

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD**

No. 2016/TG-III/600/1/ Pt.

New Delhi, dated 27/02/2017

The General Managers
All Indian Railways

The Chairman & Managing Director
Indian Railway Catering & Tourism Corporation Ltd.
New Delhi.

(Commercial Circular No. 20 /2017)

Sub: Catering Policy 2017

Hon'ble MR during Rail Budget 2016-17 has announced as under:-

"69(i) IRCTC would begin to manage catering services in a phased manner. IRCTC would unbundle catering services by creating a distinction primarily between food preparation and food distribution.

69(iv) Adding 10 more IRCTC operated, mechanized, sophisticated base kitchens to ensure fresh and hygienic supply of food on trains.

In light of the above, a new catering policy, in supersession of Catering Policy 2010 and related guidelines, has been formulated and is enclosed for implementation. 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.

Hindi version will follow.

DA: As above.



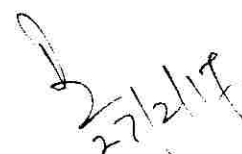
(Shelly Srivastava)
Director/Tourism & Catering
Railway Board

No. 2016/TG-III/600/1/ Pt.

New Delhi, dated 27/02/2017

Copy to:

1. FA & CAO, All Indian Railways
2. ADAI/Railways.



For Financial Commissioner/Railways

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CATERING POLICY 2017

1. OBJECTIVES

With the objective to provide quality food to our customers unbundling of catering services on trains has been envisaged in Catering Policy 2017. This policy supersedes Catering Policy 2010 and related instructions, unless specifically referred to in this policy document.

IRCTC has been mandated to carry out the unbundling by creating a distinction primarily between food preparation and food distribution. In order to upgrade quality of food preparation IRCTC shall be setting up new kitchens and upgrade existing ones.

Modifications have been necessitated in the management of catering service on mobile and static units to implement social objectives of the Government besides encouraging fair competition in allotment of catering units over stations.

IRCTC shall be responsible for catering services through mobile catering units, Base Kitchens, Cell Kitchens, Refreshment Rooms at A1 & A category of stations, Food Plazas, Food Courts, Train Side Vending, Jan Ahaars. All other catering units like Refreshment Rooms at B and below category of stations, AVMs, Milk Stalls, trolleys shall be managed by the Zonal Railways.

2. DEFINITIONS: AS ANNEXURE- I

3. MANAGEMENT OF CATERING SERVICES IN MOBILE UNITS

3.1 All pantry car service contracts awarded by zonal railways shall be reassigned to IRCTC on the same terms and conditions, as per the plan decided mutually by IRCTC and Railways. Sharing of license fee between IR and IRCTC shall be in the ratio of 40:60 in all cases other than departmentally managed units by IRCTC wherein revenue shall be shared in the ratio of 15:85. Also all such reassigned contracts should be got vetted by Legal Deptt. of Zonal Railways.

3.2 IRCTC shall submit its business plan for approval of Railway Board, for managing mobile catering services on the trains after the issuance of this



policy. Business plan may be prepared by IRCTC separately for those trains in which cost of meals is included in the ticket and for those where catering is optional. While framing the Business Plan IRCTC may take into consideration the terms and conditions of existing contracts re-assigned to IRCTC and time frame required to put into effect various provisions contained in paras 3.7, 3.8 and other relevant provisions of this policy.

- 3.3 IRCTC shall manage catering service on all mobile units having pantry car service presently with IRCTC. IRCTC shall also take over management of catering services on trains for which contracts have not been awarded by zonal railways due to various reasons or trains are being run departmentally by zonal railways.
- 3.4 Management of catering services on all new trains/ trains started on short notice shall also be done by IRCTC.
- 3.5 Since all trains are not provided with pantry cars, Train Side Vending will be provided from a suitable unit of nominated station/stations enroute. For this purpose, arrangements will be made through static kitchen units under the management of IRCTC by either segmentation of run or on end to end basis, as practicable. IRCTC shall manage Train Side Vending as per instructions entailed in this policy.
- 3.6 IRCTC should submit the Business Plan within a period of 30 days from the date of issuance of the policy, which shall be approved by Railway Board within 30 days from the date of submission by IRCTC.

3.7 Method of Operation of Mobile Catering Service

- 3.7.1 Preparation of Food: To ensure quality, hygiene and cleanliness, meals for all mobile units will be picked up from the nominated kitchens owned, operated and managed by IRCTC. This is subject to Business Plan for mobile catering as well as Base Kitchens, as approved by Board.
- 3.7.2 Service of Food in Trains: IRCTC can engage service providers from hospitality industry for service of food in train.
- 3.7.3 IRCTC shall supervise catering services on each mobile unit through its own supervisors directly employed by IRCTC.
- 3.7.4 IRCTC shall determine the menu of standard meals, in consultation with zonal railways, keeping into consideration the local taste and cuisine. The standard meals served in trains shall be within the fixed tariff approved by Railway Board.
- 3.7.5 Sale of a-la-carte items, Ready-to-Eat (RTE) Meals shall be permitted both through e-catering and onboard services by IRCTC.
- 3.7.6 The rates of standard, a-la-carte and RTE items shall be prominently displayed in coaches and Railways' websites and shall be made available through mobile apps.

3.8 Setting Up and Operation of Kitchen Units

- 3.8.1 All four Base Kitchens under departmental operation of Zonal Railways (Nagpur, Chhtrapati Shivaji Terminus, Mumbai Central and Balharshah) shall

be handed over to IRCTC on 'as is where is basis' i.e. the infrastructure including equipments shall be transferred to IRCTC. All kitchen units i.e. Refreshment Rooms at A1 and A category stations (i.e. excluding Refreshment Rooms at B and below category stations being minor units that will remain with Railways), Jan Ahaar, Cell Kitchens shall also be handed over to IRCTC on 'as is where is basis' i.e. the infrastructure including equipments shall be transferred to IRCTC.

