

C.P.U. No. 926

33

THIRTY- THIRD REPORT

**COMMITTEE ON PUBLIC UNDERTAKINGS
(2008-2009)**

(FOURTEENTH LOK SABHA)

**INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED
MINISTRY OF RAILWAYS**

**(Action Taken by the Government on the recommendations contained
in the 30th Report of the Committee on Public Undertakings (14th Lok
Sabha) on Indian Railway Catering and Tourism Corporation Limited)**



Presented to Lok Sabha on 22.12.2008

Laid in Rajya Sabha on 22.12.2008

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2008 / Agrahayana 1930(S)

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**COMPOSITION OF THE
COMMITTEE ON PUBLIC UNDERTAKINGS (2008 - 2009)**

Shri Rupchand Pal - Chairman

Members

Lok Sabha

2. Shri Ramesh Bais
3. Shri Gurudas Dasgupta
4. Smt. Sangeeta Kumari Singh Deo
5. Shri Francis K. George
6. Dr. Vallabhbbhai Kathiria
7. Shri Harikewal Prasad
8. Shri Kashiram Rana
9. Shri Mohan Rawale
10. Shri K.C."Baba" Singh
11. Smt. Pratibha Singh
12. Shri Bharatsinh Madhavsinh Solanki
13. Shri K.V.Thangkabalu
14. Shri Rajesh Verma
15. Shri Ram Kripal Yadav

Rajya Sabha

- 16 Shri Rahul Bajaj
- 17 Shri R.K. Dhawan
- 18 Shri Sharad Anantrao Joshi
- 19 Shri K. Chandran Pillai
- 20 Shri Vijaykumar Rupani
- 21 Shri Arjun Kumar Sengupta
- 22 *Shri Amar Singh

Secretariat

- | | | |
|---|-------------------|----------------------------|
| 1 | Shri J.P. Sharma | Joint Secretary |
| 2 | Smt. Anita Jain | Director |
| 3 | Shri N.S. Hooda | Deputy Secretary |
| 4 | Shri Girdhari Lal | Senior Executive Assistant |

* Ceased to be Member of the Committee consequent on his retirement from Rajya Sabha w.e.f. 25.11.2008

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorized by the Committee to submit the Report on their behalf, present this Thirty-third Report on Action Taken by the Government on the recommendations contained in the Thirtieth Report of the Committee on Public Undertakings (Fourteenth Lok Sabha) on Indian Railway Catering and Tourism Corporation Limited.

2. The Thirtieth Report of the Committee on Public Undertakings (2007-2008) was presented to Lok Sabha on 29th April 2008. Action Taken Replies of the Government to the recommendations contained in the Report were received on 24th October 2008. The Committee on Public Undertakings considered and adopted this Report at their sittings held on 19th December, 2008. The Minutes of the sitting are given in Appendix – I.

3. An analysis of the action taken by the Government on the recommendations contained in the Thirty-third Report (2008-09) of the Committee is given in Appendix – II.

New Delhi:
19th December, 2008
28 Agrahayna, 1930(S)

RUPCHAND PAL
Chairman
Committee on Public Undertakings

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Thirtieth Report (Fourteenth Lok Sabha) of the Committee on Public Undertakings (2007-08) on “Indian Railway Catering and Tourism Corporation Limited” which was presented to Lok Sabha on 29th April, 2008.

2. Action Taken notes have been received from Government in respect of all the recommendations contained in the Report. These have been categorized as follows :

- (i) Recommendations / observations which have been accepted by the Government (Chapter II)
Sl. Nos. 1, 7, 8, 10, and 12. (Total 5)
- (ii) Recommendations / observations which the Committee do not desire to pursue in view of the Government’s replies (Chapter III)
(Nil)
- (iii) Recommendations / observations in respect of which replies of the Government have not been accepted by the Committee (Chapter IV)
Sl. Nos. 2, 3, 4, 5 and 9 (Total 5)
- (iv) Recommendations / observations to which the Government have furnished interim replies.(Chapter V)
Sl. Nos. 6 and 11 (Total 2)

3. The Committee desire that the Action Taken Notes on the Recommendation/Observation contained in Chapter-I and final replies in respect of the recommendations for which only interim replies have been furnished by the Government included in Chapter-V should be furnished expeditiously.

4. The Committee will now deal with the Action Taken by the Government on some of the recommendations in succeeding paragraphs.

RECOMMENDATION (SI. No. 2)

5. Regarding vacancies of the Board of Directors of IRCTC, the Committee in their 30th Report recommended as follows:-

“The Committee find that the post of Managing Director on Board of Directors of IRCTC has been lying vacant since 23rd October, 2007 and Director (Tourism and Marketing) has been entrusted with the additional responsibility of Managing Director. The Committee have been apprised that the recruitment process is on and likely to be completed soon. The Committee are of the opinion that the vacancy of Managing Director in any organization particularly with commercial venture like IRCTC for considerably longer time have cascading effect on the efficiency of the company. They, therefore desire that the recruitment process for filling up the vacancy of Managing Director should be completed urgently so that a duly appointed MD is in office without further loss of time. The Committee further note that besides the vacancy of MD, there are three other vacancies existing on the Board of Directors of IRCTC, namely Director (Finance) and two non-official Directors. The recruitment process for filling up of these vacancies is said to have been initiated. The Committee desire that the vacancies of Director (Finance) and two non-official Directors should be filled up expeditiously.”

6. In their Action Taken Reply to the recommendation of the Committee, the Government have stated as follows:-

“As regards, filing of vacancy of the post Managing Director and Director (Finance) of IRCTC, the post of Managing Director, IRCTC fell vacant on 24.10.2007 as the incumbent of the post was prematurely repatriated to the Railways. The vacancy was circulated and this Ministry's recommendations were forwarded to the PSEB (Public Enterprises Selection Board) for consideration. The PSEB held selection and recommended panel for appointment to the post of MD/IRCTC. However, the panel was not accepted. Accordingly, a reference has been made to the Department of Personnel and Training for obtaining approval of the ACC (Appointment Committee of the Cabinet) to the proposal that a fresh panel may be sought from the PSEB. The decision of the ACC is awaited.

The post of Director (Finance), IRCTC fell vacant on 04.12.2007 as the incumbent of the post resigned and was relieved by the IRCTC on 03.12.2007. The vacancy was circulated and this Ministry's recommendations were forwarded to the PSEB for consideration. The PSEB held selection and recommended panel for appointment to the post.

