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**STANDING COMMITTEE ON RAILWAYS
(2017-18)**

(SIXTEENTH LOK SABHA)

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

TWENTY FIRST REPORT

NEW RAILWAY CATERING POLICY 2017



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2018/ Sharavan, 1940 (Saka)

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Presented to Lok Sabha on 07.08.2018

Laid in Rajya Sabha on 07.08.2018



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2018/ Sharavan, 1940 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON RAILWAYS (2016-17)

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri P.K. Kunhalikutty*
3. Kunwar Pushpendra Singh Chandel
4. Shri Ram Tahal Choudhary
5. Shri Rajeev Shankarrao Satav[#]
6. Shri Sudheer Gupta
7. Shri Chandra Prakash Joshi
8. Shri Ramesh Kaushik
9. Shri Gajanan Chandrakant Kirtikar
10. Shri Balabhadra Majhi
11. Shri K.H. Muniyappa
12. Shri A.T. Nana Patil
13. Shri R. Radhakrishnan
14. Shri M. Raja Mohan Reddy
15. Shri Lakhanlal Sahu
16. Prof. (Dr.) Ram Shanker
17. Shri G.M. Siddeshwara
18. Shri Ganesh Singh
19. Shri Uday Pratap Singh
20. Shri Narasimham Thota
21. Shri S.R. Vijayakumar

RAJYA SABHA

22. Shri A.K. Antony
23. Shri Ranvijay Singh Judev
24. Shri Shwait Malik
25. Shri Satish Chandra Misra
26. Shri Mukut Mithi
27. Shri Garikapati Mohan Rao
28. Shri T. Rathinavel
29. Shri Bashistha Narain Singh
30. Shri Alok Tiwari
31. Shri Motilal Vora

@ Constituted w.e.f. 01.09.2016 vide Lok Sabha Bulletin Part II No.4105 dated 15.09.2016

* Shri E. Ahmed passed away on 01.02.2017 (Ref.: Lok Sabha Sectt. Notification No.24/4(1)/2017/T(B) dated 01.02.2017).
Shri P.K. Kunhalikutty was nominated w.e.f. 19.07.2017 (Ref.:LS Bulletin Part II No.5526 dated 19.07.2017)

[#] Shri Rajeev Shankarrao Satav was nominated in place of Shri Gaurav Gogoi vide LS Bulletin Part II No.5163 dated 28.03.2017

COMPOSITION OF STANDING COMMITTEE ON RAILWAYS (2017-18)@

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri Ram Tahal Choudhary
3. Shri Sudheer Gupta
4. Shri Chandra Prakash Joshi
5. Dr. Ramshankar Katheria
6. Shri Ramesh Chander Kaushik
7. Shri Ram Mohan Naidu Kinjarapu
8. Shri Gajanan Kirtikar
9. Shri P.K. Kunhalikutty
10. Shri Balabhadra Majhi
11. Shri K.H. Muniyappa
12. Shri A.T. Nana Patil
13. Sadhvi Savitri Bai Phule
14. Shri Vijaya Kumar S.R.
15. Shri R. Radhakrishnan
16. Shri Lakhan Lal Sahu
17. Shri Rajeev Satav
18. Shri G.M. Siddeshwara
19. Shri Ganesh Singh
20. Shri Uday Pratap Singh
21. Vacant **

RAJYA SABHA

22. Shri A.K. Antony
23. Shri Shwait Malik
24. Shri Satish Chandra Misra
25. Shri Mukut Mithi
26. Shri Garikapati Mohan Rao
27. Shri T. Rathinavel
28. Shri Bashistha Narain Singh*
29. Mahant Shambhuprasadji Tundiya
30. Shri Motilal Vora
31. Ms. Saroj Pandey#

@ Constituted w.e.f. 01.09.2017 vide Lok Sabha Bulletin Part II No. 5837 dated 26.09.2017.

* Shri Bashistha Narain Singh retired w.e.f. 02.04.2018 vide Committee Branch-I note dated 16.01.2018 and re-nominated w.e.f. 02.06.2018 vide Bulletin Part II no. 6894 dated 07.06.2018.

Ms. Saroj Pandey was nominated w.e.f. 02.06.2018 vide Bulletin Part II no. 6894 dated 07.06.2018 in place of Shri Darshan Singh Yadav who retired w.e.f. 02.04.2018 vide Committee Branch-I note dated 16.01.2018.

