

CATERING POLICY-2005

PART A

GENERAL

1. NEED FOR A NEW POLICY

Catering Policy 2004 was issued on 5th October 2004. During implementation, some practical problems were faced and representations were received from various corners to bring about changes in Catering Policy 2004. Mainly, withdrawal of reservation in award of licences of small catering units at 'A' 'B' and 'C' category stations, problems of underprivileged classes, problems of existing licensees, etc. due to non-renewal of licences prescribed in Catering Policy 2004, were highlighted in these representations.

Subsequently, Hon'ble Minister for Railways made some announcements on the floor of Parliament addressing issues of renewal of licences of small catering units at 'D', 'E' and 'F' category stations, allotment of catering/vending units to some weaker sections of society at 'A', 'B' and 'C' category stations through application, provision of reservation in award of licences of small catering units at 'A', 'B' and 'C' category stations and relaxation in eligibility/financial criteria for these categories, etc.

Catering Policy 2004 issued vide Railway Board's letter no. 2003/TG.III/600/5 dated October 5, 2004 needed some other amendments also. In consideration of genuine demands and subsequent announcements of Hon'ble MR in order to fulfill the social obligations of the Government of India, the existing Catering Policy 2004 has been reviewed by the Board and a new Catering Policy 2005 has been formulated in super-session of all existing policy guidelines issued from time to time.

As already decided, **all new allotments of Catering contracts are to be made by IRCTC and Ministry of Railways** has issued administrative instructions from time to time in regard to handing over of catering /vending units to IRCTC. However, contracts at 'D', 'E' and 'F' category stations will continue to be controlled and awarded by railways till IRCTC is equipped to take over these units.

In future, as and when there is any need for change, modification or alteration in this policy, Ministry of Railways will be free to undertake those changes without any notice. Catering Policy 2005 is attached herewith for immediate implementation.

2. CATERING / VENDING SERVICES

The following catering/vending services are provided: -

- i) Refreshment rooms, restaurants, fast food centres/snack bars, tea stalls, fruit/fruit juice stalls, cold and hot beverage dispensers, miscellaneous curio goods stalls, ice-cream parlours etc. at railway stations.
- ii) Tea stalls at roadside stations.

- iii) Integrated on-board catering services on Rajdhani and Shatabdi Express trains.
- iv) Services through pantry cars on selected long and medium distance superfast/mail and express trains.
- v) Base kitchens to provide ready made meals for on-board catering.
- vi) On board catering/vending services through static units (train side vending) in trains having no pantry cars.

3. SCALE OF CATERING FACILITIES ON INDIAN RAILWAYS

Zonal Railways/IRCTC should undertake a review of the existing catering establishments at stations with a view to reduce overall congestion on platforms by consolidating the services. Scale of catering services required at stations may be decided keeping in view the needs of the travelling public and the extent of passenger traffic dealt at a particular station without aggravating the congestion on the platforms. Scale of facilities should be drawn up according to the Category of station and volume of passenger traffic. Following guidelines may be observed while providing catering and vending facilities at different Categories of stations.

3.1 **Category “A” Stations** (Non-suburban stations with an annual passenger earnings of more than Rs. 6 crore as per the list circulated by Board from time to time)

Following catering/vending facilities should be provided at all Category “A” stations: -

- i) Existing refreshment rooms should be developed into self-service model refreshment rooms/restaurants and should be equipped with modern equipment/gadgets for cooking, storage, heating etc and must have computerized billing arrangement. Vegetarian and non-vegetarian refreshment rooms, wherever provided separately may be progressively clubbed and one station should have one integrated refreshment room.
- ii) Provision of any additional stall is banned at some Category “A” stations notified by Board from time-to-time except on new platforms/concourse. Any additional facility at such stations will require Board’s sanction on adequate justification and recommendation of the General Manager of the railway. However, zonal railways/IRCTC will review the need for additional facilities in the light of provisions contained in para 4.
- iii) Main Station Platform: – No catering/vending stalls should project out of the station building and all stalls should be progressively flushed with the wall of the station building. All stalls should be provided as per the guidelines circulated through commercial circular No. 1 dated 15.03.99 and correction slip dated 25.02.2000 on modular stalls.
- iv) Island Platform: – Island platforms should have minimum number of stalls as per requirement in order to provide free movement to the passengers. All stalls on island platforms should be provided along the centre line of the platform and conform to the specifications of modular stalls, as per policy guidelines on this subject. A combined and integrated catering stall, dispensing snacks, tea/coffee cold drinks, etc. should be provided on either end of the island platform. It should be done progressively by relocating and consolidating the existing stalls to ease congestion in the middle of the platform.
- v) Cooking free Platform: – To discourage cooking/deep frying on the platforms, Railways/IRCTC should gradually shift to the concept of serving pre-cooked food items packed in bio-degradable

and eco-friendly containers, in which food could be warmed before serving. Cooking should be confined to centralised kitchens and food should be dispensed through heating equipment such as bain-maries, infrared/microwave ovens etc. In order to ensure cleanliness, railways/IRCTC should replace coal-fired stoves, kerosene stove etc. with cooking gas stoves, wherever cooking is unavoidable. Proper washing and cleaning arrangements should be made to maintain cleanliness. Adequate number of dustbins should be available near all stalls. Use of disposable eco friendly cups, plates, kulhars or other containers should be encouraged.

- vi) Trolleys: - Eventually there should be no mobile food trolleys on platforms at "A" category stations. With the gradual decrease in the number of commission bearers/vendors on account of their absorption against regular posts, number of trolleys should be progressively reduced. Railways/IRCTC may, however, ensure that a minimum level of catering services are maintained through other outlets.

3.2 **Category "B" Stations** (Non-suburban stations with an annual passenger earnings between Rs. 3 crore and up to Rs. 6 crore as per the list circulated by Board from time-to-time)

Zonal Railways/IRCTC should observe following guidelines to provide catering/vending facilities at Category "B" stations: -

- i) Railways/IRCTC should provide catering/vending facilities at stations in order to meet the requirement of customers.
- ii) On main station platforms all stalls should be flushed with the wall of the station building and no stalls should project out as mentioned in para 3.1 (iii).
- iii) On island platforms modular stalls should be provided along the centerline. This should be done together with relocating existing stalls as mentioned in para 3.1 (iv).
- iv) Provision of any additional stall is banned at some Category "B" stations notified by Board from time to time except on new platforms/concourse. Any additional facility at such stations will require Board's sanction on adequate justification and recommendation of the General Manager of the railway/MD,IRCTC. However, zonal railways/IRCTC will review the need for additional facilities in the light of provisions contained in para 4.

