

**GOVERNMENT OF INDIA / BHARAT SARKAR
MINISTRY OF RAILWAYS / RAIL MANTRALAYA
(RAILWAY BOARD)**

No.2005/TG.III/600/05

December 21, 2005

**The General Managers / All Indian Railways
Managing Director / IRCTC**

Commercial Circular 56 of 2005

Sub: Revised Catering Policy, 2005.

Amendments have been carried out in the Catering Policy 2005 to modernize the catering services and accordingly revised Catering Policy is issued.

In the revised Policy there is emphasis on quality of services, which should be given greater stress by all concerned.

For static major units (excluding AVMs, food plazas, new units) and unreserved minor units, the licensee should be selected by open competitive 2-packet tender in the following order by IRCTC:

- (i) In the first phase, unreserved static units for A, B & C category stations in Mumbai area should be taken up;
- (ii) After exercise in (i) is completed, in the second phase, metros should be taken up;
- (iii) Thereafter, mini metros should be taken up; and
- (iv) Balance should be taken up thereafter.


The revised Catering Policy is enclosed herewith for further necessary action and implementation.

This revised Catering Policy will come into effect immediately.

The minor reserved static units will be allotted by DRMs.

For filling the reservation quota, separate instructions have been issued in Commercial Circular No. 50 of 2005 vide letter No.2005/TG.III/600/41 dated 21.12.2005.

This issues with the concurrence of Finance Directorate of Railway Board.


(Dr. P.K. Goel)
Executive Director (Tourism & Catering)
Railway Board

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For Financial Commissioner / Railways

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REVISED CATERING POLICY 2005

1. OBJECTIVES OF CATERING POLICY

(All definitions for the terms used in Catering policy are given in Annexure.)

- 1.1 The objectives of Catering Policy is to provide hygienic and good quality food as per taste of travelling public for each segment by use of professionals and state-of-art technology.
- 1.2 Catering business should be expanded at stations and on trains.
- 1.3 It should serve all segments of society from unreserved class to the highest class of passenger segment.
- 1.4 It should meet all the social objectives of the Government, provide reservation to backward classes and generate extra employment.

The catering services should be provided by static catering units viz. Food plazas, refreshment rooms, fast food units, stalls and trolleys, AVMs and also by mobile units and by Train Side Vending. These services should be provided either departmentally (IRCTC) or through licensees.

2. SCALE OF STATIC CATERING SERVICES

Zonal Railways will prepare a blue print of catering units at A, B, C, D, E & F categories of stations and for trains in consultation with IRCTC. These will be handed over to IRCTC for operation. The scale of catering services at various stations is detailed as under:

- 2.1 **'A' Category Stations** - Budget Hotel, Food Courts, Food Plaza, Refreshment Rooms, AVMs etc. The number of catering units excluding AVMs on the main platform should not be more than 6 and on island platform not more than 5. (upto 5 AVMs on each platform)
- 2.2 **'B' Category Stations** - Refreshment Rooms, Fast Food Units, Snack Bars, AVMs. The number of catering units excluding AVMs should not be more than 5 on the main platform and not more than 4 on island platforms. (upto 4 AVMs on each platform)

- 2.3 **'C' Category Stations** - Fast Food units, and upto 5 other units on the main platform and not more than 4 on island platforms excluding AVMs. Since these are suburban stations, tea stalls / fast food units/ AVMs should be provided liberally. (upto 3 AVMs on each platform)
- 2.4 **'D' Category Stations** - Not more than 3 units on the main platform and not more than 3 on island platform excluding AVMs. (upto 2 AVMs on each platform)
- 2.5 **'E' Category Stations** - One each on the main platform and island platform including one AVM on each platform may also be provided.
- 2.6 **'F' Category Stations** - AVMs and other units as per requirement. (one AVM on each platform)