** Shri Mekapati Rajamohan Reddy resigned w.e.f. 20.06.2018 vide Bulletin Part II No. 6904 dated 21.06.2018.

LOK SABHA SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri Arun K.Kaushik - Director
3. Shri Ram Lal Yadav - Deputy Secretary

INTRODUCTION

I, the Chairperson, Standing Committee on Railways (2017-18) having been authorised by the Committee to present the Report on their behalf, present this Twenty First Report on 'New Railway Catering Policy 2017'.

2. This Report is based on facts and figures submitted by the Ministry of Railways and the depositions made by the representatives of the Ministry of Railways (Railway Board) before the Committee on 31.05.2017, 04.08.2017, 07.12.2017 and 21.12.2017. The Committee considered and adopted the Report at their sitting held on 02.08.2018. Minutes of the related sittings are given in the Appendix to the Report.

3. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) for appearing before the Committee and furnishing the information that the Committee desired in connection with the examination of the New Railway Catering Policy 2017. They would also like to place on record their appreciation for the assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

New Delhi;
02, August, 2018
11 Shravana, 1940 (Saka)

SUDIP BANDYOPADHYAY
Chairperson
Standing Committee on Railways

PART I

REPORT

CHAPTER 1

INTRODUCTORY

A. BACKGROUND ANALYSIS

1.1 Indian Railways is one of the largest rail network of the world and functions as a vertically integrated organization providing passenger and freight services. It carries approximately 23 million passengers per day with 13313 passenger trains and hauls 1,000 million tons of freight by 9212 freight trains over 67,368 route kilometers. The Railways have 8495 Railway Stations all over the network which have been categorized into seven categories viz. A1, A, B, C, D, E, and F based on the annual earnings from passenger traffic at the stations.

1.2 Keeping in view the huge and voluminous flow of travelling passengers, Railway needs the services of a well managed catering and vending system for supply of tasty and wholesome food at reasonable prices to passengers. In such a vast network, it becomes imperative on the part of Indian Railways to facilitate best, qualitative and hygienic catering services to millions of travelling people on 24x7 basis who extend their continued patronage to it. Therefore, Railways need proper policy and planning with regard to the catering services. In Indian Railways, catering services are managed through Licensees and IRCTC.

1.3. Departmental catering was introduced in Indian Railways in 1955-56 on a 'No Profit, No Loss' basis at selected important stations and in certain train services so as to set the standard and service as a model. Due to recurring losses, Railway Board decided (1968) to adopt economy measures which *inter alia* included handing over the units running with recurring losses to contractors and run the departmental units on a nominal profit of three to four per cent which was to be ploughed back for effecting improvement in the services.

1.4. Catering Policy in Indian Railways has been frequent changing over the years in principles and guidelines governing it. Prior to the year 2000, the catering services were managed through departmental operations and through licensing of catering services. During 1999, IRCTC was set up as an extended arm of Indian railways under the Companies Act and from 2002 onwards, catering

service was given to it. First Catering Policy was introduced in 2000 which was revised in 2005 and again in 2010.

1.5. The Ministry of Railways, in their written replies, briefed the objectives behind setting up of IRCTC as under:

"In 1999, in order to commercialize and corporatize Railways' Catering and Tourism related activities, IRCTC was incorporated as an extended arm of the Indian Railways. IRCTC was mandated to upgrade, professionalize and manage the catering and hospitality services on Indian Railway. Keeping in view the objective of the Cabinet for setting up of IRCTC, the catering activities of Railways were hived off to IRCTC during 2000-03 on 'as is where is' basis along with the staff in the Catering Department of Indian Railways. Catering Policy, 2004 and 2005 was issued which also mandated IRCTC to manage catering services on Indian Railways. Till issuance of Catering Policy, 2010, major portion of management of catering services on Indian Railways was with IRCTC."

1.6. Stating the reasons for implementation of a new Catering Policy, 2010, the Ministry informed the Committee as under:

"However, White Paper on Indian Railways presented in Parliament in 2009, observed no substantial and visible improvement in catering services as IRCTC focused on revenue generation and catering services continued to be operated by the same set of licensees. Based on the above observation, a new catering policy 2010 was formulated and notified on 21/07/2010 wherein the task of managing catering services was shifted from IRCTC to the Zonal Railways. Nevertheless, IRCTC continued to manage premium and high end outlets like Food Plazas, Food Courts and Fast Food Units."

