S.No 94

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

No. 2014/Tourism/140/7

New Delhi, dated the 13th November, 2019

General Manager,
All Indian Railways.

(Commercial Circular No. 47 of 2019)

(Previously Commercial Circular No. 20 of 2015)

Sub: Policy on Luxury Tourist Trains being operated or to be operated in association with State Tourism Departments or IRCTC- Master circular.

Ref: Railway Board letters Nos.

(i) 2007/Tourism/140/12 dated 07.03.2008 (CC 14 of 2008), 24.07.2008, 22.10.2008, 10.11.2009, 30.11.2009 and 12.01.2010
(ii) 2008/Tourism/135/2 dated 31.08.2009
(iii) 2009/Tourism/170/2 dated 16.06.2010
(iv) 2010/Tourism/205/1 dated 07.10.2010
(v) 2010/Tourism/140/2 dated 3.08.2011 (CC 38 of 2011) and18.06.2012 (CC 36 of 2012) and
(vi) 2010/Tourism/145/2 dated 12.09.2013.
(vii) 2014/Tourism/140/7 dated 30.03.2015 (CC 20 of 2015)

Railway Board have reviewed the policy on Luxury Tourist Trains (LTT) operated or to be operated in association with State Tourism Corporation/ Department (STC)/IRCTC. It has now been decided to issue revised comprehensive instructions in this regard as under:

General guidelines for introduction of Luxury Tourist Trains (LTT)

1. All proposals regarding introduction of LTT will be dealt with by the Railway Board. No work should be undertaken or commitment should be given by any Zonal Railway before the proposal for LTT is cleared by the Railway Board.

2. After the approval by Railway Board, the concerned Zonal Railway shall enter into an agreement as per the draft agreement circulated by the Railway Board with the STC or IRCTC as the case may be before the commercial run of the train is started. A copy of the signed agreement should be sent to Board.

3. The capital investment for manufacturing of the rake including furnishing of the rake for all the new projects will be made by STC/IRCTC except those projects for which specific commitments have been entered into by Railway Board.

4. The lifespan of luxury tourist train projects in association with STC/ IRCTC will be 25 years from the date of start of operation.

5. Gross revenue will mean the total revenue generated by the operation of the train from business of operating the tourist train which shall include the charges for train journey, on-board services, off-board services, sales of any kind including food items, beverages, spa / gym, souvenirs, etc.

6. STC/IRCTC will maintain proper records related to the revenue and occupancy of the train and the details shall be made available to the Railways every quarter from the inception of the project. Railways will have right to verify the original records as and when needed.

7. It has also been decided to continue with the existing revenue sharing ratio of 56:44 between Indian Railways and RTDC in respect of the Palace on Wheels. The tariff & commission to agents for this train will be decided jointly by IR & RTDC.

Role and responsibilities of Indian Railways and STC/IRCTC.

8. Any LTT operated on the IR system irrespective of running on the regular or chartered itinerary will use only its approved name, as recommended by the STC concerned and approved by the Railway Board.

9. STC or IRCTC, as the case may be, shall be responsible for marketing, publicity and the management of the train including on-board, off-board and other services.

10. The ticket tariff for Luxury Tourist Trains will be fixed by STC / IRCTC under intimation to Railway Board.

11. Operation of the train will be undertaken by the Railways including the provision of loco, track, terminal facilities etc. required for operation of the train.

12. The scheduled safety maintenance including periodical overhauling of the train will be undertaken by the Railways. The charges for maintenance and periodic over hauling are to be paid by STC / IRCTC as a part of the haulage charges. For Palace on Wheels the charges for maintenance are included as a part of revenue sharing.

13. PCCMs of nodal railways will also ensure the signing of agreement with the STC/IRCTC as the case may be, as approved by Railway Board, before the start of commercial run of the train for tourist season 2015-16.

14.(i) A lot of efforts and co-ordination with various Zonal Railways are required to examine the itinerary proposed by STC/IRCTC. Therefore, it has been decided that the examination of operational feasibility of 7 itineraries in a year would be free. Thereafter, STC/IRCTC will have to make a payment of Rs. 2 Lakh per itinerary as registration charges to the Railways. The Zonal Railway will forward the itinerary to Railway Board, whenever required, alongwith the payment confirmation.

(ii) The registration charges will be forfeited if

(a) The STC/IRCTC withdraws/cancels the request within one month of placing the request, or

(b) The STC/IRCTC withdraws/cancels the request after the Railways confirm the feasibility of the trip.

(iii) However, forfeiture of registration charges will not take place and the amount will be refunded as an adjustment as mentioned in Para (iv) below, if

(a) Railway conveys the non-feasibility, or

(b) If the request for the trip is withdrawn/cancelled after one month of placing the request but before the feasibility is conveyed by the Railways.

(iv) The registration fee is only an advance payment and not an additional payment. It will be adjusted against the total haulage charge to be paid in due course. The refund of the registration money, if any, may be adjusted against any subsequent payment due from the STC/IRCTC to the Railways.

Haulage charges w.e.f. 01.04.2015 for all LTT except Palace on Wheels:

15. The capital cost for the purpose of calculation of Repair & Maintenance component of haulage charge of luxury tourist trains will be taken as the capital cost of bare coach and DG sets. The cost of fuel for the power cars will be paid by STC/ IRCTC as a part of haulage charge.

16. Capital cost of bare coach and DG sets will be taken as per the vetted figures provided by ICF and forwarded by DME(PU).

