent authority by preparing a project report detailing the need & benefits of the proposal in a proper manner.

- 5. Financial Implications:** Rs. 1,04,23,350/- inclusive of prevalent service tax for the Inspection Part and Rs. 34,14,557/- inclusive of prevalent duties & taxes plus Transport (Freight & Packaging) @ Rs. 2,00,000/- for the supply part, plus overtime charges @ 19,110/- per hrs. and charges for working on 7th day & public holidays @ Rs. 36,750/- per

hrs. if any. Total amount for work and supply amounts to Rs. 1,40,37,907/- (including Taxes, Duties & Transportation etc.) plus Overtime Charges extra as detailed above.

6. Implementation Schedule: Inspection to commence only after receipt of Supply of material as scheduled below:

For Supply Part: Delivery ex-works: 6 months from the date of receipt of clear P.O. clarified in technical and commercial details and Advance.

Delivery of the equipment offered would commence within 5 months and would be completed within 6 months from the date of LOI/Purchase Order.

For Inspection Part: Mobilization of Service team: Within 60 days of receipt of written communication.

Duration of 10 year Inspection session will be approx. 36 days for 18 nos. panels (9 nos. in each board) (with approx. 2 days shut down per normal cable bay).

7. Comments of the Finance Department: Finance vide Diary No. 2041/Finance/R-Elect dt. 4.10.2011 has concurred in the proposal with the remarks that now the department may take the approval of the competent authority by preparing a project report detailing the need & benefits of the proposal in a proper manner.

8. Comments of the Department on comments of Finance Deptt. : With reference to the observations of finance department the project report is placed at **Annexure 'B' (See page 62)**.

9. Legal Implication of the Subject: - NIL -

10. Details of previous Council Resolution: - NIL -

11. Comments of Law Department: - NIL -

12. Comments of the department on the comments of Law Department: - NIL -

13. Certification by the Department:

All Central Vigilance Commission (CVC) guidelines have been followed.

14. Recommendations of the Department: The case may be placed before the Council to:

- Award the work to M/S SIEMENS Ltd. for Inspection of 2 nos. 66 KV GIS Holec Make Boards at ESS Vidyut Bhawan and ESS School Lane, by the Service Engineers of M/S SIEMENS, Netherlands at their quoted amount of Rs. 94,50,000/- plus service taxes @ 10.3% amounting to Rs. 1,04,23,350/-.
- Award the Supply Order for getting the supply of spares for the said 66 KV GIS boards at ESS Vidyut Bhawan & School Lane, New Delhi at their quoted amount of Rs. 30,35,000/- plus duties & taxes amounting to Rs. 34,14,557/- plus Transport (Freight & Packaging) @ Rs. 2,00,000/-. (Making a total amount for Supply Part as Rs. 36,14,557/-)
- Authorise Chief Engineer (E) for approval of overtime charges @ Rs. 19,110/- per hrs. and charges for working on 7th day & public holidays @ Rs. 36,750/- per hrs. if any, as per actual, on the terms and conditions of the original offer and the negotiated terms & conditions.
- Make interest free advance payment of 50% of the inspection charges along-with the work order, against ABG of equivalent amount till the mobilization of engineer and balance 50 % payment along-with prevalent taxes for the inspection part within 15 days of submission of final inspection report.

- Make interest free advance payment of 20% of the cost of spare parts along with purchase order, against ABG of equivalent amount and balance 80 % payment along-with prevalent duties and taxes for the supply of spare parts on COD basis.
- Get the cheque / DD equivalent to the balance 80 % payment, including duties & taxes, of the cost of spare parts, prepared against the intimation of the firm about readiness of the material so that material can be dispatched by the firm, on COD basis, on receipt of the proof of readiness of payment.
- Accord approval to place Work Order and Supply Order as per the terms and conditions of the original offer and the negotiated terms & conditions, on the firm namely M/S SIEMENS Ltd. at the total amount for work and supply amounting to Rs. 1,40,37,907/- (including Taxes, Duties & Transportation etc.) plus Overtime Charges extra as detailed above. in anticipation of the confirmation of the minutes of the Council meeting since the validity of the firm is going to expire on 31.10.2011 and there after a price increase of 7% shall be applicable.

