

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

No. 2017/TG-III/461/1

New Delhi, dated 02/02/2018

The General Managers,
All Zonal Railways

Sub: Implementation of Multi Purpose Stall (MPS) Policy

Ref : (i) Board's C.C. No.61/2017 dated 05/09/2017.

(ii) NCR's Letter No.C-65/Catg./MPS/Policy/HQ/NCR dated 9/10/2017

(iii) CR's Letter No. C/180/F.D/MPS/17 dated 11/10/2017

(iv) SR's Letter No. C 90/MPS Policy/ 2017 dated 17/10/2017

References have been received from Zonal Railways seeking clarification on the issues w.r.t. implementation of MPS Policy issued vide Board's Commercial Circular No. 61/2017. The issues have been examined in Board's office in consultation with finance and following are advised :-

Z.R	Issue Raised	Clarification
NCR	(i) Whether separate SAG formula required for MPS or existing Zonal SAG formula for catering units can be utilized. Two factors i.e. (v) Purchasing Power (vi) and prevailing market rate or rent have additionally added in it. If separate SAG formula required, then how these two factors will be calculated?	As per Para 6.1 of MPS policy, (i) Station-wise minimum license fee for 5 years for all MPS is to be fixed by the Divisions based on the SAG formula fixed by Zonal headquarters taking into consideration the factors mentioned therein. Apart from the above, PCCMs of Zonal Railways have been empowered to include and consider any other factor (s) unique to the concerned MPS. In view of above, the PCCMs of the Zonal Railways may take a decision in this regard with the concurrence of Principal Financial Adviser (PFA) and approval of General Manager as to utilize the same SAG formula for MPS as already fixed for other catering units.
	(ii) MPS is a new concept. How estimated sales turnover will be calculated on the basis of sales assessment?	Estimated sales turnover be calculated on the basis of sales assessment of the similarly placed existing Misc. Article Stall/Trolley or Bookstall or Chemist Stall, whichever is earning the highest license fee.
	(iii) For converting existing Bookstall/table (other than Philanthropic), Misc. Stalls/trolleys, Chemist	For fixing new license fee of all existing stalls/trolleys etc. required to be converted into MPS, following are advised:

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	<p>stalls/corners into MPS, it has been provisioned that these units will be given an option to convert into MPS subject to payment of license Fee as quoted by the prospective bidder for similarly placed MPS unit at the station /platform. Suppose, if there is no prospective bidder at a particular station, then how it will be decided? Second, Railway Board has given target for converting existing (Book stall/table, Misc. Stall/trolley, chemist stall/corner) units into MPS in 90 days, it means conversion will be made first and till date, there is no prospective bidder. How will license fee of the converted unit be decided?</p>	<p>Out of the i), ii) & iii) below, whichever is highest may be fixed as the new license fee for the units to be converted into MPS.</p> <p>i) either 10% increase over the existing license fee of the respective unit, Or</p> <p>ii) License fee of similarly placed existing Miscellaneous Article Stall/Trolley etc./ Bookstall/ Chemist Stall whichever is earning highest license fee. Similarly placed means such stall on same station or any other similar category of station over the Division, Or</p> <p>iii) Sale Turnover be determined of the stall so converted into MPS consequent to conversion into MPS. 12% of this sales turnover be fixed as license fee (new).</p> <p>The revised new license fee will be effective from the date of conversion of said stall into MPS.</p>
CR	<p>1. Applicability to AH wheelers- NR is nodal railway for dealing all issues and affidavit regarding trolleys surrendering at station needs to be taken. In para 10 of under clause "ceiling limit" no firm/company/individual will be allowed to have 5 stalls per division or 10 stalls per zonal railway. Similarly under para 11 under clause "applicability to existing stalls" it is stated existing stalls be allowed for conversion and if they do not opt for conversion will be allowed to continue till expiry of the existing arrangement/ agreement in vogue which is not known to any zonal railway other than NR.</p>	<p>MPS Policy has been issued in supersession of Misc. Article Policy 2012, Chemist Stall Policy 2000 & 2008 and Bookstall Policies of 2004 and their related instructions. Thus, the implementation of MPS Policy may be ensured by Zonal Railways in their respective jurisdiction. Accordingly, Zonal Railways are advised to coordinate with NR w.r.t. availability of agreements and obtain the copy of the same, if required.</p> <p>It is further clarified that in case agreement of a particular unit/ stall/ trolley etc. is non-traceable or can't be linked, such units/ stall can be given an option to convert into MPS as per this policy by 31/03/2018 as this timeframe is applicable for conversion of the other existing units into MPS.</p>
CR	<p>2. Under Para 11.3 it is stated existing stalls shall be given option to convert to MPS stall subject to payment of licensee fee as quoted by the prospective bidder for similarly placed MPS unit at the station /Platform and tenure of five years shall commence from the date of conversion of existing stall into MPS. Under above circumstances following issues arises:-</p> <p>(i) There may be chances that in spite of existing stall owners willing to convert</p>	<p>(i) As per para 11.1, 11.2 & 11.3, conversion of existing Bookstall/Misc./Chemist Stalls, trolleys etc. will be allowed subject to fulfillment of the condition that the applicant shall make payment of enhanced license fee. Therefore, in case the existing licensees do not wish to make payment of enhanced license fee, they will be allowed to continue till expiry of the existing agreement/arrangement in vogue. After expiry of the current agreement period, space shall be allotted for new MPS</p>