After obtaining CVC's clearance and approval of MR, the proposal for appointment to the post of Director (Finance)/IRCTC has been submitted to the Department of personnel and Training for obtaining approval of the ACC on 24.07.2008. The ACC's approval is awaited.

Presently there is no vacancy of non-official part-time directors in IRCTC, after appointment of Shri Jagdeep S. Chhokar, Ex. Prof. I.I.M., Ahmedabad and Shri Alok Shivpuri, Principal, Pusa Institute of Hotel Management, New Delhi."

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

7. The Committee, while taking a serious note of the fact that vacancies of the Managing Director, Director (Finance) and two non-official Directors exist in IRCTC, had recommended that the recruitment process which was reported to have initiated for filling up the aforesaid vacancies should be completed without loss of time

In their action taken reply, the Government have stated that the posts of two non-official directors have been filled up and filling up of the vacancies of Managing Director and Director (Finance) is still under process.

As regards the post of Managing Director, Ministry of Railways have stated that the panel recommended by the Public Enterprises Selection Board for appointment to the post of Managing Director was not accepted, accordingly, a reference has been made to the Department of Personnel and Training for obtaining approval of the Appointment Committee of the Cabinet to the proposal that a fresh panel may be sought from the PESB. The Committee are not satisfied with the reply of the Government as it has

been more than a year's time that the post of MD has been lying vacant. The Committee are unhappy to note that while the panel recommended by PESB was not accepted, but no mention about the reasons of the non-acceptance of the panel has been made. Even the proposal for obtaining the approval of ACC to start afresh the selection and short-listing process of the panel by PESB is still under ACC consideration. The Committee wish to point out that the vacancy of Managing Director for a long time in a company like IRCTC, which is required to perform in a more professionalized and efficient manner in the fiercely competitive hospitality industry particularly consequent upon the conferment of mini-ratna status, may have an adverse effect on the efficiency and decision-making process of the Company. The Committee, therefore, strongly deprecate the Government's indifference in pursuing the appointment process and reiterate their earlier recommendation that the whole exercise of appointment of Managing Director should be completed without any further delay.

As regards the vacancy of Director (Finance), the Committee have been informed that though the panel recommended by the PSEB has been approved by the Ministry of Railways and CVC's clearance obtained, the proposal for appointment to the post of Director (Finance) is under submission for approval of the ACC. The Committee desire that the appointment process of Director (Finance) should also be completed at the earliest.

RECOMMENDATION (SI. No. 3)

8. On the issue of staff strength of IRCTC, the Committee in their original report had *inter-alia* recommended as under: -

“The Committee note that IRCTC took over catering services from Indian Railways on as is where is basis along with the catering staff on deemed deputation basis. The deemed deputationists staff is being repatriated to the Railways and simultaneously a review is also being undertaken to determine the manpower requirement of the IRCTC. The Committee have been informed that as on 31st December, 2007, IRCTC had a total staff strength of 5521 and out of which 4221 were deemed deputationists staff comprising of 1094 Group C and 3127 Group D employees. The Committees have been informed that in its repatriation process of these deemed deputationists staff, which is taking place in phased manner, till now a total of 790 Group D staff has been repatriated to the Railways and the balance of Group D staff is also likely to repatriated in 2008 itself. Regarding Group C staff, the Committee, however, note that Ministry of Railways has not indicated any time-frame for completion of repatriation process. The Committee are of the opinion that due to non-fixation of any time-frame for the completion of repatriation process of Group C staff, the planning for induction of new staff is likely to suffer. The Committee, therefore, recommend that the repatriation of Group C staff should also be completed within a stipulated time-frame so that a proper planning could be done for recruitment of new staff for smooth running of its mandated activities.”

9. In reply to the recommendation of the Committee, the Government in their Action Taken Reply submitted as follows:-

“The issue of repatriation of Group ‘C’ deemed deputationists staff from IRCTC to the zonal railways is under finalization in the Ministry of Railways (Railway Board).

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

- 10. In the backdrop of non-finalization of the repatriation process of Group C deemed deputationists staff while the Group D employees were slated to be repatriated by the year 2008 itself, the Committee recommended that Ministry of Railways should indicate a time-frame for finalization of**

repatriation process of Group C employees also so that management may review its manpower requirement accordingly.

In this regard, Ministry of Railways in their action taken reply have stated that the issue of repatriation of Group C deemed deputationist staff for IRCTC to zonal railways is under finalization. The Committee are not satisfied with the reply of the Government as even after a lapse of more than six months, the Ministry of Railways still have not finalised the issue of repatriation of Group C deemed deputationist staff. As the planning for induction of new staff is likely to suffer due to non-fixation of time-frame for completion of repatriation process of group 'C' staff, the Committee, therefore, reiterate their recommendation that the Ministry of Railways should not only finalise the issue of repatriation of Group C deemed deputationist staff but also prescribe a time frame by which this whole process of repatriation will be completed.

RECOMMENDATION (SI. No. 4)

11. On the decision of Government for imposition of haulage cost, the Committee on Public Undertakings in their 30th Report, had inter-alia recommended as follows: -

“The Committee find that during the year 2006-07, the gross profit of IRCTC was capped by the Ministry of Railways by issuing a directive that full marginal cost of haulage of pantry car will be borne by IRCTC and that for the year 2006-07, after keeping the gross profit of Rs. 30 crore, the surplus money will be paid by IRCTC to Indian Railways as pantry car haulage charge. Once IRCTC starts paying the marginal cost of haulage in full, Indian Railways' share of License fee for mobile units (15%) plus payment of 5% as maintenance cost of pantry cars would be reviewed and suitably reduced. The Committee note that contesting the decision of the Ministry, IRCTC tendered a contention that since catering service is a passenger