(Copy of DTL orders dated 16.5.2006 & 01.07.2010 enclosed as Annexure 'C' (See pages 63 – 71)

15. Draft Resolution: Resolved by the Council that the approval is accorded to:

- Award the work to M/S SIEMENS Ltd. for Inspection of 2 nos. 66 KV GIS Holec Make Boards at ESS Vidyut Bhawan and ESS School Lane, by the Service Engineers of M/S SIEMENS, Netherlands at their quoted amount of Rs. 94,50,000/- plus service taxes @ 10.3% amounting to Rs. 1,04,23,350/-.
- Award the Supply Order for getting the supply of spares for the said 66 KV GIS boards at ESS Vidyut Bhawan & School Lane, New Delhi at their quoted amount of Rs. 30,35,000/- plus duties & taxes amounting to Rs. 34,14,557/- plus Transport (Freight & Packaging) @ Rs. 2,00,000/-.(Making a total amount for Supply Part as Rs. 36,14,557/-)
- Authorise Chief Engineer (E) for approval of overtime charges @ Rs. 19,110/- per hrs. and charges for working on 7th day & public holidays @ Rs. 36,750/- per hrs. if any, as per actual, on the terms and conditions of the original offer and the negotiated terms & conditions.
- Make interest free advance payment of 50% of the inspection charges along-with the work order, against ABG of equivalent amount till the mobilization of engineer and balance 50 % payment along-with prevalent taxes for the inspection part within 15 days of submission of final inspection report.
- Make interest free advance payment of 20% of the cost of spare parts along with purchase order, against ABG of equivalent amount and balance 80 % payment along-with prevalent duties and taxes for the supply of spare parts on COD basis.
- Get the cheque / DD equivalent to the balance 80 % payment, including duties & taxes, of the cost of spare parts, prepared against the intimation of the firm about readiness of the material so that material can be dispatched by the firm, on COD basis, on receipt of the proof of readiness of payment.
- Place Work Order and Supply Order as per the terms and conditions of the original offer and the negotiated terms & conditions, on the firm namely M/S SIEMENS Ltd. at the total amount for work and supply amounting to Rs. 1,40,37,907/- (including Taxes, Duties & Transportation etc.) plus Overtime Charges extra as detailed above. in anticipation of the confirmation of the minutes of the Council meeting since the validity

of the firm is going to expire on 31.10.2011 and there after a price increase of 7% shall be applicable.

COUNCIL'S DECISION

Resolved by the Council, by majority, to accord approval to the following :-

- Award the work to M/S SIEMENS Ltd. for Inspection of 2 nos. 66 KV GIS Holec Make Boards at ESS Vidyut Bhawan and ESS School Lane, by the Service Engineers of M/S SIEMENS, Netherlands at their quoted amount of Rs. 94,50,000/- plus service tax @ 10.3% amounting to Rs. 1,04,23,350/-.
- Award the Supply Order for getting the supply of spares for the said 66 KV GIS boards at ESS Vidyut Bhawan & School Lane, New Delhi at their quoted amount of Rs. 30,35,000/- plus duties & taxes amounting to Rs. 34,14,557/- plus Transport (Freight & Packaging) @ Rs. 2,00,000/-.(Making a total amount for Supply Part as Rs. 36,14,557/-)
- Authorise Chief Engineer (E) for approval of overtime charges @ Rs. 19,110/- per hrs. and charges for working on 7th day & public holidays @ Rs. 36,750/- per hrs. if any, as per actual, on the terms and conditions of the original offer and the negotiated terms & conditions.
- Make interest free advance payment of 50% of the inspection charges along-with the work order, against ABG of equivalent amount till the mobilization of engineer and balance 50 % payment along-with prevalent taxes for the inspection part within 15 days of submission of final inspection report.
- Make interest free advance payment of 20% of the cost of spare parts along with purchase order, against ABG of equivalent amount and balance 80 % payment along-with prevalent duties and taxes for the supply of spare parts on COD basis.
- Get the cheque / DD equivalent to the balance 80 % payment, including duties & taxes, of the cost of spare parts, prepared against the intimation of the firm about readiness of the material so that material can be dispatched by the firm, on COD basis, on receipt of the proof of readiness of payment.
- Place Work Order and Supply Order, as per the terms and conditions of the original offer including the negotiated terms & conditions, on the firm namely M/S SIEMENS Ltd. at the total amount for work as well as supply amounting to Rs. 1,40,37,907/- (including Taxes, Duties & Transportation etc.) plus Overtime Charges extra as detailed above.

The above approval is subject to the following conditions:-

- i) The department shall put on record a certificate to the effect that M/s. Siemens Ltd. are the only authorized agency to take up the required work and to undertake maintenance of this item.
- ii) A certificate to be given by the Deptt. to the effect that the rates on which the work is awarded to M/s Siemens Ltd. are reasonable and justified.

It was also resolved by the Council that further action may be taken by the department in anticipation of confirmation of the minutes by the Council.