3.8.2 Contracts awarded by zonal railways for kitchens units viz., Refreshment Rooms at A1 and A category stations, Jan Ahaar, Cell Kitchens shall be reassigned to IRCTC on the same terms and conditions with sharing of license fee between IR and IRCTC in the ratio of 40:60 in all cases other than departmentally managed units by IRCTC wherein revenue shall be shared in the ratio of 15:85. Also all such reassigned contracts should be got vetted by Legal Deptt. of Zonal Railways.

3.8.3 The setting up/ development / refurbishment of new or existing Base Kitchens/Kitchen units (after contract ceases to exist in case of units discussed in Para 3.8.1) shall be undertaken by IRCTC on the following broad parameters:-

- i. IRCTC shall develop different types of kitchens keeping in view supply of food and usage assessed.
- ii. Kitchen should be on a Business model so that they can expand and enhance the service. Revenue sharing, operational modalities are to be submitted by IRCTC for prior approval of Railway Board. Land license fee for such cases shall be decided as per the plan submitted by IRCTC and terms agreed by Land & Amenities (L&A) Directorate.
- iii. IRCTC shall prepare a detailed concession agreement of the Business Model proposed for setting up of the kitchens, which shall be approved by Board.

The services provided currently through Refreshment Rooms, Jan Ahaars and Cell Kitchens shall be provided by IRCTC.

3.8.4 IRCTC shall not outrightly outsource or issue licenses for provision of catering services to private licensees. IRCTC shall retain the ownership and shall be fully accountable for all the issues pertaining to setting up and operation of the Base Kitchens and quality of food.

3.8.5 The kitchens set up/ developed/ refurbished by IRCTC shall be modern and mechanized. IRCTC shall ensure that the kitchens acquire valid ISO certification within the specified fixed time period including compliance of all statutory guidelines and food safety norms issued from time to time.

3.8.6 Apart from kitchen units handed over by zonal railway, IRCTC may set up its own Kitchens at additional stations identified by it preferably within the railway premises and as per availability of land.

3.8.7 Kitchen structures/ land handed over by Zonal Railways to IRCTC for setting up/ development / refurbishment of Kitchen units shall be done on a token license fee of Re.1/- (Re. one) per sqft. p.a. subject to minimum of Rs.100/- (Rs. One Hundred) p.a. However, the concessional land license fee will be applicable only



for Railway related catering work and not for any other purpose. In case IRCTC use these base kitchens for the purpose other than mandated in the catering policy, land license fee shall be decided as per the plan submitted by IRCTC and terms agreed by Railway Board.

- 3.8.8 It shall be mandatory for IRCTC to establish the kitchens in a time bound manner as stipulated hereunder. The location and area of the land for construction of Base Kitchens shall be decided mutually by the Divisions and IRCTC to be approved by Zonal Railways. IRCTC and Divisions shall jointly prepare a General Agreement Drawing (GAD) of the proposed kitchen duly showing addition/alteration. Sr.DCM in the Division and CCM (Catering)/CCM will be the nodal officer for matters relating to handing over of the land and setting up of the kitchens. Following timeframe shall be followed for setting up of the kitchen:-

Activity	Timeframe	Responsibility
(i) Identification of site	10 working days from 21 days after the issue of the policy	Sr. DCM, Sr.DEN and IRCTC. Any delay will require condonation by DRM along with a speaking order.
(ii) Preparation of GAD plan	21 working days after identification of the site	Sr.DEN, Sr. DCM, Sr. DEE, Sr. DSTE, IRCTC and any other official, if required. Any delay will require condonation by DRM along with a speaking order.
(iii) Approval of GAD	21 working days after preparation of GAD	CEE, PCE, CSTE, CCM and any other official, if required. Any delay will require condonation by GM along with a speaking order. This will be deemed to be the approval of Zonal Headquarters.
(iv) Handing over of the land/site	10 working days after approval of GAD	Sr.DEN, Sr. DCM and IRCTC. Any delay will require condonation by DRM along with a speaking order.
(v) Signing of agreements (Land Licensing Agreement and O&M Agreement)	10 working days after handing over of the land/site	DRM and IRCTC. Commencement/setting up of kitchens will start only after signing of the agreement. GM shall ensure that the agreement is signed within the given timeframe.
(vi) Setting up of the kitchen	(a) 3 months where basic structure is provided by Railways; and (b) 6 months where only vacant land is provided by Railways. From the date of handing over of land/site	CMD/IRCTC shall be responsible for setting up of kitchens in fixed timeframe. Reasons for delay shall be reported by the CMD/IRCTC to Railway Board.