3.3 **Category "C"** (all suburban stations except Category "A"/"B" stations)

Suburban stations are generally handling very high volumes of passenger traffic. It is therefore necessary that adequate space should be available for free movement of passengers. Following catering/vending facilities may be provided at these stations: -

- (i) On end platforms, stalls should be flushed with the wall of the station building to the extent possible in line with the modular stall policy as mentioned in para 3.1(iii)
- (ii) On island platforms modular stalls should be provided along the centre line as mentioned in para 3.1(iv).
- (iii) Tea/snack stalls should provide choice of ready made and pre-packed food items, which can be easily dispensed and consumed conveniently by a fast moving passenger. Stalls should provide

multi product dispensers as stipulated in the policy on Automatic Vending Machines issued vide Commercial Circular No. 3 dated 17.3.99.

- (iv) Provision of any additional stall is banned at these stations except on new platforms/concourse. Any additional facility on these stations will require Board's sanction on adequate justification and recommendation of the General Manager of the railway/MD,IRCTC. However, zonal railways/IRCTC will review the need for additional facilities in the light of provisions contained in para 4.

3.4 **Category "D"** (stations with passenger earnings between Rs. 1 crore - 3 crore)

Zonal Railways will approve the requirement of catering facilities at Category "D" stations with the recommendations of DRM keeping in view the minimum requirement of travelling passengers at different stations.

3.5 **Category "E" stations** (all stations other than Category A, B, C, D and F)

Divisional Railway Managers may decide to provide need based catering facilities at Category "E" stations.

3.6 **Category "F" stations** (all Flag/Halt stations)

Divisional Railway Managers may decide to provide need based catering facilities at Category "F" stations.

4. **REDUCTION OF CONGESTION ON STATIONS/PLATFORMS**

There is a need to reduce/relocate the existing stalls in order to ease congestion on platforms. A standing committee of three divisional officers should conduct a detailed review of catering/vending facilities at all stations and take systematic steps to decongest the platforms as per a master plan for each station. Following guidelines should be observed in this regard: -

4.1 **Shifting of stalls**

Railway should observe following guidelines for shifting of stalls: -

- 4.1.1 Stalls should not be shifted to a station appearing in the list of banned stations except in case of new platforms/concourse.
- 4.1.2 In case of new platforms/concourse Divisional Railway Manager with the recommendation of a committee of three branch officers & in consultation with IRCTC, if the stall is managed by IRCTC, will shift stalls from other platforms by inviting applications from existing licensees/units at the station.
- 4.1.3 In case, existing licensees are not willing to shift their stalls at the same station, Chief Commercial Manager with the recommendation of a committee of three Junior Administrative Grade officers (HQ level) and in consultation with IRCTC, if the stall is managed by IRCTC, will decide by inviting applications from other congested stations on that Railway.
- 4.1.4 For shifting stalls from one railway to another railway, prior approval of Board must be obtained with detailed justification prepared jointly by the railways concerned.

- 4.1.5 However, railway should keep in mind that while shifting catering/vending facilities from congested stations/platforms, vacancies so created should not be filled.

4.2 Reduction in the number of stalls on platforms

To decongest the platforms, it is necessary that the number of stalls is reduced by observing following guidelines: -

- 4.2.1 Vacancy created due to absorption of commission vendors/bearers should not be filled and resultant vacant stalls should be closed in case of congested stations. However, if railways feel that such a facility is required for the passengers without causing congestion, the same should be licensed out as per relevant rules and regulations.
- 4.2.2 Whenever the performance of any licensee is found to be continuously unsatisfactory, his licence may be terminated and the vacancy allowed to lapse in case of congested stations or fresh licence awarded after inviting applications if required in case its continuance does not create congestion.
- 4.2.3 To provide free movement to passengers, the number of trolleys should be reduced at Category "A" station as per the master plan prepared for the station.
- 4.2.4 While all new stalls are to be provided as per the policy guidelines on modular stalls, existing stalls should be modified as per the standard dimensions of modular stalls to reduce congestion progressively.

5. MANAGEMENT OF DEPARTMENTAL UNITS

- 5.1 In future no catering/vending units should be taken up for departmental management and only catering licences will be awarded in future. Facilities vacated due to absorption of commissioned vendors and commissioned bearers should be consolidated with a view to standardize the catering/vending facilities.
- 5.2 IRCTC/Railway should review from time to time, the performance of departmental units. All loss making units should be taken for licensing with the approval of the General Manager. Staff should be relocated to other units within the railway. Railway Board may be kept informed in this regard.
- 5.3 Railways will not make any fresh recruitment in Catering department except in the categories specified by Board.

6. MOBILE CATERING UNITS

6.1 Ownership of rake

In order to maintain effective control over on-board services, the Division responsible for the primary maintenance of the train would own the rake of the train and also undertake the maintenance of the pantry car. For any complaint in this regard the division concerned would be accountable. The zonal railway having primary maintenance of rake will coordinate with IRCTC for provision of catering services in pantry cars. Any exception in this regard would require full justification and Board's approval.

