Cabinet approves initiation of the process of disinvestment of ITDC properties

The Cabinet Committee on Economic Affairs chaired by Prime Minister Narendra Modi has approved the initiation of the process of disinvestment of hotels/properties of the India Tourism Development Corporation Ltd. (ITDC). The decision on disinvestment has been made, keeping in view that running and managing hotels on professional lines is not the work of the Government or its entities. Further, there has been considerable development in the hospitality sector in the country in past years, with world class hotels and all leading international chains of hotels present in the country and providing services and facilities of highest standards.

As part of the disinvestment policy, it has been decided to lease/sub-lease the hotels / properties jointly with the concerned States or return the properties to the States, after fair valuation. The States would then have the option to upgrade and operate the Hotels by involving the private sector or to utilize the properties as per their requirements. States have exercised their options accordingly, in each case going forward with the option best suited to their needs, in line with the overarching principle that it is not the business of Government to run or manage hotels.

In the first stage of the disinvestment process, three hotels listed below have been taken up for disinvestment:

(i) Hotel Lake View Ashok, Bhopal

(ii) Hotel Brahmaputra Ashok, Guwahati

(iii) Hotel Bharatpur Ashok, Bharatpur.

In all three cases, the hotels / properties are being given back to the concerned States. In the case of Bhopal and Guwahati, ITDC is divesting its share of 51% in the Joint Venture Company formed for operation of the hotels whereas in the case of Bharatpur, the unit which was only managed by ITDC is being returned to the State Government.

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