amenity, haulage cost cannot be added to the cost of meal. Moreover, the haulage cost for pantry car will add at least 10% to the overhead costs and will affect the quality of food and services on mobile units, unless tariffs are suitably raised. Justifying the imposition of haulage cost on IRCTC, Ministry of Railways have stated that they have decided to levy haulage cost for pantry cars as Indian Railways has incurred losses for catering services amounting to Rs. 494.46 crore in 2005-06 alone. A sizeable portion of these losses is on account of haulage cost of pantry cars. The Committee are surprised to note that how Ministry of Railways can put a cap on the gross profit of IRCTC by imposing an abrupt and arbitrary decision on IRCTC. The Committee have been further informed by IRCTC that there was no such provision in the Memorandum of Understanding 2006-07 signed between the IRCTC and Ministry of Railways. The Committee fail to understand as to how the Ministry of Railways have levied haulage charge in the absence of any such clause in MOU. As regards the tenability of haulage cost, the Committee feel that since this being passenger amenity, the pantry car is normally attached to the trains with a view to provide on board catering services to the rail passengers, imposition of haulage charges would affect the profitability of the company as this extra cost cannot be transferred to the passengers. Since haulage cost for pantry cars levied on IRCTC adds at least 10% to the overhead cost, which would affect the quality of food and services on mobile units, unless the tariffs are suitably raised, in this regard, the Committee recommended that the request of IRCTC for withdrawal of haulage cost should be considered favorably so that the company is not forced to transfer this cost to the passengers using catering services.”

12. The Government in their action taken reply on the above mentioned recommendation have stated as under: -

“The request of IRCTC for not imposing on it the haulage charges of pantry cars, has been examined in the Ministry of Railways, but has not been agreed to. Instead of payment of full haulage charges, it has been decided by the Ministry of Railways to realize only Rs.30 crore from IRCTC as haulage charges for the year 2007-08.”

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

13. **Expressing a serious concern over the Ministry of Railways’ arbitrary decision to levy haulage cost on IRCTC for pantry car to make good the losses, occurring to Railways due to catering services, the Committee had**

opined in their original report that catering services being passenger amenity, the pantry car is normally attached to the trains with a view to provide on board catering services to the rail passengers, imposition of haulage charges would affect the profitability of the Company as this extra cost cannot be transferred to the passengers. The Committee had, therefore, recommended that the request of IRCTC for withdrawal of haulage cost should be considered favourably so that the Company is not forced to transfer this cost to the passengers using catering services.

The Ministry of Railways in their action taken reply has stated that the request of IRCTC for not imposing on it the haulage charges of pantry cars has been examined in the Ministry of Railways but has not been agreed to, and instead of payment of full haulage charges, it has been decided to realize only Rs. 30 crore from IRCTC as haulage charges for the year 2007-08. The Committee are not at all convinced with the vague and evasive reply of the Government as the Government has not indicated in explicit term the basis as to how it has determined Rs. 30 crore as haulage charges to be realized from IRCTC for the year 2007-08 and also whether the levy of haulage cost would continue even after 2007-08. The Committee, therefore, while reiterating their recommendation for withdrawal of haulage cost for pantry cars desire to know the basis of determining the haulage charges. The Committee is at a loss to understand that by this formula whether IRCTC will be benefited or adversely affected. The Committee while reiterating their original recommendation desire that mini-ratna status conferred recently on

IRCTC should not be jeopardized by way of burdening it with haulage charges.

RECOMMENDATION (SI. No. 5)

14. Stressing the need for expediting the development process of budget hotels, the Committee had recommended as follows: -

“The Committee note that with a view to utilize its surplus land commercially, the Ministry of Railways decided to set up 100 budget hotels in the vicinity of the railway stations for tourists and rail users and authorized IRCTC to develop them on public private partnership mode in 2006. The Committee further note that IRCTC which identified 100 locations for the purpose simultaneously initiated the tendering process for 29 sites and requested the Ministry of Railways to give its clearance for allotment of land.

The Committee, however, note that during the year 2006-07, Ministry of Railways put on hold the process of handing over of 29 budget hotel sites on the pretext that the matter of fixing norm and modalities of sparing of land to IRCTC, Railway Land Development Authority, Mumbai Rail Vikas Corporation etc. for various uses was under consideration of Railway Board and that the Government is reviewing the proposed sites with a view to develop world class station. The Committee have further been informed that after IRCTC again took up the matter with the Railway Board, Ministry of Railways decided to clear 21 sites, leaving 8 sites for development of world class stations. The Committee are distressed to note that due to the sudden introduction of Government’s new concept of developing world class stations on the identified sites of IRCTC in 2007, the process of clearing the sites for construction of budget hotels got delayed by almost one year and created a conflict between the process of development of budget hotels and world class stations at the proposed sites. The Committee desire that this conflict should be resolved expeditiously and therefore, recommend that in order to avoid any conflict between development of budget hotels and world class stations, Ministry of Railways should first undertake a review of all the remaining sites identified by IRCTC for the purpose of developing world class stations by stipulating a time-frame so that no delay is caused in finalizing the sites for the development of budget hotels of IRCTC.”

15. In response to the recommendation of the Committee, Ministry of Railways have furnished the action taken reply as under: -

“The Ministry of Railways has decided to set up 100 Budget Hotels through IRCTC with Public Private participation. IRCTC initiated tendering process in respect of 29 locations. In the meanwhile, some of the locations identified for setting up of Budget Hotels has also been identified for development as World Class Stations. Out of these 29 locations, 11 locations has been identified for development as World Class Stations, as an interim measure, IRCTC was permitted to go ahead with such locations which has not been identified for development as World Class Stations.

In respect of the 18 locations not identified for development as World Class Stations and for which tendering process was initiated, some discrepancies were noted in the tender document/proposed agreement. IRCTC is yet to take corrective measure in this regard before going ahead further.

As regards the balance 71 locations and also 11 locations for which tendering process has been initiated but has also been identified for development as world-class stations, this issue is still under review.”

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

16. The Committee, while noting that the conflict between the development process of budget hotels and world class stations at the 100 sites identified by IRCTC had resulted in a delay of almost one year in clearing the sites for construction of budget hotels, recommended that Ministry of Railways should undertake a review of all the sites identified by IRCTC for the purpose of developing world class stations, by stipulating the time frame to avoid any delay in finalizing the sites for development of budget hotels.

From the reply of the Government, the Committee, however, note that in respect of the 18 locations for which IRCTC was permitted to go ahead with the tendering process as they were not identified for development as

World Class Stations, some discrepancies were noted in the tender document/proposed agreement. IRCTC is yet to take corrective measures in this regard before going further. As regards the remaining 71 sites and also 11 locations for which tendering process has been initiated but has also been identified for development as world class stations, the matter is under review of Government. The Committee are not satisfied with the reply of the Government as firstly, due to the conflict between the world class station and budget hotels and secondly, due to scanning of discrepancies in the tender document, the whole process of clearing and development the budget hotels has been inordinately delayed. The Committee, therefore, reiterate their recommendation and desire that the aforesaid exercise should be completed in a time bound manner so as to ensure that there is no further delay in setting up of budget hotels.