3. INFRASTRUCTURE

- 3.1 There should be no cooking on platforms at suburban stations and for other stations there should be an attempt for no cooking on stalls and trolleys on the platforms, except for making tea. All cooking should be done in the main kitchen. A kitchen area at a suitable space away from platform may be provided to all the licensees of the stations on payment of the requisite licence fee. Dispensing of food should be through bain - maries and hot cases or any other suitable means and which should be hygienic and covered all the time. A suitable Base Kitchen of appropriate design at appropriate location can also be provided.
- 3.2 The mobile trolleys at 'A', 'B' & 'C' category of stations should be progressively reduced. For this purpose trolleys should be gradually converted into stalls and new stalls be first distributed to trolley owners. The licence fee for such stalls should not be lower than the existing licence fee for similar stalls. On island platforms multiple units can be considered at both the ends, with significant reduction in the middle of the platform.
- 3.3 Refreshment Rooms / Restaurants / Snack Bars should be self-service and should have computerized billing arrangement.
- 3.4 All systems and processes and equipment such as deep freezers, hot cases, micro ovens, refrigerated storage units, bain - maries, simputer (for computerized billing) should be liberally procured for mobile and static units. The Shatabdi / Jan Shatabdi should be provided with Mini pantries.
- 3.5 Good material should be used in fabrication / construction of all static units so that it remains neat and clean and flycatchers must invariably be provided.
- 3.6 There should be general upgradation of departmentally managed catering units. They should act as benchmark in excellence for service.

DRMs are fully empowered to allot space for major / minor units. Views of IRCTC for market potential or relocation should be taken. Decongestion should be attempted. Ban as in force will continue subject to limits defined in Para 2 above and instructions issued from time to time.

4. **CATERING BY MOBILE UNITS**

The mobile catering should be provided by suitably designing pantry cars and providing equipment with state of art technology. The licence for mobile catering units should be given by IRCTC. For this licence will be operated on the Railway which does the primary maintenance of the train.

As a policy pantry cars should be increased on Premier / Super fast and Mail / Express trains. The programme for manufacture of pantry car should be progressively increased. Priority for allotment of pantry cars for various Zonal Railways will be as under:

- 4.1 first priority to Rajdhani Express trains.
- 4.2 second priority to long distance Premier, superfast trains.
- 4.3 third priority to mail & express trains with more than 24 hours journey time each way.
- 4.4 fourth priority, the remaining trains, preference to those trains where vestibules are provided.

The allotment and priority will be decided by the Board.

5. **TRAIN SIDE VENDING (TSV)**

Since very limited number of pantry cars has been provided, train side vending from reputed professionals **be provided by calling open tenders.** In the tender, number of vendors authorized to travel on the train and base station where the meals will be picked up will be specified. The prescribed conditions will apply on train side vending. The licensee of TSV should not cook on train. Detailed instructions for Train Side Vending are circulated vide Commercial Circular No. 41 of 2005 dated 30.09.2005.

6. **AUTOMATIC VENDING MACHINES (AVMs)**

AVMs and dispensing kiosks should be liberally provided at stations. AVMs should also be provided on the trains. The policy for AVMs is presently governed by Commercial Circular No. 54 of 2005 issued vide letter no. 2005/TG-III/531/3 dated 15.12.2005.

7. **MILK AND MILK PRODUCT STALLS** may also be provided on priority at stations and allotment and operations of these stalls are governed by letters no.2004/TG-III/604/4 dated 19.04.2005 & 05.09.2005.

8. **FOOD PLAZAS**

Food Plazas are multi-cuisine food outlets giving a variety of choice for eating. They should provide the top most quality. The quality & rates of items in food plaza are market-determined. They will be provided by way of public-private participation.

9. **QUALITY OF SERVICE AND TARIFF**

- 9.1 Monitoring of quality should be strengthened. Frequent drives should be launched to check quality of service.
- 9.2 Branded products and a-la-carte products may be liberally provided. However, it is mandatory to provide standard menu.
- 9.3 IRCTC operated units also should be top class and the staff should be trained in customer care and in providing good quality service.
- 9.4 Endeavour should be made so that all catering services including those operated by small licensees should be ISO certified. The ISO Certification as well as compliances etc. should be checked frequently.
- 9.5 Food grade material should be used for storage and packaging of all the food materials.
- 9.6 Extensive training should be given to all catering staff at various levels.
- 9.7 All units should display the rates conspicuously and all vendors should have uniform as prescribed by Railways / IRCTC. They should have a logo 'service with smile'.
- 9.8 The tariff for standard menu and for Rajdhani / Shatabdi trains will be fixed by Railway Board.
- 9.9 Tariff for standard menu should be displayed at each unit and in coaches.
- 9.10 The licensees can be fined for poor quality.
- 9.11 For repeated defaults, their licence can be cancelled.

10. **ALLOTMENT PROCEDURE**

10.1 **Major and Minor Units:**

Catering will be provided by major units and minor units.

