

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:449

ANSWERED ON:01.03.2007

BUDGET HOTELS

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Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have identified various locations in the country for construction of budget hotels ;
- (b) if so, the details thereof alongwith the progress made in this regard so far ;
- (c) whether the Railways are seeking Public-Private sector partnership in construction of such hotels ;
- (d) if so, the terms and conditions thereof ;
- (e) the main facilities which are likely to be provided to the passengers in such budget hotels; and
- (f) the time by which the budget hotels are likely to be constructed ?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) & (b): Yes, Sir. The Railways has decided to set up one hundred Budget Hotels all over the Indian Railways network through Indian Railway Catering & Tourism Corporation (IRCTC). These hotels will be set up by IRCTC on public private partnership on the unused railway land in the vicinity of railway stations. Out of these 100 budget hotels, tenders for 20 locations have been finalized & tender of 10 locations have been floated.

(c) & (d): The IRCTC has been entrusted with the task of setting up of Budget Hotels through private participation, for developing, operating and maintaining the hotels, through open competitive bidding under transparent, two packet tender system i.e. technical & financial. The IRCTC in consultation with the Zonal Railways identifies the sites, floats and finalizes the tenders by inviting private sector participation. The licence period has been fixed as 30 years. Contract will be given to tenderer who has qualified in technical bidding and has bid the maximum return to IRCTC over the period of licence.

(e) & (f): Budget hotels are basically extension of Retiring Rooms and Rail Yatri Niwases. By using these hotels, passengers will save the cost and time in transportation upto any hotel located in the city. These hotels will also help the railways in developing tourism. Since, tendering system is in progress and after finalization of contract & signing of Agreements the construction work may take about 2 years period.