

भारत सरकार GOVERNMENT OF INDIA
रेल मंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

No. 2018/Catering/600/01

New Delhi, Dated: 15.11.2022

Principal Chief Commercial Managers,
All Indian Railways.

Chairman and Managing Director,
IRCTC, Statesman House Building,
Barakhambha Road, New Delhi.

Sub:- Management of Food Plaza/Food Court/Fast Food Units by IRCTC- Charging of land license fee and revenue share from Food Plaza/Fast Food Units /Food Court being set up by IRCTC.

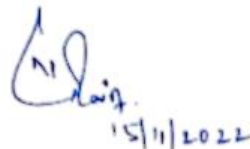
Ref:- (i) Commercial Circular No. 20 of 2017- Catering Policy 2017.

(ii) Master Circular on Policy for Management of Railway Land issued vide Board's Letter No. 2021/LML/25/5 dated 04.10.2022.

During the course of examination, it was found that out of the 406 sites allotted to IRCTC for setting up and operation of Food Plaza/Food Courts/Fast Food Units, land license agreement has been done in respect of 18 no. of units only. Further, discrepancy in applicability of land license fee in respect of such units has also been noticed. The issue has been examined in consultation with L&A and Finance Commercial Dtes and following is advised:

1. For Food Plazas, Fast Food Units & Food Courts, annual land license fee is to be charged in terms of Board's letter no. 2021/LML/25/5 dated 04.10.2022 i.e. @6% of market value of land with annual escalation of 6% w.e.f. 04.10.2022. For the period prior to 04.10.2022, annual land license fee is to be charged in terms of Board's letter no. 2005/LML/18/8 dated 10.02.2005 and 08.06.2005 i.e. @6% (open area) and @7.5% (covered area) of the market value of railway land with 7% annual increase.
2. Land license fee is to be levied w.e.f. the date the land/space is handed over to IRCTC irrespective of the date of commencement of services.
3. Land license agreement for the remaining Food Plazas, Fast Food Units, Food Courts has to be signed between Zonal Railways and IRCTC with immediate effect in terms of Catering Policy 2017. No unit should be operated without a land license agreement.
4. In addition to land license fee, Railway shall collect the revenue share as stipulated in para 12.4 of the Catering Policy 2017.


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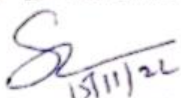

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5. Zonal Railways shall calculate the land license fee and revenue share in respect of each Food Plazas, Fast Food Units and Food Courts and realise the same from IRCTC. Further, all pending liabilities should also be recovered.

6. IRCTC shall not sub-lease/sub-license/mortgage/transfer/relinquishment of railway land to third party for the purpose of setting up of Base Kitchens/Kitchen Units/Food Plaza/Food Court/Fast Food Units as stipulated in para 3.8.11 of the Catering policy 2017 to be read along with para 5.2 of Board's Letter No. 2021/LML/25/5 dated 04.10.2022.

7. Other relevant conditions of Master Circular on Policy for Management of Railway Land issued vide Board's Letter No. 2021/LML/25/5 dated 04.10.2022 shall be applicable.

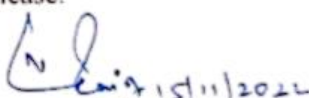
This issues with concurrence of Finance Commercial and Land & Amenities Directorates of Ministry of Railways.


15/11/22
(Sumeet Singh)
DTCG as Dir.(T&C)
Railway Board

No. 2018/Catering/600/01

New Delhi, Dated: 15.11.2022

Copy to: PFA/All Indian Railways for information & necessary action please.


15/11/2022
For Member Finance, Railway Board