

Chapter 2: Catering Policy and Planning

Audit Objective 1: Whether there was proper policy and planning in regard to the catering services in Indian Railways?

2.1 Policy formulation and planning

Catering Policy in Indian Railways has seen frequent changes over the years in principles and guidelines governing it. Prior to 2000, the catering services were managed through departmental operations and through licensing of catering services. During 1999, IRCTC was set up under the Companies Act and from 2002 onwards, catering services were given to IRCTC. As per the Catering Policy 2005, IRCTC took over management of departmental caterings units of IR with a commitment to bring down the losses of departmental catering units to zero and to improve the quality. As IRCTC was not able to turn around these catering units and there were many complaints regarding catering services, Railway Board decided to take back catering services from IRCTC and formulated a new Catering Policy 2010 with the objective of providing hygienic, good quality affordable food to the travelling public. As the quality of catering services was not enhanced as expected, Railway Board has formulated a new Catering Policy 2017. The salient features of the new Catering Policy are as follows:

- The new Catering Policy provides for transfer of catering services through mobile catering units, base kitchens, cell kitchens, refreshment rooms at A1 and A Category of stations, Food Plazas, Food Courts, Train Side Vending, Jan Ahaars to IRCTC. All other catering units like Refreshment rooms at B and below category stations, Automatic Vending Machines, Milk Stalls, Trolleys shall remain with Zonal Railways.
- Food preparation and food distribution has been delinked. Food will be cooked by kitchens operated and maintained by IRCTC. IRCTC is permitted to engage service providers from hospitality industry for serving food in trains.
- IRCTC will develop/refurbish new or existing kitchen units. These kitchens are expected to be modern, mechanized and quality ensured through a valid ISO Certification. IRCTC shall retain the ownership and shall be fully accountable for all the issues pertaining to setting up and operation of the base kitchens and quality of food.
- The old catering stalls will be replaced gradually with the compact modular stalls of superior quality material. The menu and tariff of catering units (other than Food plazas etc.) will be fixed by IRCTC in consultation with the Zonal Railways/ Railway Board. Rates for meals in the trains served by the IRCTC will be fixed by the Railway Board.

- Officials of Railway Board, Zonal Railways and Division shall be authorized to inspect the kitchen units/ mobile catering units and taking penal action for the deficiencies noticed in catering services.
- Criteria for license fee has been retained at 12 *per cent* of turnover. The fixation of license fee has to be done by Zonal Railways. The formula for fixing the license fee is to be devised by each Zonal Railway. Revised criteria for ceiling of catering units allotted to private contracts has also been prescribed.

2.2 Policy uncertainty and its implications

As Indian Railways changed the catering policy a number of times, the responsibility of managing catering units on stations as well as in trains was shuttled between IRCTC and Zonal Railways. On account of new Catering Policy 2010, catering units were to be transferred from IRCTC to Zonal Railways. However, difficulties were experienced in handing over units from IRCTC to Zonal Railways as contracts awarded by IRCTC were still in operation. Though IR has been aiming to run the catering units departmentally, till such time, they were able to take over them and run departmentally, they operated some of the units through licensee contractors and were to provide/hire qualified supervisory staff for monitoring the work of licensees. As only a very small percentage of units were being run departmentally, majority of units were still being run through licensees, but qualified supervisory personnel has not been hired to monitor the work of licensees. Managing these licensees and ensuring quality, hygiene, prices of the food served has also been an area of concern for the railways.

Staff issues such as re-deployment of staff from IRCTC to Railway and back, have also affected the catering services. It was seen that though four Zonal Railways (ECoR, ER, NCR and SWR) assessed the requirement of staff for conversion of contract unit to departmental unit, these were not provided. In SR, 1172 Group C & D staff were on deputation to IRCTC in April 2010 and 832 were repatriated when the catering units were to be taken over by the Zonal Railways. In SCR, as against the sanctioned strength of 295 posts, the actual strength operated was only 100. In ECoR, requirement of six Group B, 499 Group C and 2605 other category staff was assessed, but these were not provided. In SWR, 36 Group C and 56 other posts were cleared by Finance department of SWR against the proposed requirement of 278 posts by Commercial department.