RECOMMENDATION (SI. No. 9)

17. Stressing the need for a review of the Catering Policy of the Government, the Committee in their original Report observed as follows:-

“The Committee note that catering activities of IRCTC which were taken over from Indian Railways in 1998 on as is where is basis are governed by the Catering Policy 2005 of the Ministry of Railways. In order to modernize and upgrade the catering activities of IRCTC, the Ministry of Railways brought a Revised Catering Policy. One of the main features of the Extant Catering Policy is to lay down technical criteria to ensure that only experienced business entities with specified turnover, experience in catering/hospitality sector are selected through tender process so that quality catering services are provided to the rail passengers. The Committee also note that with a view to provide catering services of highest quality to their rail passengers, IRCTC has taken a number of initiatives like setting up complaint monitoring cells at major locations to handle related complaints through computerized system, circulation of feed back Performa

to assess the expectations of customers and to pinpoint the grey areas, remedial measures by quality inspectors after inspection at source point, hiring of international food audit system or betterment of services etc. The Committee are, however, surprised to note that despite all the initiatives taken by the IRCTC/Ministry, the quality of catering services could not be improved as complaints against the existing catering licenses for poor quality services, over charging, non-working of pantry car equipments, under-supply of food, improper and unhygienic cooking methodology, poor service technique etc. are pouring in incessantly. IRCTC is blaming the Catering Policy of the Government as it is unsupportive to the selection of quality catering licensees. IRCTC informed the Committee that prior to the evolution of catering policies, catering services on stations were being managed by individual propriety firms, partnership firms etc. without any tender system for licensing. Since these catering units were awarded licenses without going through any tendering process and evaluating their technical capabilities, they have been providing sub-standard and adulterated food services at the rail stations staking the image of IRCTC. The extant Catering Policy has not taken care of the fact that catering units/individual propriety firms, having no technical know-how are still continuing to provide catering services at railway stations which is substandard and adulterated as per the version of the IRCTC. Thus, catering practices by such firms/individual have a damaging effect on the credibility of IRCTC. They also observe that there is widespread unauthorized vending prevalent at the railway stations which the existing catering policy has not addressed to and has neither suggested nor appeared to have taken preventive measures. In the light of the fact that the Catering Policy has not dealt with a number of grey areas, which is badly affecting the working of IRCTC and its public image, the Committee feel that the so called Revised Catering Policy 2005 with particular reference to the selection process of quality catering licensees is required to be re-looked. The Committee also desire that while making a review of the Catering Policy, the suggestions of IRCTC may be called for and suitably looked into so that IRCTC can carry out their mandated activities and fulfills the aspirations of the rail users.”

18. Government in their Action Taken Reply to the above-mentioned recommendation of the Committee have stated as under:-

“Some amendments in earlier catering policy issued on 16.03.2005 have been undertaken and revised instructions have been issued in December, 2005 in respect of tenure of licence, renewal of licence etc. The amendments in the policy have been done keeping in view the recommendations of the Standing Committee of parliament on railways, and representations received from various quarters. The guidelines for tendering/screening of applications which include the eligibility criteria,

technical bid and financial bid along with general conditions of contract has been circulated vide letter No. 2005/TG.III/600/5 dated 23.12.2005 by the Board. These guidelines are indicative and not exhaustive. Suitable modification in these conditions can be done as per local and market conditions by MD/IRCTC. Further IRCTC will follow the basic spirit of catering Policy. Since open tendering is the most appropriate and transparent method of selection, IRCTC should attain greater expertise in tendering. Within the parameters of the extant Catering Policy, IRCTC is competent to issue suitable conditions for bidders to bid for various contracts. The system of functioning of IRCTC in terms of regulation and discharging the functions of catering are detailed in MOU between IRCTC and Railway Board.

Unauthorized hawking is not permitted in railway premises as per Indian Railways Act, 1989 and as amended from time to time. Unauthorized vending and hawking in trains and in passenger area is prohibited and constitutes an offence under section 144 of Railway Act 1989 and Railways Act 2003 (Second Amendment). Zonal railways are taking action accordingly.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

19. Concerned over the absence of stringent guidelines against the poor catering services by the existing catering licensees and widespread unauthorized vending, in the Catering Policy of the Government which is staking the public image of IRCTC, the Committee recommended for a review of the catering policy with particular reference to the selection process of quality catering licensees and desired to have a considered view to the suggestions, if any, made by IRCTC in this regard.

In this regard, the Government in the Action Taken Reply have inter alia stated that the guidelines enshrined in the catering policy are indicative and not exhaustive and suitable modifications in these conditions can be done as per local and market conditions by MD/IRCTC. They also stated that the unauthorized vending and hawking in trains and

in passenger area is prohibited and constitutes an offence under Section 144 of the Railways Act, 1989 and Railways Act, 2003 (Second Amendment). Zonal Railways are taking action accordingly. Further, from the Action Taken Reply, it appears that there is a lack of understanding between IRCTC management and the Ministry of Railways with regard to catering policy as both of them are playing blame game while the image of IRCTC is getting a setback. In the opinion of the Committee, any commercial organisation should function on sound business principles and prudent commercial practices. The Committee, therefore, desire that the Ministry of Railways should play more supportive role to IRCTC in the pursuit of these objectives.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

RECOMMENDATION (SI. No. 1)

Mini Ratna Status

The Committee note that IRCTC was incorporated on 27th September 1999 as a limited company to professionalize and manage catering and hospitality services in railways and to promote domestic and international tourism. To achieve their objectives, IRCTC has undertaken various initiatives and has been able to get commendable success in some of the areas. However, in certain areas such as catering services, rail-neer packaged drinking water etc. IRCTC's performance has been far from satisfactory. The Committee have been informed that due to catering activities covering 3152 railway stations being largely in unorganized sector, lack of standardization, well-entrenched catering contractors, competition from low cost carriers etc., it is facing difficulties in achieving its intended objectives. In the opinion of the Committee, hospitality industry in the country has undergone a tremendous change in the last few years leading to a greater competition in the sector. Institutional catering operations too have undergone vast changes and there is an increase in emphasis on hygienic and better quality food. As such it is increasingly imperative for IRCTC to perform in a more professionalized and efficient manner. In this connection, the Committee note that IRCTC has submitted a proposal to Ministry of Railways for grant of Mini-Ratna status and the same is under consideration of the Ministry. The Committee have also been informed that the IRCTC fulfills all the conditions required for claiming Mini-Ratna status. The Committee, therefore, desire the Ministry to expedite the proposal so that the Mini-Ratna status can be accorded to IRCTC enabling it to have desired functional autonomy for managing the Company in a professionalized manner.