B. CATERING POLICY, 2005

1.7. IRCTC will follow the overall policy guidelines with reference to class of stations, definitions of major and minor units, reduction in congestion, provision of pantry car, transfer of license, exclusion and inclusion of clause, tendering system, application system, tariff, reservation policy, renewal, tenure, ceiling limit on holding of catering units, mutually agreed model agreement, arbitration etc. contained in the policy guidelines or amended/reviewed from time to time by Ministry of Railways. It is advised that as and when the catering services are taken over by IRCTC, the functions relating to catering hitherto performed by the Zonal Railways would be performed by IRCTC.

(i) All new allotments of catering contracts are to be done by IRCTC. However, contracts at 'D', 'E' and 'F' category stations will continue to be controlled and awarded by Railways till IRCTC is equipped to take over these units.

- (ii) Reduction/relocation of existing stalls in order to ease congestion on platforms. A standing committee of three divisional officers should conduct a detailed review of catering/vending facilities at all stations and take systematic steps to decongest the platforms as per a master plan for each station.
- (iii) No catering/vending units should be taken up for departmental management and only catering licenses will be awarded in future.
- (iv) IRCTC/Railway should review from time to time, the performance of departmental units.
- (v) Railways will not make any fresh recruitment in catering department except in the categories specified by Board.
- (vi) Nominal land license fee for land leased to IRCTC, if any, will be payable by IRCTC and revenue sharing will be as per Memorandum of Understanding in vogue between Indian Railways and IRCTC.
- (vii) IRCTC will allow the authorised Railway and other officials to inspect and take notice of complaints and to impose fines and make suggestions.

C. CATERING POLICY, 2010

1.8. There is a paradigm shift in the new Policy with regard to the whole approach towards railway catering. Whereas earlier policy sought to treat catering as an independent profit centre, this policy acknowledges catering as a passenger service.

- (i) The proposed policy seeks to bring improvements in catering by shifting the task of monitoring quality of service from IRCTC to the Zonal Railways and attempts to leverage Zonal Railways' vast and elaborate all India network in order to effect a thorough supervision and control over catering activities.
- (ii) Emphasis has been placed to ensure the availability of quality food for the not-so-affluent classes of passengers by providing Janata Food and Jan Ahaar (economy combo meals) by means of Refreshment Rooms, stand alone outlets and the vending stalls.
- (iii) Quality initiatives for effecting improvements in mobile catering, an all-India grid of base kitchens is being planned. These kitchens will be state-of-the-art incorporating the best

technology available and will be constructed within the railway premises so as to ensure a better supervision and smooth logistics.

(iv) Supervision and monitoring has been strengthened through an institutional mechanism to be put in place by the Zonal Railways by deploying railway personnel, who would check quality and hygiene and take corrective action in a time bound manner. Standard Bid Document will be redesigned with weightage to quality parameters.

(v) IRCTC would continue to be a service provider to the Indian Railways and shall be responsible for managing the premium and high end outlets like Food Plazas, Food Courts and Fast Food Units and institutional catering outside railways.

(vi) Given the vast variety of cuisines and culinary preferences all over the country, regional cuisine is being encouraged and the zonal railways are being the authority to design the menu, recipes and fix tariff of the a-la carte items within their jurisdiction as per the local tastes and purchasing power.

(vii) The methodology of fixation of the License fee has been revised by adopting rational parameters.

(viii) The issue of monopolization of contracts has been addressed by having stringent ceiling limits on holdings for each category of units.

(ix) Given the social responsibility of the Railways and its obligations towards the under-privileged and the needy sections of the society, reservation policy as envisaged earlier, is being continued.

1.9. As per the Catering Policy of 2005, catering business of Indian Railways was progressively hived off to Indian Railway Catering and Tourism Corporation (IRCTC) with a commitment to bring down the losses of departmental catering units to zero and to improve the quality. As IRCTC was not able to turn around these catering units and there were many complaints regarding catering services, Railway Board decided to take back catering services from IRCTC and formulated a Catering Policy 2010 with the objective of providing hygienic, good quality affordable food to the travelling public. In 2010, the Policy was revised and Indian Railways decided to take back the management of all catering units except Food Plazas, Food Courts and Fast Food Units from IRCTC and manage them departmentally.