Subsequent to policy change in 2010, handing/taking over and reconciliation of accounts were not done properly and dues between IRCTC and Zonal Railways

remained unsettled for a long time. Audit observed that 5264¹ static units and 236² mobile catering units were taken over by Zonal Railways from IRCTC prior to/during 2011-12. 156 static units and 31 mobile units were yet to be taken over from IRCTC. It was seen that due to non-reconciliation of accounts between IR and IRCTC, an amount of ₹25.56 crore due to be paid by IRCTC to IR could not be realized by 14³ Zonal Railways. The un-realized amount was outstanding on account of expired business share on catering units, stores and equipment of departmental catering unit at the time of handing over to IRCTC, security deposit on expired business and current business share etc.

Frequent changes in catering policy and consequent transfer of responsibility to manage catering units from railways to IRCTC and back, have created a state of uncertainty in management of catering services provided to the passenger over the years. On account of these policy changes, railways have not taken effective steps to bridge the gap to provide necessary infrastructure in terms of base kitchens, Static Catering Units, Train Side Vending arrangements and Automatic Vending Machines etc. Frequent changes also led to coordination issues between the railways and IRCTC and legal disputes with contractors(as discussed in Para 3.3).

In their reply, Railway Board stated (February 2017) that as the condition of catering services over IR did not improve, as recommended by two committees namely, Debroy Committee and Shreedharan Committee, Railways are formulating a new catering policy, where catering services are proposed to be handed over to IRCTC in a phased manner. During Exit Conference, Railway Board stated (February 2017) that the new policy will unbundle services, wherein works related to cooking of food items and supply to passengers would be managed and supervised separately.

In the new Catering Policy 2017, a number of catering activities which were assigned to IRCTC in 2005 policy and then transferred to Zonal Railways in 2010 policy, have now been assigned back to IRCTC. However, the concerns of quality, hygiene, affordability and availability of food to passengers as identified in this Report are needed to be adequately addressed.

2.3 Planning for provision of adequate catering facilities

As per instructions⁴, Zonal Railways were required to prepare a Master Plan (Blue Print) of catering services to be provided at each station and onboard trains. The 'Blue Print' was to be treated as a 'Vision document' to plan and ensure provision

¹ CR 363, ECoR 128, ECR 808, ER 203, NCR 396, NER 331, NFR 294, NR 586, NWR 520, SCR 133, SER 238, SR 698, SWR 191, WCR 375

² CR 28, ECoR 27, ER 16, NFR 24, NR 34, NWR 6, SCR 11, SER 25, SR 45, SWR 20

³ECoR, ECR, ER, NCR, NER, NFR, NR, NWR, SCR, SER, SECR, SR, SWR & WCR

of adequate catering services for the travelling public. Railway Board emphasized (February 2014) the need for a comprehensive Master Plan and regular updation of this plan by Zonal Railways.

The status of preparation of Master Plan (Blue Print) by various Zonal Railways during the period of review was checked in audit. It was seen that

- Blue Print for provision of catering services was not prepared in seven Zonal Railways (ECR, ER, NFR, NWR, SER, SWR and ECoR).
- Blue prints were prepared in nine Zonal Railways (SR, WR, SCR, NCR, NR, SECR, CR, NER and WCR). Blue Print of SR and NR was not approved by Railway Board.
- Only six Zonal Railways (CR, NER, NR, SCR, WR and WCR) reviewed and periodically updated the Master Plan. Other Zonal Railways had not reviewed and updated the plan.

Thus, requirement of catering facilities on stations and trains were not assessed comprehensively for each station in the form of Master Plans (Blue Prints).

In their reply, Railway Board stated (February 2017) that after preparation of the blue print, setting up/ provision catering units at stations and platforms is continuous exercise. However, there is a need to prepare blue print by all Zonal Railways, review and update the same periodically, so that services are provided as planned.

As per the new Catering Policy 2017, Zonal Railways, in coordination with Divisions and IRCTC will be required to prepare afresh, a comprehensive blue print for catering units at each station. Zonal Railways are required to ensure that adequate facilities are available on stations for providing catering services to passengers. As such, the responsibility of preparing a comprehensive plan continues to be with Zonal Railways, which they have to fulfill in coordination with IRCTC. The instructions of 2010 policy have been retained without addressing the non-compliance of this aspect by the Zonal Railway since 2010.

2.4 Policy on pantry cars

2.4.1 Manufacturing of pantry cars with provision for LPG cylinders

As per the Catering Policy 2010, the mobile catering services shall be provided with suitable designed pantry cars and equipment of state-of-art technology. There should be progressive switch over from gas burners to electric power equipment. As far as static units are concerned, there should be no cooking on platforms at sub-urban stations.

