

Chapter 3: Adequacy and availability of Catering Services

Audit Objective 2: Whether the Indian Railways ensured availability of adequate catering services on stations and in trains and whether they were properly managed?

3.1 Availability of catering services at various stations and trains

Clause 9.4 of the Catering Policy 2010, stipulated that pantry cars should be attached to Duronto, Rajdhani, long distance premier trains, superfast trains and Mail/Express trains with more than 24 hours journey time either way. The policy stipulated that pantry cars should be attached to more and more Premium/Superfast and Mail/Express trains. Priority for allotment of pantry cars for various Zonal Railways would be as under:

- First priority to Duronto and Rajdhani Express trains.
- Second priority to long distance premium, superfast trains.
- Third priority to Mail/Express trains with more than 24 hours journey time either way.
- Fourth priority, the remaining trains, preference to those trains where vestibules are provided.

The policy provided for prioritization for attachment of pantry cars to long distance premium, superfast trains and Mail/Express trains with journey for more than 24 hours. Audit, however, observed that out of 718 Mail/Express trains with running time more than 24 hours, pantry car was not available in 291 trains.

Audit undertook joint inspections of 80 selected trains during July 2016 to October 2016 and observed that

- In respect of nine trains having a run of more than 24 hours, no pantry car was provided. In seven¹ out of these nine trains, neither services of train side vending were provided nor any base kitchen were nominated for providing food.
- Similarly, in respect of ten trains having a run of more than 12 hours, but less than 24 hours, no pantry car was provided. In eight² out of these ten trains, neither services of train side vending were provided nor any base kitchen were nominated for providing food.
- No Catering / e-catering services have been found in the Train No. 12403/12404 which is running for 16 hours continuously (NCR). During passenger survey from

¹ 22847 - Vishakhapatnam –LokmanyaTilak Terminus Express, 11123/24-Gwalior -Baroni Mail, 15018 - Gorakhpur – LokmanyaTilak Terminus Express, 22815 - Bilaspur - ErnakulamSuperfast Express, 11466 - Jabalpur - Somnath Express and 19019/20 - Bandra Terminus - Dehradun Express and 15661/16552 Kamakhya-Ranchi Express

²13141- Sealdah–HaldibariTeesta Express, 12333 - Vibhuti Express Howrah - Allahabad City, 12403/04 Allahabad -Jaipur Express, 12555 - Gorakhpur - Hisar Express, 12849 - Bilaspur - Pune Superfast Express and 22181 - Jabalpur - Nizamuddin Express, 19005/06 Saurashtra Mail and 13247/13248 Guwahati-Rajendranagar Capital Express

55 passengers (27 up side and 28 down side) by audit, passengers also expressed a need for catering services in this train.

- Gorakhpur–LokmanyaTilak Terminus Express (15018) of NER running for more than 36 hours (2 days and 1 night) covering a distance of 1710 km did not have a pantry car. Similarly, in Gorakhdham Superfast Express (12555), which is running for more than 12 hours has no pantry car. Passengers are compelled to take services of unauthorized vendors throughout the journey. During the joint inspection (July 2016 to October 2016) of Train No.13248 Guwahati-Rajendranagar Capital Express and Train No.15662 Kamakhya-Ranchi Express, it was observed that these trains were operating without pantry cars. It was also noticed that 25-30 unauthorised vendors were selling un-approved/un-branded/banned/local made items like bread omelet, roti-sabji, Biryani, China made electronic items, tobacco, Cigarette, Jhalmuri etc. in these trains. In the feedback to railways, passengers emphasized the need of pantry car in this train.

As such, the extent of services provided in trains needed significant augmentation.

During joint inspections of static catering units during July 2016 to October 2016 on the 74 selected stations it was seen that

- The facility of a Food Plaza/Food Court/Fast food unit/Refreshment rooms was not available on six A and A1 stations including LokmanyaTilak Terminus, Rajendra Nagar, Guwahati, Kamakhya, Rourkela, Kanyakumari and Chennai Central.
- In four of these stations (LokmanyaTilak Terminus, Rajendra Nagar, Guwahati, and Kamakhya) Automatic Vending Machines (AVMs)³ were also not available.
- Out of 74 stations where joint inspections were conducted in audit, AVMs were not provided on 55⁴ stations.
- All 20 Automatic Vending Machine taken over from IRCTC were closed on 30 April 2016 in NCR.

Annexure 1 a and 1 b

Zonal Railways did not ensure provisions of pantry cars in a number of long distance trains. Alternative services through train side vending and/or base kitchens were also not provided in some of the trains checked in audit.

