

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

No. 2017/NFR/20/1

New Delhi, dated 10/01/2017

The General Managers
All Indian Railways

(Commercial Circular No. 3 of 2017)

Sub: Policy on Automated Teller Machines (ATM) on Stations

Preamble

Hon'ble Minister of Railways announced in his Railways Budget Speech 2016-17 that "Although we enjoy the highest captive eyeballs in a railway system internationally, we earn less than 5% of our revenues through non-tariff sources. Many of the world railway systems generate 10% to 20% of their revenues from non-tariff sources. Over a period of the next five years, we will strive to reach this world average by monetizing assets and undertaking other revenue yielding activities."

Objective

Pursuant to the aforementioned announcement, a new policy on ATMs on Stations is necessitated. The objective of this policy is to lay down the various conditions in tendering and setting up ATMs on all stations of A1, A,B,C & D categories. This policy has been developed to improve ease of business for stakeholders. Normally, divisions have been awarding contracts as per requirement at specified locations. This policy will help in enhancing revenue generation of the Railways and provide enhanced services to passengers, where long term contracts for large number of stations can be awarded.

Main Features of the Policy

Invitation of Tender

Ministry of Railways shall nominate a Nodal Zonal Railway for conducting the ATM tendering process on behalf of other Zonal Railways.

Contract Tenure

- Indian Railways shall offer ATM on Stations contracts for a tenure of ten years

Eligibility

- The license shall be offered to nationalized Banks/ any other private sector Banks or any person/entity as authorized as a System Provider under Payment and Settlement of Transactions Act 2007.
- The Licensee shall submit the satisfactory proof/ documents in support of their claim along with the tender.

Signing of agreement

The agreement shall be entered into with the Nodal Railway, while the execution will be handled by the concerned Divisions where the ATM will be located.

Apportionment of revenue

The earnings shall be apportioned to each Division depending on the number of ATMs.

Security Deposit and Payment

- The License fee shall be paid to the concerned Nodal Railway for all the zones covered in a contract package. The Nodal Railway shall be responsible for distribution of the license fee to all the Zonal Railways based on guidelines issued by the Railway Board for apportionment of ATM earnings
- The Licensee shall be required to make advance payment equivalent to the annual license fee within 45 days from the date of issue of LOA, after the adjustment of earnest money and before commencement of the contract
- The Licensee shall pay 10% of the annual License Fee as Security Deposit within thirty days time from the date of issue

of LOA. No interest shall accrue on the Security Deposit. The Security Deposit shall be released after successful completion of the contractual period.

- The licensee shall pay all rates / cesses / taxes, service taxes or taxes of any other type and assessment whatever payable or hereafter becomes payable to the Central/ State Govt. or local bodies in respect of the operation of the said ATM Counter and shall abide by the rule / Law of the land, in force, relating to Automated Teller Machine business
- The Licensee shall be required to pay the License fee as mentioned in the tender document with a 10% annual escalation
- The Licensee shall pay to the Railway, the accepted license fee in advance failing which Liquidated Damage Charge (LDC) as a measure of penalty at 18% per annum will be charged for the delayed period

Installation and Running Costs

- Licensee shall bear all expenditures for installation of the ATMs and shall provide all the necessary essential equipment there in. The Licensee may obtain connectivity for the ATM through the Railtel fibre optic network available at the station on payment basis to Railtel
- The Licensee shall pay electric installation charges, rent for the meter, charges for electric energy consumed as per the meter installed for the purpose, to the administration which must be paid on third of the month following to which the bill relates

Package

- Ministry of Railways shall decide the category and number of stations that will be offered for tenders. Presently, the tenders shall be done for one ATM each at all A1-D category stations and one ATM each at A1 and A categories separately. The package size of the cluster of stations shall be decided by the Railway from time to time.

General Instructions

- The Licensee should work under the orders of the Divisional Authority i.e. Senior Divisional Commercial Manager/ Divisional Commercial Manager / Asstt. Commercial Manager of the concerned division where the ATM is located or any other officers or subordinates authorized by him directly and should not correspond contact and do work without his knowledge
- Indian Railways shall not be responsible for any loss of cash, installation or equipment. However, the Licensee shall be permitted to have their own security personnel carrying proper ID/ Authorization
- The Nodal Railway shall be the overall contract manager for the contract and address all contract management issues arising during the term of the contract. However, the execution shall be done under the orders of the concerned Divisional Authority as laid down in policy.

Allotted Area, Location and Approval

- Indian Railways shall allot space of 4 sq.m (2 mt x 2 mt) for installation of ATM at a railway station.
- The location of the ATM shall be on the end to end platforms or prominent space in the circulating area of the station, depending on availability. No permanent structure shall be permitted on the location and only ATM and its peripheral equipment such as power backup etc. shall be allowed. The Licensee shall not use the said space for any purpose other than ATM. The Licensee should confine his work within the allotted space and any deviation or complaint of deviation will be treated as "Breach of Contract"
- No advertising shall be allowed on the site other than signage indicating the services of the Licensee
- The area for the proposed ATM at various stations shall be demarcated by the Engineering Department with the concerned Station Manager

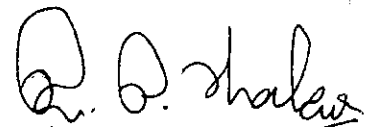
- The Licensee shall be required to get the Drawing (Sketch Map) for the ATM structure approved from the Division
- The Licensee shall not sale or sublet the right granted by this contract to any other person or persons and any violation of these terms and condition shall render the contract liable to be terminated without giving any notice in addition to the liability of forfeiting the security deposit
- If the installation of ATM is cancelled before commencement or is terminated during execution in accordance with the prescribed condition, Indian Railways shall reserve the rights to cancel the tender / contract and invite fresh tenders for the work

Arbitration

- Arbitration shall be carried out as per detailed clause/condition laid down in the Tender document/ contract

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

Kindly acknowledge the Receipt of this letter.



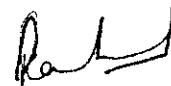
(R. P. Thakur)

Executive Director (Traffic Commercial)
Non fare Revenue
Railway Board

No. 2016/NFR/20/1

New Delhi, Dated: 10.01.2017

Copy to: FA&CAO, All Indian Railways, for information & necessary action.



For Financial Commissioner,
Railway Board