(SANTOSH D. VAIDYA)
SECRETARY

(ARCHNA ARORA)
CHAIRPERSON

ANNEXURE – “A”**Calculation of Inspection Charges for 02 nos. SIEMENS Engineers from Netherlands based on the similar work order placed by DTL on M/S ABB, Switzerland**

S.No.	Description	Qty.	Unit	CHF conversion	Total
		HRS/DAYS	CHF	in Rs.	(Rs.)
A	Personnel Cost			@ Rs. 49.06	
	Preparatory and winding up time	10	188.2	9233.092	92330.92
	Travelling Time Holland to site to Holland	48	188.2	9233.092	443188.42
	Preparation site	8	188.2	9233.092	73864.74
	Normal hrs. @ 2 days per bay for 36 days.	288	188.2	9233.092	2659130.50
	Demobilization site normal hrs	16	188.2	9233.092	147729.47
	Reporting at CH office	8	188.2	9233.092	73864.74
	Project Management	32	150	7359	235488.00
	Sub Total-A				
B	Daily Allowance and travelling costs				
	Accommodation incl breakfast (days)	42	150	7359	309078.00
	Meals (days)	42	55	2698.3	113328.60
	Business class flight ticket Holland-Site-Holland	1	6500	318890	318890.00
	Miscellaneous Visa Charges	1	500	24530	24530.00
	Expenses for 01 Engineer				4491423.38
	Total Exepenses for 02 Nos. Engineers				8982846.75

Project Report

Name of Work: Inspection of 66 KV GIS Holec Make Switchgear boards by the service engineers of M/s Siemens, Netherlands and Supply of spares for 66 KV ESS Vidyut Bhawan and 66 KV ESS School Lane.

66 KV ESS Vidyut Bhawan and 66 KV ESS School Lane are the two prime sub-stations of NDMC receiving power supply at 66 KV voltage level from Gas Turbine, which is further being distributed in the NDMC area at 33 KV & 11 KV level. These switchgears are totally sealed and maintenance free units and as per recommendations of the OEM the inspection of these is required at an interval of 10 years.

M/s SIEMENS, Netherlands NV, has taken over M/s Holec Co. It has been confirmed by M/s SIEMENS Ltd. that a 10 year inspection is required to be carried out to detect any defect or abnormal condition, in order to avoid any system failure. M/s SIEMENS Ltd. have also recommended for the procurement of some spare parts for GIS Switch gear. About 10 years have passed since these switch gears were installed and commissioned but no preventive maintenance of these GIS boards is being carried out except the general cleaning.

The entire work including supply of material thereof for the inspection, is of proprietary nature and it can be got done only from the manufacturers, namely M/S HOLEC, Netherlands, now reckoned as M/S SIEMENS, Netherlands NV (the work being handled M/S SIEMENS Ltd., India) and the work is essentially / inevitably required to be executed being the 10 year inspection, recommended by the manufacturers, as required to detect any defect or abnormal condition in order to avert any system failures leading the disruption of electricity supply at 66 KV voltage level in NDMC area.

The failure of these panels may plunge about 30% area of NDMC in the North & South of Rajpath, into darkness, which includes VVIP's residences & offices such as PM House, Parliament House, Rasthrapati Bhawan, Vigyan Bhawan, North Block, South Block & area around Connaught Place including Palika Kendra itself & other multi-storied office buildings. Apart from this, disruption of Electricity Supply would lead to heavy revenue loss to NDMC on daily basis.

This inspection will enable us to identify the defects/abnormalities in the GIS Switchgears for which maintenance action, by getting the same rectified/repared would be taken subsequently by the same firm itself, thereby improving the reliability in maintaining the continuity of smooth electricity supply in the VVIP area of NDMC.

Accordingly, as per the offer of M/s SIEMENS Ltd., the expenditure for the said work is amounting to Rs. 1,04,23,350/- inclusive of prevalent service tax for the Inspection Part and Rs. 34,14,557/- inclusive of prevalent duties & taxes plus Transport (Freight & Packaging) @ Rs. 2,00,000/- for the supply part, plus overtime charges @ 19,110/- per hrs. & charges for working on 7th day & public holidays @ Rs. 36,750/- per hrs. if any.

The expenditure incurred will be charged to the Chart of A/C 81-230-59-47 (Budget Head of A/C E-4-2) against R&M/O 66/33 KV Electric Sub-stations and cables during the year 2011-12 wherein a specific token provision of Rs. 10 Lac exists under "Specialized inspection of 66 KV panel board". However, necessary suitable provision shall be made in RE 2011-12 and BE 2012-13.

Thus, the total expenditure involved in getting 10 years inspection of the said 66 KV GIS Switchgears including work and supply amounts to Rs. 1,40,37,907/- (including Taxes, Duties & Transportation etc.) plus Overtime Charges extra as detailed above.

Annexure 63 ó 71

Annexure ends