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	<p>into MPS may not opt for payment of licensee fee equivalent to prospective bidders of the station.</p> <p>(ii) Policy is silent about existing licensees retaining their old identity in converting into MPS stall may lead to new MPS stall dealing with PAD and PDW which is not desirable .</p> <p>(iii) para 11.3 instead of allowing conversion of existing stalls into MPS directs zonal railway for identifying prospective bidders through tendering.</p>	<p>as per the provisions of CC No. 61/2017.</p> <p>(ii) This appears to be a suggestion. No clarification is required.</p> <p>(iii) Instructions vide Para 11 specifically stipulate '<i>Applicability of this policy on the existing stalls</i>' wherein this aspect has already been taken care of.</p>
CR	<p>3. In MPS policy no directives regarding exclusion of government servants/railway employees and their dependants is available whereas such directives are available in catering Policy of 2017 under para -19</p>	<p>It is clarified that no Multi Purpose Stall 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 stall/trolley/unit licensees, who are coming under the above category, should also not be allowed to continue their license on confirmation of the above position.</p>
CR	<p>4. No clarification regarding how trolleys of existing stalls will be accounted for tendering/ceiling limit/livelihood and it is needed to avoid litigation in future.</p>	<p>This may be governed as per para 11.3 of the MPS policy issued vide CC No. 61/2017.</p>
CR	<p>5. As per Para 6.1 of the policy, Zonal HQs has to fix minimum license fee based on SAG Formula. However, there is no clarity on the constitution of SAG Committee, as to which department's officers will be its Members and who will be the accepting authority of their recommendations. Some of the criterion mentioned in this Para needs clarification viz.</p> <p>(i) The definition of "purchasing Power" as given in 6.1(v).</p> <p>(ii) item No. 6.1(viii) also needs further elaboration on "various taxes payable by the licensee to State/Central Governments.</p> <p>(iii) Also out of prevailing market rate or rent (6.1- vi) and circle rate of the state government as fixed and notified from time to time (6-vii) which one is to be taken or both are to be taken which will result in duplication.</p>	<p>As regards to formulation of SAG committee, Zonal Railways are advised to follow the extant guidelines applicable on other catering units.</p>

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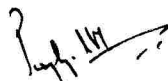
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CR	<p>6. As per Para 1.4.2 of the policy, number of MPS at platforms and Railway premises is to be decided by DRMs and approved by CCM.</p> <p>As per Para 8.1, Zonal Railway with the approval of CCM, shall fix the area /space along with standardized design for allotment taking into consideration the number of trains and passengers , width of platform, location of the unit on PF and availability of space to avoid inconvenience to passengers.</p> <p>In this connection, it is stated that, day to day management of stalls are under the administrative control of divisions. The activities like realization of licensee fees, electricity bills, water bills etc. are done by divisions. Further, division is well versed with the local conditions. Hence, it is suggested that in para 8.1, CCM should be substituted by DRM.</p>	<p>The suggestion has been examined in Board's office and it has been decided that DRM will be the competent authority to approve the required stipulation mentioned vide para 8.1 of CC No. 61/2017</p>
SR	<p>Implementation of para 11.4 within the stipulated period of 90 days is difficult as the license fee can be fixed for the existing stalls who opt for conversion to MPS only after completion of the tendering process and the license fee (similarly placed MPS) of the prospective bidder is ascertained.</p>	<p>Zonal Railways are advised to complete the process of conversion of the existing units into MPS by 31/03/2018.</p>

This issues with the concurrence of Finance Directorate of Ministry of Railways.

No. 2017/TG-III/461/1

New Delhi, dated 02/02/2018


(P.P.Lathe)

Dy. Director/Tourism & Catering
Railway Board

Copy to : (i) Principal Financial Advisers, All Zonal Railways
(ii) Principal Chief Commercial Managers, All Zonal Railways
(iii) CMD | KRCL, Navi Mumbai.


For Financial Commissioner/Railways