³ For dispensing hygienically packaged catering items i.e. PAD items, PWD, etable, tea, coffee, cold drinks etc., AVMs are used
⁴Mumbai CST, Pune, Bhusaval, LokmanyaTilak Terminus, Wadi, Titlagarh, Patna, Rajendra Nagar, Sheikapura, Howrah, Asansol, Bolpur, Allahabad, Agra Fort, Gwalior, Gorakhpur, Kathgodam, Lucknow Jn., Manduadih, Salempur, Kamakhya, Tinsukia Jn, New Bongaigaon, Rangapara North Jn., New Delhi, Pathankot, Ludhiana, H Nizamuddin, Jaipur, Jodhpur, Abu Road, Modran, Secunderabad, Mahbubnagar, Kazhipet, Renigunta, Gondia, Nadikudi, Raipur, Anuppur, Raigarh, Bilaspur, Adra, Tata & Bhokra Steel City, Kanniyakumari, Ernakulam Jn, KSR Bengaluru, Bengaluru Cantt, Gadag, Guna, Damoh, Mumbai Central, Jam Nagar, Nandurbar, Mumbai Churchgate

In their reply, Railway Board stated (February 2017) that e-catering services has been introduced on all major stations, which will ensure provision of catering services in almost all important trains.

As per the new Catering Policy 2017, it has been decided to transfer base kitchens, and mobile catering to IRCTC from the Zonal Railways. These activities were taken over by Zonal Railways after Catering Policy 2010 came into force.

3.2 Setting up of base kitchens by Zonal Railways

Para 6.1 of the Catering Policy 2010 stipulated setting up of a grid of modern mega, medium and small base kitchens to ensure that all mobile catering are serviced through these base kitchens to improve quality, hygiene, cleanliness and use of standard ingredients for food served on trains. All mobile units would pick up meals from the nominated base kitchens. The base kitchen would be set up on railway premises so as to reduce the distance for transfer of meals from such base kitchens to trains. Para 6.3 of the Policy stated that Zonal Railways would manage base kitchen departmentally and during the intervening period, they would engage reputed professionals for creating state-of-art base kitchens.

As on 31 March 2016, 131 base kitchens were functioning over IR. It was observed that

- Out of 131 base kitchens in IR, only four base kitchens (three *per cent*) (Mumbai CST, Ballarshah, Nagpur and Mumbai Central) were managed departmentally. Balance 127 base kitchens were set up by licensees of Zonal Railways during the review period. Six years after laying down the intent of creation of base kitchens departmentally, Zonal Railways have not created a grid of mega/medium base kitchens as checked during the period of review.
- Clause 6.2 of the Catering Policy 2010 stipulated that base kitchen should be set up in Railway premises only. It was seen that only 16 base kitchens were located in railway premises and 115 base kitchens were outside the railway premises.
- As the available base kitchens were not adequate to cater to the needs of the trains, food was being procured by licensee from outside instead of being prepared in the base kitchens. It was seen that meals were picked up from outside base kitchens in respect of 128 trains of seven Zonal Railways (ECoR-24, ECR-15, SR-38, NER-9, NFR-1, NCR-1 and NR-40).
- The Zonal Railways are responsible for ensuring the quality and quantity of food as well as cleanliness and hygiene of the base kitchens so as to conform to the standards laid down by Railway Board. In 16 base kitchens located on railway premises, quality checks by Zonal Railways were done by railway officials. In

respect of 115 base kitchens (88 per cent) which were located outside Railway premises, audit teams during joint inspections (July 2016 to October 2016) did not find any documentary evidence to show that quality checks were conducted by Zonal Railways.

- NER Administration records did not show any base kitchen existing over NER. During joint inspection, audit team noticed a base kitchen at Gorakhpur. However, no packed food was supplied to running trains by this kitchen, and it was primarily used for VIP duties.
- In SER, two base kitchens were constructed and due to non-receipt of Standard Bid Document (SBD) from Railway Board, the kitchens could not be put to use and ₹ 1.51 crore spent on creation of two kitchens remain idle.
- In ECR, one base kitchen is located at Rajendranagar which only serves the catering needs of two Rajdhani Trains. Category A1 stations like Patna and Darbhanga from where a large number of trains originate, have not been provided with a base kitchen.
- In NCR, no base kitchens were planned and in WCR and SCR, though base kitchens were planned as per the blue print, no base kitchens was set up during the period of review.
- The base kitchen at Mumbai Central (BCT) was augmented and modernized at a cost of ₹1.96 crore. This augmentation was based on assessment by Railway Administration about the number of trains which could be dealt by the base kitchen and number of meals which could be supplied. Review of records revealed that the base kitchen at BCT was supplying meals for two trains prior and after



Fig 4: Base kitchen at Gorakhpur, NER (18 October 2016)



Fig.5: Material/Equipment dumped in one of the store room of base kitchen at Mumbai Central causing cluttering of the premises and adversely effecting hygiene, WR (21 July 2016)

augmentation. The augmented capacity of this base kitchen remained unutilized due to non-increase in number of trains to be catered to by this base kitchen. During joint inspection of base kitchen/BCT, Audit observed that Plant and Machineries such as Battery operated motor trolleys purchased for transportation of food/meals from base kitchen to pantry cars, induction stove and Bhatti, Case Roll Packet Roller with belt, Motor, starter, induction stove, etc. worth ₹0.23 crore were lying idle, either for want of maintenance or due to non-utilization of the same. During the discussion in exit conference WR Administration stated that under utilisation and idling of equipment were on account of less requirement.

