

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:2313
ANSWERED ON:03.12.2002
RE-SALE OF ITDC HOTELS
NARESH KUMAR PUGLIA

Will the Minister of DISINVESTMENT be pleased to state:

- (a) the number of hotels disinvested which have since been re-sold by their purchasers to other parties;
- (b) the reaction of the Government in regard to the re-sale of the ITDC hotels;
- (c) whether it is proposed to incorporate a clause in the sale agreement that the purchaser of ITDC hotels shall not re-sell it for a certain specific period; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE)

- (a) As per information available, none of the disinvested hotel properties of ITDC has been re-sold by their purchasers.
- (b) Does not arise in view of reply to (a) above.
- (c) & (d) Except in the case of Hotel Ashok Bangalore, which has been given on long term lease-cum-management contract, 100% Government/ITDC shareholding in the other 18 properties has been sold to the respective purchasers. The Share Purchase Agreements do not prohibit the purchasers from re-sale of the shares. Since the Government was divesting 100% of its holding in these properties, any restrictive condition would have negatively impacted the value Government could realize. However, a condition has been imposed in the Agreements that the purchasers can use the land only as per the Master Plan of the applicable city/area. Moreover, for Hotel Ashok, Bangalore, Hotel Airport Ashok, Kolkata and Qutab Hotel, Lodhi Hotel, Hotel Kanishka, Hotel Indraprastha, Hotel Ranjit, New Delhi and Chandigarh project, where the land has been given on lease by the respective authorities, namely, Airports Authority of India, Department of Urban Development (Land & Development Office) and Chandigarh Administration, prior consent of the Lessor is required for transfer of the properties. Such restrictions, imposed on the basis of standard provisions of the concerned agencies, would be applicable for the properties located on leased land.