1.10. As the quality of catering services was not enhanced as expected, Railway Board has formulated a New Catering Policy, 2017 which has been issued on 27 February, 2017 (Vide Commercial No. 20 of 2017-Annexure). In this regard, Hon'ble Minister of Railways during Rail Budget 2016-17 had also announced that,

".....IRCTC would begin to manage catering services in a phased manner. IRCTC would unbundle catering services by creating a distinction primarily between food preparation and food distribution.

....Adding 10 more IRCTC operated, mechanized, sophisticated base kitchens to ensure fresh and hygienic supply of food on trains."

1.11. The Ministry of Railways have furnished the historical background of New Catering Policy, 2017 as under:

- (i) "Sreedharan Committee constituted in November, 2014 suggested tangible changes in catering business for proper system and procedures and handing over catering to IRCTC.
- (ii) Bibek Debroy committee constituted in September, 2014 for "Mobilization of Resources for Major Railway Projects and Restructuring of Railway Ministry and Railway Board", suggested introduction of e-catering.
- (iii) In-house committee of CCMs constituted in October, 2015 to work out the modalities of transfer of catering services to IRCTC.
- (iv) Various committee reports revealed-for noticeable improvement in catering services, catering policy needed to be revised.
- (v) Unless the quality of food at source where it is prepared is controlled, quality of food onboard will not change.
- (vi) With comprehensive view of the existing catering services and various insights and inputs received, framing of New Catering Policy was announced in the Railway Budget, 2016.
- (vii) Draft of the New Policy kept in the public domain for feedback from multiple stakeholders viz. customers, zonal railways, service providers etc."

D. NEW CATERING POLICY, 2017

1.12. The Ministry in their written replies has furnished the salient features of new Catering Policy 2017 as under:

- (i) IRCTC to manage catering service on all mobile units. Pantry car contracts awarded by zonal railway to be re-assigned to IRCTC.
- (ii) Meals for all mobile units to be picked up from the nominated kitchens owned, operated and managed by IRCTC.
- (iii) IRCTC not to outrightly outsource or issue licenses for provision of catering services to private licensees. IRCTC to retain the ownership and be fully accountable for all the issues pertaining to setting up and operation of the Base Kitchens and quality of food.
- (iv) IRCTC to engage service providers from hospitality industry for service of food in trains.
- (v) Kitchen structures/land/space to be handed over by Zonal Railways to IRCTC for a period of 10 years extendable for another period of 5 years, on a token license fee.
- (vi) IRCTC to be responsible for management of Food Plazas, Food Courts, Fast Food Units within the ambit of this policy.
- (vii) The setting up/development/refurbishment of new or existing Base Kitchens/Kitchen units to be undertaken by IRCTC. These kitchens are to be owned, operated and managed by IRCTC. IRCTC shall develop different types of kitchens keeping in view supply of food and usage assessed.
- (viii) IRCTC shall develop the business model for the kitchens so that they can expand and enhance the service. IRCTC shall prepare a detailed concession agreement for setting up/development of the kitchens.
- (ix) IRCTC to involve/empanel Self Help Groups for providing catering related services.
- (x) Zonal Railway to manage static unit (catering stall/milk stalls/trolleys etc.) except base kitchens and kitchen units to be handed over to IRCTC at A1 and A class stations.

(xi) Provision of perpetual renewal has been done away with. Now it has been envisaged that tenure of all static units (except kitchen units and Food Plaza) shall be 5 years only. Tenure of Food Plaza shall be for a period of 9 years.

(xii). Allotments of General Minor Units at all category stations to be done through open, competitive, two-packet tendering system from the eligible bidders by divisions.

(xiii). For the first time, it has been envisaged that allotment of Special Minor Units (reserved category) at all category stations will be done by Divisions through open tendering system within the similar reserved category. The technical eligibility criterion has been simplified.

(xiv). 33% sub quota for women in allotment of each category of minor catering units at all category of stations to be provided.

1.13. Transfer of catering services through mobile catering units, base kitchens, cell kitchens, refreshment rooms at A1 and A category of stations, food plazas, food courts, train side vending, jan ahaars to IRCTC. All other catering units like refreshment rooms at B and below category stations, Automatic Vending Machines, Milk Stalls, trolleys shall remain with Zonal Railways.

