

**GOVERNMENT OF INDIA (भारत सरकार)**  
**MINISTRY OF RAILWAYS (रेल मंत्रालय)**  
**RAILWAY BOARD (रेलवे बोर्ड)**

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No. 2003/TG.III/600/5

New Delhi, dated 5.10.2004

**The General Managers(Catering),**  
**All Indian Railways.**

**(Commercial Circular 36 of 2004)**

**Sub: Revision of Catering policy 2000.**

**Ref: Board's letter No.97/TG-III/600/12 Pt.III Dated 19.06.2001.**

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Hon'ble MR in his Budget Speech 2004-05 has, interalia, announced that "with a view to increase the earnings from Catering contracts, complete transparency and competitiveness will be ensured in the award of contracts."

The Catering Policy 2000 dated: 20<sup>th</sup> October 2000 was amended twice and correction slips were issued accordingly. In addition administrative instructions were issued from time to time in regard to handing over of major and new catering /vending units to IRCTC.

However, in order to bring transparency and competitiveness in catering contracts for major units as defined in para 14.1 and for small units as defined in 15.1(a) a two packet tender system has been introduced along with review of tenure of contracts with a view to bring about tangible improvement in catering services, which constitute a major segment of our customer inter face, and a revised catering policy on catering has thus been framed, which along with other circulars/guidelines mentioned in the revised policy supersede all the existing policy guidelines issued from time to time. The Catering Policy 2004 is enclosed.

IRCTC will follow the overall policy guidelines with reference to class of stations, definitions of major and minor units, reduction of congestion, provision of pantry car, transfer of license, exclusion and inclusion of clause, tendering system, application system, tariff, reservation policy, renewal, tenure, ceiling, mutually agreed model agreement, etc. contained in the policy or amended / reviewed from time to time. It is advised that as and when the catering services are taken over by IRCTC, the functions relating to catering hitherto performed by the zonal railways would be performed by IRCTC at appropriate levels.

Contd/-....

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
OFFICE OF THE SECRETARY  
NEW DELHI

In case of any confusion/dispute on implementation of policy, IRCTC will abide by views of Railways and decision of Railways will be final. The revised policy guidelines will be implemented with immediate effect.

This has the concurrence of Finance & Legal Directorates of Ministry of Railways.

Kindly acknowledge receipt of this letter.

OFFICIAL COPY  
(Kamal Kant) 5/10/04  
Executive Director/T&C  
Railway Board

Copy to:

1. FA&CAO, All Indian Railways (with five spares) for information.
2. ADAI/Railways (with 36 spares copies)

  
For Financial Commissioner/Railways

Copy to: MD/IRCTC for information and necessary action.

# CATERING POLICY-2004

## PART A

### GENERAL

#### 1. NEED FOR A NEW POLICY

With the accent on augmenting earnings for Indian Railway, it has become imperative that catering should generate adequate resources to make this sector self-reliant. Expectations of the rail passengers are also increasing and today the customer wants higher standards of catering services including quality, variety in products, hygiene, better presentation of services, etc. There is also an urgent need to decongest the platforms at railway stations in the larger interest of the travelling public in order to provide free movement of passengers. Railways will have to continually address the customer needs and provide better facilities to satisfy their demand.

With the above objectives in mind the Indian Railways Catering and Tourism Corporation was formed which came into operation with effect from August 2001. In terms of the Cabinet directives, IRCTC has been set up and all catering/vending activities are to be hived off to IRCTC. Accordingly the management of catering/vending activities are in the process of being handed over to IRCTC. The first phase of transfer has already taken place. As per decision of the Ministry of Railways all new allotments of Catering contracts are to be made by IRCTC. However, contracts at 'D', 'E' and 'F' category stations will continue to be managed by railways till IRCTC is equipped to take over these units.

Hon'ble MR in his Budget speech 2004-05 has, interalia, announced that "with a view to increase the earnings from Catering contracts, complete transparency and competitiveness will be ensured in the award of contracts."

The policy on catering matters was last enunciated in 2000 vide Railway Board's letter no. 97/TG.III/600/12 dated 20.10.2000. The Catering Policy 2000 which came into effect from 20<sup>th</sup> October 2000 had been amended twice and correction slips were issued accordingly. In addition, Ministry of Railways have issued administrative instructions from time to time in regard to handing over of major and new catering /vending units to IRCTC. In order to bring transparency and competitiveness in catering contracts for major units as defined in para 14.1 and for small units as defined in 15.1 (a) a two packet tender system has been introduced. With a view to bring about tangible improvement in catering services, which constitute a major segment of our customer interface, a revised catering policy on catering has thus been framed, which along with other circulars/guidelines mentioned in this document supersedes all the existing policy guidelines issued from time to time. In future as and when there is any change, modification or alteration in this policy, Ministry of Railways will be free to undertake those changes in case of the existing licence holders without any further notice.

