

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:3242
ANSWERED ON:14.12.2005
UNOCCUPIED GUEST HOUSES
Jagannath Dr. M.

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government is losing crores of rupees as its nine guest houses lie unoccupied as reported in the Asian Age dated October 13,2005;
- (b) if so, the facts of the matter reported therein;
- (c) whether the Government has set up any committee to examine the matter and fix responsibility in this regard;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the plan of the Government to use these guest houses?

Answer

MINISTER OF URBAN DEVELOPMENT AND CULTURE (SHRI S. JAIPAL REDDY)

(a)to(e): Twelve Guest House Blocks were constructed by HUDCO as part of the Andrews Ganj Project. These Guest Houses were initially auctioned by HUDCO to Public Sector Undertakings. Only three guest houses were allotted to Public Sector Undertakings as there were no bidders for the rest. The remaining nine guest houses were later on auctioned to private originations and M/s MS Shoes Ltd. was allotted these blocks.

However, M/s MS Shoes Ltd. did not pay the 2nd and 3rd instalments due to which the allotment was cancelled in January 1996 forfeiting the amount paid by M/s MS Shoes Ltd. towards first instalment as per the terms of allotment.

M/s MS Shoes Ltd. filed a suit in the Court challenging the cancellation of the allotment and since then the matter is under litigation. The court had granted stay against re-allotment/re-tendering of the Guest House Blocks. However, the High Court has now permitted the Guest House Blocks to be utilized by HUDCO or licensing to Government agencies for short duration but re-tendering and re-allotment is not allowed till disposal of the suit by the Court. The matter is sub-judice.

It has been decided to utilize the vacant Guest House Blocks for General Pool Office Accommodation.