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- 3.8.9 The existing railway operated Base Kitchens/kitchen units and the land allotted for setting up of new kitchens shall be handed over to IRCTC for a term period of 10 years which shall be extendable for another period of 5 years at a time subject to mutual agreement. There shall be a provision for taking back the Base Kitchens/kitchen units/land handed over to IRCTC in case said premises are required for integrated development of stations. The shifting shall take place only after the alternative site is made functional in all respects for which both parties shall act proactively as per laid down timeframe. This condition should be incorporated in the agreement to be executed between Zonal Railway and IRCTC before handing over the kitchen unit/land to IRCTC.
- 3.8.10 A separate land licensing agreement will be signed by the Zonal Railways and IRCTC for all the above purposes.
- 3.8.11 There shall be no lease/ licensing of land to third party for the purpose of setting up of Base Kitchens/Kitchen Units. IRCTC will design its model for operation and maintenance without assigning any right/ lien to third party over the space allotted.
- 3.8.12 Electricity and water charges shall be charged based on actual consumption basis and the same shall be payable by IRCTC. Additional capital cost involved in augmenting utilities, if any, shall also be borne by IRCTC.
- 3.8.13 For the mobile units already licensed out by the Zonal Railways, IRCTC shall take over those contracts and monitor the management of catering services by licensee by deputing IRCTC supervisors in each train who shall be accountable for the performance of the contractor.
- 3.8.14 The mobile and kitchen units proposed to be handed over to IRCTC in this policy are presently being managed either through a licensee or departmentally or through a temporary arrangement. Zonal Railways and IRCTC, shall finalize and submit to Railway Board an action plan within 30 days of issuance of this policy, wherein the list of units along with the status and the timeframe in which it shall be handed/taken over shall be stated.
- 3.8.15 Delay in setting up of kitchen by IRCTC, as defined in para 3.8.8 (vi), shall invite a minimum penalty of Rs. One Lakh per month per unit.
- 3.8.16 IRCTC should submit the Business Plan for Base Kitchens within 30 days of the issuance of this policy and Board shall approve the same within 30 days of submission of the Business Plan by IRCTC.

3.9 **Inspection and Supervision by IR**

- 3.9.1 Officials of Railway Board, Zonal Railway & Division shall be authorized to inspect the kitchen units/mobile catering units. If any violation of the provision of the policy or deficiencies is noticed in the service, suitable penal action as decided by Zonal Railways will be taken as per the provision of agreement signed between IRCTC and Zonal Railways or IRCTC, Zonal Railway and Licensee for tripartite agreement (In case of licenses which are to be reassigned to IRCTC).



3.9.2 IRCTC and CCMs of the concerned Zonal Railways shall enter into an agreement with respect to each unit to be handed over to IRCTC. Railway Board shall issue a draft model agreement incorporating appropriate penal action against IRCTC for the violation of extant policy guidelines/deficiency. This agreement shall be executed between IRCTC and Zonal Railway before handing over of the contract.

3.10 General Instructions

3.10.1 IRCTC may involve/empanel Self Help groups for providing catering related services. However, IRCTC shall not outsource or issue licenses for provision of catering services to SHGs.

3.10.2 IRCTC shall ensure compliance of all statutory guidelines viz. FSSAI norms of food safety in Base Kitchens/kitchen units and mobile catering units, pollution control, Green Tribunal etc. (the statutory bodies mentioned are indicative in nature, not exhaustive). Further, it shall be entirely responsible for payment of any penalty imposed for non-compliance of these guidelines.

3.10.3 IRCTC shall ensure payment of all taxes, as applicable from time to time.

3.10.4 Third Party Audit of mobile units and base kitchens shall be done by Zonal Railway periodically by an independent agency as per Board's instructions issued vide letter no. 2013//TG-III/600/17 dated 12/08/2014 and any other instructions issued from time to time. Cost of the audit shall be borne by IRCTC.

3.10.5 IRCTC and Zonal Railways shall ensure compliance of extant policy guidelines issued from time to time.

3.10.6 In view of change in role of IRCTC in terms of management of catering service, the existing MoU between Ministry of Railways and IRCTC shall be redefined and a revised MoU shall be issued.

3.10.7 In case of any issues of interpretation of any clause/expression referred to in this policy the interpretation of MoR shall be final and binding.

3.10.8 IRCTC shall be responsible for ensuring that the standards, as laid down for different services, are maintained and policy directives issued by Railway Board from time to time are strictly complied with. Concerned Zonal Railways shall monitor the performance of IRCTC over their jurisdiction.

3.10.9 IRCTC shall ensure computerized billing in a phased manner to the extent feasible for all the items sold in mobile and static units under the management of IRCTC. Facility for cashless transaction viz. POS/Swipe machine etc. shall be compulsorily available in all the mobile and static units.

3.10.10 Railways' share of revenue shall be realized division/station/unit wise on monthly basis and reflected in monthly station balance sheet of the concerned station. A procedure Order for accountal of the revenue share shall be issued by Railway Board.



4. MANAGEMENT OF CATERING SERVICE IN STATIC UNITS:

- 4.1 As already decided, IRCTC would begin to manage catering services over IR in a phased manner. However, catering services in static units (except units mentioned in Para 3.8.1 & 4.2) shall continue to be awarded and managed by Zonal Railways.
- 4.2 IRCTC will be responsible for management of catering units mentioned in Para 3.8.1 and for operations of Food Plaza, Food Courts, fast food units within the ambit of this policy.

5. SCALE OF CATERING SERVICES THROUGH STATIC UNITS:

- 5.1 Zonal Railways, in coordination with Divisions and IRCTC, will prepare a comprehensive blue print for the catering units (under the control of Zonal Railways and IRCTC) at each station taking into consideration bans as notified from time to time. Further, Zonal Railways should ensure that adequate facilities are available for providing affordable food to passengers before permitting any other type of outlets. In case of banned stations, Zonal Railways shall be empowered to make provisions for catering units with concurrence of Finance and approval of General Manager.

