

3. EXPO GUIDELINES

Commercial activities at Expo 2010, Shanghai refer to the catering services and boutiques of official participants in the exhibition areas.

3.1 CATERING SERVICES

Official participants may set up catering facilities in their allocated exhibition areas to provide speciality dishes and food to the public. The catering facilities of official participants may be high class restaurants, cafeteria-style restaurants and fast food (take-out), with the following characteristics:

CATEGORY	CHARACTERISTICS
Cafeteria-Style Restaurant	<ul style="list-style-type: none">• Decoration with distinctive styles.• Providing a certain kind or type of specialty dishes, food and beverages.• Accepting customer order or providing buffet services.• Relatively low density of diners, and relatively spacious environment.• Moderate prices.
Fast-food (take-out) Restaurant	Simple and Natural decoration Providing mainly fast food and beverages <ul style="list-style-type: none">▪ No dining in store or providing only simple in-store dining facilities Relative high density of dinners Moderate or lower price.

3.2 BOUTIQUES:

Official participants may set up boutiques in their exhibition areas to offer special goods of the country or international organisation concerned to the public, mainly pictures, post cards, books, stamps, audio-visual products, souvenirs and handicrafts.

3.3 AUTHORIZATION BY THE CHINESE GOVERNMENT:

The successful bidder shall be required to undertake overall process of Authorisation. Application will be submitted to pertinent Chinese Government authorities for authorization in accordance with Chinese Laws, regulations and rules. Necessary formalities to obtain the Food Hygiene License from Shanghai Food and Drug Administration, the Hygiene License for Public Places from Shanghai Municipal Hygiene Bureau, the Fire Safety License from the Fire Department of Shanghai, the License for Pollutant Discharge from Shanghai

Municipal Bureau of Environmental Protection, and on the basis of the aforesaid licenses obtain the Business License from the Industrial and Commercial Administration of Shanghai, the Organisation Code Certificate from the Quality and Technology Supervision Bureau, and the Taxation Registration Certificate from the taxation authority.

3.4 BUSINESS HOURS:

Business Hours for the commercial activities will be same as those for the India Pavilion at Expo.

3.5 ROYALTY:

All the allottees in the commercial activities zone of India Pavilion shall pay royalty to the organizers as per norms. The royalty for commercial activities shall be charged at a certain rate to the after-tax revenues as follows:

Catering Services	Royalty rate
Cafeteria-style restaurant	6 %
Fast-food (take-out)	8 %
Boutiques	10 %

The royalty shall be paid on a monthly basis, and the methods of payment shall be determined by the organizer otherwise. It is the responsibility of the Allottes to make the timely payment of Royalty and role of ITPO is to managing the affairs of India Pavilion and assist to the successful bidders.

3.6 DISPOSITION OF SALES REVENUES:

The allottees shall record and report their daily sales revenues to the Organizer in the way set forth by the Organizer. Allottees shall open an account in a bank designated by the Organizer, and deposit their daily revenues at the bank account. The allottees are required to provide within a specified period of time details of revenues from their commercial activities and account statements, and when necessary conduct auditing on the financial situation of the commercial activities.

The allottees shall use the cashier system designated by the organizer to handle the revenues from their commercial activities.

3.7 TRANSPORTATION, CUSTOMS SUPERVISION, INSPECTION AND QUARANTINE, AND TAXATION:

The allottees shall transport foodstuff, goods, materials and equipment related to their commercial activities in accordance with rules adopted and released by the Organizer.

The allottees shall follow the regulations of China concerning customs clearance and inspection and quarantine for importing foods, goods and their raw materials for their commercial activities, and pay customs duties, import VAT, and import consumption tax for the imports according to Chinese laws, regulations and rules.

The allottees shall also pay business tax on the sales revenues from their commercial activities according to the Chinese laws, regulations and rules.

If allottees commission businesses incorporated in China and with relevant qualifications awarded by Chinese authorities to undertake commercial activities in their section, such businesses concerned shall pay pertinent taxes according to Chinese laws, regulations and rules.

Shipment of equipments/merchandise, its custom clearance, payment of tax/VAT, etc. shall be liability of the bidder only.

3.8 QUALITY REQUIREMENTS:

The food and goods that the allottees sell through their commercial activities shall comply with the product quality and food safety requirements set forth by Chinese laws, regulations and rules, meet relevant international, Chinese and trade standards, and shall be subject to the supervision and inspection of the organizer and pertinent Chinese government authorities.

The Participants Service Centre shall answer the inquiries concerning the Chinese and trade standards for product quality.

3.9 CURRENCY AND PRICES:

The allottees' commercial activities shall be priced in RMB/Yuan and the transactions shall be settled in RMB/Yuan as well. Currency exchange services are available in the Expo Park.