Major units are Food courts & Food plazas at any station, Refreshment Rooms at A category of stations, excluding attached facilities like stalls & trolleys, Fast food units, Mobile catering units, Train side vending units and AVMs at all category of stations.

Minor units are of two types – One is **General Minor Units (GMU)** and the other is **Special Minor Units (SMU)**. The General Minor Units are 75% unreserved refreshment rooms at B and C category of stations and unreserved stalls and trolleys at A, B & C category of stations. The Special Minor Units are 25% reserved refreshment rooms at B & C category of stations and 25% reserved stalls and trolleys at A, B & C category of stations and all units at D, E & F category of stations except AVMs, Food Courts and Food Plazas.

- 10.2 All the major units and pantry cars will be allotted by 2-packet tendering system by calling transparent competitive bids. The ceiling limit should be observed as prescribed. The present ceiling limit is defined in Annexure (item 33). All minor units in General category (**General Minor Unit - GMU**) at A, B & C category of stations will also be allotted by two-packet tender process. All major units and General minor units will be allotted by IRCTC.
- 10.3 All minor units in special category (**Special minor units – SMU**) will be allotted by calling applications. All the reserved category minor units in A, B & C category stations and all units at D, E & F category stations will be allotted by calling for applications and selecting the licensee based on the eligibility criteria and short-listing. All Special minor units will be allotted by the divisions.
- 10.4 Minimum licence fee will be fixed as 12% of the estimated annual sales turnover for static units, mobile units of Ordinary Mail / Express trains & premium super fast trains and 15% for Rajdhani / Shatabdi trains on annual sales turnover based on actual occupancy figures certified by the Train Superintendent. At the time of renewal of licence, licence fee should be enhanced based on actual sales turnover of the unit subject to a minimum of 10% increase over the prevailing licence fee of the unit. Renewal will be done for the existing licensees only on withdrawal of the court cases by the licensees, if any, against the railways and payment of railway dues and arrears. For D, E & F categories stations the licence fee is governed by Commercial Circular No.51 of 2005 issued vide letter no. 2005/TG-III/600/41 dated 09.12.2005.
- 10.5 The period for all units allotted by tender process will be 5 years. There will be no extension for major units. For *General minor units* one extension upto 3 years can be considered subject to satisfactory performance and payment of all dues. For Licences given on the basis of calling of applications (**Special minor units**) the renewal will be every five years in case of units of D, E & F categories stations and it will be every 3 years for Special minor units at A, B & C categories stations subject to satisfactory performance and payment of all Railway dues including licence fees. For food plazas the tenure will be 9 years and one extension of 3 years can be given on satisfactory performance. The tenure for AVMs will be 3 years with no extension.

- 10.6 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, vender'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.

- 10.7 The guidelines for tendering / screening of applicants which include eligibility criteria, technical bid and financial bid along with general conditions of contract are circulated separately by the Board. These guidelines are indicative and not exhaustive. **Suitable modifications in these conditions can be done as per local and market conditions by M.D. / IRCTC.**

- 10.8 Minor Units at A, B & C category stations consisting of 25% reservation which are basically for the socially backward persons will continue to be allotted by the respective divisions by calling of applications similar to allotment in D, E & F category stations. The ban in force may be lifted to the extent of shortfall in reservation quota at A, B & C categories of stations. The licence fees will be fixed as per benchmark fixed at that station.

- 10.9 IRCTC will follow the basic spirit of Catering policy. They can make their own tender conditions as per market conditions. The system of functioning of IRCTC in terms of regulation and discharging the functions of catering are detailed in MOU between IRCTC and Railway Board.

11. RESERVATION IN ALLOTMENT

RESERVATION IN A, B & C CATEGORIES

- 11.1 There should be no reservation for major units including pantry cars.
- 11.2 There should be 25% reservation for **minor units** in A, B & C categories of stations with following break up -

Scheduled Caste	6%
Scheduled Tribes	4%
People below Poverty Line	3%

Freedom Fighters / women including war widows and widows of railway employees / persons who have been dislocated or displaced due to their land having been taken over by the railway for its own use. 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 and (v) Zorastrians (Parsis).

RESERVATION IN D, E & F CATEGORY

There will be 49.5% reservation for allotment in D, E & F categories of stations with following break up.