6. INFRASTRUCTURE AT STATIC UNITS:

- 6.1 There should be no cooking on platforms at suburban stations and for other stations there should be efforts to progressively reduce cooking on stalls and trolleys on the platforms, except for items which could be prepared through electrically operated equipments. Railway Board's instructions issued vide letter no. 2011/TG-III/600/14 dated 25/04/2012 and other instructions issued from time to time may be followed in this regard.
- 6.2 No new Khomcha or alike shall be allotted, however, trolleys/khomchas (already allotted) may be continued on selective basis. In order to reduce congestion, these should be made area specific. Care should be taken not to place them near FOBs or doors of trains. Preference should be given towards providing them at the ends of platforms so that General Service Coaches and unreserved passengers have easy access to them. Such trolleys/khomchas must have adequate availability of the low priced Janta Khana.
- 6.3 Gradually all old catering stalls should be replaced with compact modular stalls of superior quality material to ease congestion on the station platforms and circulating area and improve on aesthetics, durability and convenience for maintenance.
- 6.4 Static Catering Units should have service across the counter only. There shall be compulsory and prominent display arrangements of rates and FSSAI certification.
- 6.5 Zonal Railways shall ensure computerized billing for all the items sold at static units under its management in a phased manner to the extent feasible. Facility



for cashless transaction viz. POS/Swipe machine etc. shall be compulsorily available in all the static units.

- 6.6 All systems and processes and equipments such as deep freezers, hot cases, microwave ovens, refrigerated storage units, bain-maries should progressively replace the existing traditional equipments and manual methods in static units.

7. AUTOMATIC VENDING MACHINES (AVMs):

- 7.1 Zonal Railways shall manage through licensee the automatic self vending machines. Automatic Vending Machines shall be permitted only in the form of stand-alone self dispensing units. They shall not be permitted to sell any other item except those to be dispensed through these machines. The operations of the AVMs shall not involve any manual interface except for the purpose of refilling/repair/maintenance of machine. However, all dispensation related operations shall be through coin/currency/card only.

- 7.2 The AVMs that are not stand alone self dispensing units should be closed down forthwith taking into account the provisions of contract. Other existing AVMs would be allowed to continue only until the currency of the existing contract and no extension should be given.

- 7.3 New AVMs, adhering to current norms, shall be awarded through two-packet tender system. Allotment will be done by e-tendering method. Till the finalization of e-tendering module and issuance of procedure order by Railway Board normal tendering process shall be followed.

- 7.4 The allotment of new AVMs should be done by following SBD guidelines for major units issued by Railway Board on 05/07.09.2012. Fixation of license fee shall be governed by Para 12 of this policy. Specification of machine and other modalities may be decided by zonal railway.

8. MILK AND MILK PRODUCT STALLS:

- 8.1 Milk Stall license shall be awarded to apex dairy cooperative societies approved by Government, dairy cooperative federations/members of National Cooperative Dairy Federation of India Limited (NCDFI) and/or developed under the aegis of Operation Flood Programme, bodies/agencies registered/certified by FSSAI for sale of milk and milk products.

- 8.2 Allotment at all category of stations shall be done through tender system. The process of allotment, tenure, fixation of license fee and ceiling shall be governed by Para 9 (except conditions stipulated in 9.3.1), 11, 12 and 13 respectively of this policy. Allotment will be done by e-tendering method. Till the finalization of e-tendering module and issuance of procedure order by Railway Board normal tendering process shall be followed.

- 8.3 Sale of Packaged Drinking Water (Rail Neer) shall be permitted at Milk Stalls and instructions issued vide letter no. 2015/TG-III/631/8 dated 12.02.2016 shall be followed in this regard.





9. Allotment Procedure for Static Catering Units (except static units mentioned in Para 3.8.1):

- 9.1 For the purpose of allotment, a Refreshment Room (at B and below category stations) or a stall or a trolley shall be deemed as one unit. As such, a single unit shall be awarded through a single license.
- 9.2 No new license for khomcha / Dallah / Chhabba / Wheel Barrow/ Hand Barrow / Tray / Table / Tea Balta (or any other similar unit by a different name) shall be awarded by Zonal Railway.
- 9.3 Zonal Railways shall have an effective and transparent contract awarding system for static catering units at A1, A, B & C category station. Allotment of static catering units will be done by e-tendering method. Till the finalization of e-tendering module and issuance of procedure order by Railway Board, normal tendering process shall be followed.
- 9.3.1 Allotments of all major static units (except units mentioned in Para 3.8.1) and of General Minor Units at A1, A, B & C category stations will be done through open, competitive, two-packet tendering system by divisions in accordance with the Standard Bid Documents issued vide Board's letters No. 2010/TG-III/ 600/ 12/SBD/Pt.3 dated 05/09/2012 and No. 2010/TG-III/600/12/ SBD/1Pt 05/07/2011, duly following all the procedures/instructions issued by Government of India/Railway Board from time to time.
- 9.3.2 Allotment of Special Minor Units at A1, A, B & C category stations will be done by divisions through open tendering system within the similar reserved category. The technical eligibility criteria, however, shall be as under:-
- Turnover of applicant's business in catering (to be supported by Income Tax Return for the last 3 years) duly certified by Chartered Accountant (Exempted in case of BPL category).
 - Previous experience in catering business (to be supported by certificate/letter of experience/allotment from concerned agencies for the last 3 years).
 - The bidder shall be an Individual/sole proprietor who shall furnish relevant certificate from competent government authority as a proof of being a member of the particular reserved category in which he/she is bidding.
 - Government approved identity proof and residence proof such as Aadhaar Card/ PAN/Voter ID etc. to ensure genuineness of the bidder and VAT registration, if required.
 - Affidavit to the effect that the applicant is solvent, there are no pending dues of railways, no debarment of the bidder by any zonal railways and that there is no conviction of the bidder in any criminal case by Court.
 - Medical certificate on allotment to certify that those handling preparation and service of food are not suffering from infectious diseases.
 - Any false declaration by the bidder on affidavit shall be treated as 'Material Breach' and would result in termination of the license and debarment/blacklisting of the licensee from participating further in allotment of catering units on any zonal railway/IRCTC.