The allottees shall provide a price catalogue in their commercial activity area indicating clearly to visitors the price of food and goods sold.

- 8 -

3.10 STAFF MANAGEMENT:

The allottees catering service staff shall undergo health examination by health and hygiene organizations specified by relevant Chinese government authorities, and may be engaged in such catering services only after they have obtained the health certificate and the staff certificate (or card) issued by the Organizer.

The sales staff of the allottees for commercial activities shall undergo trainings organized by the Organizer, and wear the staff card issued by the Organizer during their service.

The allottees will provide insurance coverage to all Staffs/workers.

4. COMMERCIAL ACTIVITY ZONE IN INDIA PAVILION

- 4.1 A plot of 4,000 sq. mtrs. (80 mtr. X 50 mtr.) has been allotted for India Pavilion in Zone 'A' located on eastern side of Huangpu River. As per the Expo guidelines, the area for commercial activities will be maximum 20 % of the total covered exhibition space. In this commercial activity zone, the Indian companies will be allotted shops for selling merchandize and services for the products/fields approved by Expo authorities. The drawings showing location and Design of India Pavilion are given at Annexures- I & II.
- 4.2 It is proposed to have 14 number of shops, one restaurant with seating arrangement and another restaurant (Fastfood/take away) inside the Pavilion.

Details	No. of Units	Area of each unit
Shops	14	26 sqm (Appx.)
Restaurant -I With seating arrangement	1	105 sqm (Appx.)
Restaurant - II (fastfood/take away)	1	50 sqm (Appx.)

No cooking is permitted in the shops. Layout of the Shops/Restaurants are given at Annexures- III & IV .

- 4.3 The shops and restaurants will be provided with partition walls, doors with locks, lighting/power points. However, interior decoration/design, the furniture and fixtures etc. will be arranged by the allottees themselves as per their specific requirements and needs.
- 4.4 As the Interiors of the Shops will be done by the Shop owners themselves, the proposed design of the Interiors with material specifications should be submitted to ITPO for approval of the same prior to implementation.
- 4.5 Since a standard facia for all the Shops will be provided as a package, separate signages will not be permitted on the exterior surfaces of the Shops or in the passage.
- 4.6 ITPO will provide for a connected load of a maximum of 3kw per shop (excluding the restaurant/s), any shopkeeper desiring additional power in their outlet should inform ITPO in advance while submitting their Interior design proposals for approval to ITPO.

- 4.7 Both the restaurants shall have the provision of kitchen with water and gas connection. All the cooking equipment, gadgets, utensils, crockery etc. will, however, be arranged by the allottee himself.
- 4.8 ITPO will provide grease trap for the effluent water in both the Restaurant-I & II, and a provision for a Dumb waiter shaft for servicing the upper deck in Restaurant-I only.
- 4.9 All expenditure like dispatch, customs clearance, traveling, boarding & lodging of personnel required for manning of shops and restaurant, Royalty to Expo organizers, consumption tax and other local taxes etc. are to be borne by the allottees themselves. The restaurant operator has to follow Expo guidelines pertaining to operation of restaurant within the Pavilion.
- 4.10 Addition/alteration or occupying space beyond allotted space is strictly prohibited.

4.11 ELIGIBILITY CRITERIA:

- i. Companies applying for a shop/restaurant must have a minimum average annual turnover of Rs. 3 crores per annum during the last three years.
- ii. Companies applying for restaurant should have minimum of five years experience in the restaurant business.

4.12 ALLOTMENT PROCEDURE:

- i. Allotment of shops and restaurants will be made to the highest bidders.
- ii. Minimum reserve price for a shop will be Rs. 68.00 lakhs, while for the restaurant-I Rs. 1.50 crores and for Restaurant-II Rs.1.00 crores. Companies will quote the best price they wish to pay over and above the reserve base price.
- iii. The bid application must accompany Earnest Money Deposit (EMD) of Rs. 5.00 lakhs for each shop, and Rs. 20.00 lakhs for the restaurant in the form of a bank draft favoring India Trade Promotion Organisation payable at New Delhi. Service tax at prevailing rates (@10.30 at present) will be applicable for payments made in Indian Rupees. However, no service tax will apply for payments made in foreign exchange. In case of payment in foreign exchange (US\$/Euro), bank draft may be drawn in favour of India Trade Promotion Organisation payable at New York (For payment in US\$) or payable at Frankfurt (For payment in Euro). EMD will be refunded back to the unsuccessful bidders.