Reply of the Government

The proposal of IRCTC for grant of Mini Ratna status has been considered by Ministry of Railways. Ministry of Railways has granted Mini Ratna Category I status to IRCTC.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

RECOMMENDATION (SI. No. 7)

Luxury Tourist Train

The Committee note that IRCTC has been mandated by Ministry of Railways to promote tourism in general and rail based tourism in particular. The Committee have been informed that in order to promote tourism in the country, it has mooted a proposal to launch a PAN India Luxury Tourist Train with specially designed coaches with luxurious interiors, entertainment lounge, bar and executive cuisine in partnership with ITDC/State Department/reputed private enterprises. The Committee have been informed that the said proposal has been approved in principle by the Board and presently the quantum of investment by IRCTC and management of the train, through a joint venture company, is under consideration of the Ministry. The Committee feel that in the quest for tapping the huge potential of tourism in different areas of our country, there is a need to run more such luxury trains to cover whole of India and to cater to the travel needs of the high end Indian & foreign tourists and, therefore, Ministry of Railways should extend its full support to IRCTC proposal and clear this project at their earliest by taking an 'in principle' policy decision in this regard.

Reply of the Government

The in principle approval for operation of the proposed Luxury Tourist Train was conveyed to IRCTC in November, 2007. The formalities for operation and management of the train, including formation of Joint Venture Company, has to be finalized by IRCTC.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

RECOMMENDATION (SI. No. 8)

Rail Tour Packages

The Committee note that in order to promote rail-based tourism in the country, IRCTC has designed 73 tour packages and out of these, 49 are presently in operation. Some of the popular tour packages which offer the facilities of to and fro confirmed journey by train, hotel accommodation and sight scene etc. are Delhi-Mata Vaishno Devi, Delhi-Amritsar, Delhi-Puri, Howrah-Puri, Ahmedabad-Pune, Secunderabad-Shirdi, Tirupati-Chennai, Chennai-Rameshwaram etc. From the financial performance of these tour packages during the last three years, the Committee are surprised to know that there has been a continuous loss of revenue to the Company. Explaining the reasons, IRCTC stated that during the year 2006-07, its role in the tour packages was very limited and it was confined to the arranging of booking of charter trains, charter coaches and block booking of berths from Railways. In such cases,

IRCTC was collecting only the taxes, charges of Railways plus IRCTC's service charges. The net income to IRCTC after making payment to Railways was about 5 to 6% of the gross revenue. After apportionment of the administrative expenditure of zonal office and corporate office, the package tour of IRCTC revenue turned out to be in losses. The Committee fail to understand how IRCTC, which was mandated to promote tourism in general and rail based tourism in particular, was reduced to a mere travel agent for Indian Railways during these years. The Committee are of the opinion that though IRCTC has put in efforts to design various rail packages, and has launched a rail tourism portal which has proved to be very popular also, yet failed to take initiatives to market these packages. The Committee, therefore, recommend that IRCTC should take all necessary initiatives including popularizing their tour products through print and electronic media. The Committee also recommend that IRCTC should focus on designing more affordable tour packages considering the requirements of the various age-groups and sections of the society such as students, senior citizens, Government employees as also suitable attractive packages for foreign tourists. The Committee strongly believe that if new tour packages are designed in tune with the taste and the requirement of these aforesaid groups, the Company can fetch good returns from this segment.

Reply of the Government

All the tour packages are developed and promoted by IRCTC. The role of the Railways is limited to allocation of number of seats/berths in various trains according to their requirement, the extent possible. Therefore, the performance as well as profit margins on the packages tours will depend entirely on the marketing capability of IRCTC.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

RECOMMENDATION (SI. No. 10)

Food Plazas

The Committee have been apprised that with a view to setting up of food plazas to provide multi-cuisine food outlets giving a variety of choice for eating at market prices at 183 sites, the IRCTC had invited tenders during the year 2006-07 in line with the Ministry of Railways Policy. The Committee, however, note that due to poor response from the public out of 183 sites, 122 sites, primarily at smaller stations where food plazas were not found to be financially viable are being re-tendered by IRCTC. The Committee feel that while identifying sites for setting up of food plazas, IRCTC has not undertaken any proper assessment which is indicative of the fact that there was neither any vision of the company nor any feasibility study of the sites done in this regard. The Committee, therefore, recommend that before embarking upon any identification process for

development of food plazas, IRCTC should undertake a thorough feasibility study of the sites for setting up food plazas.

Reply of the Government

The suggestion of the committee has been noted.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

RECOMMENDATION (SI. No. 12)

Food Audit by an Indian Agency

The Committee are constrained to note that for the purpose of undertaking food safety and hygiene audit, IRCTC has engaged an International Agency namely, M/s TUV SUD South Asia. The Committee express their strong displeasure over the decision of appointing a foreign firm for examining the quality of Indian food. In the opinion of the Committee, since IRCTC is mandated to provide a good quality food to their customers, majority of whom are common people who prefer to have simple and wholesome food at an affordable price, the Swiss firm, which may possibly be apt to examine the food from hygienic point of view but not be in a position to examine the quality of Indian food. The Committee, therefore, recommend that the decision for getting the food audit conducted by an International firm should be discouraged and instead, a qualified Indian agency should be appointed for examination of the food quality.