- (h) Any other special condition considered relevant by Railways with the approval of the concerned CCM.

Allotment should be made to the highest eligible bidder subject to the fulfillment of all the above criteria.

- 9.3.3 Standing Tender Committee, to be nominated by DRM, shall comprise of three members one each from Commercial and Finance department and third member from any other department. The level of committee members as per category of stations shall be as under:

Category of stations	Level of Committee	Accepting Authority
A1, A, B & C	Sr. Scale level officers	Next Higher Grade officer
D, E & F	Jr. Scale level officers	Next Higher Grade officer

- 9.3.4 Any amendment in the above delegation of powers by Zonal Railway shall be carried out with the approval of the Chief Commercial Manager.

- 9.4 Allotment of Special Minor Units at D, E, F and General Minor Units at D, E, F category stations will be made by Divisions through open tender system from the eligible bidders. In case of SMUs at D, E, F category stations, tenders shall be called from the similar reserved category applicants. The eligibility criteria shall be as under:

- (a) **General Minor Units at D, E & F category stations:** Divisions will call for tenders through press notifications from Individuals/partnership firms/companies/Co-operatives/ Self Help Groups etc. In case of partnership firms, a certified copy of legal partnership deed should be submitted.
- (b) **Special Minor Units at D, E and F category stations:** Divisions will call for tenders through press notifications from an Individual/sole proprietor who shall furnish relevant certificate from competent government authority as a proof of being a member of the particular reserved category in which he/she is applying. Benefit of reservation shall be admissible only in case of individual or sole proprietor.
- (c) Experience in catering business to be supported by turnover (Income Tax Return/bank statements) in that business for the last three years duly certified by Chartered Accountant (Exempted in case of BPL category).
- (d) Government approved identity proof and residence proof such as Aadhaar Card/ PAN/Voter ID etc. to ensure genuineness of the bidder and VAT registration, if required.
- (f) Affidavit to the effect that the applicant is solvent, there are no pending dues of railways, no debarment of the bidder by any zonal railways and that there is no conviction of the bidder in any criminal case by Court.
- (g) Medical certificate on allotment to certify that those handling preparation and service of food are not suffering from infectious diseases.
- (h) Any false declaration by the bidder on affidavit shall be treated as 'Material Breach' and would result in termination of the license and





debarment/blacklisting of the licensee from participating further in allotment of catering units on any zonal railways/IRCTC.

- (i) Any other special condition considered relevant by Railways with the approval of the concerned CCM.

Allotment should be made subject to the fulfillment of all the above criteria by the nominated Tender Committee as stated in Para 9.3.3.

- 9.4.1 Minimum licence fee will be fixed as 12% of the estimated annual sales turnover for the respective static unit. Minimum license fee will be fixed by Zonal Railways/Divisions based on criteria mentioned in para 12.1.
- 9.4.2 Divisions shall maintain the vacancy position of units allotted under reserved categories. In case no application is received against a particular reserved category as per break up specified in this policy, one re-notification will be done for allotment of units to reserved category applicants. In case no reserved category applicant turns up, the earmarked unit shall be treated as GMU and shall be allotted for one term of 5 years only. However, after completion of that 5 year term, the re-notification exercise shall be repeated for allotment of reserved category stall to reserved category applicant.
- 9.4.3 Total allotment to a particular category should not exceed the specified percentage reserved for that particular category. The total number of allotments of minor units to the various reserved categories should not exceed 49.5% of the total allotments of minor units made on a particular Division at D, E and F category stations and 25% of the total allotments of minor units made on a particular Division at A1, A, B and C category stations. Record of allotments based on reservation will be maintained by the concerned division.

10. RESERVATION IN ALLOTMENT:

10.1 RESERVATION IN A1, A, B & C CATEGORIES

10.1.1 There shall be no reservation for major units.

10.1.2 There shall be 25% reservation for minor units in A1, A, B & C categories of stations with the following break up.

S.No.	Category	%age reservation
1.	Scheduled Caste	6%
2.	Scheduled Tribes	4%
3.	Other Backward Classes	3%
4.	Minorities *	3%
5.	Divyang	2%
6.	Freedom Fighters/war widows and widows of railway employees, persons who have been dislocated/ displaced due to their land having been taken over by the railways for its own use	4%
7.	People below Poverty Line	3%
	Total	25%

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

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10.2 RESERVATION IN D, E & F CATEGORY:

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

S.No.	Category	%age reservation
1.	Scheduled Caste	12%
2.	Scheduled Tribes	8%
3.	Other Backward Classes	20%
4.	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) (vi) Jain

** Out of this 49.5%, there will be sub quota of 10% for freedom fighters & war widows & widows of Railway employees and another sub quota of 2 % will be for physically 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 sub quota of 10% for freedom fighters & 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%.

The issue of reservations is at present sub-judice in the Hon'ble Supreme Court. Any allotment/extension in the case of reservations will be subject to the final order of the Hon'ble Supreme Court in Civil Appeal No.7513 of 2005 and analogous case referred to the Constitutional bench.

10.3. There shall be a provision of 33% sub quota for women in allotment of each of the reserved category of minor catering units at all category of stations. The sub quota of 33% for women will also apply in general category.

10.4 For the purpose of reservation, one division will be considered as one entity for which a one time station-wise exercise will be done for the whole division and reservation percentage will be progressively achieved as and when either new units are provided or old units get vacated due to any reason.

11 TENURE

11.1 Tenure of all major units being handed over to IRCTC will be governed as per Catering Policy 2010 till the expiry of the contracts. IRCTC shall further manage these units as per the provisions of this policy.