6.2 Provision of pantry cars

Provision of pantry cars on different trains will continue to be determined centrally by the Railway Board. Railways will observe the following guidelines with regard to mobile catering services: -

- i) Pantry cars of Rajdhani Express trains should be designed to ensure that pre-cooked and hygienically packed food is supplied from base kitchens with minimum handling in transferring the same to the passengers. Mini pantries with modern gadgets/equipment as specified for Rajdhani Express train coaches should be provided. IRCTC should use covered mobile vans, containers and trolleys of standard design for transferring meals from base kitchens to the trains. However, in first AC class, railways will provide personalised service and the food should be cooked in the pantry car. Services should be provided through trolleys in all coaches.
- ii) All Shatabdi Express trains should have mini pantries equipped with modern gadgets such as hot cases, water boiler, bottle cooler etc. in all coaches. There should be no cooking and washing on board. Food should be served in pre-set trays, and service in all the coaches should be through trolleys. IRCTC should use covered mobile vans, containers and trolleys of standard design for transferring meals from base kitchens to the trains.
- iii) Railways will provide pantry cars on long distance trains to be identified centrally at Railway Board level from time-to-time. Broad criteria for providing pantry car on mail/express trains are given in para 6.3 below.
- iv) Train side vending – As it is not feasible to provide pantry cars on all trains, IRCTC will arrange on board catering/vending services (train-side vending) in terms of Board' letter No.2000/TGIII/645/11 dated 29.5.2000.
- v) Pantry car of a particular train is considered as one unit, irrespective of the frequency viz. whether it is a weekly/bi-weekly, etc./ or a daily train service. Pantry car licence of a particular train should, therefore, be awarded to one licensee only and should not be split among different licensees for different days.
- vi) There may be cases where train services are run with integrated rakes and only one or more trains may be having the pantry cars. In such cases, IRCTC will provide pantry car services on all trains running with integrated rakes to avoid shunting and make optimum use of the rolling stock. IRCTC will however follow the extant instructions for awarding fresh pantry car licence on new train/trains as this will be an additional service.

Trains having the same originating and destination stations (including Rajdhani/Shatabdi express trains), but following different routes with different numbers and Rajdhani/Shatabdi trains running with advanced coaches (IRY / LHB, etc.), which are given different numbers for conventional rakes (due to technical reasons), should be treated as one unit. Composite licence should be awarded for such trains. In case of existing integrated rakes, composite licence may also be awarded for these trains. For holding purpose from the ceiling point of view, one composite tender for such trains will be treated as one unit.

- vii) Conversion of gauge - In case of gauge conversions, the licensee managing the pantry car services on MG/NG trains, will continue to manage the services on corresponding trains for the unexpired period of their licence on its conversion into broad gauge. In case it is not

possible to provide a separate pantry car in the corresponding BG train, the licensee may be permitted to provide on board vending on that train for the unexpired period of the licence only. He may also be given a suitable space for running kitchen at the terminal station for this specific purpose.

- viii) In case of an increase in the frequency of train services and / or extension of trains the existing licensee should manage services on additional trip(s) and / or on extended portion. Railway will correspondingly increase the licence fee in such cases.

6.3 Criteria for providing pantry car on long distance mail/express trains

IRCTC should strengthen the static catering units at major stations on popular routes so as to provide adequate facilities to the passengers. Wherever it is not possible to provide satisfactory services through static units in future, following criteria will be observed for providing pantry cars in mail/express trains, other than Rajdhani express trains where it is a part of train composition, subject to the availability of rolling stock: -

- a) Journey time more than 24 hours each way;
- b) At least 10 sleeper class coaches (upper and lower class) are in the train formation;
- c) At least 200 meals comprising of lunch or dinner for super-fast trains and 150 meals for mail/express trains are expected to be served each time.
- d) There are less number of stoppages and it is not possible to provide catering services through static units enroute;
- e) Air brake rake with vestibuled coaches will have preference
- f) Other consideration such as tourist attraction, non-availability of satisfactory services enroute, other operational requirements etc.

7. TARIFF

Railway Board will continue to decide the tariff for tea/coffee, standard breakfast, meals and for mineral water, which is uniformly applicable on all zonal railways. Railway Board will also continue to decide catering charges for various services in case of Rajdhani /Shatabdi Express trains, as this is a part of passenger fare. However, zonal railways will decide the rates of a la carte catering items in consultation with associate finance under advice to Railway Board as per Board's letter no. 98/TG-III/631/3 dated 7.7.1999. IRCTC will have an opportunity to suggest / propose a la carte items for sale for approval by Chief Commercial Managers of zonal railways.

8. CEILING LIMIT ON HOLDINGS

Major catering units are as under: -

- (a) All Mobile Catering Units including Rajdhani/Shatabdi Express and other mail and express trains,
- (b) Restaurants / refreshment rooms at all Category 'A' stations excluding attached facilities like stalls/trolleys if any existing at present,
- (c) Multi outlet food plazas/ food courts or
- (d) Single outlet fast food centres

A firm/company or an individual can hold a maximum of 15% units of each type of major catering units as mentioned above subject to a maximum of 10% of total major units.

9. TRANSFER OF LICENCE

Transfer of licence to the spouse/legal heir would be allowed only in the event of death. The licence can be transferred in the name of spouse/legal heir for the unexpired period of the agreement only on personal approval of the Chief Commercial Manager / Divisional Railway Manager / MD,IRCTC as the case may be in case of small units and MD/IRCTC in case of major units. Nomination of the legal heir should be obtained from the licence holder at the time of entering into contract. The nomination should be only amongst the family members.

10. EXCLUSION OF GOVERNMENT EMPLOYEES AND THEIR DEPENDENTS

As contained in Railway Board letter no. 85/TG.III/600/1 dated.05.02.1985, no catering /vending licence should be awarded to any Government employee or railway servant or any other member of his/her family (as defined in rule no 103 para 17 of the Indian Railway Establishment Code – Vol.-I). The existing catering/vending licencees who are coming under the above category, should also not be allowed to continue their licence on conformation of the above position.

11. INCLUSION OF SON/WIFE/DAUGHTER'S NAME IN THE LICENCE

In case of old age, disablement, infirmity, etc. as circulated vide Board's letter no. 92/TG-III/601/14/C dated 16.6.1993, Chief Commercial Manager of zonal railways / MD,IRCTC, as the case may be, in exceptional cases only, may personally consider request of individual licensees for inclusion of the names of their son/daughter/wife/husband in their licence subject to his/her performance being satisfactory and also that no railway dues are pending against the licensee. Zonal railways or IRCTC should also ensure that son/daughter/wife/husband, whose name is proposed to be included in the licence should not hold any other catering/vending licence over Indian Railways.

12. GENERAL

12.1 Use of food grade material

Railways/IRCTC, as the case may be, should ensure use of food grade material of standard quality for storage/packaging of food items in order to avoid chances of contamination. The use of eco-friendly material should also be encouraged for serving snacks/beverages in order to control pollution. In view of increasing use of packaging material, Railways/IRCTC will devise suitable systems to collect, transfer and dispose catering waste. However, it will be the sole responsibility of the licensees to dispose catering waste/detritus arising out of their service.