Reply of the Government

The suggestion of the committee has been noted.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

CHAPTER III

**RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO
PURSUE IN VIEW OF GOVERNMENT'S REPLIES**

- NIL -

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

RECOMMENDATION (SI. No. 2)

Board of Directors

The Committee find that the post of Managing Director on Board of Directors of IRCTC has been lying vacant since 23rd October, 2007 and Director (Tourism and Marketing) has been entrusted with the additional responsibility of Managing Director. The Committee have been apprised that the recruitment process is on and likely to be completed soon. The Committee are of the opinion that the vacancy of Managing Director in any organization particularly with commercial venture like IRCTC for considerably longer time have cascading effect on the efficiency of the company. They therefore desire that the recruitment process for filling up the vacancy of Managing Director should be completed urgently so that a duly appointed MD is in office without further loss of time. The Committee further note that besides the vacancy of MD, there are three other vacancies existing on the Board of Directors of IRCTC, namely Director (Finance) and two non-official Directors. The recruitment process for filling up of these vacancies is said to have been initiated. The Committee desire that the vacancies of Director (Finance) and two non-official Directors should be filled up expeditiously.

Reply of the Government

As regards, filing of vacancy of the post Managing Director and Director (Finance) of IRCTC, the post of Managing Director, IRCTC fell vacant on 24.10.2007 as the incumbent of the post was prematurely repatriated to the Railways. The vacancy was circulated and this Ministry's recommendations were forwarded to the PSEB (Public Enterprises Selection Board) for consideration. The PSEB held selection and recommended panel for appointment to the post of MD/IRCTC. However, the panel was not accepted. Accordingly, a reference has been made to the Department of Personnel and Training for obtaining approval of the ACC (Appointment Committee of the Cabinet) to the proposal that a fresh panel may be sought from the PSEB. The decision of the ACC is awaited.

The post of Director (Finance), IRCTC fell vacant on 04.12.2007 as the incumbent of the post resigned and was relieved by the IRCTC on 03.12.2007. The vacancy was circulated and this Ministry's recommendations were forwarded to the PSEB for consideration. The PSEB held selection and recommended panel for appointment to the post. After obtaining CVC's clearance and approval of MR, the proposal for appointment to the post of Director (Finance)/IRCTC has been submitted to the Department of personnel and Training for obtaining approval of the ACC on 24.07.2008. The ACC's approval is awaited.

Presently there is no vacancy of non-official part-time directors in IRCTC, after appointment of Shri Jagdeep S. Chhokar, Ex. Prof. I.I.M., Ahmedabad and Shri Alok Shivpuri, Principal, Pusa Institute of Hotel Management, New Delhi.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

Please see paragraph 7 of Chapter I of the Report.

RECOMMENDATION (SI. No. 3)

Staff Strength

The Committee note that IRCTC took over catering services from Indian Railways on as is where is basis along with the catering staff on deemed deputation basis. The deemed deputationists staff is being repatriated to the Railways and simultaneously a review is also being undertaken to determine the manpower requirement of the IRCTC. The Committee have been informed that as on 31st December, 2007, IRCTC had a total staff strength of 5521 and out of which 4221 were deemed deputationists staff comprising of 1094 Group C and 3127 Group D employees. The Committees have been informed that in its repatriation process of these deemed deputationists staff, which is taking place in phased manner, till now a total of 790 Group D staff has been repatriated to the Railways and the balance of Group D staff is also likely to repatriated in 2008 itself. Regarding Group C staff, the Committee, however, note that Ministry of Railways has not indicated any time-frame for completion of repatriation process. The Committee are of the opinion that due to non-fixation of any time-frame for the completion of repatriation process of Group C staff, the planning for induction of new staff is likely to suffer. The Committee, therefore, recommend that the repatriation of Group C staff should also be completed within a stipulated time-frame so that a proper planning could be done for recruitment of new staff for smooth running of its mandated activities.

Reply of the Government

The issue of repatriation of Group 'C' deemed deputationists staff from IRCTC to the zonal railways is under finalization in the Ministry of Railways (Railway Board).

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

Please see paragraph 10 of Chapter I of the Report.

RECOMMENDATION (SI. No. 4)

Imposition of Haulage Cost

The Committee find that during the year 2006-07, the gross profit of IRCTC was capped by the Ministry of Railways by issuing a directive that full

marginal cost of haulage of pantry car will be borne by IRCTC and that for the year 2006-07, after keeping the gross profit of Rs. 30 crore, the surplus money will be paid by IRCTC to Indian Railways as pantry car haulage charge. Once IRCTC starts paying the marginal cost of haulage in full, Indian Railways' share of License fee for mobile units (15%) plus payment of 5% as maintenance cost of pantry cars would be reviewed and suitably reduced. The Committee note that contesting the decision of the Ministry, IRCTC tendered a contention that since catering service is a passenger amenity, haulage cost cannot be added to the cost of meal. Moreover, the haulage cost for pantry car will add at least 10% to the overhead costs and will affect the quality of food and services on mobile units, unless tariffs are suitably raised. Justifying the imposition of haulage cost on IRCTC, Ministry of Railways have stated that they have decided to levy haulage cost for pantry cars as Indian Railways has incurred losses for catering services amounting to Rs. 494.46 crore in 2005-06 alone. A sizeable portion of these losses is on account of haulage cost of pantry cars. The Committee are surprised to note that how Ministry of Railways can put a cap on the gross profit of IRCTC by imposing an abrupt and arbitrary decision on IRCTC. The Committee have been further informed by IRCTC that there was no such provision in the Memorandum of Understanding 2006-07 signed between the IRCTC and Ministry of Railways. The Committee fail to understand as to how the Ministry of Railways have levied haulage charge in the absence of any such clause in MOU. As regards the tenability of haulage cost, the Committee feel that since this being passenger amenity, the pantry car is normally attached to the trains with a view to provide on board catering services to the rail passengers, imposition of haulage charges would affect the profitability of the company as this extra cost cannot be transferred to the passengers. Since haulage cost for pantry cars levied on IRCTC adds at least 10% to the overhead cost, which would affect the quality of food and services on mobile units, unless the tariffs are suitably raised, in this regard, the Committee recommended that the request of IRCTC for withdrawal of haulage cost should be considered favorably so that the company is not forced to transfer this cost to the passengers using catering services.

Reply of the Government

The request of IRCTC for not imposing on it the haulage charges of pantry cars, has been examined in the Ministry of Railways, but has not been agreed to. Instead of payment of full haulage charges, it has been decided by the Ministry of Railways to realize only Rs.30 crore from IRCTC as haulage charges for the year 2007-08.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

Please see paragraph 13 of Chapter I of the Report.

