

**Government of India/Bharat Sarkar  
Ministry of Railways/Rail Mantralaya  
Railway Board**

No. 2009/TG.III/600/25

New Delhi, dt. 9<sup>th</sup> August 2010

General Manager,  
All Indian Railways.

Managing Director,  
IRCTC, New Delhi

**COMMERCIAL CIRCULAR NO. 37 of 2010**

**Sub: Catering Policy, 2010 – Follow-up Action**

**Ref: Commercial Circular No. 35/2010 and 2009/TG.III/600/25 dated 21.7.2010**

In continuation of Catering Policy, 2010, the following immediate operative instructions are issued for implementation of some aspects of the above Policy:-

**1. Transfer of licensed units:**

- (a) The list of all contracts should be handed over within one month by IRCTC to the concerned zonal railways with a copy for information to Board indicating all contracts including expired but operational.
- (b) IRCTC will transfer all static / mobile catering units/contracts including contracts which have expired but are operational under their control except Food Plaza, Food Courts and Fast Food Units to Zonal Railways within 3 months from the issue of the new Policy.
- (c) These agreements duly authenticated by GGMs of IRCTC will be handed over to the concerned Sr. DCMs (in case of static units) and CCM (in case of mobile units) with a copy to the SS/SM.
- (d) Zonal Railways should renew all agreements which have expired or are due for expiry in the next 6 months by giving an extension, subject to a maximum extension of six months from the date of issue of catering policy 2010.
- (e) The Zonal Railways may take appropriate action as per the para 16 and 17 of the catering policy 2010 in respect of these contracts whenever required.
- (f) While transferring these contracts to the Railways, IRCTC will clearly indicate that it is assigning its rights and liabilities to the Railways with the consent of the licensee, with the licensee or its authorized signatories' signature to this effect obtained on the Transfer Agreement, with the licensee agreeing to abide by the catering policy as applicable from time to time.

## 2. Recovery of License Fee:

In the light of the Catering Policy, 2010, the following is proposed :

- (i) The arrear of license fees for licences awarded by zonal railways will be recovered by zonal railways at the rate assessed/paid by the licensee prior to the introduction of the GDP formula subject to a minimum of 12% of the assessed annual sales turnover with an increase of 10% for every 3 years for GMU and SMU at 'A', 'B' and 'C' category stations as the case may be upto the time the contract is handed over to the Railways by IRCTC. Since as per the Policy, a minimum increase of 10% is made at the time of each renewal which is after every 3 years for GMU and SMUs at A, B and C category stations. The arrears of licence fee for licences awarded by IRCTC shall be recovered by IRCTC, prior to handing over to zonal railways.
- (ii) Zonal Railways will assess the licence fee accordingly and ensure that the same is deposited by the licensees.
- (iii) In the event of failure of the licensee to deposit the dues within 3 months of taking over by zonal railways, the said contract will deemed to have expired.
- (iv) After taking over the licence the zonal railways henceforth will re-assess the license fee based on the parameters stated in the new Catering Policy and the license fee so assessed shall be levied with prospective effect at the time of renewals after the date of issue of new Policy. The application for renewal will be considered by the Zonal Railways only after payment of all dues, licence fee and arrears.

## 3. Management of Departmental Catering Units:

All IRCTC departmental catering units including Jan Ahaar presently being managed and run departmentally by employees of IRCTC shall continue to be managed and run by IRCTC departmentally until zonal railways are in a position to take over the departmental catering since the creation of catering cadre on zonal railways would take time.

This issues with the concurrence of the Legal and Finance Commercial Directorates of Railway Board.



(Mani Anand)

Executive Director/Tourism & Catering  
Railway Board

Copy to:

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



For Financial Commissioner/Railways