- As per Railway Board's instructions (November 2010) refreshment rooms/major static catering units should preferably be converted to Cell kitchen or Jan Ahaar on need basis. Though major static units were available over various stations, no action was taken to convert them to cell kitchens/Jan Ahaar by the Zonal Railways.
- No base kitchen/ cell kitchen was available for Chhapra Station (NER). Catering personnel of stalls prepared tea/coffee and cooking food on the platforms using LPG cylinders, which is in contravention of instructions of not using flame for cooking on platforms.



Fig 6: Cooking using LPG cylinders on platform at Chhapra Station, NER (04.10.2016)

Only three per cent base kitchens were functioning departmentally and remaining were managed through licensees. A large number of base kitchens were located outside the railway premises and were not subjected to quality checks. Thus, there was no assurance that, the objective of servicing mobile catering units through base kitchens to improve quality, hygiene, cleanliness and use of standard ingredients for food served on trains, was achieved.

In their reply, Railway Board stated (February 2017) that initially the infrastructure of the base kitchen was proposed to be set up by Zonal Railways and licensees of the mobile units were supposed to take supply of food from the base kitchen at transfer rate. In view of non-availability of adequate trained staff, it was decided to operate base kitchens and mobile units through professional (licensees) and departmental supervision. They further stated that as per Para 1.2.2 of the SBD, licensee shall set up modern mechanised base kitchen on railway premises in case

of availability of space or on the railway approved areas in case space is not available. However, as per the Catering Policy 2010, the base kitchens were to be set up on railway premises for which the existing base kitchens/cell kitchens available on platforms were to be developed and in case of non-availability of existing base kitchens/cell kitchens, Zonal Railways were required to take steps for construction of the base kitchens. No efforts were taken by Zonal Railways to set up adequate base kitchens at railway premises. The objective laid down in the Catering Policy 2010, that the base kitchens would be railway specified, supervised and controlled to ensure quality of the food served on train could not be pursued as most of the base kitchens remained outside the railway premises.

In the new Catering Policy 2017, the responsibility of setting up and operation of base kitchens has been given to IRCTC. They would submit a business plan within 30 days of issue of the policy for approval of Railway Board in another 30 days. IRCTC will be responsible for maintaining quality of the food served. IRCTC shall not outrightly outsource or issue licenses for provision of catering services to private licensees. The kitchen set up would be modern, mechanised and shall acquire valid ISO certification within a specified time period. The policy further states that Zonal Railways and IRCTC shall finalize and submit to Railway Board an action plan within 30 days of issuance of this policy, wherein the list of units along with the status and timeframe in which it shall be handed over/ taken over shall be stated.

A time frame of five to eight months has been fixed for setting up of base kitchens starting from identification of site, preparation and approval of GAD plan, handing over of site, signing of agreement to setting up of kitchens. Officials of Zonal Railway Headquarters, Division and IRCTC share the responsibility of these functions. In the timelines prescribed, the activities to be undertaken in the initial 72 days are to be done primarily by Zonal Railways along with IRCTC. After that, IRCTC would set up base kitchens in a fixed time frame of three to six months depending on whether the basic structure has been provided by the Zonal Railways or only vacant land has been provided by the Zonal Railways. Thereafter, there is a clause of penalty of ₹ one lakh per month per unit on IRCTC in case there is delay in setting up of base kitchen beyond the timeline of three to six months. The penalty, thus, is applicable on IRCTC for delays, only after handing over of site by the Zonal Railways to IRCTC. No mechanism for fixing of responsibility has been fixed if the delay is on part of Zonal Railways in the initial 72 days of the timeline fixed. The default in large number of assignments is attributable to officials of Zonal Railways as well and unless they are made accountable to meet their responsibilities within prescribed deadlines, the objective of timely completion of activities cannot be achieved. The Catering Policy of 2010 regarding setting up of base kitchen was

dependent on fulfilment of its obligations by the Zonal Railways, which could not be achieved on account of deficient implementation by them. Setting up of base kitchen was the most important component of the Catering Policy 2010 for ensuring quality, hygiene of the food to be made available to the passengers at affordable prices. Thus, accountability of Zonal Railways to carry forward the new Catering Policy of 2017 needs to be clearly demarcated.

3.3 Managing static catering units

As per Para 4.1 of the Catering Policy 2010, Standard Bidding Document (SBD) for processing the contracts of static catering units by Railways were to be prepared by Railway Board by engaging suitable professional agency. Bid evaluation criteria and eligibility criteria were to be defined clearly in the SBD.

It was observed that the SBD was prepared and circulated to all Zonal Railways in September 2012, two years after the issue of the policy circular. The time taken was attributed to carefully drafting the SBD with the endorsement of legal, finance accounts and concerned executive department. Audit observed that on account of the delay in finalizing SBD, there were legal disputes⁵ between the railways and the licensees in catering units due to discrepancies in the agreement, passenger complaints on over charging, temporary extension of license period, violation of ceiling limit conditions etc.