RECOMMENDATION (SI. No. 5)

Budget Hotels

The Committee note that with a view to utilize its surplus land commercially, the Ministry of Railways decided to set up 100 budget hotels in the vicinity of the railway stations for tourists and rail users and authorized IRCTC to develop them on public private partnership mode in 2006. The Committee further note that IRCTC which identified 100 locations for the purpose simultaneously initiated the tendering process for 29 sites and requested the Ministry of Railways to give its clearance for allotment of land.

The Committee, however, note that during the year 2006-07, Ministry of Railways put on hold the process of handing over of 29 budget hotel sites on the pretext that the matter of fixing norm and modalities of sparing of land to IRCTC, Railway Land Development Authority, Mumbai Rail Vikas Corporation etc. for various uses was under consideration of Railway Board and that the Government is reviewing the proposed sites with a view to develop world class station. The Committee have further been informed that after IRCTC again took up the matter with the Railway Board, Ministry of Railways decided to clear 21 sites, leaving 8 sites for development of world class stations. The Committee are distressed to note that due to the sudden introduction of Government's new concept of developing world class stations on the identified sites of IRCTC in 2007, the process of clearing the sites for construction of budget hotels got delayed by almost one year and created a conflict between the process of development of budget hotels and world class stations at the proposed sites. The Committee desire that this conflict should be resolved expeditiously and therefore, recommend that in order to avoid any conflict between development of budget hotels and world class stations, Ministry of Railways should first undertake a review of all the remaining sites identified by IRCTC for the purpose of developing world class stations by stipulating a time-frame so that no delay is caused in finalizing the sites for the development of budget hotels of IRCTC.

Reply of the Government

The Ministry of Railways has decided to set up 100 Budget Hotels through IRCTC with Public Private participation. IRCTC initiated tendering process in respect of 29 locations. In the meanwhile, some of the locations identified for setting up of Budget Hotels has also been identified for development as World Class Stations. Out of these 29 locations, 11 locations has been identified for development as World Class Stations, as an interim measure, IRCTC was permitted to go ahead with such locations which has not been identified for development as World Class Stations.

In respect of the 18 locations not identified for development as World Class Stations and for which tendering process was initiated, some discrepancies were noted in the tender document/proposed agreement. IRCTC is yet to take corrective measure in this regard before going ahead further.

As regards the balance 71 locations and also 11 locations for which tendering process has been initiated but has also been identified for development as world-class stations, this issue is still under review.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

Please see paragraph 16 of Chapter I of the Report.

RECOMMENDATION (SI. No. 9)

Catering Policy

The Committee note that catering activities of IRCTC which were taken over from Indian Railways in 1998 on as is where is basis are governed by the Catering Policy 2005 of the Ministry of Railways. In order to modernize and upgrade the catering activities of IRCTC, the Ministry of Railways brought a Revised Catering Policy. One of the main features of the Extant Catering Policy is to lay down technical criteria to ensure that only experienced business entities with specified turnover, experience in catering/hospitality sector are selected through tender process so that quality catering services are provided to the rail passengers. The Committee also note that with a view to provide catering services of highest quality to their rail passengers, IRCTC has taken a number of initiatives like setting up complaint monitoring cells at major locations to handle related complaints through computerized system, circulation of feed back Performa to assess the expectations of customers and to pinpoint the grey areas, remedial measures by quality inspectors after inspection at source point, hiring of international food audit system or betterment of services etc. The Committee are, however, surprised to note that despite all the initiatives taken by the IRCTC/Ministry, the quality of catering services could not be improved as complaints against the existing catering licenses for poor quality services, over charging, non-working of pantry car equipments, under-supply of food, improper and unhygienic cooking methodology, poor service technique etc. are pouring in incessantly. IRCTC is blaming the Catering Policy of the Government as it is unsupportive to the selection of quality catering licensees. IRCTC informed the Committee that prior to the evolution of catering policies, catering services on stations were being managed by individual propriety firms, partnership firms etc. without any tender system for licensing. Since these catering units were awarded licenses without going through any tendering process and evaluating their technical capabilities, they have been providing sub-standard and adulterated food services at the rail stations staking the image of IRCTC. The extant Catering Policy has not taken care of the fact that catering units/individual propriety firms, having no technical know-how are still continuing to provide catering services at railway stations which is substandard and adulterated as per the version of the IRCTC. Thus, catering practices by such firms/individual have a damaging effect on the credibility of IRCTC. They also observe that there is widespread unauthorized vending prevalent at the railway stations which the existing catering policy has not addressed to and has neither suggested nor appeared to have taken preventive measures. In the

light of the fact that the Catering Policy has not dealt with a number of grey areas, which is badly affecting the working of IRCTC and its public image, the Committee feel that the so called Revised Catering Policy 2005 with particular reference to the selection process of quality catering licensees is required to be re-looked. The Committee also desire that while making a review of the Catering Policy, the suggestions of IRCTC may be called for and suitably looked into so that IRCTC can carry out their mandated activities and fulfills the aspirations of the rail users.

Reply of the Government

Some amendments in earlier catering policy issued on 16.03.2005 have been undertaken and revised instructions have been issued in December, 2005 in respect of tenure of licence, renewal of licence etc. The amendments in the policy have been done keeping in view the recommendations of the Standing Committee of parliament on railways, and representations received from various quarters. The guidelines for tendering/screening of applications which include the eligibility criteria, technical bid and financial bid along with general conditions of contract has been circulated vide letter No. 2005/TG.III/600/5 dated 23.12.2005 by the Board. These guidelines are indicative and not exhaustive. Suitable modification in these conditions can be done as per local and market conditions by MD/IRCTC. Further IRCTC will follow the basic spirit of catering Policy. Since open tendering is the most appropriate and transparent method of selection, IRCTC should attain greater expertise in tendering. Within the parameters of the extant Catering Policy, IRCTC is competent to issue suitable conditions for bidders to bid for various contracts. The system of functioning of IRCTC in terms of regulation and discharging the functions of catering are detailed in MOU between IRCTC and Railway Board.

Unauthorized hawking is not permitted in railway premises as per Indian Railways Act, 1989 and as amended from time to time. Unauthorized vending and hawking in trains and in passenger area is prohibited and constitutes an offence under section 144 of Railway Act 1989 and Railways Act 2003 (Second Amendment). Zonal railways are taking action accordingly.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

Comments of the Committee

Please see paragraph 19 of Chapter I of the Report.

