

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:6838
ANSWERED ON:08.05.2013
RENEWAL OF TAJ PALACE LEASE
Aaron Rashid Shri J.M.;Bhadana Shri Avtar Singh

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Delhi Development Authority (DDA) has renewed/proposes to renew the lease of Taj Palace Hotel without settling various dues;
- (b) if so, the details thereof and the reasons therefor;
- (c) the terms and conditions laid down by DDA for renewal of lease of Taj Palace hotel; and
- (d) the reasons for not opting for fresh bids to generate more revenue?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRIMATI DEEPA DASMUNSHI)

(a)&(b): The Licence Agreement for Taj Palace Hotel at Sardar Patel Marg has been renewed for a further period of 25 years beyond 31.3.2013 in terms of the original Agreement. The renewal of Licence Agreement was granted after settlement of all outstanding dues. This is final extension of Licence Agreement.

(c)&(d): Apart from other conditions, as per Article-VII of the Licence Agreement, initially the licence was granted for a period of 30 years commencing from 1.4.1983 subject to the condition that the licensee shall be bound by the observe and perform all the terms and conditions contained in the Agreement throughout the period of the license.

The Licence Agreement further provides that the licensee shall have the option of renewing the licence of the said hotel building for a further period of 25 years on giving notice in writing of such intention to the licensor atleast six months before the expiration of the licence granted, and the licensor would renew it upon the same terms and conditions as are therein contained excepting only the Clause as to renewal, and subject to the payment of licence fee as contained in Clause(1) of the Article-VIII of the Licence Agreement.

Considering the above provisions in the original Licence Agreement executed between the Indian Hotels Company Ltd. and the Delhi Development Authority and the fact that the licensee has opted for renewal of the licence and submitted his option within the time frame prescribed in the Licence Agreement and also settlement of all outstanding dues, the Competent Authority has decided to renew the licence Agreement for a further period of 25 years beyond 31.3.2013, subject to the same terms and conditions.