(i)	Scheduled Castes	12%
(ii)	Scheduled Tribes	8%
(iii)	Other Backward Classes	20%
(iv)	Minorities**	9.5%
TOTAL		49.5%*

*Out of this 49.5%, there will be sub quota of 10% for freedom fighters & women including war widows & widows of Railway employees and another sub quota of 2% will be for physically & mentally challenged people. Within 49.5% of total reservation 2% sub quota will be provided to the persons who have been dislocated / displaced due to their land having been taken over by the railways for its own use.

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

The sub quota of 10% for freedom fighters & women including war widows & widows of Railway employees; sub quota of 2% for physically & mentally challenged people will also apply in the **general category of 50.5%**.

11.3 For the purpose of reservation, **one division will be considered as one unit** for which one time station-wise exercise be done for whole division and reservation percentage be progressively achieved as and when either new units are provided or old units get vacated due to various reasons.

The Hindi version will follow.



(Dr. P.K. Goel)
Executive Director (Tourism & Catering)
Railway Board

No. 2005/TG.III/600/5

New Delhi, dated December 21, 2005



For Financial Commissioner / Railways

DEFINITIONS OF THE TERMS USED IN CATERING POLICY

The following are the definitions for various terms, which are used in the Catering Policy 2005:

1. **Category 'A' Stations** (non-suburban stations) with an annual passenger earning of more than Rs.6 crores.

Category 'B' Stations (non-suburban stations) with an annual passenger earning of Rs.3 crores to Rs.6 crores.

Category 'C' (all suburban stations).

Category 'D' (stations with passenger earnings between Rs.1 crore–Rs.3 crores).

Category 'E' stations (all stations other than Category A, B, C, D and F).

Category 'F' stations (all Flag / Halt stations)

2. **Main Platform** - It is the main platform adjacent to the concourse area and includes the main entrance hall.

3. **Island Platform** - It is the platform between two lines i.e. it serves two lines.

4. **Major Units** -

- Food Courts & Food Plazas at any station, Refreshment Rooms at 'A' category stations.
- Fast Food Units.
- Mobile catering units.
- Train Side Vending Units.
- AVMs at all categories of stations.

5. **Minor Units** -

All other units at A, B, C, D, E & F which are not covered in major units as above are known as **minor units**. These will comprise of –

- Trolleys and stalls at all A, B & C categories of stations excluding Food Plazas and Food Courts.
- Restaurants, Refreshment Rooms at 'B' & 'C' categories of stations.
- All catering units at D, E & F categories of stations except AVMs, Food Plazas & Food Courts.

Minor Units are of two types –

General Minor Unit (GMU):

(i)	75% unreserved Refreshment Rooms at 'B' & 'C' category stations.
(ii)	75% unreserved stalls and trolleys at A, B & C category stations.

Special Minor Unit (SMU):

(i)	25% reserved Refreshment Rooms at 'B' and 'C'
(ii)	25% reserved Stalls and trolleys at A, B & C category stations
(iii)	All units at D, E & F category stations except AVMs, Food Courts and Food Plazas.

Special minor units will be allotted by the divisions.

6. **Static Units** - All units at the stations including food courts, food plazas, refreshment rooms, stalls, trolleys and AVMs are collectively called as static units.
7. **Mobile Units** - All catering services through pantry cars are collectively known as mobile units. This includes mini pantry for servicing Rajdhani / Shatabdi Express trains.
8. **Food Court** - It is a cluster of stalls at a nominated place, where foodstuff such as branded products / eatables are provided.
9. **Food Plaza** is a multi-cuisine plaza giving a variety of choice for eating. The quality and rates for items of food plazas are market-determined.
10. **Refreshment Room** is synonymous to Restaurant, generally a place where besides snacks and a-la-carte items, standard meals, standard breakfast and thali is also served.
11. **Fast Food Units** is synonymous to Snack Bar, where through self service counters fast food items are sold. Generally only standing facility is provided.
12. **Catering Stalls** are of three kinds. First is the pure tea stall where tea, biscuits and snacks are served. The second type of stall is milk bar which are specially meant for various milk products and the third type of stall is juice bar meant for juices and fresh fruits.
13. **Trolleys** are mobile units, which are plying on the platforms. The trolley should not be parked between the FOB landings and should be 6 to 10 ft. away from the door of coaches.
14. **Wheel Barrows** are smaller trolleys on which specific items are sold.
15. **Khomchas** are small vending units, which is either made of sarkhanda or a tray with stand, which can be carried on head.