17. The cost of power for running the generator (power) cars of luxury tourist trains will be calculated on the basis of the assumption that the generator (power) cars are operated for only half the duration in any particular trip.

18. **Haulage charge will consist of the following components.**

18.1 **Fixed charge :** The Fixed charge is the amount, which STC/ IRCTC have to pay to the Railways irrespective of the number of trips.

18.2 **Variable haulage charge:** Variable haulage charge shall consist of two components which are linked to distance and duration of the trip. Both the Variable charges shall be calculated for composition of 16 coaches and above. The two variable charges are:

18.2.1. **Per KM variable haulage charge :** It is the amount which shall be charged for running of train for one KM. Total amount of this charge shall be arrived at by multiplying the per KM charge with the total distance of the itinerary.

18.2.2. **Per day variable haulage charge:** It is the amount which shall be charged for running of train for one day. Total amount of this charge shall be arrived at by multiplying the per day charge with the total number of the days of the itinerary. Part of the day shall be treated as one day.

19. Fixed charges shall be paid to Railways atleast 15 days before the beginning of each Quarter of each Financial Year. Both the variable haulage charges shall be paid to Railways atleast 15 days in advance of the date of each trip.

20. No train shall be allowed to run without advance payment of all the above traie charges. CCMs of Nodal Railways shall ensure that advance payments is made prior to the commencement of trip.

21. Failure to adhere to the payment schedule could lead to discontinuance of operation of the services.

22. In case of delays due to exceptional circumstances in making the payment to the Railways, as per the above provisions, shall attract penal interest at 12% per annum.

23. In case any trip of LTT is cancelled within 7 days of the scheduled date of departure, a cancellation charge of Rs.10,000/- per trip will be levied.

24. The LTT is required to be operated with a minimum composition of 16 coaches. STC/IRCTC will intimate the desired composition for each trip to the Nodal Railway any the same will be finalised at the Zonal level.

25. No haulage charges will be imposed on first movement of Luxury Tourist Train from Railway production unit to the originating point of the tour.

26. Haulage charges for moving the coaches of Luxury Tourist Trains, in rake formation, from a Rail terminal to the workshop/ maintenance depot/ train examination point of the Railway Administration and back shall be borne by the Railway Administration. Provided however, that the scheduled haulage charges shall be payable by the STC/IRCTC in case maintenance is carried out by an entity other than Railway Administration and inspection is carried out by the Railway Administration at the location of maintenance.

27. In view of the outstanding arrears from Tourism Corporations and non signing of agreements by them, provisions like waiver of interest on outstanding arrears on haulage charges and payment of arrears in instalments within a period upto 5 years, etc. were made vide Board's letter no. 2010/Tourism/140/2 dated 18.06.2012. Even after the lapse of considerable time, some STCs are yet to sign the agreement and start payment of outstanding haulage charges. Therefore, these Tourism Corporations, which are yet to fully comply with the provisions of letter dated 18.06.2012, will have to pay interest for outstanding amount since the accrual of outstanding.

28. Ministry of Tourism of Govt. of India may set up a monitoring mechanism along with Ministry of Railways to ensure that payments to Railways are streamlined and further arrears are not accumulated.

The above instructions are applicable w.e.f. 01.04.2018 and shall be valid till further orders.

This will supersede all earlier instructions issued on the subject.

(Philip Varghese)
Director (Tourism & Catering)
Railway Board

No. 2014/Tourism/140/7 New Delhi, dated the 13th November, 2019

Copy forwarded to:

1. Dy. Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi.
2. PFAs, All Indian Railways.
3. Principal Director of Audit, all Indian Railways.

13.11.19

For Financial Commissioner / Railways

No. 2014/Tourism/140/7 New Delhi, dated the 13th November, 2019

Copy forwarded to:

1. CRB, MT, FC, MM, ML, Secretary, Railway Board.
2. Secretary (Tourism), Ministry of Tourism, Government of India, New Delhi.
3. AM(B), Adv.(Finance), AM(IT), AM(C), AM(L), AM(Mech), Adv.(Vig.), ED(PM), ED(A), EDF(C), ED(C&IS), EDTC(R), EDV(T), ED/Safety, DPR, TC(CR), V(SS), PR, F(C) Branches, Railway Board.
4. Director General, Railway Staff College, Vadodara.
5. Managing Director, Centre for Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi.
6. Managing Director, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No. 6, Sector 11, CBD Belapur, Navi Mumbai-400014.
7. General Manager, Metro Railway, 33/1, J.L.Nehru Raod, Kolkata-700071.
8. Chief Commissioner of Railway Safety, Lucknow.
9. CMD/IRCTC.
10. PCCMs, All Indian Railways.
11. CCM(PS)s, All Indian Railways.
12. Secretary (Tourism), Government(s) of Rajasthan, Maharashtra, Karnataka.
13. Managing Director(s), Rajasthan Tourism Development Corporation, Jaipur; Maharashtra Tourism Development Corporation, Mumbai; Karnataka State Tourism Development Corporation, Bangalore.

(Philip Varghese)
Director (Tourism & Catering)
Railway Board

O/C
Pls issue fair

रेल मंत्रालय
Ministry of Railways
रेलवे बोर्ड /Railway Board
अनुलग्नक सहित जारी
Issue with Enclosure
हस्ताक्षर
Signature......
जारी की तिथि
Date of Issue....13/11/19