

**GOVERNMENT OF INDIA
MINISTRY OF TOURISM**

**LOK SABHA
UNSTARRED QUESTION NO.1321
ANSWERED ON 11.02.2019**

AIMS AND OBJECTIVES FOR SETTING UP OF ITDC

1321. SHRI SUDHEER GUPTA:

SHRI ASHOK SHANKARRAO CHAVAN:

SHRI S.R. VIJAYAKUMAR:

SHRI GAJANAN KIRTIKAR:

KUNWAR HARIBANSH SINGH:

SHRI S. RAJENDRAN:

SHRI T. RADHAKRISHNAN:

Will the Minister of TOURISM be pleased to state:

- (a) the main aims and objectives for setting up of India Tourism Development Corporation (ITDC);**
- (b) the details of hotels, beach resorts, travellers lodges/restaurants under ITDC, location-wise, State/UT-wise;**
- (c) whether most of ITDC hotels, beach resorts, travellers lodges/restaurants are running in huge losses and if so, the details thereof during each of the last three years along with the reasons for the same;**
- (d) whether the Government has directed ITDC to transfer some of its hotels, beach resorts, travellers lodges/restaurants to the State Governments or joint leasing with the State Government and if so, the details thereof and the reasons therefor, property-wise, State/UT-wise; and**
- (e) the quantum of income generated along with the time by which the said process is likely to be completed, State/UT-wise?**

ANSWER

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE)

(SHRI K.J. ALPHONS)

(a): ITDC came into existence in October 1966 with the following broad objectives:

- (i) To construct, take over and manage existing hotels and market hotels, Beach Resorts, Travellers' Lodges/Restaurants
- (ii) To provide transport, entertainment, shopping and conventional services
- (iii) To produce, distribute, tourist publicity material
- (iv) To render consultancy – cum – managerial services in India and abroad
- (v) To carry on the business as Full-Fledged Money Changers (FFMC), restricted money changers etc.
- (vi) To provide innovative, dependable and value for money solutions to the needs of tourism development and engineering industry including providing consultancy and project implementation.

(b): At present, ITDC is running the following hotels:

S. No.	Name of Hotel	State / UT
1	The Ashok Hotel	New Delhi
2	Samrat Hotel	New Delhi
3	Hotel Jammu Ashok	Jammu, Jammu and Kashmir
4	Hotel Patliputra Ashok	Patna , Bihar
5	Hotel Kalinga Ashok	Bhubaneswar, Orissa

Joint Venture Hotels of ITDC are as follows:

S. No.	Name of Hotel	State / UT
1	Hotel Ranchi Ashok (Presently operations are closed)	Ranchi, Jharkhand
2	The Ashok Beach Resort	Puducherry
3	Hotel Nilachal Ashok (Operations are closed since 2004)	Puri, Odisha

At present, ITDC is running the following Restaurant:

S. No.	Name of Restaurant	State / UT
1	Taj Restaurant	Agra, Uttar Pradesh

(c): Details of the same are at Annexure - 1.

(d): As per its Disinvestment Policy, the Government is disinvesting the hotels and properties of ITDC through leasing out or transferring the property to the concerned State Governments/Ministry (except Ashok Hotel and Samrat Hotel, New

Delhi). The policy has been formulated keeping in view that running and managing hotels on professional lines is not the job of Government or its entities. Details of the same are at Annexure – 2.

(e): Details of the amounts received by ITDC on account of hotels/properties disinvested are at Annexure–3. The process of disinvestment of the following hotels is ongoing and efforts are being made to complete the same, in consultation with the respective State Governments:

- 1. Hotel Patliputra Ashok, Patna, Bihar.**
- 2. Hotel Pondicherry Ashok, Puducherry (UT) (Joint Leasing).**
- 3. Hotel Kalinga Ashok, Bhubaneswar, Odisha (O&M Contract).**
- 4. Incomplete Project of Anandpur Sahib, Punjab**
- 5. Hotel Ranchi Ashok, Ranchi, Jharkhand**
- 6. Hotel Nilachal Ashok, Puri, Odisha (Joint Leasing. Matter is sub-judice in the Hon'ble Supreme Court).**

STATEMENT IN REPLY TO PART (c) OF LOK SABHA UNSTARRED QUESTION NO.1321 ANSWERED ON 11.02.2019 REGARDING AIMS AND OBJECTIVES FOR SETTING UP OF ITDC.

Hotel 'The Ashok' , Samrat and Taj Restaurant are in profit.

Financial Performance of Hotel & Catering Units currently managed by ITDC and are Loss making are as follows:

Amount in Rs. Lakh

S.N.	Particulars	2017-18 (Ind AS)		2016-17 (Ind AS)		2015-16 (GAAP)	
		Turnover	Net Profit	Turnover	Net Profit	Turnover	Net Profit
1	Jammu Ashok	163.65	-283.14	212.48	-170.69	238.58	-158.61
2	Western Court	43.36	-63.66	35.39	-57.73	29.41	-55.23
3	Kalinga Ashok	444.99	-277.29	483.27	-105.17	471.38	-173.77
4	Patliputra Ashok	783.03	-67.45	877.39	67.01	1,033.54	247.44
	Total	1,435.04	-691.54	1,608.53	-266.58	1,772.91	-140.16

Reasons for losses :

