

Chapter 6: Conclusion and Recommendations

6.1 Conclusion

Frequent change 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, Specified Catering Units (such as Food Plaza, Food Courts and Fast Food units), Trains Side Vending arrangements and Automatic Vending Machines etc. Frequent changes also led to legal disputes with contractors and coordination issues between the railways and IRCTC.

The new Catering Policy 2017 once again transferred the responsibility of managing important catering units such as Base Kitchens, Cell Kitchens, Refreshment rooms at A-1 and A category stations, Train Siding Vending and Jan Ahaar to IRCTC. However, the concerns of quality, hygiene, affordability and availability of food to passengers as highlighted by Audit are needed to be adequately addressed.

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 coaches, was also not being used for purpose of supplying hot food to the passengers.

Requirement of catering facilities on stations and trains were not assessed comprehensively for each station in the form of Master Plans (Blue Prints) by all Zonal Railways. 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. 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 the new Catering Policy 2017, the responsibility of setting up and operation of base kitchens has been given to IRCTC. Though a timeframe has been fixed for the

whole process of setting up of base kitchens and responsibility of Zonal Railways and IRCTC has been defined, penalty has been prescribed only for delay on part of IRCTC after handing over of site by the Zonal Railways to IRCTC. As such, accountability of Zonal Railways to carry forward the new Catering Policy of 2017 needed to be clearly demarcated.

There was delay in finalization of Standard Bid Document and Railways could not start the catering services departmentally even after taking over the charge from IRCTC. As per the new Catering Policy 2017, certain static units in A1 and A category stations viz. Refreshment rooms, Jan Ahaar, Cell Kitchens have been handed over to IRCTC on 'as is where is' basis. IRCTC and Chief Commercial Manager of the concerned Zonal Railways are required 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, which shall be executed before handing over the units to IRCTC. Timely issue of draft model agreement would be necessary to facilitate smooth handing over of units to IRCTC.

Zonal Railways did not ensure provision of appropriate catering services to rail users by opening Specified Catering Units as per the plan. Further, there were delays in commencement of services of Specified Catering Units in these locations. Continued presence of hawkers and sale of unauthorized food in trains also indicated that the catering services provided in trains were not adequate.

Janta meals were introduced with the intention of quality food at low cost to all. It was seen that share of Janta meals sold 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. As the new Catering Policy has transferred the responsibility of management of Jan Ahaars to IRCTC, Railways need to ensure that adequate number of low cost Janta Meals are provided by IRCTC to passengers.

Railways accepted high and unworkable rates of license fee for awarding contracts to catering contractors. A major portion is paid as license fee to Zonal Railways, leaving a small margin of the contract value for the licensee for providing catering services. It may not be workable for the licensees to cater to the needs of passengers within the available margin and may result in compromising the quality, quantity and prices etc. By not following the ceiling limit prescribed for award of contracts to contractors, Railways promoted monopolization by a few firms. Monopolization leads to compromise in quality and services being provided to the passengers.

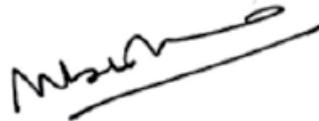
Monitoring for correct billing, accounting and watching recovery of license fee, water and electricity charges and penalty payable by licensees in Zonal Railways also needed strengthening.

Hygiene and cleanliness in respect of the food stuff served was not ensured by the railways on stations and in trains as observed in the joint inspections undertaken by Audit along with railways. Unfair practices were being followed in execution of catering services at stations and trains. Bills were not given for the food items sold, menu cards were not displayed for the benefit of passengers, food stuff served was less than the prescribed quantity and Proprietary Article Depot (PAD) items were sold at the railway stations at significantly higher prices than market. These units included static and mobile units managed both by Zonal Railways as well as by IRCTC – departmentally or through licensees. The deficiencies indicated that the contractors compromised on value for money in respect of food items served to passengers and action taken by Railway Administration for the deviation from the quality standards was not effective. As a result, the contractors continue to sell unhygienic and low quality food at stations. Checks and controls prescribed for check of quality were not used effectively. Though a complaint redressal system has been put in place, there is no reduction in the number of complaints over the years. It was also seen that the major share of complaints pertained to overcharging and quality issues.

6.2 Recommendations

- 1. ICF may be directed to keep in view the policy of switch over from gas burners to electric power equipment in pantry cars, while manufacturing pantry cars.***
- 2. Provision of pantry cars may be considered in case of long distance trains as per policy.***
- 3. Railways may facilitate smooth transfer of catering units including base kitchens to IRCTC by ensuring that the obligations on part of the Zonal Railways are fulfilled and accountability of Zonal Railways to carry forward the new Catering Policy of 2017 is clearly demarcated.***
- 4. IRCTC may be obligated to provide low cost Janta meals on stations and these should be effectively advertised amongst the passengers.***

5. *The prescribed monitoring mechanism may be effectively exercised to ensure hygiene, cleanliness and quality of the catering services by IRCTC/licensees.*
6. *Railway Board may frame guidelines for assessing the workability of rates in catering contracts so that the quality of the services is not compromised.*
7. *Railways may ensure effective checks and controls to stop unfair practices such as, overcharging, serving food stuff less than the prescribed quantity, selling non-authorized food items on stations and in trains, non-exhibition of price card and not issuing receipts for the food stuff sold, by catering service providers.*



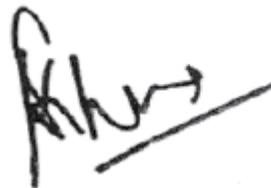
New Delhi

(Nand Kishore)

Dated:

Deputy Comptroller and Auditor General

Countersigned



New Delhi

(Shashi Kant Sharma)

Dated:

Comptroller and Auditor General of India