11.2 Tenure of Food Plaza shall be for a period of 9 years. Tenure of all other catering units (Major Units & Minor Units) will be for a period of 5 years only. There will be no further extension/renewal, except for units specifically referred to in para 3.8.1.






12. FIXATION OF LICENCE FEE FOR STATIC UNITS (EXCEPT UNITS MENTIONED IN PARA 3.8.1)

- 12.1 Minimum license fees / minimum reserve price shall be fixed as 12% of the annual sales turnover for static units. Annual sales turnover shall be based on the following factors (i) category of station, (ii) type of licence, (iii) number of originating passengers, (iv) number of trains stopping (day & night), (v) duration of stoppages (vi) location of the unit at the station, (vii) approximate licence fees of a similar type of unit at a similar category of station in proximity. In case of Static Units on Category 'A1' and 'A' stations of Metro cities, and 'C' Category stations having high purchasing power, the fixation of minimum licence fee will apart from all other factors take into account the Circle rates notified by the competent authority of the State Government as fixed from time to time. The zonal railways shall evolve a formula based on the above parameters for fixing the licence fees for the units falling within their jurisdiction. A Committee comprising three SA Grade officers from Commercial, Finance and Civil Engineering shall be nominated by the General Manager which shall fix the formula for each category of stations. The formula so fixed by the zonal railway shall be applicable to the entire zonal railway. Apart from the above zonal railways may include and consider any other factor/s unique to the unit/units. General Managers shall have full discretionary powers on recommendation of CCM and concurrence by FA&CAO of the zonal railways to revise/modify the minimum licence fee calculated as per the SAG formula also keeping in view the Last Accepted Rate (LAR) of the completed contract.
- 12.2 In the case of static units 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 and payment of applicable taxes.
- 12.3 The licensee will be required to pay all the charges as per the contract agreement and all statutory duties/charges/levies/taxes, etc. (including Service Tax on Licence Fee) would also be borne by the licensee as and when due or any new tax (including GST) is notified.
- 12.4 In case of all units under the management of IRCTC, land license fee for land leased to IRCTC will be payable by IRCTC and revenue sharing will be as stipulated in para 3.1 and 3.8.2 above.

13 CEILING LIMITS ON HOLDING OF CATERING LICENSES:

- 13.1 Zonal Railway and Divisions shall maintain a data base of the various catering establishments to ensure that the under mentioned ceiling on holding of catering licenses are complied with. The data base should be reconciled by Zonal Railway Headquarters on six monthly basis. As and when a tender is finalized, the information may be circulated to all concerned for updating the data base. Railways shall consolidate and circulate a list of all catering establishments as on 1st January of each year to be circulated latest by 31st March and as on 1st July of each year to be circulated latest by 31st October of that year. Such information should be





updated and accordingly uploaded on 1st January and 1st July of every year on the websites of the Railways.

- 13.2 Stand alone AVMs: An entity will be allowed to hold a maximum of 10 AVMs over each zonal railway.
- 13.3 For Milk Stalls, authorized franchisee/agencies of allottees (apex dairy cooperative societies approved by Government, dairy cooperative federations/members of NCDFI and/or developed under the aegis of Operation Flood Programme, bodies/agencies registered/certified by FSSAI) will be allowed to hold a maximum of five milk stalls per Division.
- 13.4 A licensee will be allowed to hold a maximum of five minor catering units per Division.
- 13.5 Food Plaza, Food Courts and Fast Food Units: An individual/firm/company will be allowed to hold maximum two units per division, subject to a further limit of 25 units over Indian Railways.
- 13.6 If a licensee holds more than one unit under a single or multiple licences, for the purpose of implementation of ceiling limit, one RR (at B & below category stations), one stall or one trolley or one khomcha shall be equivalent to one unit.
- 13.7 No new license for khomcha/Dallah/Chhabba /Wheel Barrow/ Hand Barrow/Tray/ Table/Tea Balta (any other similar unit) shall be awarded by Zonal Railway.
- 13.8 Modification of the above limits may be done only with prior approval of Railway Board.

14. MENU AND TARIFF:

- 14.1 Menu and Tariff of food items will be fixed as follows:
 - 14.1.1 For Rajdhani/Shatabdi/Duronto trains and such other trains in which catering charges are inbuilt in the passenger fare, the menu shall be decided by IRCTC in consultation with Railway Board to make it commensurate with the tariff, which will be fixed by Railway Board.
 - 14.1.2 For controlled segment items/standard menu/Janta Meals on units handed over to IRCTC, the menu shall be decided by IRCTC in consultation with Zonal Railways within the fixed tariff approved by Railway Board.
 - 14.1.3 Menu and tariffs for Food Plaza, Food Courts and fast food units will be decided and fixed by IRCTC.
 - 14.1.4 Menu of controlled segment items including regional cuisine on minor static catering units shall be decided by Zonal Railways within the fixed tariff approved by Railway Board.



- 14.1.5 Menu & Tariff of a-la-carte items served through static catering units managed by Zonal Railways as well as IRCTC, will be fixed by Zonal Railways in consultation with IRCTC.
- 14.1.6 The Menu & Tariff of a-la-carte meals on mobile units handed over to IRCTC shall be decided by IRCTC. However, in cases where the contracts for mobile units are being re-assigned to IRCTC, the same terms and conditions including menu and tariff shall be applicable till the reassigned contracts cease to exist.
- 14.1.7 Adequate emphasis should be laid on availability of regional cuisine all over Indian Railway.
- 14.1.8 Instructions issued vide CC No. 78/2012, CC No. 63/2013, CC No. 32/2014 and issued vide letter no. 2012/TG-III/631/2 dated 11/07/16 and related instructions to ensure availability of diabetic/patients/ailing passengers/jain food on demand and availability of food to infants at stations, shall be followed.
- 14.1.9 The procedure for regular revision of tariff based upon certain index, parameters, inflation etc. would be finalized by Board from time to time.