- 1) **Hotel Patliputra Ashok made Net Profits during 2016-17 and 2015-16 but made an operational loss of Rs.37 Lakhs during Financial Year 2017-18. Due to the decision of handing over of the hotel to the State Government, the same has acted as a dampener to the business.**
- 2) **The land lease of Hotel Jammu Ashok which expired in January, 2010, has not been renewed by the State Government and the same has been under process. Due to non renewal of the lease, the refurbishment and upgradation of the hotel could not be undertaken. The present tourism condition of the J&K State where there is very low inflow of tourists has also led to low business for the hotel. The hotel was earlier also a transit point for pilgrims on their way to Mata Vaishno Devi Shrine and the development of Katra and direct connectivity had an impact on the business.**

- 3) A lot of efforts have been made to improve the financial performance of the Hotel Kalinga Ashok. The occupancy of the hotel has seen a rise in recent years. Due to the decision of offering the hotel on O&M contract, the same has been acting as dampener for the business.

The other reasons are as below:

- 4) Stiff Competition from new hotels offering ultra modern facilities.
- 5) Low tariff of services offered in order to sell the products and services and sustain the competition.
- 6) ITDC wages of the employees are as per the Government guidelines which are higher than the Industry norms.
- 7) No major renovation has been done in hotels in view of disinvestment decisions.

Financial Performance of Hotels under Joint Venture are as follows:

Amount in Rs. Lakh

S.N.	Particulars	2017-18		2016-17		2015-16	
		Turnover	Net Profit	Turnover	Net Profit	Turnover	Net Profit
1	Ranchi Ashok	100.32	-201.05	81.26	-211.08	147.61	-168.12
2	Pondicherry Ashok	529.27	2.40	548.47	42.70	390.92	-21.17
	Total	629.59	-198.65	629.73	-176.15	538.53	-189.29

Further there is one more Joint Venture Hotel named Hotel Nilachal Ashok, Puri which is closed since 2004.

Reasons for losses :

- 1) Hotel Ranchi Ashok was reeling under losses due to multiple reasons, but primarily due to dilapidated condition of the hotel's building / basic guest facilities viz rooms and F&B outlets etc.

Operations of the Hotel have been closed w.e.f. 29.03.2018 due to continuous losses.

2) During 2015-16, there was severe flood in source market – Chennai and Pondicherry affecting two months of sales. Further introduction of GST affected the Corporate Market segment during 2017-18.

STATEMENT IN REPLY TO PART (d) OF LOK SABHA UNSTARRED QUESTION NO.1321 ANSWERED ON 11.02.2019 REGARDING AIMS AND OBJECTIVES FOR SETTING UP OF ITDC.

Status of Disinvestment

No. of Hotels handed over : 8

To State Governments

- (i) Hotel Lake View Ashok, Bhopal, Madhya Pradesh**
- (ii) Hotel Brahmaputra Ashok, Guwahati, Assam**
- (iii) Hotel Bharatpur Ashok, Bharatpur, Rajasthan**
- (iv) Hotel Jaipur Ashok, Jaipur, Rajasthan**
- (v) Incomplete Project of Gulmarg Ashok, Gulmarg, J&K**
- (vi) Hotel Donyi Polo Ashok, Itanagar, Arunachal Pradesh**
- (vii) Hotel Lalitha Mahal Palace, Mysore, Karnataka**

To Ministry of Urban Development

- (viii) Hotel Janpath, New Delhi**

No. of Hotels decided to be handed over to the State Govt.: 2

- (ix) Hotel Patliputra Ashok, Patna, Bihar (MoU signed)**
- (x) Incomplete Project of Anandpur Sahib, Punjab**

Hotels for Joint Leasing : 1

- (xi) Hotel Pondicherry Ashok, Puducherry (UT)**

Hotels for O & M Contract : 1

- (xii) Hotel Kalinga Ashok, Bhubaneswar, Odisha**

Hotels for transferring equity stake : 1

- (xiii) Hotel Ranchi Ashok, Ranchi, Jharkhand**

No. of Hotels where disinvestment proceedings have

been stayed due to order of Hon'ble Supreme Court : 1

- (xiv) Hotel Nilachal Ashok, Puri, Odisha**

STATEMENT IN REPLY TO PART (e) OF LOK SABHA UNSTARRED QUESTION NO.1321 ANSWERED ON 11.02.2019 REGARDING AIMS AND OBJECTIVES FOR SETTING UP OF ITDC.**Receipts from the Disinvestment**

S. No.	Name of Property	Amount received by ITDC
1	Hotel Janpath, New Delhi	Amount to be finalized
2	Hotel Jaipur Ashok, Jaipur	Rs.14 Crore
3	51% Equity stake in MP Ashok Hotel Corporation Ltd. (Hotel Lake View Ashok)	Rs.12.59 Crore
4	51% Equity stake in Assam Ashok Hotel Corporation Ltd. (Hotel Brahmaputra Ashok)	Rs.2.14 Crore
5	51% Equity stake in Donyi Polo Ashok Hotel Corporation Ltd. (Hotel Donyi Polo Ashok)	Rs.1.98 Crore
6	Hotel Bharatpur Ashok	Nil
7	Incomplete Project of Hotel Gulmarg Ashok	Nil
8	Hotel Lalitha Mahal Palace, Mysore	Rs.7.45 Crore