The delay impacted the operation of major static catering units such as Fast Food Units, Food Plaza, Food Courts at all category of stations, Refreshment Rooms at A1 & A category stations, Jan Ahaar, Mobile catering units etc., which were taken back by Zonal Railways from IRCTC as per the Catering Policy 2010. As on 31 March 2016, 5264 units had been handed over to Zonal Railways by IRCTC. It was observed that

- After taking over of 4210 catering units from IRCTC, Zonal Railways could not take up the operations of catering units further for want of SBD. Hence, the existing IRCTC contracts were extended.
- Though 30 catering units were taken over by SR from IRCTC during 2010-11, SR could not award contracts till March 2013 due to non-finalisation of SBD by Railway Board. After receipt of SBD from Railway Board, contracts were awarded by SR during 2013-14. As on 31st March 2016, only for 23 major static units contracts were awarded by SR. For the remaining seven units, Letter of Acceptance (LOA) were issued for five catering units during 2015-16 and the contractors were yet to commence their operation. In case of other two units for which contracts were awarded during 2013-14, the license agreements of

⁵ SR - 7 mobile and 70 static (Chennai Central-8, Tiruchirapalli-12, Madurai-17 and Salem-43)

M/s Arenco catering at vegetarian refreshment room/Egmore (VRR/MS) and NVRR/MS was terminated during 2015-16 due to frequent complaints.

- On account of delay in finalizing SBDs, the existing contracts were extended. There were legal disputes between SR and licensees in seven mobile and 70 static catering units (Chennai – 8, Tiruchchirappalli Jn– 12, Madurai – 17, Salem – 43) due to temporary extension of license period based on 2005 Policy, subsequent switch over to 2010 policy and violation of ceiling limit conditions as per 2010 policy.
- In NCR, out of 63 major static units taken back from IRCTC during 2010-11, fresh contracts could not be awarded due to the delay in receipt of SBD from Railway Board. NCR awarded only one fresh catering contract for refreshment room at Agra Fort during April 2016. Other static units were run by extending the validity period under the old contracts. At Jhansi Division, old contracts for 20 Automatic Vending Machines expired during April 2016 and no fresh contracts were awarded.
- During Joint inspection of Titlagarh station in ECoR, it was noticed that in the refreshment room of the Station, no meal was served. The licensee stated that passengers never visited the refreshment room and so very few meals were prepared. The same was packaged and sold in the trains only. Besides, some snacks were prepared and sold to passengers in the trains, for which the licensee was not authorized. It was noticed that though maximum number of trains halt on Platform No.1, the Refreshment Room is located at the fag end of island platform no. 2 & 3. To reach the refreshment room, the passengers necessarily have to go through foot over-bridge from Platform No.1. This aspect was not taken into consideration by Railway Administration while allotting the space to the licensee. No corrective action was taken for rectify the same.



Fig 7: Refreshment Room Titlagarh at island platform no 2&3
(21 September 2016)

From the above, it is seen that there was delay in finalization of SBD and Railways could not start the catering services departmentally even after taking over the charge from IRCTC. Services of 22 units (NCR-20 and SR-2) over two Railways could not be started leading to inconvenience to rail users in respective stations.

In their reply, Railway Board stated (February 2017) that the SBD was drafted by engaging RITES as professional agency, who drafted SBD for mobile units, major static units and general minor units. The SBDs were further examined at Railway Board by a committee of Executive Directors and were issued to Zonal Railways between July 2011 and July 2013. However, the whole process took a lot of time and issue of SBDs to Zonal Railways were delayed.

As per the new Catering Policy 2017, certain static units in A1 and A category stations viz. Refreshment rooms, Jan Ahaar, Cell Kitchens shall be handed over to IRCTC on 'as is where is' basis including infrastructure and equipment. Besides, Fast Food Units, Food Plazas and Food Courts continue to be managed by IRCTC. The contracts awarded by Zonal Railways for catering units to be transferred shall be re-assigned to IRCTC on the same terms and conditions. Tenure of all major units being handed over to IRCTC will be governed as per the Policy of 2010 till the expiry of the contracts. The policy further requires IRCTC and CCM of the concerned Zonal Railways to enter into an agreement with respect of each unit to be handed over to IRCTC. Railway Board shall issue a draft model agreement for the same. This agreement shall be executed before handing over the units to IRCTC. Timely issue of draft model agreement would be thus, necessary to facilitate smooth handing over of units to IRCTC. In respect of other Static Catering Units at A1 and A category stations (other than those required to be managed by IRCTC) and all static catering units at other category stations, the responsibility has been retained with the Zonal Railways. The responsibility of fixing license fee has been assigned to Zonal Railways and they are required to arrive at a fresh formula for fixing of license fee based on prescribed parameters. The eligibility conditions for these licensees continues to be based on minimum license fee of 12 *per cent* of the annual sales turnover of the static units. Fresh ceilings have been specified. Fresh norms for reservation applicable have been specified. The entire process remains the same with identification of requirement through preparation of blue print, fixing of license fee by the Zonal Railway, eligibility criteria based on turnover and experience, application of reservations for catering units, etc. However, all existing tenders under process have been cancelled. The entire process of allotment of units have been deferred on account of the changes proposed in the new policy.