#### 2. CATERING / VENDING SERVICES

Railways provide the following catering/vending services: -

- i) Refreshment rooms, restaurants, fast food centres/snack bars, tea stalls, fruit/fruit juice stalls, cold and hot beverage dispensers, miscellaneous curio goods stalls, chemist 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 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 railway will review the need for additional facilities in the light of provisions contained in para 4.1.
- 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 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 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 cups, plates 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. Railway may, however, ensure that a minimum level of catering services are maintained through other outlets.

**3.2 Category "B" Stations** (stations with 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 should observe following guidelines to provide catering/vending facilities at Category "B" stations: -

- i) Railway 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) 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. However zonal railway will review the need for additional facilities in the light of provisions contained in para 4.1.

**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 is 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(ii)
- (ii) On island platforms modular stalls should be provided along the centre line as mentioned in para 3.1(iv).

(iii) Tea/snack stall 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 vide Commercial Circular No. 3 dated 17.3.99.

(iv) Provision of any additional stall is banned at these stations exception 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. However zonal railway will review the need for additional facilities in the light of provisions contained in para 4.1.

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

Zonal railway 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, 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) 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 railway feels 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 licensees should manage the services. 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 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.

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 also control the management of catering services in case of licensee operated 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. Railways 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. Railways 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, Railways 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, railways will provide pantry cars on all trains running with integrated rakes to avoid shunting and make optimum use of the rolling stock. Railways will however follow the extant instructions for awarding fresh pantry car licence on new train/trains as this will be an additional service.
- 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.



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

Railways 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, where it is not possible to provide catering services through static unit 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 with consultation of associate finance under advice to Railway Board.

### 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 business group/firm/company or individual can hold a maximum of 15% units of each type of major catering units as mentioned above and overall ceiling 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 Divisional Railway Manager in case of small units and Chief Commercial Manager 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. B5/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 letter no. 92/TGIII/601/14/C dated. 16.6.93, Divisional Railway Manager in exceptional cases only, may personally consider request of individual licensees for inclusion of the names of their son/daughter/wife in their licence subject to his/her performance being satisfactory and also that no railway dues are pending against the licensee. Zonal Railways should also ensure that son/daughter/wife, 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 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 will devise suitable systems to collect, transfer and disposal of catering waste.

### **12.2 Training and HRD**

As in-house training facilities are not available on Indian Railways in catering and hospitality, railway should plan training of cooks, bearers/waiters, frontline managers and middle level managers in other Government or recognized private training institutes under delegated powers of General Managers. 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 the GM of the concerned zonal railways. 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 against all claims regarding workmen/labour/servant and there will be no liability of the railway on this account.

#### **12.5 Application of New Policy to existing licences**

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 of congestion, provision of pantry car, transfer of licence, exclusion and inclusion of clause, tendering system, application system, tariff, reservation policy, renewal, tenure, ceiling, mutually agreed model agreement, etc. contained in the policy or amended/reviewed from time to time. 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 further 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 and 15 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

It has been decided that 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.

Award of licence in case of major units will be done at the level of zonal railway Headquarters.

#### 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.
- (iv) Curricula vitae of the managerial/supervisory personnel in regular employment of the company with certificates for their educational/professional qualifications.
- (v) Balance sheet of the company or profit & loss account of the firm for the last two years 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.
- (viii) Any other document considered relevant by the zonal railway to be notified in the tender.

#### 14.4 Eligibility Criteria

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

- (i) The applicant should be a reputed company/firm and not an individual 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 eligibility criterion for different types of units are as under: -

Rs. 5 crore per annum	Mobile catering on Rajdhani/Shatabdi Express trains.
Rs. 5 crore per annum	Multi outlet food plazas or food courts
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

- (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.
- (viii) The applicant should be an income-tax payee.

Any other criteria considered relevant by the zonal railway 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 financial bid will be in terms of a percentage commission on sales turnover, which will be payable by the licensee to the railways. The offer should be conspicuous in figures and in words. Any overwriting, correction or insertion will not be accepted.

