

(c) whether any effort has been made to ascertain the will of the rank and file of HPCL/BPCL staff, rather than going by the staff union's demands?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) In the case of HPCL, which would be disinvested through strategic sale, individual enterprises would be bidders. However, no comparison of the remuneration package for employees of companies who have shown Expression of Interest with that prevailing in the Public Sector Undertaking (PSU) under disinvestment is made. In the case of BPCL, since the shares would be divested through sale to public in the domestic and international market, this question does not arise.

(b) and (c) Understandably, employees of PSUs under disinvestment such as HPCL do have concerns about their status post-disinvestment. Government, therefore, engages in constant dialogue with all cross-sections of the PSU management/staff and serious efforts are made to address these concerns.

Disinvestment of ITDC restaurants

‡3001. SHRI ABHAY KANT PRASAD: Will the Minister of DISINVESTMENT be pleased to state:

(b) whether Government propose to give on lease/disinvest the profit earning I.T.D.C. restaurants set up at the airports in the country;

(c) if so, the details thereof, their present status and the amount received as a result thereof; and

(d) the estimated loss likely to be suffered by Government?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The disinvestment plan in respect of the hotel properties of India Tourism Development Corporation Limited (ITDC) envisage demerger of its hotel properties into separate companies and disinvestment through sale of 100% of Government's shareholding in the demerged companies or through longterm Lease-cum-Management contract. The sale/lease implies transfer of the business including contracts and permits in respect of the Airport

‡ Original notice of the question was received in Hindi.

Restaurants to the buyer/Lease of the respective property. The disinvestment plan envisaged disinvestment of those Airport Restaurants, which are attached to a particular hotel, along with that hotel unit, namely the Airport Restaurants at Bangalore, Kolkata and Aurangabad. All these restaurants are owned by Airports Authority of India (AAI) and were being operated by ITDC. Of these 3 restaurants only the restaurant at Bangalore was making profits. The net profit/loss figures of these 3 Restaurants are as under:—

(Rs. in lakhs)

Name of Restaurant	1999-2000	2000-01	2001-02
Airport Restaurant, Bangalore	195.36	330.66	157.85
Airport Restaurant, Kolkata	(-) 24.38	(-)110.54	(up to 29.11.02)
Airport Restaurant, Aurangabad	(-) 0.67	(-)1-36	(-) 195.55 (prov.) (-) 1.55 (prov.)

(b) The status of the Airport Restaurants at Bangalore, Kolkata and Aurangabad are as under:

Airport Restaurant, Bangalore: Hotel Bangalore Ashok has been given on Lease-cum-Management contract to M/s Bharat Hotels Limited for the period from 29.11.2001 to 31.3.2032. The Airport Restaurant, Bangalore, which was being operated by the Hotel Unit, has been sub-licensed to M/s Bharat Hotels Limited with the approval of AAI. The agreement for operating and managing the Airport Restaurant is from 29.11.2001 to 31.12.2005, renewable with prior approval of AAI. M/s Bharat Hotels Limited paid an amount of Rs. 1,98,46,153/- as business transfer consideration for acquiring sub-jicense of the restaurant. As per the term of Leave-cum-management contract, M/s. Bharat Hotels Limited would pay an amount higher of the Minimum Guranteed Annual Payment (MGAP) of Rs. 4,11,00,000/- or 16.5% of the gross annual turnover, which shall include all income/revenues generated out of the operation of the hotel and the restaurant. For the restaurant alone, M/s Bharat Hotels Limited would pay AAI: (i) annual license fee of Rs. 30 lakhs increasing @ 10% per annum; (ii) fixed amount of Rs. 70.08 lakhs per annum for providing in-flight catering

and sale of Beer at/from the Restaurant premises and (iii) interest free refundable Security deposit of Rs. 71.40 lakhs.

Airport Restaurant, Kolkata: Hotel Airport Ashok Kolkata (including Airport Restaurant, Kolkata) has been disinvested in favour of M/s. Bright Enterprises Pvt. Ltd. (BEPL) on 8.7.2002. For the restaurant, BEPL paid Rs. 3,46,45,817/- towards outstanding liabilities of ITDC payable to AAI; executed an agreement with AAI for operating and managing the restaurant from 8.7.2002 to 7.7.2007 and would pay AAI: (i) annual license fee of Rs. 30 lakhs increasing @ 10% per annum; (ii) fixed amount of Rs. 70.10 lakhs per annum for providing in-flight catering and sale of Beer at/from the Restaurant premises and (iii) interest free refundable Security deposit of Rs. 71,40,000/-.

Airport Restaurant, Aurangabad: Hotel Aurangabad Ashok has been disinvested in favour of M/s. Loksangam Hotels & Resorts Pvt. Ltd. (LHRPL) on 4.9.2002. This hotel unit was providing catering services at the Airport Restaurant, Aurangabad without any formal agreement with AAI. In the absence of any formal agreement between ITDC and AAI, the following was provided under the Representations & Warranties of the Government in the transaction document:—

"While the unit has been providing catering services at the Airport Restaurant, Aurangabad owned by Airports Authority of India, no formal agreement in this regard has been executed."

Since disinvestment of Hotel Aurangabad Ashok was concluded on the basis of the above Representations & Warranties, it has been left open to LHRPL to negotiate the terms & conditions of taking over the Restaurant from AAI.

(c) There is no loss to the Government due to licensing of the Airport Restaurants by AAI to the Lessee/purchasers of the respective hotel units.

Disinvestment of Hindustan Vegetables Oil Corporation Ltd.

3002. SHRI RAMACHANDRA KHUNTIA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Disinvestments Commission has recommended to