- iv. 25 % of the quoted price will be payable within two weeks from the date of issue of approval/award letter for allotment of the shop/restaurant. Earnest money (EMD) already paid will be adjusted in this 25 % amount. Further, 25 % of the quoted price will be paid by 31st March, 2010 and balance 50 % by 15th April, 2010. Possession of the shop/restaurant will be given after receiving the full bid amount and as per guidelines of organizers.
- v. In addition to the above, the selected companies will be required to give a refundable security deposit of Rs. 5.00 lakhs for each shop and Rs. 10.00 lakhs for the restaurant (or equivalent amount in US\$/Euro) through either Demand Draft or irrevocable and unconditional Bank Guarantee by 31st March, 2010. **The Bank Guarantee should be valid till 31st December 2010.**
- vi. Bid price remaining the same, consideration will be given to the experience of participating companies in similar Expos in the past.
- vii. The specific number of shop will be allotted to the bidders on priority of their choice in the order of the highest bid i.e. highest bidder will have the first choice for specific shop number, and others will be in the decreasing order of the bid amount.
- viii. Interested companies should submit their bids in the prescribed proforma given in Annexure-V. Separate application will be submitted for each shop/restaurant. A company can apply maximum for two shops. The bid should be accompanied with copies of membership of EPCs/Commodity Boards, Income Tax Clearance Certificate, Certificate from the Chartered Accountant regarding the annual turnover for the past three years alongwith a demand draft being the EMD drawn in favour of India Trade Promotion Organisation, payable at New Delhi/New York/Frankfurt (as the case may be).
- ix. The bids in sealed envelopes should be addressed to the General Manager (TDMD) and sent by post/submitted, so as to reach India Trade Promotion Organisation (Room No 224), Pragati Bhawan, Pragati Maidan, New Delhi - 110001, upto 03:00 PM on 18th February 2010 giving details of their background, annual turnover for the past 3 years, past experience in Expos, membership for EPCs, Income Tax Clearance Certificate alongwith a Demand Draft being the EMD drawn in favour of India Trade Promotion Organisation, New Delhi/New York/Frankfurt. Supporting documents may also be enclosed. Applications received after the due date and time will not be considered. The bids will be opened in the presence of the bidders at 3.30 PM on 18th February 2010 in the Conference Room of ITPO, Pragati Bhawan, Pragati Maidan, New Delhi .

- x. Successful bidders will be required to sign an agreement with ITPO, separately for each shop/restaurant as per the specimen given at Annexure - VI.
- xi. Successful Bidder would not be allowed to withdraw in any case whatsoever & any conditions which fall under force-majeure. In case of withdrawal, no refund will be allowed and ITPO may allot the shop/restaurant to other bidders at its discretion.
- xii. ITPO reserves right to reject any or all the applications without assigning any reason whatsoever at any point of time and the decision of ITPO is final.
- xiii. Details may also be seen on the website: www.indiatradefair.com.

4.13 **GENERAL CONDITIONS**

- i. The allottee shall be deemed to have satisfied himself as to the nature of the site, local facility, the cost of accesses to the site and all other matters accepting the proper functioning of the commercial activity.
- ii. The allottee shall be deemed to have thoroughly understood the guidelines, regulations and instructions set out by the organizers of Expo 2010, Shanghai and shall comply with the stipulation set out therein.
- iii. The allottee shall ensure that the commercial activity in India Pavilion remains properly activated and operational throughout the duration of the Expo 2010 without any break.
- iv. The allottees shall ensure proper cleaning/conservancy arrangement of his commercial activity at his own cost including disposal of waste from the date of taking over of the possession of commercial space/shop/restaurant, to the handling over of the same after conclusion of the exhibition.
- v. It should be specifically mentioned that no retail sales or displays will be permitted in the passage to avoid obstruction and safety hazard with respect to traffic movement.
- vi. The provision of dustbin and waste disposal inside the shop/restaurant shall be made by the allottee at his own cost.

- vii. Expo Authorities have insisted that Close circuit cameras will be mounted in every shop, for monitoring by the Expo team within the National pavilions.
- viii. Allottees intending to take Artisans for demonstrating live demonstration of handicraft skills, should inform ITPO in advance with regard to the nature of the skill they plan to demonstrate, so that adequate arrangements can be made in the open courtyard.
- ix. ITPO, will provide necessary assistance to the representatives of the allottees by issuing recommendatory letter to the Chinese Embassy & liaison with Expo Authorities for obtaining **Visa**. However, ITPO shall not be liable, in case the Embassy denies Visa to the representative(s) of the allottees for any reason.
- x. The allottee has to handover the vacant shop/restaurant to ITPO after the conclusion of the Expo latest by 3rd November, 2010. All the interior decoration items, furniture etc., shall be dismantled and removed from the shop/restaurant before handing over the same to ITPO. If anything/item is left out, the same shall be got removed at the cost of allottee.
- xi. The security deposit shall only be released after handing over the vacant shop/restaurant and getting clearance from the Expo authorities/local authority, if any, and settling the dues with ITPO, if any.