

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:2202
ANSWERED ON:17.12.2003
DISINVESTMENT OF RANJIT HOTEL
RENU KUMARI SINGH

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government has sold the Ranjit Hotel situated in Delhi to the Reliance Group of Company at a price less than market price;
- (b) if not, the present market value of this Hotel and the price at which it was sold to the Reliance Company;
- (c) whether the Reliance Company has opened an info-com office in the Hotel;
- (d) if so, whether the Reliance Company is trying to extort crores of rupees from Insurance Company as compensation for the fire that broke out in the hotel during the Durga-Puja festival;
- (e) if so, whether the Government proposes to conduct a high level inquiry into the matter; and
- (f) if so, by when and if not, the reasons therefor?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHR SHOURIE)

(a) & (b) Hotel Ranjit, New Delhi, was demerged into a separate company viz., Hotel Sleepwell Private Limited in which Government of India held approximately 89.97% shares and the Indian Hotels Company Limited held approximately 10% shares. The entire shareholding of both GoI and IHCL was disinvested in favour of the Consortium of M/s Formax Commercial Private Limited and Unison Hotels Limited for Rs.30.30 crores against the reserve price of Rs.23.78 crores. The disinvestment was on the basis of the current land use of Hotel Ranjit under the Master Plan of Delhi i.e., `Local Shopping`. Hotel RanjiFormax Commercial Private Limited is a Reliance Group company.

(c) Reliance Info-com operated from Hotel Ranjit from February 2003 till October 3, 2003.

(d) On 3rd October 2003, a fire occurred in Hotel Ranjit. M/s Formax Commercial Private Limited have intimated that Hotel Sleepwell private Limited and Reliance Infocomm Limited have filed claims amounting to Rs.67 lakhs and Rs.45 lakhs respectively with the Insurer i.e., Reliance General Insurance Company Limited.

(e) & (f) The claim for damages would be assessed and admissibility or otherwise of the amount claimed would be determined by the Insurer viz., M/s Reliance General Insurance Company Limited. The Government has no role in the matter.