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

RECOMMENDATION (SI. No. 6)

Rail Neer-Packaged Drinking Water

The Committee have been informed that with a view to provide the good quality packaged drinking water on railway premises and in trains, IRCTC presently owns and operates two Rail Neer manufacturing plants at Nangloi (Delhi) and Danapur (Bihar). Since its inception, Rail Neer has been highly popular among the bonafied railway passengers since the brand was providing good quality drinking water of international standards and is cheaper when compared to other brands, at the nominal rate of Rs. 10/- fixed by Ministry of Railways. However, the Committee are surprised to note that despite the good market of Rail Neer, it has been continuously showing losses. Regarding the reasons for loss, IRCTC clarified that the loss was due to the transfer of Railneer-packaged drinking water to other outlets (catering units) at various Railway Stations on stock transfer price @ of Rs. 7.00 per bottle of 1000ml. Further, Railway Board has fixed procurement price of Railneer at the following rates:- In Delhi and Patna area-Rs. 6.50 (per bottle), outside Delhi/Patna area-Rs. 7.00 (per bottle). IRCTC is supplying Railneer to its licensees as well as various railway departments at the above stated rates. The Committee recommend that the procurement prices of Rail Neer should be suitably rationalized to offset the losses occurring to IRCTC due to its under price sale to its licences and other catering units.

The Committee further note that as a part of IRCTC's strategy to make available Rail Neer to maximum number of trains and static units, there is a plan to enhance the production capacity of Rail Neer Plant, Nangloi from 5500 to 8500 cartons per day followed by Danapur Plant, for which the necessary ground work is being done. Further, as a continuation of the original plan to set up additional Rail Neer Plants to strengthen the supply logistics, two locations have been identified i.e. Palur in Tamilnadu and Ambernath in Maharashtra. The preliminary studies have been got done and necessary inputs have been incorporated from the learning experience obtained from the operation of the existing Rail Neer Plants. The final approval is awaited from Railways for taking possession of the land. The Committee find that there is a huge demand of Rail Neer in the market but due to inadequate supply by IRCTC, certain other brands are also managing to sell their packaged drinking water at railway stations premises thereby eroding the profitability of the Company. The Committee, therefore, desire that besides enhancing the capacity of existing two manufacturing plants, the IRCTC's plan to set up two more plants at Tamil Nadu and Maharashtra should be expeditiously finalized and recommend that the proposals for final approval of the land which is currently awaited from the Ministry of Railways should be accorded at the earliest.

Reply of the Government

IRCTC had requested for revision of the price of 'Rail Neer' from Rs. 10 to Rs. 12 per 1 litre bottle, which has been agreed to by the Ministry of Railways. Railway Board have also cleared the proposal for setting up of two new Rail Neer plants in terms of the existing MOU between Indian Railway and IRCTC subject to the condition that:-

1. Land proposed to be allotted to IRCTC should be approved by General Manager of the concerned Railway.
2. No encumbrances of any private investor/party should be created by IRCTC in the said land.

Zonal Railways and IRCTC have been advised to take further necessary action accordingly.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

RECOMMENDATION (SI. No. 11)

Price Revision

The Committee note that the prices of most of the food products catering items that are being presently sold at railway stations and in trains were fixed by the Ministry of Railways in 1999. The Committee understand that prices of the inputs have increased manifold since 1999 and no revision of the prices of catering items has been undertaken since then which has badly affected the quality of the catering products and financial health of IRCTC. The Committee desire that the price of the products should be reviewed and revisions/adjustments if required should be made at the earliest. In future, the pricing policy of beverages and food articles including its quality and standard should be reviewed periodically.

The Committee further desire that IRCTC should economies their expenditure by way of reducing overhead charges.

Reply of the Government

A committee was set up to review menu and tariff of catering services of Railways and the recommendations of this Committee are presently under examination in the Ministry.

(Ministry of Railways O.M. No. 2008/RCC/206(COPU)/1 dated 24.10.2008)

New Delhi:
19th December, 2008
28 Agrahayna, 1930(S)

RUPCHAND PAL
Chairman
Committee on Public Undertakings

MINUTES OF THE 13th SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 19 DECEMBER, 2008

The Committee sat from 1500 hours to 1600 hours.

PRESENT

Chairman

Shri Rupchand Pal

Members, Lok Sabha

- 2 Shri Ramesh Bais
- 3 Shri Francis K. George
- 4 Shri Harikewal Prasad
- 5 Shri Kashiram Rana
- 6 Smt. Pratibha Singh
- 7 Shri K.V. Thangkabalu
- 8 Shri Ram Kripal Yadav

Members, Rajya Sabha

9. Shri Rahul Bajaj
10. Shri Sharad Anantrao Joshi

Secretariat

- | | | |
|---|--------------------|---------------------|
| 1 | Shri J.P. Sharma | Joint Secretary |
| 2 | Smt. Anita Jain | Director |
| 3 | Shri Ajay Kumar | Deputy Secretary-II |
| 4 | Shri H.Ram Prakash | Under Secretary |

2. The Committee considered the following two draft reports and adopted both with minor modification:

- (i) Draft report on Action taken by the Government on the recommendations contained in the 30th Report of the Committee on Public Undertakings (14th Lok Sabha) on Indian Railway Catering & Tourism Corporation Limited; and
- (ii) XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXX.

3. The Committee authorized the Chairman to finalize the above Reports for presentation to the House.

4. XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX.

5. The Committee then adjourned.

APPENDIX II

(Vide para 3 of the Introduction)

Analysis of the Action Taken by Government on the recommendations/ observations contained in the Thirtieth Report of the Committee on Public Undertakings (Fourteenth Lok Sabha) on "Indian Railway Catering and Tourism Corporation Limited".

I	Total number of recommendations	12
II	Recommendations that have been accepted by the Government [vide recommendations at Sl. Nos. 1, 7, 8, 10, and 12.]	
	Percentage of total	41.67%
III	Recommendation which the Committee do not desire to pursue in view of Government's replies [vide recommendation at Sl. Nos.	
	Percentage of total	NIL
IV	Recommendations in respect of which replies of the Government have not been accepted by the Committee [vide recommendations at Sl. Nos. 2, 3, 4,5 and 9]	
	Percentage of total	41.67%
V	Recommendations / observations to which the Government have furnished interim replies (Chapter V) Sl.Nos. 6 and 11	
	Percentage of total	16.66%