12.2 Training and HRD

As in-house training facilities are not available on Indian Railways in catering and hospitality field, IRCTC should plan training of cooks, bearers/waiters, frontline managers and middle level managers in other Government or recognized private training institutes. Licensees will also ensure regular training of their staff on similar lines for human resource development.

12.3 Arbitration

In the event of any dispute or difference arising under these conditions of contract or in connection with this contract (except as to any matters, the decision of which is specially provided for by these or the

special conditions) the same shall be referred to the Arbitration Tribunal or the person appointed to be the sole arbitrator, by GM of the concerned zonal railways/MD,IRCTC as the case may be. IRCTC will keep the Railway Board informed. The person to be appointed as arbitrator, however, will not be one of those who had an opportunity to deal with the matters to which the contract relates or who in the course of his duties has expressed views on all or any of the matter under disputes or difference. The award of the Arbitrator shall be final and binding on the parties to the contract.

In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reasons, or his award being set aside by the court for any reasons, it shall be lawful for the authority appointing the arbitrator to appoint any other arbitrator in place of the outgoing arbitrator in the manner aforesaid.

The arbitration referred to above shall be governed by Arbitration and Conciliation Act 1996.

12.4 Model Agreement

Agreement entered with licensees should also have a clause that licensee shall all times indemnify the railway administration/IRCTC against all claims regarding workmen/labour/servant and there will be no liability of the railway on this account. All agreements between licensees & IRCTC and Zonal Railways & IRCTC will be according to MoU between Ministry of Railways and IRCTC and other instructions issued from time to time.

12.5 Application of New Policy to existing licencees

The revised catering policy will take effect from the date of issue of this policy in case of all new catering/vending licenses. This will also apply in case of award of fresh license in the event of termination, non-renewal, vacation etc. of the existing licenses as per our latest guidelines issued from time to time. All existing contracts / agreements on Indian Railways, will come under the purview of this policy on expiry of such contracts/agreements. Contracts at 'D', 'E' and 'F' category stations will continue to be managed by railways till IRCTC is equipped to take over these units.

12.6 Implementation on IRCTC

IRCTC will follow the overall policy guidelines with reference to Category of stations, definitions of major units, reduction in congestion, provision of pantry car, transfer of licence, exclusion and inclusion of clause, tendering system, application system, tariff, reservation policy, renewal, tenure, ceiling limit on holding of catering units, mutually agreed model agreement, arbitration, etc. contained in the policy or amended/reviewed from time-to-time by the Ministry of Railways. Nominal land licence fee for land leased to IRCTC, if any, will be payable by IRCTC and revenue sharing will be as per Memorandum of understanding in vogue between IR and IRCTC. In case of any confusion/dispute on implementation of policy, IRCTC will abide by views of Railway Board and decision of Railway Board will be final. IRCTC will allow the authorised Railway and other officials to inspect and take notice of complaints and to impose fines and make suggestions.

PART B

LICENSING POLICY

13. ALLOTMENT OF CATERING LICENCES

It has been decided that allotment of catering/vending licences will be done under separate rules for major and small catering/vending units as explained in paragraph 14, 15 and 16 below: -

14. SYSTEM FOR AWARDING LICENCE IN CASE OF MAJOR UNITS

14.1 Definition of major units

For the purpose of award of catering licence, major catering units are defined as under: -

- (i) All mobile catering units including Rajdhani/Shatabdi Express and other mail and express trains,
- (ii) Restaurants/refreshment rooms, at all Category "A" stations excluding attached facilities like stalls/trolleys, if any existing at present,
- (iii) Multi outlet food plazas or food courts, or
- (iv) Single outlet fast food centres.

14.2 Tendering System

Catering licences of major catering units will be awarded through open tender under a two-packet system. Tenders will be invited by giving suitable notification in national and local newspapers. Packet-A will contain technical offer and Packet-B will contain the financial bid. Each catering unit will be treated as separate unit and will have a separate licence. Stalls/trolleys will be allotted separately and will not be attached with Refreshment Room/stalls, etc.

Award of licence in case of major units will be done by IRCTC & will be coordinated at the level of Chief Commercial Manager of the concerned zonal railway.

14.3 Technical Offer

Packet "A" which is the technical offer, will be opened first.

Packet "A" should contain the following basic documents along with other documentary evidence to satisfy the eligibility criteria, which are detailed in the following paragraph:

- (i) Memorandum and Articles of Association in case of a company, along with certificates of incorporation, and date of commencement of business etc.
- (ii) Details of partners along with certificate of registration and details of their business etc. in case of a partnership firm registered under the Partnership Act., 1932.

- (iii) Addresses, telephone numbers, contact persons of the various establishments/base kitchens etc. of the company/firm/individual applicant.
- (iv) Curricula vitae of the managerial/supervisory personnel in regular employment of the firm/company/individual with certificates for their educational/professional qualifications.
- (v) Balance Sheet of the firm/company/individual or profit & loss account of the firm/company/individual for the last one year duly audited by a Chartered Accountant.
- (vi) Earnest money through demand draft/banker's cheque.
- (vii) Documentary evidence to establish reputation/business standing of the company/firm/individual.
- (viii) Any other document considered relevant by Railway/IRCTC to be notified in the tender.

14.4 Eligibility Criteria

A three member Tender Committee of appropriate level of Commercial, Finance and one from any another department will scrutinize the technical offers received in Packet "A" to shortlist the eligible candidates. MD/IRCTC will decide the level of the tender committee. The eligibility criteria for scrutinizing applicants would be as under: -

- (i) The applicant should be an individual or a reputed company/firm duly incorporated/registered for catering/hospitality business for handling food and beverages.
- (ii) The applicant must have a minimum of five years of experience in the field of catering/hospitality business.
- (iii) The applicant should have a minimum annual turnover in catering/hospitality and F&B services related business and turnover criterion for different types of units are as under:

Rs. 5 crore per annum	Mobile catering on Rajdhani/Shatabdi Express trains.
Rs. 3 crore per annum	Mobile catering on other mail/express trains
Rs. 1 crore per annum	Restaurants/refreshment rooms at Category "A" stations
Rs. 1 crore per annum	Single outlet fast food centres at Mumbai Central, Mumbai CST, Churchgate, Dadar, Delhi, New Delhi, Hazrat Nizamuddin, Chennai Central, Howrah, Sealdah and Bangalore City.
Rs. 50 lacs per annum	Single outlet fast food centres at other Category 'A' and Category 'C' stations
Rs. 25 lacs per annum	Single outlet fast food centres at Category 'B' stations
Rs. 10 lacs per annum	Single outlet fast food centres at other stations
Rs. 5 crore per annum	Multi outlet food plazas or food courts at Mumbai Central, Mumbai CST, Churchgate, Dadar, Delhi, New Delhi, Hazrat Nizamuddin, Chennai Central, Howrah, Sealdah and Bangalore City.
Rs. 3 crore per annum	Multi outlet food plazas or food courts at other Category 'A' and Category 'C' stations
Rs. 1 crore per annum	Multi outlet food plazas or food courts at Category 'B' stations
Rs. 50 lacs per annum	Multi outlet food plazas or food courts at other stations

However, existing licensees will be eligible to participate in a tender against the respective units held by them even if they do not fulfill the prescribed turnover criteria for the said catering units. But the concerned licensee should have rendered satisfactory catering services in Railways for atleast 5 years.

- (iv) Reputation/business standing of the applicant.
- (v) Sound financial standing of the applicant.
- (vi) The applicant should have sufficient number of qualified personnel with at least three years' diploma from a recognised catering institution in food and hospitality (hotel management) in its regular employment.
- (vii) The applicant should also have catering establishments/base kitchens with modern equipment and gadgets and should have in-house hygiene and food safety arrangements and must follow good management practices. Its establishments/base kitchens etc. should be available for inspection of the Tender Committee or any other agency as notified by Railways/IRCTC.
- (viii) The applicant should be an income-tax payee.

Any other criteria considered relevant by Railways/IRCTC to be notified in Packet "A".

14.5 Financial Bid

- (i) Packet-B, which is the financial offer, will be opened only after shortlisting of eligible applicants on the basis of Packet "A" and will contain the financial bid only and no other document.
- (ii) The offer should be conspicuous in figures and in words. Any overwriting, correction or insertion will not be accepted.
- (iii) The minimum licence fee for different type of services will be

Rajdhani/Shatabdi Express trains	15%* of annual sales turnover based on actual occupancy figures certified by the Train Superintendent
Other Mail/Express trains	12%* of estimated annual sales turnover
All other static units	12%* of estimated annual sales turnover

* Or any other percentage commission on sales as notified from time to time

- (iv) The financial bid for Mail/Express trains and other major static catering units should be obtained as a lumpsum bid over the minimum licence fee as mentioned under para 14.5 (iii) and should be payable annually as licence fee. There will be no bidding for concession fee.
- (v) For Rajdhani / Shatabdi Express trains, however, "concession fee" should be bid as a lumpsum amount, over the annual licence fee as mentioned under para 14.5 (iii), for the entire period of contract and should be payable in three equal installments over a period of two years. First installment should be paid at the time of award of licence, second installment after one year of payment of the first installment and the third installment before the end of the second year. In addition to the "concession fee", annual licence fee will have to be paid on yearly basis.

- (vi) Licence will normally be awarded to the highest bidder. However, under no circumstances the quality of services be compromised.
- (vi) Assessment of Sales Turn Over: -
- (a) In the case of Rajdhani/Shatabdi Express trains sales turnover for the realisation of licence fee will be based on the actual occupancy of passengers in each trip as certified by Train Superintendent.
 - (b) In case of mobile units, other than Rajdhani/Shatabdi services, a minimum number of 200 meals for superfast trains and 150 meals for other mail/express trains on each occasion of serving breakfast/lunch/dinner or two services or all services as per train timing, may be taken into account while assessing sales turnover.
 - (c) In case of static units, the sales turnover may be assessed based on location of the unit, number of passengers dealt, the type and price of items sold, number of vendors on the unit, previous record of sale of a similar unit (in case of new units) and any other related criteria. Assessment of sales must also be done through a surprise physical check by a committee comprising of inspectors/supervisors from Commercial and Finance Departments for a period of three days with scrutiny of sales records. Such assessment will be approved by an officer of appropriate level of IRCTC with concurrence of associate finance.
 - (d) IRCTC should keep a constant watch on the sale of various units to ensure that there is no loss of revenue. IRCTC should also introduce progressive systems utilizing advanced technology, computerized billing etc. to bring transparency in assessment of sales. Audited statement of accounts in case of major units should also be insisted upon. In case of Rajdhani/Shatabdi Express trains sales turnover is on actual occupancy basis as certified by Train Superintendent. Notwithstanding the above, Railways will also exercise vigil to ensure that there is no loss of revenue.
- (vii) No other operational charges like haulage /maintenance / detention etc. in case of mobile services will be recoverable from the licensees. In the case of static units also there will be no separate charges payable towards rent for building/land, vendor's fee and conservancy charges etc. except electricity and water charges, which will be based on actual consumption.

However, nominal land licence fee for land leased to IRCTC will be payable by IRCTC and revenue sharing will be as per Memorandum of understanding in vogue between IR and IRCTC.

14.6 Tenure

- 14.6.1 The tenure of license for major units will be 5 (Five) years.
- 14.6.2 The monitoring of performance of the licensee should be strengthened during the period.
- 14.6.3 There would be no renewal or extension after expiry of the contract and fresh tenders should be called and finalized well before the expiry of the existing contract. The current contract of existing licences which have already been given extension from time to time will not be extended further. It has further been decided that all such contracts whose term are expiring / expired will be transferred to IRCTC on completion of the present term.

14.6.4 At the time of fresh bid for the unit, license fee should be enhanced based on actual sales turnover of the unit subject to a minimum of 10% increase on the prevailing license fee of the unit.

14.7 Reservation

It has been decided that the award of licence in case of all major catering/vending units will be made only on the basis of professional criteria through open competitive bidding as laid down for this purpose and there will be **no reservation for any category**.

14.8 Earnest Money

To encourage genuine parties to bid for licences, earnest money to be enclosed along with the tender document would be as follows: -

Rs. 3 lakh	All mobile catering licenses and multi outlet food plazas/courts
Rs. 1 lakh	Refreshment rooms/restaurants at all Category 'A' stations and single outlet Fast Food centres

Earnest money of unsuccessful bidders will be refunded after the award of contract without any interest.

