

**FREIGHT MARKETING
CIRCULAR No. 11 of 2022**

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

No. 2022/TC(FM)/10/04

New Delhi, dated 13.06.2022

The General Managers,
All Zonal Railways.

**Sub: 'Policy' and 'Standard Conditions of Contract' for Commercial
Earning and NFR contracts awarded through e-Auction.**

Competent Authority have granted approval for introduction of e-Auction for Commercial Earning and Non Fare Revenue (NFR) contracts. Accordingly, 'Policy guidelines' and 'Standard Conditions of Contract (SCC)' for Commercial Earning and NFR contracts awarded through e-Auction are enclosed herewith. These 'Policy guidelines' and 'SCC' are in supersession of the earlier instructions issued for the pilot project launched in this regard.

2. 'Special Conditions of Contract' for contracts of various categories awarded through e-Auction, shall be issued separately by the concerned Directorates of Railway Board.

3. For any issues related to IREPS 'e-Auction Leasing' Module, the help-line numbers provided under the tab 'Help Desk' of the portal may be contacted.

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

Zonal Railways must ensure strict compliance of the above instructions.

Receipt of this letter may please be acknowledged.

DA: As above.


(Ashutosh Mishra)
Joint Director Freight Marketing

No. 2022/TC(FM)/10/04

New Delhi, dated 13.06.2022

Copy forwarded to:

1. The Deputy Comptroller & Auditor General of India (Railways) Room No. 224, Rail Bhawan with 36 spares.
2. Principal Financial Advisors, All Indian Railways.


13.06.2022
For Member (Finance)/Railways

Policy for Commercial Earning and Non-Fare Revenue (NFR) contracts awarded through e-Auctions

This policy shall be applicable for Commercial Earning contracts, Non-Fare Revenue (NFR) contracts, and other leasing/ earning contracts, finalized through IREPS 'E-Auction leasing' module.

1. Eligibility:

- 1.1 The minimum annual financial turnover, in 'any one' of the just preceding three financial years, of the entity, for participation in the e-Auction, shall be as below:

<i>Estimated Annual Revenue (for contract period one year or more) 'or' Estimated Total Revenue (for contract period less than one year) – excluding taxes, duties and other charges</i>	<i>Minimum Annual Financial Turnover[#] required</i>
Up to Rs. 40 lacs	Nil
Above Rs. 40 lacs and up to Rs. 1 crore	Rs. 20 lacs
Above Rs. 1 crore	Rs. 50 lacs

[#] During 'any one' of the three preceding Financial Years

- 1.2 The entity shall be required to upload the Audited Balance Sheets and P&L Account Statements of the last three Financial Years in their profile in IREPS before start of bidding in the auction in which they want to participate. Railways shall verify the Audited Balance Sheet and P&L Account Statement uploaded in the profile in IREPS of the successful contractors anytime after acceptance of the bid or during the currency of contract, and if the information about the Financial Eligibility is found to be false/ misleading, or the documents uploaded by the firm are found to be false/ invalid, then the allotment of lot shall be cancelled or, if the contract has been issued, the same shall be terminated forfeiting the EMD/ Security Deposit without any further notice,.
- 1.3 If the Audited Balance Sheet and/or P&L Account Statement of all of the three preceding Financial Year(s) are not available, then the documents of the years (out of the three preceding years) for which the same are available shall be uploaded, and the same will be taken into consideration for judging the eligibility of the bidder.
- 1.4 If the turnover details are not entered by a registered entity in its IREPS profile, the system will not allow the entity to participate in auctions for lots for which the minimum turnover required is greater than zero.

2. Registration of bidders:

- 2.1 Prospective bidders will be required to get themselves registered in IREPS 'E-Auction leasing' module online. Entities already having IREPS account for other modules (Commercial Tendering module, etc) will be able to enrol themselves for E-Auction leasing module also by editing their account profile. The Registration will be valid for all Zones and PUs of Indian railways, and separate registration for individual Division/ Railway will not be required.



 13.06.2022

- 2.2 One-time non-refundable Registration Fees of Rs 10,000 + GST (as applicable) shall be paid online by the entity before starting participation in Commercial Earning and NFR e-Auctions.
- 2.3 The entity once registered in IREPS after payment of the onetime Registration Fee will be free to participate in any e-Auction, conducted by any Division/ Railway or other units of Indian railways through E-Auction leasing module of IREPS, for any category or sub-category of any type of asset(s).
- 2.4 However, in cases of gross irregularities, unethical/ illegal practices, violation of Railway Act 1989, any act of moral turpitude, or actions against Good Industry Practices, Railways may cancel the registration of an entity and ban it from participation in e-Auction for Commercial Earning and NFR contracts. Such cancellation of registration and banning shall be done only as per the provisions stipulated in this Policy.

3. *Formalities to be completed by bidders:*

- 3.1 The prospective bidders will be required to get themselves registered online in E-Auction leasing module in IREPS. The bidders will have to open a *Current Account* in State Bank of India (SBI) for online lien marking of EMD during e-Auction. The bidder will have to link his bank account with his IREPS account through the functionality available in IREPS.

4. *Identification of assets and preparation of lots:*

- 4.1 Divisions shall identify the assets (such as parcel space in SLRs or Parcel Vans attached to trains, parking lots, pay-&-use toilets, space for commercial publicity, branding of stations, etc) for commercial exploitation through Commercial Earning, NFR, or any other leasing/ earning contract.
- 4.2 Divisions/ units may also club more than one article of similar nature (e.g., parking lots, hoardings, pay-&-use toilets, etc) in a single asset if it is felt that such clubbing will increase the commercial value of the asset. The clubbing may be done for articles pertaining to one or more stations/ locations/ sections/ clusters etc. Identification of assets and preparation of lots shall require the approval of an officer of Junior Scale level or above. Permanent discontinuation/ deletion of an existing asset would require the approval of an officer of JAG/ Sr.Scale (independent-charge), or above.
- 4.3 In case of contracts for leasing of parcel space in Parcel Vans, Division may include all the days of week on which the concerned train is operated in a single lot. Alternatively, Division may include only some selected days in the lot, if it is felt that this will fetch better value of the asset.

For example, for a train running daily, the Division may decide to prepare one or more lot(s) for leasing of parcel space in Parcel Van, as following – (i) single lot for all seven days; or (ii) single lot of only three days, say, Monday, Wednesday, and Friday; or (iii) more than one lots, say, three lots for 3 days, 2 days, and 2 days respectively.

- 4.4 In cases where SLR(s) of a train is already leased-out for some days of the week, and is available for leasing on the remaining days – Division may prepare lot(s) for the remaining days only. However, in such cases, the duration of new contract shall be co-

 
13.06.2022