3.4 Managing mobile catering units

Para 3.1 of the Catering Policy 2010 stipulated that the Railways shall progressively take over management of all mobile catering services including base kitchens and mobile catering through departmental catering in a phased manner. Para 3.3.2 further stipulated that for avoiding disruption of catering services, Zonal Railways should engage reputed professionals for supervision of these services till such time,

they were in a position to manage them departmentally. During the period of non-availability of departmental staff, Railways may award service contracts to be supervised by departmental supervisors for service of meals picked up from nominated base kitchens.

Audit observed that prior to 2011-12, 267 mobile catering units were operated by IRCTC. After the revision of policy, IRCTC handed over 236 units to Zonal Railways. The balance 31 units were managed by IRCTC due to contractual obligations based on specific request by Zonal Railways. It was observed that

- As of March 2016, 358 mobile catering units were available in IR. Of these, Zonal Railways managed 279 mobile units. Balance 79 mobile units were still managed by IRCTC. Out of 279 mobile catering units, only four units (1.4 per cent) were managed departmentally by Zonal Railways.
- As per the policy, for managing the mobile units Zonal Railways could engage suitable professional agency. Audit noticed that during the period of review, none of the Zonal Railways engaged reputed professional for supervision of mobile catering services. Instead, 275 mobile units were managed through licensees.
- None of the Zonal Railways have awarded service contracts to be supervised by departmental supervisors for service of meals picked up from nominated base kitchens as stipulated in the catering policy.
- SR and NFR requested IRCTC for managing 17 mobile units (SR-12 and NFR-5) as they did not have adequate manpower to run the same and currency of the contracts was still continuing.

Annexure 2

Thus, the objective of managing units departmentally, was not achieved as a large number of units were being managed either by IRCTC or through licenses. Railways also did not engage reputed professionals for supervision of mobile catering services operated departmentally or through licensees.

In their reply, Railway Board stated (February 2017) that professional catering contractors including IRCTC with prescribed experience in the field were given licenses to manage catering and mobile catering units. However, for supervision of the services provided by these contractors, Railways did not engage reputed professionals.

In the new Catering Policy, all the pantry car service contracts awarded by Zonal Railways have been re-assigned to IRCTC on the same terms and conditions as per the plan to be decided mutually by IRCTC and Railways. Tenure of all major units

being handed over to IRCTC will be governed as per the Policy of 2010 till the expiry of the contracts. IRCTC is permitted to engage service providers from hospitality industry for serving food in trains. The policy retains the same set of parameters for operation except for changing operator from Zonal Railways to IRCTC.

3.5 Catering through Specified Catering Units managed by IRCTC

As per decision taken in meeting of CCMs (July 2010), additional 160 Food Plaza (FP)/Food Courts (FC)/Fast food units (FFU) were to be opened in various Zonal Railways to ensure appropriate catering services to travelling public. During the review period, 141 Static Specified Catering Units (SCUs)⁶ were opened and 33 SCUs were closed. Review of commencement of services of the SCUs managed by IRCTC during the period of review showed that

- 126SCUs commenced their catering services after a delay of three to 45 months from the date of LOA. Reasons for the delay in commencement were delay in finalisation of plans, drawing, non-handing over of site etc. by the respective Zonal Railway Administrations. Due to delayed commencement in all Zonal Railways⁷, rail users were not provided catering services during this period and Zonal Railways missed the opportunity of getting 40 *per cent* share of License fee from IRCTC to the extent of ₹ 8.23 crore, as assessed by Audit.
- In 20 stations⁸ over ten⁹ Zonal Railways, delay in commencement of SCUs ranged between 20 and 30 months. In 13 stations¹⁰ over ten (CR, SCR, ER, ECR, SWR, NER, NR, WR, NFR, WCR) Railways, delay in commencement of SCUs was more than 30 months.
- Some of the important stations where commencement of services by these SCUs were delayed included Vijaywada, Kanpur, Gwalior, Jaipur, Agra Fort, Indore, Jodhpur, Bikaner, Aligarh, Bhagalpur, Kohlapur, Patna, Chennai Central, Dimapur, Raigarh, Belgam, Ujjain, Palanpur, Mysore, etc.
- In addition to the 141 SCUs created, Zonal Railways had requested IRCTC for creation of more SCUs. Based on the requisition, IRCTC proposed for setting up of 33FPs and 53 FFUs in 15 Zonal Railways¹¹. However, due to delay in finalization of site, approval of plan and drawings, change in site etc. on part of

⁶ SCUs are specified for Food Plaza, Food Court and Fast Food Units

⁷ CR-6, ECoR-5, ECR-17, ER-11, NCR-7, NER-6, NFR-3, NR-5, NWR-6, SCR-23, SECR-6, SER-2, SR-3, SWR-10, WCR-3 and WR-12

⁸ Nalgonda, Nizamabad, Naded, Belgaum, Raxaul, Behrampur, Asansol, Maninagar, LalKuan, Necklace Road, Khurda Road, Gorakhpur, Damoh, Kengri, PaliMarwar, Betiah, Yeshwantpur, Sangli, Arsikere and Abu Road

⁹ SCR, ECR, SWR, ECoR, ER, WR, NWR, NER, WCR, CR

¹⁰ Gudur, Bhagalpur, Darbhanga, Bengaluru, Chhapra, Ferozepurcantt, Jamnagar, Kishanganj, Bakhtiarpur, Saugor, Indore, Katni, Surat

¹¹ CR-6, ECoR-1, ECR-4, ER-4, NCR-4, NER-13, NFR-6, NR-21, NWR-4, SCR-5, SECR-3, SER-1, SR-8, SWR-6 and WR-5

Zonal Railways, site were not handed over to IRCTC. As a result, SCUs could not start functioning till date. The delay ranged up to 48 months.