15 QUALITY ASSURANCE PROGRAMME:

Zonal Railways/IRCTC shall frame an efficient quality assurance programme to ensure good quality and hygienic food to the passengers. Progressively, ISO 22000 Standards & relevant international standards in vogue from time to time will be implemented for all catering units.

16 DISPOSAL OF GARBAGE

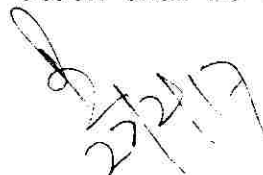
Zonal Railways and IRCTC shall ensure compliance of instructions on waste management already issued vide Commercial Circular No. 45/2011 dated 13/09/2011 and instructions issued in this regard from time to time. Instructions issued in this regard from time to time should be incorporated in all agreements.

17 MECHANISM FOR MONITORING OF CATERING SERVICES

17.1 Inspections/Quality checks and monitoring of complaints

17.1.1 Endeavour should be made that all catering services are ISO certified as per latest norms.

17.1.2 To provide hygienic and quality food to the rail passengers a strict and effective system of monitoring of catering services should be adhered to. Monitoring of quality should be made through inspections and food quality checks. If any violation of the provision of the policy or deficiencies is noticed in the service, suitable penal action shall be taken as per the provision of agreement.



- 17.1.3 System for complaint redressal for catering services for static and on-board services that is already in place providing proactive and effective complaint redressal mechanism shall be strengthened.
- 17.1.4 Complaint Monitoring Cells set up at zonal railway headquarters and divisional offices wherein all complaints received through toll free number, complaint books, emails, SMS and other online platforms etc. should be collected and forwarded to concerned Zonal Railways/IRCTC for necessary action. A mechanism be devised to acknowledge the complaints / feedback within 24 hrs. Action taken on complaints should be monitored by the CCM of the zonal railway and DRMs of the divisions on a monthly periodical basis. Complaints of repetitive nature should be taken up sternly.
- 17.2 IRCTC will conduct passenger satisfaction surveys by means of third party audits. In case of deficiencies noticed by Third Party Audit Agency, suitable penal action shall be taken as stated in paras 17.3 & 17.4.
- 17.3. If any violation of the provision of the policy or deficiencies is noticed in the service, suitable penal action as decided by Zonal Railways will be taken as per the provision of agreement. In case of continued failure in performance, Railways will have the right to close down any unit. The event of continued failure may be explicitly defined in the tender document/agreement.
- 17.4 Zonal Railways and IRCTC will take corrective action for deficiency in services, which may include D&AR action against the concerned employees.

18 TRANSFER OF LICENSE:

Transfer of license to the legal heir would be allowed only in the event of death of the original licensee. The license shall be transferred in the name of the legal heir for the unexpired period of the contract as per General Conditions of Contract (GCC) of Railways. No subletting will be allowed.

19 EXCLUSION OF GOVT. EMPLOYEES AND THEIR DEPENDENTS:

As per extant instructions, no catering /vending license 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 licensees who are coming under the above category, should also not be allowed to continue their license on confirmation of the above position-

20 APPLICABILITY OF THE NEW POLICY:

- 20.1 The revised catering policy will be applicable with immediate effect i.e. from the date of issue. This policy supersedes all prior policy circulars issued from time to time unless specifically referred to in this policy document.
- 20.2 Tenders that have been finalized and LoA issued prior to the date of notification of this policy, shall be allowed to continue as per policy guidelines prevailing at that time. Zonal Railways will cancel all such

tenders and return the earnest money to the tenderers in cases, where LoA has not been issued before issuance of this circular.

- 20.3 Any other special condition including provision of catering service during unforeseen circumstances including accidents, as considered relevant by Railways with the approval of the concerned CCM, shall form part of the agreement to be entered into, which shall be binding on the IRCTC/static units licensees.
- 20.4 Pending litigation and any new litigation on existing units being handed over to IRCTC, shall be defended/contested by IRCTC on behalf of Indian Railways before all courts/forums.

21. NEW INITIATIVES

Zonal Railways shall be permitted to introduce innovative/new initiatives in catering on stations, with the concurrence of Associate Finance and approval of General Manager. Tenure for such initiatives shall be one year extendable to second year with the approval of General Manager. Further, extension for remaining period of the full tenure (i.e. five years) shall be with the approval of Railway Board.

22. ARBITRATION

For units being managed by zonal railway contract agreement should have arbitration clause for the case of any dispute, difference, or question arising between Railways and the licensee as to the respective rights, duties, obligations of the parties hereto or as to the construction or interpretation of any of the terms and conditions of the agreement or as to its application the same shall be resolved amicably failing which GMs of the Zonal Railways will be nominating authority as per GCC of the railways. The disputes referred for arbitration shall be dealt as per the procedure laid down in the Arbitration and Conciliation Act, 1996, as amended from time to time. The place of arbitration would be Zonal Railways Headquarters and language for arbitration proceeding shall be English.