14.9 Security Deposit

Security deposit by the successful applicant will be equivalent to 5% of the assessed annual sales turnover of the unit to be fixed by IRCTC and incorporated in the tender document. Sales turnover should be assessed as per the guidelines given in para 14.5(iii). Earnest money of successful bidders will be adjusted against the security deposit. In case the applicant fails to provide satisfactory service, the security deposit will be forfeited.

15. SYSTEM FOR AWARDING LICENCES IN CASE OF SMALL UNITS

15.1 Definition of Small units

15.1 (a) Restaurants/refreshment rooms at all 'B' & 'C' Category stations and trolleys and stalls at all 'A', 'B' and 'C' category stations.

15.1 (b) Catering Units at all 'D', 'E' and 'F' Category stations.

15.2 System for award of licence for restaurants/refreshment rooms at all 'B' & 'C' Category stations and trolleys and stalls at 'A', 'B' and 'C' category stations.

15.2.1 Out of the total requirement of small catering units (as defined under para 15.1 (a) above) assessed for the zonal railways, 25% of catering units (i.e. 25% of Refreshment Rooms/Restaurants, 25% of Stalls and 25% of trolleys) will be awarded to the reserved categories as per break up given under para 15.7. Each catering unit will be treated as a separate unit. Stalls/trolleys will be allotted separately and will not be attached with Refreshment Rooms/stalls, etc. Tender system shall not be followed for award of licence. Licences will be awarded by calling applications through press notifications from reputed parties/caterers on the following criteria: -

- (a) Reputation/business standing of the applicant,
- (b) Turnover of applicant's business in catering,
- (c) Financial standing of the applicant,
- (d) Previous track record of the applicant,
- (e) Size of the establishment and staff required for running the unit,
- (f) Location of the unit;
- (g) Proximity of the caterers to the location of the proposed unit, and
- (h) Any other factor considered relevant by IRCTC or suggested by Railways.

Allotment of these units would be done by IRCTC by making a selection committee of appropriate level. The recommendations of the committee will be put up to MD/IRCTC for acceptance.

Before calling applications through newspapers, IRCTC will assess the potential sales turnover of such units, which among other things, will depend upon the type and location of the unit, category of station, number of passengers dealt with, types and price of catering items sold and other related criteria. 12% or any other percentage commission on sales turnover notified from time to time of annual assessed sales turnover will be the licence fee which should be clearly indicated in lumpsum amount in the press notification for calling applications.

IRCTC will maintain the record of applications received through Press Notification for various categories separately.

Data base of reserved categories awardees will be maintained by Railways and IRCTC both in order to keep track of implementation of reservation provision and for relevant references.

In case no applicant turns up against a particular category specified in para 15.7, the vacancy will be carried forward to the next category in order of the break up of the various categories mentioned. However, under no circumstances the total allotment to a particular category should exceed the specified percentage reserved for that particular category except in the case of carry forward. The total number of allotments of small catering units at 'A', 'B' and 'C' category stations to the various reserved categories should also not exceed 25% of the total allotments of small catering units at 'A', 'B' and 'C' category stations made on a particular zonal railway. The above provision of allotments based on reservation will apply in the case of fresh allotments and zonal railways will also maintain records accordingly.

Tenure of the licences for reserved categories will be three (3) years and licences of these categories will be renewed every 3 years on satisfactory performance. At the time of renewal of the licences of reserved categories at 'A', 'B' and 'C' category stations or fresh bid for the unit, license fee should be enhanced based on actual sales turnover of the unit subject to a minimum of 10% increase over the prevailing license fee of the unit. Renewal will be done for the existing licencees only on withdrawal of the court cases by the licensees, if any, against the railways and payment of all railway dues and arrears.

- 15.2.2 Out of the total requirement assessed for the zonal railway, licences for 75% of the assessed requirement of small catering units as mentioned under para 15.1 (a) will be awarded through open tender by IRCTC under a two packet system. Each catering unit will be treated as separate unit and will have separate licence. Stalls/trolleys will be allotted separately and will

not be attached with Refreshment Room/stalls, etc. Tenders will be invited by giving suitable notification in national and local newspapers. Packet 'A' will contain the technical offer and packet 'B' will contain the financial bid. Other criteria and procedure for allotment of 75% unreserved small catering units mentioned under Para 15.1 (a) are laid down in the following paras.

15.3 Technical Offer

Technical Offer for stalls and trolleys at A, B & C Category stations and Restaurants / refreshment rooms at 'B' & 'C' Category stations.

Packet 'A' which is the technical offer, will be opened first.

Packet 'A' should contain the following basic documents along with other documentary evidence to satisfy the eligibility criteria, which are detailed in the following paragraph: -

- (i) Reputation / business standing of the applicant alongwith documentary evidence for the same including food licence, etc. (if any).
- (ii) Educational/Professional qualification (if any) or the licensee should have the knowledge & capability to maintain appropriate records and documents.
- (iii) Earnest money through demand draft/banker's cheque.
- (iv) Turnover of applicant's business in catering,
- (v) Financial standing of the applicant,
- (vi) Previous track record of the applicant including previous dealings with Railways (if any).
- (vii) Size of the establishment and staff required for running the unit,
- (viii) Location of the unit
- (ix) Proximity of the caterers to the location of the proposed unit, and
- (x) Any other factor considered relevant by Railways/IRCTC.

15.4 Eligibility Criteria

Eligibility Criteria for stalls and trolleys at 'A', 'B' & 'C' Category stations and Restaurants / refreshment rooms at 'B' & 'C' Category stations.

For units at 'A', 'B' and 'C' Category stations, three member Tender Committee of appropriate level of officers of Commercial, Finance and one from any another department will scrutinize the technical offers received in Packet A to shortlist the eligible candidates and put up the recommendations for approval of MD/IRCTC or to the delegated authority. The eligibility criteria for selecting the applicants would be as under: -

- (i) The applicant must have a minimum of five years of experience in the field of catering/hospitality business and F&B services related business in case of restaurants/refreshment rooms & a minimum of two years experience for stalls & trolleys.
- (ii) The applicants should be having a minimum annual turnover in catering / hospitality and F&B services related business for different type of units as given below: -

Rs. 10 lakh per annum	Restaurants/Refreshment rooms at 'C' Category stations
Rs. 5 lakh per annum	Restaurants/Refreshment rooms at 'B' Category stations
Rs. 2 lakh per annum	Stalls at 'A' and 'C' Category stations
Rs. 1 lakh per annum	Stalls at 'B' Category stations and Trolleys at 'A' and 'C' Category stations
Rs. 50 Thousand per annum	Trolleys at 'B' Category stations

However, existing licensees will be eligible to participate in a tender against the respective units held by them even if they do not fulfill the prescribed turnover criteria for the said catering units. But the concerned licensee should have rendered satisfactory catering services in Railways for at least 5 years.