- Audit further observed that due to delay in commissioning of 90 SCUs, Zonal Railways could not ensure availability of catering service to the rail users at many important stations including Rourkela, Muzaffarpur, Ajmer, Ambala, Ghaziabad, Sambalpur, Chhapra, Bongaigaon, Burdwan, Varanasi, Nizamuddin, Haridwar, Chennai Central, Mathura, Raichur, Guwahati, Gorakhpur, Yeshvantpur, Pune, Lucknow etc. Besides, Zonal Railways also lost the opportunity of getting ₹12.85 crore towards 40 per cent share of license fee from the licensees of IRCTC, calculated on the minimum license fee payable to Zonal Railways by IRCTC during this period.

Audit test checked cases at Chhapra, Chennai Central, Ambala Cantt., Agraduring the period of review, where SCUs could not be commenced and/or commenced with significant delays due to failure on account of Zonal Railways in finalization of plan and site, approval of drawings, change in site location etc. Further, five cases were noticed where railways had withdrawn the space awarded by the IRCTC to the licensees after issue of Letter of Award, as a result of which catering units could not be started. These included Fast food unit and Food plaza at Jaunpur station (NR), Food plaza at Nadiad station (WR), Sealdah Station (ER) and Fast Food Units and Food Plaza at Lonawala and Chalisgaon stations (CR).

Annexure 3 and 4

Thus, Zonal Railways did not ensure provision of appropriate catering services to rail users by opening food plazas as per the plan. Further, due to delay in commencement of catering services in these locations, provision of this important passenger amenity to the rail users at these stations was affected.

There is no change in the management of SCUs in the new Catering Policy 2017.

3.6 Train Side Vending (TSV)

Since provision of pantry car in each and every train was not achievable and not economically viable, Railway Board decided to provide Train Side Vending (TSV)¹². As per Para 10 of the Catering Policy 2010, Train Side Vending (TSV) would be provided from a suitable unit of nominated station/stations *en route* as all trains were not provided with pantry cars. For this purpose, arrangements would be made through static units by either segmentation of run or on end to end basis, as practicable. During the period of review, it was observed that

¹² A large number of trains do not have pantry cars or mini pantries attached to them. From the static units of important stations, food is supplied to the train during meal time through vendors, who travel on the trains and take orders.

- No TSVs were provided by NCR, SECR and SR for the trains which run for more than 12 hours during the day time. SR did not continue contracts for TSV as IRCTC had taken up e-catering for these trains. However, response for e-catering was not encouraging. As such, by not continuing TSVs, unauthorised vendors were given opportunity to provide catering services. In NCR, during joint inspection (27 October 2016 to 29 October 2016) of train no. 11124/11123 (Gwalior-Barauni-Gwalior express) and 12403/12404 (Allahabad-Jaipur-Allahabad express) it was seen that no TSV services were provided and unauthorised vendors were seen in these trains.
- In SCR, sectional TSV services were provided by dividing SCR into 12 sections and covering all non-pantry car trains over SCR jurisdiction. Of these only five sectional TSVs were operational as on 31 March 2016. SCR also reported to Railway Board during August 2015 that there was poor response to TSV tenders after introduction of e-catering and TSV contracts could not be finalised.
- WCR advised (July 2015) Railway Board that e-catering should be discouraged where TSVs contracts had already been awarded, as e-catering was taking over the business of TSVs.
- In ECR, TSV services were available only in one train i.e. 12569-70 – Jaynagar Anand Vihar Garibrath (served from Patna station).
- In SER, out of 38 Mail/Express trains with more than 24 hours of journey time, 20 trains were neither provided with pantry car facility nor with TSV facility (March 2016).
- In NFR, 13 trains with journey time of more than 24 hours were running without pantry car and were also not provided with TSV facility. TSV facility of train No.12518/12517, Kolkata-Guwahati Garibrath Express was discontinued with effect from 27 April 2012 after being taken over from IRCTC.
- End to end TSV contract for 11 pairs of trains run by NR, was awarded (29 November 2014) to M/s Doon Caterers for a period of five years at an approximate cost of ₹ 11 crore. Award of TSV contracts to one contractor for supply of food services in 11 trains was indicative of monopoly.
- TSV has not been provided for 30 Mail/Express train in WR with journey time exceeding 24 hours though not having pantry cars.

Arrangements for providing train side vending for trains with no pantry cars were thus, inadequate.