16. **AVMs:** These are automatic vending machines for dispensing tea / coffee or cold drinks.
17. **Train Side Vending (TSV)** - A large number of trains do not have pantry cars or mini pantries attached to them. From the static units of important junction stations, food is supplied to the train during meal time by way of vendors, who travel on the train and take orders.
18. **Standard Menu** consists of standard meals breakfast, tea, coffee, mineral water for which items, quality, quantity, description and rates are fixed by Railways and notified by the railway administration from time to time.
19. **Quoted licence fee:** This is licence fee quoted by licensee including mark up over minimum licence fees.
20. **A-la-carte Menu** - These are diversified popular foodstuff and decided by market / customers, the rates for which are fixed as per the suggestions of IRCTC. Indian Railways after taking into consideration the regional tastes and recipes will approve such items. The rates suggested will be duly approved by a Board of Directors of IRCTC. CCM will decide the A-La-carte rates for D, E & F category of stations.
21. **Rajdhani / Shatabdi Meals:** For these prestigious trains, the items, the quality, quantity and rates are fixed by Railway Board.
22. **Licence** is a document issued by either Indian Railways or M.D. / IRCTC giving authorization to the licensee to operate a particular service. This licence can be for a stipulated period as defined for that unit. The licence can be issued either by calling of applications or through a 2-Packet tendering system as the case may be.
23. **Licensee** -an agency which could be a company or a firm or an individual. The firm should be a proprietorship or partnership. The licensee is the person authorized by railway administration or IRCTC to carry out the business.
24. **Sales Turnover of Static Units** - The sales turnover of any static or mobile unit is defined for the purpose of making assessment of volume of business and for fixing of licence fee. This is assessed based on location of the unit, number of passengers dealt with, type and price of items sold, number sold in each unit, previous record of sales or any other criteria. This is done by a physical check by a committee comprising of inspectors and supervisors of commercial and finance departments of Railways or IRCTC for a period of 3 days, which are randomly selected. The data is collected and an objective assessment is made. This can be reassessed any time in between the contract period. The sales turn over should definitely be reassessed at the time of renewal, if any.
25. **Minimum Sales Turnover of mobile units** - Minimum prescribed sales for superfast trains is 200 meals and for Mail / Express trains is 150 meals on each occasion of serving breakfast/lunch/dinner or two services out of breakfast, lunch / dinner on a particular train or all services as per train timings. This is the assumed sale for all mobile units for the purpose of fixation of licence fee. For Rajdhani / Shatabdi the sales turnover will be based on actual occupancy figures as certified by Train superintendents. Sales assessment should also take into account the turnover from sale of ala-carte items on trains.

26. **Minimum Licence Fee** is 12% of estimated sales turnover for all Mail / Express trains and static units and 15% for Rajdhani / Shatabdi trains. It will be 7% of sales turnover for milk product units allotted to cooperatives.
27. **2-Packet Tendering** consists of Packet-A and Packet-B. In Packet-A, technical details received from the licensee are detailed and the Packet-B is the financial offer, which is considered only for those bidders who qualify as per short listing based on eligibility criteria in Packet-A.
28. **Earnest Money:** It is the amount of money to be deposited along with tenders for consideration of tenders.
29. **Security Money** is equivalent to 5% of the assessed annual sales or Rs.10,000 whichever is higher. At the time of allotment of tender to a licensee, the successful bidder has to deposit the security money. This is forfeited in case of default.
30. **Tenure -** The period for all units allotted by tender process will be 5 years. There will be no extension for major units. For General minor units one extension upto 3 years can be considered subject to satisfactory performance and payment of all dues. For Licences given on the basis of calling of applications (Special minor units) the renewal will be every five years in case of units of D, E & F categories stations and it will be every 3 years for Special minor units at A, B & C categories stations subject to satisfactory performance and payment of all Railway dues including licence fees. For food plazas the tenure will be 9 years and one extension of 3 years can be given on satisfactory performance. The tenure for AVMS will be 3 years with no extension.
31. **NCDFI -** The National Cooperative Dairy Federation of India.
32. **Operation Flood -** These dairies which have been developed under G.O.I program of operation flood.
33. **Ceiling Limit -** is the upper limit put on holding of major units. The ceiling limit is a maximum of 15% units of each type of major catering units subject to a maximum of 10% of total major units.