For the purpose of tendering, each trolley will be treated as one unit.

- (iii) Reputation/business standing of the applicant.
- (iv) Sound financial standing of the applicant.

Any other criteria considered relevant by the Railway/IRCTC to be notified in Packet "A".

15.5 Financial Bid

- (i) Packet-B, which is the financial offer, will be opened only after scrutinizing of eligible applicants on the basis of Packet "A" and will contain the financial bid only and no other document.
- (ii) The financial bid of licence fee will be in terms of a lumpsum amount payable by the licensee to IRCTC annually. The offer should be conspicuous both in figures and in words. Any overwriting, correction or insertion will not be accepted.

The financial bid would be in terms of lumpsum amount over and above a minimum of lumpsum licence fee, to be indicated in the tender document by the IRCTC, which shall be calculated as under: -

Restaurants/ Refreshment rooms at all 'B' and 'C' Category stations and stalls & trolleys at all 'A', 'B' and 'C' Category stations	12%* of estimated annual sales turnover
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* Or any other percentage of commission on sales as notified from time to time

- (iii) Assessment of Sales Turn Over: -
 - (a) In case of small units as mentioned in Para 15.1 (a), the sales turnover may be assessed based on location of the unit, number of passengers dealt, the type and price of items sold, number of vendors on the unit, previous record of sale of a similar unit (in case of new units) and any other related criteria. Assessment of sales must also be done through a surprise physical check by a committee comprising of inspectors/supervisors from Commercial and Finance Departments for a period of three days with scrutiny of sales records. Such assessment will be approved by an officer of appropriate level of IRCTC with concurrence of associate finance.

- (b) IRCTC should keep a constant watch on the sale of various units to ensure that there is no loss of revenue. IRCTC should also introduce progressive billing systems to bring transparency in assessment of sales. Railways will also exercise vigil to prevent loss of revenue.
- (iv) Licence will normally be awarded to the highest bidder. However, under no circumstances should the quality of services be compromised.
- (v) In case of static units no separate charges will be payable towards rent for building/land, vendor's fee and conservancy charges etc. except electricity and water charges, which will be based on actual consumption and paid by licensee.

However, nominal land licence fee for land leased to IRCTC will be payable by IRCTC and revenue sharing will be as per Memorandum of understanding in vogue between IR and IRCTC.

15.6 Tenure

15.6.1 The tenure of license for small units as mentioned in Para 15.1 (a) will be three (3) years.

15.6.2 The monitoring of performance of the licensees should be strengthened. Opinion of passengers should be taken by distributing standard forms and results should be computerized. Complaints should be analysed for their genuineness and corrective action should also be taken. Grievance cells should be strengthened on Zonal Railways/IRCTC. Licensees should have accountability and loyalty to railways.

15.6.3 There would be **no renewal or extension** after expiry of the contract and fresh tender should be called and finalized well before the expiry of the existing contract. However, licences of reserved category licensees will be renewed every 3 years on satisfactory performance. Renewal will be done for the existing licensees under the reserved category only on withdrawal of the court cases by the licensees against the railways and payment of all dues and arrears.

15.6.4 At the time of renewal of the licences of reserved categories at 'A', 'B' and 'C' category stations or fresh allotment for the unit, license fee should be enhanced based on actual sales turnover of the unit subject to a minimum of 10% increase over the prevailing license fee of the unit.

15.7 Reservation

It has been decided that award of 25% small catering units mentioned in para 15.1(a) will be done to following categories in the pattern shown against each: -

Scheduled Caste -	6%
Scheduled Tribes -	4%
People below Poverty Line -	3%
Freedom Fighters/women including war widows and widows of railway employees -	4%
Other Backward Classes -	3%
Minorities * -	3%
Physically/Mentally Challenged Persons -	2%

* the term minorities will include the communities namely (i) Muslims, (ii) Christians, (iii) Sikhs, (iv) Buddhists, (v) Zoroastrians (Parsis)

Award of contracts to these categories will be on the basis of application invited through press notification.

15.8 Earnest Money

To encourage genuine parties to bid for licences, earnest money to be enclosed along with the tender document would be as follows: -

Rs. 1 lakh	Refreshment rooms/restaurants and Stalls at 'A' & 'C' Category stations
Rs. 50 thousand	Refreshment rooms/restaurants at 'B' Category stations
Rs.25 thousand	Stalls at 'B' Category stations & Trolleys at 'A' & 'C' Category stations
Rs. 10 thousand	Trolleys at 'B' Category stations.

Earnest money of unsuccessful bidders will be refunded after the award of contract without any interest.

15.9 Security Deposit

Security deposit by the successful applicant will be equivalent to 5% of the assessed annual sales turnover of the unit or Rs. 10,000 whichever is more, to be fixed by IRCTC and incorporated in the tender document. Sales turnover should be assessed as per the guidelines given in para 15.5(ii) and 15.5 (iii). Earnest money of successful bidders will be adjusted against the security deposit. In case the applicant fails to provide satisfactory service, the security deposit will be forfeited.

15.10 Allotment of milk stall / parlour

Milk stall/parlour licenses will be awarded by calling applications from apex dairy cooperative societies approved by the Government at the Center/State/Union Territories, who are members of National Cooperative Dairy Federation of India (NCDFI) and/or developed under the aegis of 'Operation Flood' programme. Preference should be given to the local apex dairy cooperative society approved by the Government at the Center/State/Union Territories.