In their reply, Railway Board stated (February 2017) that e-catering services have been introduced on trains that were running without pantry cars and where TSV services were not provided.

In the new Catering Policy 2017, provision of TSV will be the responsibility of IRCTC instead of Zonal Railways.

3.7 Availability of Janta Meals/Jan Ahaar

Railway Board expressed (January 2012) concern over poor sale/availability of Janta meals and reiterated that efforts should be taken by Zonal Railways to improve the sale/availability of Janta meals so as to provide good quality food at affordable price to railway passengers. Railway Board revised the tariff (December 2012) and circulated the revised tariff for Janta meal/economy meal/Jantakhana at the rate of ₹ 15/- in static unit and ₹ 20/- in mobile units (seven poories of 175 gms to be packed in quality disposable card board boxes). During the check, Audit observed that

- In four Zonal Railways (NCR, NR, SCR & SECR), the Jan Ahaar units planned as per blue print have not been fully implemented.
- Out of 74 stations where joint inspections were conducted by Audit, Jan Ahaar units were not provided on 46¹³ stations. (**Annexure 1a**)
- In NR, out of five stations inspected, Jan Ahaar units were not provided on three stations.
- No Janta Meals were found in four stalls out of seven stalls jointly inspected and no Janta Khana was available at all five trolleys and food plaza inspected at Agra Fort Station of Agra Division of NCR. One Jan Ahaar unit at Agra Cantt. Station as per blue print was to be operated for picking up meals for the train passing through (8 daily, 4 tri-weekly, 2 bi-weekly and 20 weekly trains). No action was initiated by NCR Administration for the same.
- During joint inspection, it was noticed that Janta meals were not available in two trains (ECR).
- In SWR, no Janta Meals were found available on Train no. 12780 and 12628 during joint inspections.

The details of Janta Meals and other meals sold in six Zonal Railways (CR, ECoR, NCR, SR, SCR and WCR) are given in Table 3.1.

¹³Wadi, Cuttack, Titlagarh, Rajendra Nagar, Samastipur Jn, Barauni Jn, Sheikapura, Allahabad, Agra Fort, Gwalior, Kathgodam, Lucknow Jn, Manduadih, Salempur, Kamakhya, New Bongaigaon, Rangapara North Jn, Lucknow Jn, Pathankot, H Nizamuddin, Jodhpur, Abu Road, Modran, Mahbubnagar, Kazhipet, Renigunta, Nadikudi, Raipur, Gondia, Anuppur, Raigarh, Bilaspur, Rourkela, Adra, Tata & Bhokra Steel City, Coimbatore, Tiruchchirappalli, Ernakulam Jn, Bengaluru Cantt., Gadag, Guna, Damoh, Jam Nagar, Nandurbar, Mumbai Churchgate, Somnath

Year	Number of meals sold		Percentage of Janta meals to other cuisines
	Janta meals	Other meals	
2013-14	3953147	8031931	49.22
2014-15	4634126	15344651	30.20
2015-16	4038424	17651868	22.88

In response to the passenger survey conducted by Audit during July 2016 to October 2016, 22 per cent of passengers expressed that low cost combo food, Jan Ahaar/regional cuisine, food/a-la-carte items were not available.

Janta meals were introduced with the intention of quality food at low cost to all. It was seen that share of Janta meals to the overall meals sold in six Zonal Railways was declining in the last three years. The availability of Janta meals on stations was also not adequate.

In their reply, Railway Board stated (February 2017) that instructions were issued for setting up of Jan Ahaar outlets and ensuring sale of Janta meals to passengers. They further stated that there can be many factors including purchasing power of passengers which affect sale of Janta meals. The rate fixed for selling standard food was also reasonable and that different types of catering services are provided to passengers enabling them to exercise their choice of food.

The new Catering Policy has transferred the responsibility of management of Jan Ahaars to IRCTC. As such, Railways need to ensure that IRCTC provides adequate number of low cost Janta Meal to passengers and these should be effectively advertised amongst the passengers.

3.8 Financial performance of departmental catering units

Railway Board expressed concern (January 2002 and July 2013) about the increasing loss, manifold increase in expenditure on staff, purchase of raw material/ingredients and cost of other inputs, but the loss of departmental catering units continued to be on increasing trend.

There were 85 out of 7790 static units of Zonal Railways and 4 out of 279 mobile units managed departmentally. The balance units were managed through licensees. For providing catering services through these departmental units, 11¹⁴ Zonal Railways incurred a total expenditure of ₹ 757.91 crore during 2011-12 to 2015-16. As against the sales turnover of ₹ 550.30 crore, the departmental catering units suffered a loss of ₹207.62 crore during 2011-12 to 2015-16. The loss suffered also showed an increasing trend. The main reasons for losses were poor volume of

¹⁴ CR, ECR, ER, NER, NFR, NR, SCR, SER, SR, SWR and WR

sales and increasing staff cost. These departmental units were not able to compete with other catering stalls of IRCTC and FF/FC/FP.