1.14 Food preparation and food distribution has been delinked. Food will be cooked in kitchens operated and maintained by IRCTC. IRCTC is permitted to engage service providers from hospitality industry for serving food in trains.

(i) IRCTC will develop/refurbish new or existing kitchen units. These kitchens are expected to be modern, mechanized and quality ensured through a valid ISO Certification. IRCTC shall retain the ownership and shall be fully accountable for all the issues pertaining to setting up and operation of the base kitchens and quality of food.

(ii) The old catering stalls will be replaced gradually with the compact modular stalls of superior quality material. The menu and tariff of catering units (other than Food Plazas etc.) will be fixed by IRCTC in consultation with the Zonal Railways/Railway Board. Rates for meals in the trains served by the IRCTC will be fixed by the Railway Board.

(iii) Officials of Railway Board, Zonal Railways and Divisions shall be authorized to inspect the kitchen units/mobile catering units and taking penal action for the deficiencies noticed in catering services.

(iv) Criteria for license fee has been retained at 12 per cent of turn over. The fixation of license fee has to be done by Zonal Railways. The formula for fixing the license fee is to be devised by each Zonal Railway. Revised criteria for ceiling of catering units allotted to private contracts has also been prescribed.

1.15. On being asked about the reasons for re-entrusting of catering services from to IRCTC, the Chairman, Railway Board in his oral evidence, deposed as under:

"This decision to give catering back to IRCTC has seen two flip flops. In 2005, we decided that everything should be done by IRCTC and in 2010, we said that everything should come out of IRCTC and by the time they are getting established, then we said that everything should go back to them. These flip flops also affect the end product. Now the latest policy is quite a well thought out policy. It talks about manufacture of food, distribution of food etc. It has restored the work of catering back to IRCTC where it should rightfully be, because this body was developed for this purpose. In the near future, we can see a lot of improvement in the quality of catering in the Indian Railways."

1.16. When enquired whether IRCTC is in a position to take over the onus of catering services in new Catering Policy, 2017 which was taken back in 2010, the Chairman, Railway Board submitted that,

" Basically we feel that IRCTC is in a position to handle this work better. We are also strengthening the system of our base kitchens because the cooked food will be picked up from the base kitchens. If they provide quality food, I think a lot of complaints on the quality of food that is being served in the trains will be taken care of."

1.17. In this regard, the Ministry, in a written reply, submitted as follows:

"The condition of catering over Indian Railways however did not improve. Two Committees namely 'Debroy Committee on Railways' and 'Sreedharan Committee on Railways' were constituted to study inter alia Catering Services over Indian Railways. The Debroy Committee felt, inter alia, that the decision in 2010 to switch back to departmental catering from IRCTC was perhaps a restrictive step."

1.18. Further, the representative of the Ministry of Railways (Railway Board) during oral evidence before the Committee elaborated that the Sreedharan Committee-a one member Committee having vast experience-was appointed by the Minister of Railways, which in its report submitted that "all catering related services should be restored back to IRCTC. The Committee inter alia recommended repeal of Railway Catering Policy 2010 and handing back of on board/ station catering and allied roles back to IRCTC in line with the Cabinet decision of setting up of IRCTC."

1.19. The Ministry of Railways has further informed that a committee of senior officers of Railways was also constituted to consider the recommendations of Dr. Sreedharan Committee Report. The committee of senior officers has also recommended in favour of handing over of catering services to IRCTC in a phased manner. Under these circumstances, on 27 February, 2017, new Catering Policy 2017 was issued. The new Catering Policy mandates IRCTC to carry out the unbundling of catering services on trains by creating a distinction primarily between food preparation and food distribution."

1.20. The policy document of new Catering Policy 2017 envisages mainly to mitigate the followings:

"With the objective to provide quality food to our customers unbundling of catering services on trains has been envisaged in Catering Policy 2017. This Policy supersedes Catering Policy 2010 and related instructions, unless specifically referred to in Policy document **(Annexure)**.

IRCTC has been mandated to carry out the unbundling by creating a distinction primarily between food preparation and food distribution. In order to upgrade quality of food preparation IRCTC shall be setting up new kitchens and upgrade existing ones.

Modifications have been necessitated in the management of catering service on mobile and static units to implement social objectives of the Government besides encouraging fair competition in allotment of catering units over stations.