The financial bid would be in terms of percentage commission on sales turnover, subject to a minimum of lumpsum amount to be indicated in the tender document by the railway, which shall be calculated as per following guidelines:-

<b>Rajdhani/Shatabdi Express trains</b>	15%* of estimated annual sales turnover based on average occupancy figures.
<b>Other Mail/Express trains</b>	12%* of estimated annual sales turnover
<b>All other static units</b>	12%* of estimated annual sales turnover

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

(iii) **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 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 such related criteria. Assessment of sales must also be done through a surprise physical check by a committee comprising of inspectors from Commercial and Finance Departments for a period of three days with scrutiny of sales records. Such assessment will be approved by a gazetted officer of the Commercial Department with concurrence of associate finance.
- (d) Railway should keep a constant watch on the sale of various units to ensure that there is no loss of revenue. Railway 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.

(iv) **Applicants will be asked to bid over and above the minimum percentage commission notified from time to time by Railway Board. Licence will normally be awarded to the highest bidder. However, under no circumstances the quality of services be compromised.**

(v) Licence fee payable by the licensee is in the form of percentage of annual sales turnover. 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.

## 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. The existing licencees can also apply in the tender process subject to fulfillment of eligibility criteria.
- 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/ 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 the zonal railways 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 Tendering System

It has been decided that catering licences of small catering units like restaurants / refreshment rooms at all 'B' and 'C' Category stations and stalls and trolleys at all 'A', 'B' and 'C' Category stations 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 the technical offer and packet 'B' will contain the financial bid.

Award of licence will be done at the zonal level for units at 'A' & 'C' Category stations and at the divisional level for units at 'B' Category stations.

## 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.

## 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' and 'C' Category stations, three member Tender Committee of appropriate level of officers of Commercial, Finance and one from another department will scrutinize the technical offers received in Packet A to shortlist the eligible candidates and put up the recommendations for approval of CCM. For units at 'B' Category stations Tender Committee of three junior administrative grade officers (divisional level) including one each from Commercial, Finance and one from another department will scrutinize the technical offers received in Packet A to shortlist the eligible candidates and put up its recommendations for the approval of Divisional Railway Manager. 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

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 zonal railway to be notified in Packet "A".

#### 15.5 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 financial bid will be in terms of a percentage commission on sales turnover, which will be payable by the licensee to the railways. 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 percentage commission on sales turnover, subject to a minimum of lumpsum amount to be indicated in the tender document by the railway, which shall be calculated as under: -

Restaurants/ Refreshment rooms at all 'B' and 'C' Category stations and stalls & trolleys existing at present 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 such related criteria. Assessment of sales must also be done through a surprise physical check by a committee

comprising of inspectors from Commercial and Finance Departments for a period of three days with scrutiny of sales records. Such assessment will be approved by a gazetted officer of the Commercial Department with concurrence of associate finance.

- (b) Railway should keep a constant watch on the sale of various units to ensure that there is no loss of revenue. Railway should also introduce progressive billing systems to bring transparency in assessment of sales.
- (iv) Applicants will be asked to bid over and above the minimum percentage commission notified from time to time. Licence will normally be awarded to the highest bidder. However, under no circumstances should the quality of services be compromised.
- (v) Licence fee payable by the licensee is in the form of percentage of annual sales turnover. 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.

#### 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. 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.

#### 15.7 Reservation

It has been decided that the award of licence in case of small units as mentioned in Para 15.1 (a) 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.

#### 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 or Rs. 10,000 whichever is more, of the unit to be fixed by the zonal railways and incorporated in the tender document. Sales turnover should be assessed as per the guidelines given in para 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.

### 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 General Manager of zonal railways.

#### 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 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 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 notified from time to time of annual assessed sales turnover 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 General Manager of the railway will exercise discretionary power, subject to the condition that the applicant fulfils the eligibility basic 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%
ii)	Schedule Tribes	- 8%
iii)	Other Backward classes	- 20%
iv)	Minorities*	- 9.5%
	<b>TOTAL</b>	<b>- 49.5%</b>

In each category 10% reservation will be for women including war widows and widows of Railway employee and 2% reservation will be for physically and mentally handicapped persons.

\* 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 will then put up the cases to the General Manager, who 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. 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. 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) 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.

#### 16.5 Additional Items

As the licence is granted for a specific purpose and for a specific period, the sale of any additional items will change the scope of the licence. Railway should not grant permission for any additional items 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 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.

*(Handwritten signature)*  
(Kamal Kant)

Executive Director (Tourism & Catering)  
Railway Board

No.2003/TG.III/600/5

New Delhi, dated October 5, 2004

*(Handwritten signature)*

For Financial Commissioner/Railways