16. SYSTEM OF AWARDING LICENSE IN CASE OF SMALL UNITS at 'D', 'E' AND 'F' CATEGORY STATIONS

Award of licence in case of catering units as mentioned in para 15.1 (b) will continue to be made by calling applications through press notifications from reputed parties. Out of the total requirement assessed for the Division, licences for 50.5% of the assessed requirement of small units would be awarded in general category by Divisional Railway Manager. Within this general category 10% reservation will be for women including war widows & widows of Railway employees and 2% reservation for physically & mentally handicapped. Mentally handicapped persons have to act through a guardian, legally appointed as per the provisions of Persons with Disabilities Act. Remaining 49.5% licences of small units will be awarded to candidates from reserved categories by the CCMs of zonal railways. Each catering unit will be treated as a separate unit. Stalls/Trolleys will be allotted separately and will not be attached with Refreshment Room/stalls, etc.

16.1 System for award of licence for 50.5% of small units on a Division under the general category

- i) Division will call for applications through press notifications. Tenders system shall not be followed for award of licence in case of such small units. Applications should be invited only from professional/reputed caterers on the following criteria: -
- (a) Reputation/business standing of the applicant,
 - (b) Turnover of applicant's business in catering,
 - (c) Financial standing of the applicant,
 - (d) Previous track record of the applicant,
 - (e) Size of the establishment and staff required for running the unit,
 - (f) Location of the unit;
 - (g) Proximity of the caterers to the location of the proposed unit, and
 - (h) Any other factor considered relevant by railways.
- ii) Selection Committee of three junior administrative grade officers (divisional level) including one each from Commercial, Finance and one from any another department will make the selection by scrutinizing the papers and interviewing all the shortlisted applicants before putting up its recommendations for the approval of Divisional Railway Manager.
- iii) Before calling the applications through newspapers, railway will assess the potential sales turnover of such units, which among other things, will depend upon the type and location of unit, Category of station, number of passengers dealt with, types and price of catering items sold and other related criteria. 12% or any other percentage commission on sales turnover notified from time to time of annual assessed sales turnover expressed in lumpsum amount will be the licence fee which should be clearly indicated in the press notification for calling applications.

16.2 System for award of licence for remaining 49.5% of small units on a Division under the reserved category

In the case of award of licence for remaining 49.5% of small units, the CCMs of the railway will exercise discretionary power, subject to the condition that the applicant fulfills the basic eligibility criteria and his/her credentials are checked before any allotment is made.

For allotments of small units at 'D', 'E' & 'F' category of stations based on application following pattern of reservation will be applicable:

i)	Schedule Castes	- 12%	} In each category 10% reservation will be for freedom fighters and women including war widows and widows of Railway employees and 2% reservation will be for physically and mentally challenged persons.
ii)	Schedule Tribes	- 8%	
iii)	Other Backward classes	- 20%	
iv)	Minorities*	- 9.5%	
	TOTAL	- 49.5%	

* the term minorities will include the communities namely (i) Muslims, (ii) Christians, (iii) Sikhs, (iv) Buddhists, (v) Zoroastrians (Parsis)

The Commercial Department of the Zonal Railways will maintain the record of applications received through Press Notification for various categories separately. Applications of such applicants will be forwarded to the concerned DRMs' who will verify the credentials of the applicants with regard to the eligibility criteria contained in para 16.1 and also advise the vacancy position with justification for the services. CCM s will exercise his discretionary power in this regard.

In case no applicant turns up against a particular category specified above, the vacancy will be carried forward to the next category in order of the break up of the various categories mentioned above. However, under no circumstances the total allotment to a particular category should exceed the specified percentage reserved for that particular category except in the case of carry forward. The total number of allotments of small units to the various reserved categories should also not exceed 49.5% of the total allotments of small units made on a particular Division at 'D', 'E' and 'F' category stations. The above provision of allotments based on reservation will apply in the case of fresh allotments and Divisions will maintain records accordingly.

For the purpose of allotment of catering units under reserved category mentioned herein above, the eligibility criteria as laid down in para 16.1 (a) to (c) shall be deemed to be the desirable criteria and not an essential qualification. The candidates belonging to this category will be required to satisfy the Competent authority that they have the necessary resources to set up and run the units. In addition to the aforesaid, the applicant will produce a certificate from the appropriate authority regarding their status falling in reserved category."

16.3 Tenure

Tenure of licences of all small units at 'D', 'E', and 'F' category stations will be **(five) 5 years**. Railways may **renew the licences after every five (5) years** subject to satisfactory performance. Renewal will be done for the existing licencees only on withdrawal of the court cases by the licensees against the railways and payment of all dues and arrears. Monitoring of performance will be done which will include prompt payment of all railway dues, complaints of serious nature against licensees regarding quality of food and services, reasonable increase in sales turnover during the period of licence, and inspection reports of senior railway officers during the term of licence.

16.4 Licence Fee

Licence fee will be 12% (or any other percentage commission on sales notified from time to time expressed in lumpsum amount) of estimated annual sales turn over for both general and reserved categories. This licence fee does not include electricity and water charges, which will be charged based on actual consumption. In the case of static units, there will be no separate charges towards rent for building/land, vendor's fee and conservancy charges etc. At the time of renewal for all licences at 'D', 'E' and 'F' category stations or fresh allotment for the unit, license fee should be enhanced based on actual sales turnover of the unit subject to a minimum of 10% increase on the prevailing license fee of the unit.

16.5 Allotment of milk stall / parlour

Milk stall/parlour licenses will be awarded by calling applications from apex dairy cooperative societies approved by the Government at the Center/State/Union Territories Government, which are members of National Cooperative Dairy Federation of India (NCDFI) and/or developed under the aegis of 'Operation Flood' programme. Preference should be given to the local apex milk cooperative society approved by the Government at the Center/State/Union Territories.

17 Additional Items

As the licence is granted for a specific purpose and for a specified period, the sale of any additional item will change the scope of the licence. Railway/IRCTC should not grant permission for sale of any additional item within the currency of the licence. However, to cover any addition/deletion/change, due to administrative decisions or in the larger public interest due to legal provisions or change thereof, zonal railways/IRCTC reserve the right to give permission for sale of additional/alternative items by providing equal opportunities to all existing licensees/units.

This issues with the concurrence of Finance and Legal Directorates of Railway Board. The revised policy will take immediate effect. The revised policy may be widely circulated to all concerned.

The Hindi version will follow.

(Kamal Kant)
Executive Director (Tourism & Catering)
Railway Board

No.2003/TG.III/600/5

New Delhi, dated March , 2005

For Financial Commissioner/Railways