ANNEXURE – I

DEFINITIONS OF THE TERMS USED IN THE CATERING POLICY

1. **A-la-carte Menu:** These are popular food items served through static/mobile units and decided by market/customer, the rates for which are fixed by zonal railways/IRCTC. CCMs of the zonal railways will be the competent authority to decide the A-La-carte rates. Zonal Railways, after taking into consideration the regional tastes and cuisine, will approve such items. A-la-carte menu and standard items shall be mutually exclusive to ensure that passengers are not overcharged.
2. **Automatic Vending Machines (AVM):** These are automatic vending machines for dispensing hygienically packaged catering items e.g. PAD items, PDW, eatables, tea/coffee, cold drinks, etc. AVM stalls should not be permitted to sell any other item except those to be dispensed through these machines.
3. **Base Kitchen:** Base Kitchen is a large cooking and packing facility set up in the vicinity of railway premises whether inside or outside Railway premises from where food is prepared and distributed in trains or to the static units. There will be no sale of food directly to the passengers from a base kitchen. All base kitchens should be ISO certified.
4. **Category of station:** Stations are categorized on the basis of passenger earnings as follows:

Category A-1	Non sub-urban stations with an annual passenger earning of more than Rs.60 Crores.
Category 'A'	Non sub-urban stations with an annual passenger earnings of more than Rs.8 Crores and upto Rs. 60 Crores.
Category 'B'	I. Non sub-urban stations with an annual passenger earnings between Rs. 4 crores to Rs. 8 Crores. II. Stations of tourist importance or an important junction station (to be decided by G.M.)
Category 'C'	All-suburban stations
Category 'D'	Non sub-urban stations with an annual passenger earnings between Rs. 60 Lakhs and Rs. 4 Crores
Category 'E'	Non sub-urban stations with an annual passenger earnings less than Rs. 60 Lakhs.
Category 'F'	Halts

(Note:- The above categorization based on monetary limits is subject to further revision from time to time.)

5. **Catering Stalls:** These are of three different types of stalls selling catering products like beverages, snacks and other light refreshments. First is the 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.

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6. Ceiling Limit: It is the upper limit put on holding of major/minor units by a company/firm/individual to prevent monopolistic tendencies.
7. Cell Kitchen: Cell Kitchens are Mini Base Kitchens which supply food to other catering units, static/mobile, and at the same time can sell food and beverages directly to the passengers.
8. Earnest Money: It is the amount of money to be deposited along with tender for consideration of tenders. Tenders submitted without the prescribed earnest money are liable to will be summarily rejected.
9. Food Courts: It is a cluster of stalls at a nominated place, where food items such as branded products/eatables are provided.
10. Fast Food Units: Fast Food Units are major units synonymous to Snack Bar, where through self service counters, fast food items are sold.
11. Food Plaza: 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-driven.
12. Island Platform: It is the platform located between two lines and it serves trains opposite each other.
13. Jan Ahaar: Jan Ahaar meals comprise economy combo meals that may be served and vended from a Jan Ahaar outlet or any major/minor unit. They comprise a variety of regional and local items.
14. Khomcha: It is generic term used for small vending unit, which is usually made of sarkhanda and could be in a form of Dallah/ Chhabba /Wheel Barrow/ Hand Barrow/Tray/ Table/Tea Balta etc.
15. License: It is a document issued by either Indian Railways or IRCTC giving authorization to the licensee to operate a particular service. This license can be for a stipulated period defined for that unit. The license can be issued open tendering system.
16. Licensee: An agency which can be a company or a firm/society/cooperative or an individual, as the case may be. The firm can be a proprietorship or partnership. The licensee is the entity authorized by railway administration or IRCTC to carry out the particular service.
17. Main Platform: It is the platform adjacent to the concourse and usually includes the main entrance hall.
18. Major Units:
 - Fast Food Units, Food Plaza and Food Courts at all category of stations.
 - Refreshment Rooms at 'A1' & 'A' category stations.
 - Jan Ahaar
 - Mobile catering units.
 - AVMs at all category of stations
 - Base kitchens
 - Cell Kitchens
 - Train Side Vending
19. Minor Units:

All other units at A1, A, B, C, D, E & F category stations which are not covered in major units as above are known as minor units, i.e. :

 - Stalls, Trolleys and Khomchas at all categories of stations.
 - Refreshment Rooms at 'B' & below categories of stations.

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- Minor Units are of two types

- General Minor Unit (GMU):

(i)	75% unreserved Refreshment Rooms at 'B' & 'C' categories stations
(ii)	75% unreserved stalls, trolleys, khomcha at A1, A, B & C Category stations
(iii)	50.5% unreserved stalls, trolleys and Khomchas, etc. at D, E & F category stations.

- Special Minor Unit (SMU):

(i)	25% reserved Refreshment Rooms at 'B' and 'C' category stations
(ii)	25% reserved Stalls, Trolleys and Khomcha (wherever licensed independently) at A1 at A, B & C Category stations
(iii)	49.5% of reserved stalls, trolleys and Khomchas, etc. at D, E & F category stations.

20. Mobile Units: All catering service through pantry cars/ mini pantry cars are collectively known as mobile units.
21. Quoted license fee: This is the license fee quoted by a licensee including mark up over minimum license fee.
22. Refreshment Room: It is a place where a-la-carte items, Ready-to-Eat meals and 'thali meals' are also served.
23. Sales Turnover of Static Units: The sales turnover of any static unit is considered for the purpose of making assessment of volume of business and for fixing of minimum floor prices.
24. Static Units: All units at the stations including Food Plazas, Food Courts, fast food units, refreshment rooms, stalls, trolleys, Jan Ahaar, base kitchen, cell kitchen, AVMs, etc. are collectively called as static units.
25. Controlled Segment Items/Standard Menu: Consists of standard meals, breakfast, tea, coffee, packaged drinking water for which quantity and rates are fixed by Railway Board.
26. Trains 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 station/stations, food is supplied to the train during meal time through vendors, who travel on the trains and take orders.
27. Two 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 all the laid down eligibility criteria for Packet-A.

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