

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:2202
ANSWERED ON:06.08.2003
DISINVESTMENT OF BRAHMAPUTRA ASHOK
MONI KUMAR SUBBA

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government of Assam has offered to buy the Indian Tourism Development Corporation's Stake in the three Star Hotel Brahmaputra Ashok;
- (b) if so, the details of the Stake and the cost offered by Assam Government; and
- (c) the manner in which the process of sale has since proceeded?

Answer

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

(a) to (c) M/s Assam Ashok Hotel Corporation Limited, a Joint Venture Company (JVC) between India Tourism Development Corporation Limited (ITDC) and Government of Assam (GoA) operates Hotel Brahmaputra Ashok. The share capital of the JVC is Rs.100 lakhs and the shareholding pattern is: ITDC-51% and GoA-49%. While indicating its intention to buy out ITDC's equity in the JVC, GoA has not offered any specific value. In response, Government of India (GoI) has proposed that the State Government may take over ITDC's equity after determination of the value of the property, as had been done for the purpose of fixing the reserve price of other ITDC properties disinvested so far. GoI's proposal also envisages that the reserve price would be apportioned on the basis of passing on 100% unearned increase in the value of the leased land to GoA and the State Government would settle all outstanding liabilities, including outstanding loans of ITDC, and take over the staff of the hotel.