Annexure 2 and 5

As per instructions¹⁵, utilization of sale proceeds of a departmental catering unit should be resorted to in very rare cases. Utilization of sale proceeds for procurement of raw materials should be resorted to only in cases of units, where no cash imprest has been sanctioned or when the imprest on hand is insufficient to meet the requirements. If the imprest is found to be insufficient, arrangements were to be made to enhance the imprest to avoid drawing from the daily sale proceeds. Audit examined the procedure for procurement by 36 departmental catering units of IR during the period of review and noticed that:

- Contrary to the above instructions, sale proceeds were being utilized for procurement of ingredients and vegetables by nine¹⁶ Zonal Railways without resorting to tender procurement even though value of ingredients procured per annum ranged up to ₹ 10.78 crore in NR during 2015-16. 29 per cent to 87.87 per cent of the sale proceeds were utilised for purchase of ingredients in these nine Zonal Railways.

Annexure 6

- Only inSR and SCR, imprest amount of ₹ 20,000 and ₹ 15,000 respectively were sanctioned. However, more than 50 per cent of sale proceeds of these departmental catering units were utilized for daily cash purchases during 2015-16. No cash imprest had been sanctioned in the remaining 87 departmental catering units.
- Consequently, five departmental Jan Ahaarunits at Vishakhapatnam (ECoR), New Jalpaiguri (NFR), Annuppur (SECR), Guntur and Rajamundry (SCR) were closed during the period of review.
- In Agra Division of NCR, it was seen that 23 staff members including six catering inspector, two cooks and 15 waiters were deployed for supervision of catering activities as well as running and maintenance of one stall and three trolleys selling PAD (Propriety Article Depot) items and PDW (Packaged Drinking Water). However, duty location of only six catering inspectors and 13 waiters could be ascertained from the records of Agra Division as well as four departmental catering units run and managed at Agra Division. The deployment of two waiters and two cooks remained unexplained whose salaries

¹⁵ Para 2845 of Indian Railway Commercial Manual

¹⁶ CR, ECR, SCR, ER, SR, SER, NFR, NCR and NR

@ ₹ 3.20 lakh per annum per person on an average were charged in the Profit and Loss Account of departmental catering units. In Jhansi Division of NCR, out of 59 catering staff, two cooks and four bearers were deployed for activities other than catering. The deployment of these six catering staff remained unexplained, whose salaries @ ₹2.28 lakh (approx.) per annum per person on an average are being charged in the Profit and Loss Account of departmental catering unit.

Departmental units thus, were managed inefficiently and continued to incur losses. Sale proceeds were utilized for daily cash purchases. It was attributed to non-sanction/insufficiency of imprest.

The new Catering Policy 2017, does not specify the road map for the staff and personnel working in the departmental units of IR, which would be transferred to IRCTC.

3.9 Unauthorized catering vendors/sellers

Railway Board instructed (August 2011) Zonal Railways to undertake checks of mobile licensees against unauthorized hawking and sale of adulterated, unhygienic food products in Mail/Express trains. Railway Board also stated that hawking in trains and at stations are rampant in IR and that in trains in which a pantry car is attached, the unauthorized hawkers do not allow service from pantry car in other than AC coaches.

From the analysis of data for the period 2013-14 to 2015-16 and during joint inspections of 80 selected trains during July to October 2016, audit observed that:

- There were many unauthorized vendors in platforms and trains. 2,39,096 cases were prosecuted by RPF and fine imposed in eight Zonal Railways (ER - 11763 cases, ECR - 4811, ECoR - 39686, NCR - 16134, NFR - 7861, SR - 19982 and WCR - 43333 cases).
- During the joint inspection/survey conducted by Audit in selected trains without pantry cars of three Zonal Railways, unauthorized vendors (73 cases- SR-12, NCR-6 and NFR-55) selling unapproved brand of packaged drinking water at a higher price (₹20/-) and selling packaged meals were noticed.

- In NFR, at least 10-20 unauthorised vendors were found in the train no. 12552 (Kamakhya-Yeshwantpur AC Express) with pantry car, selling unapproved water bottle. Eight items not approved by RB were also served to passengers in Shatabdi Express (Train No.12041). Unauthorised vendors were found selling articles like- unapproved water Bottle, Pan, Chana, Jhal-muri etc. in the train.
- During passenger survey conducted in trains without pantry car, Audit noticed that in five Zonal Railways (ER, ECoR, NER, NFR and SECR) requirement of foodstuff and beverages were fulfilled purely with the help of unauthorised vendors. On all the stoppages, it was found that the vendors of static catering units were selling foodstuffs and beverages on train.

Unauthorized catering items may be unhygienic and adulterated and also passengers are not able to differentiate

between authorized and unauthorized services on trains. Continued presence of hawkers and sale of unauthorized food on trains also indicated the catering services provided on trains were not adequate.

During Exit Conference, SR Administration stated that they will tighten the monitoring mechanism by Commercial department and RPF to control unauthorized vending.



*Fig. 8: Unauthorized vending-CholanExpress Train No.16853, SR
21 October 2016*



*Fig. 9:Unauthorized vendors on Train No. 15018, NER
21 October 2016*



*Fig. 10: Unapproved water bottle sold in Train No. 15018, NER
22 October 2016*