⁴Clause 5.1 of Catering Policy 2010 and Railway Board instructions of November 2010

Additional Member (T&C) (March 2011) while commenting on setting up of base kitchens on priority stated that no cooking in the pantry cars as also no picking up food from kitchens located outside station premises should be encouraged. High level committee (2012) enquiring into fire accidents in trains had recommended strict enforcement of the instructions prohibiting cooking in pantry cars and recommended for cancelling the license of violating contractors and for imposing severe penalty, if found cooking in the pantry car.

During review of records of manufacturing of pantry cars in Integral Coach Factory (ICF), Perambur, pertaining to the review period, audit noticed that

- ICF manufactured 103 pantry cars during April 2011 to March 2016 at a total cost of ₹ 111.94 crore. In the newly built pantry cars, provision was made for centralized LPG cylinders with open flames instead of providing electric power equipment panels, counters etc. as specified in Catering Policy 2010. The newly build pantry cars were distributed to all the Zonal Railways⁵.
- In SR, repairs and replacement of the centralized LPG gas pipe lines in 50 pantry cars were done at a cost of ₹ 0.13 crore (2013-14) in contravention of the above policy.
- During the joint inspection of mobile units during July 2016 to October 2016, in 18 trains⁶, it was seen that LPG gas cylinders were stacked and used for cooking.



Fig. 1: Use of open flame gas burner in Train No. 12955 Mumbai Central - Jaipur Superfast Express (07.10.2016)

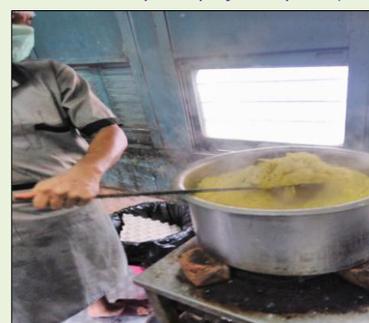


Fig. 2: Use of open flame gas burner in Train No. 12925 Paschim Express (29.10.2016)



Fig 3: Use of gas burner in the pantry car of Train No. 12541 (22.10.2016)

⁵SR-10, ECoR-10, WCR-1, ECR-8, SECR-4, CR-13, SWR-4, SER-7, NFR-10, NWR-3, NER-1, NR-9, WR-8, KRC-2, SCR-10, ER-3

⁶Habibganj Express -12153, NandanKanan Express-12815, Ajmer Puri Express-18422, Patna Kota Express-13239, Ziyarat Express-12395, Kamrup Express-15959/60, Kamakhya Ranchi Express-15662, Lohit Express-15651, PoorvotarSampark Kranti-12501, Swaraj Express-12472, Bikaner Coimbatore Superfast Express-22475, Chhatisgarh Express-18238, Howrah Ahmedabad

- During 2011-12 to 2014-15, RCF, Kapurthala manufactured 73 pantry cars, all of which had provision of electrical cooking equipment.

The instructions regarding no cooking on platforms at suburban stations, progressively reduced cooking on stall and trolleys on platforms etc. have been retained in the new Catering Policy 2017.

2.4.2 Non-utilisation of pantry area in Jan Shatabdi

There are 38 pairs of Jan Shatabdi trains running in IR. The rake formation consists of 13 Second Class and three AC Chair Car coaches. All coaches have a mini pantry car which has electrically operated heating provision. Audit observed during joint inspection that these facilities have not been utilized and were dismantled. The mini pantry area was not utilized for the purpose of supplying hot and fresh food to passengers. This pantry facility was created in the coaches by reducing four seats in Second Class coaches and two seats in AC Chair Car. The revenue earning potential for these seats of 38 Jan Shatabdi trains over IR was ₹13.74 crore per year.

The policy of progressive switch over from gas burners to electric power equipment in pantry cars was not followed while manufacturing the pantry cars in ICF. Pantry facility created in Jan Shatabdi coaches by reducing four seats in Second Class coaches and two seats in AC Chair Car, was also not being used for purpose of supplying hot food to the passengers.

In their reply, Railway Board stated (February 2017) that in respect of Rajdhani/Duranto trains, facility for electric burner/induction based cooking is being provided. However, for other Mail/Express trains, Research, Design and Standards Organisation (RDSO) has been advised to undertake feasibility study regarding additions/modifications in the pantry car so that complete ban on cooking on flame is enforced.