IRCTC shall be responsible for catering services through mobile catering units, Base Kitchens, Cell Kitchens, Refreshment Rooms at A1 and A category of stations, Food Plazas, Food Courts, Train Side Vending, Jan Ahaars. All other catering units like Refreshment Rooms at B and below category of stations, AVMs, Milk Stalls, trolleys shall be managed by the Zonal Railways."

1.21. The Committee asked the Ministry whether IRCTC has proper resources/manpower to handle the responsibilities entrusted to it for implementation of new Catering Policy 2017, the Ministry of Railways, in a written reply, submitted that new Catering Policy has been issued on 27th February, 2017 with the objective to provide quality food to rail passengers by unbundling of catering services on trains. IRCTC has been mandated to carry out the unbundling by creating a distinction primarily between food preparation and food distribution. In order to upgrade quality of food preparation, IRCTC will set up new kitchens and upgrade existing ones. IRCTC shall manage catering services on all mobile units. Meals for all mobile units to be picked up from the nominated kitchens owned, operated and managed by them. It should not out-rightly outsource or issue licenses for provision of catering services to private licensees. IRCTC would retain the ownership and be fully accountable for all the issues pertaining to setting up and operation of the Base Kitchens and quality of food. It shall prepare a detailed concession agreement of the Business Model proposed for setting up of the

kitchens and engage service providers from hospitality industry for service of food in trains. Therefore, sufficient policy framework and hand holding support has been given to IRCTC so as to garner adequate resources/manpower to handle the situation.

1.22. As per mandate of Policy Document of new Catering Policy, 2017, IRCTC shall supervise catering services on each mobile unit through its own supervisors directly employed by IRCTC. When enquired whether IRCTC has sufficient manpower to supervise the catering services in each mobile units, the Ministry, in their written reply, submitted as follows:

"As per Catering Policy-2017, IRCTC has been mandated for supervision of catering services of mobile units through its own supervisors. For this purpose, IRCTC has started deploying its own catering supervisors for onboard monitoring of catering services on Rajdhani/Shatabdi/Duronto trains. Further, it is being planned to expand the scope of onboard monitoring by addition of more trains."

1.23. On being asked about the manner in which catering services is to be undertaken by IRCTC, the Ministry, in their written reply, elaborated that in mobile units, all pantry car service contracts awarded by zonal railways shall be reassigned to IRCTC on the same terms and conditions, as per the plan decided mutually by IRCTC and Railways. Sharing of license fee between IR and IRCTC shall be in the ratio of 40:60 in all cases other than departmentally managed units by IRCTC wherein revenue shall be shared in the ratio of 15:85. Also all such reassigned contracts should be got vetted by Legal Deptt. of Zonal Railways. **(Policy document)**

"IRCTC shall manage catering services on all mobile units having pantry car service presently with IRCTC. IRCTC shall also take over management of catering services on trains for which contracts have not been awarded by zonal railways due to various reasons or trains are being run departmentally by zonal railways.

Management of catering services on all new trains/trains started on short notice shall also be done by IRCTC.

Since all trains are not provided with pantry cars, Train Side Vending will be provided from a suitable unit of nominated station/stations en-route. For this purpose, arrangements will be made through static kitchen units under the management of IRCTC by either segmentation of run or on end to end basis, as practicable. IRCTC shall manage Train Side Vending as per instructions entailed in this policy."

1.24. When the attention of the Ministry of Railways was drawn towards the Report of C&AG tabled in the Monsoon Session inter alia stating that due to frequent policy change, Indian Railways could not take effective steps to provide the necessary infrastructure like base kitchen, static catering with vending arrangements and automatic vending machines etc., during Catering Policy 2010, wherein

all Zonal Railways were instructed to give priority to provisions of good quality food, drinking water and toilet facilities and ensure cleanliness on trains and stations and also availability of Janata Khana/Ahaar, the Ministry, in a written reply, submitted as follows:

"There have been changes in policy that have impacted the catering over Indian Railways adversely. Catering Policy 2004 and 2005 mandated IRCTC to manage catering services on IR. But it was superseded by Catering Policy 2010, wherein management of catering services was shifted to Zonal Railways, as it was observed that IRCTC focused on revenue generation and no substantial and visible improvement in catering services was seen.

On 27 February, 2017, new Catering Policy 2017 was issued. The new catering Policy mandates IRCTC to carry out the unbundling of catering services on trains by creating a distinction primarily between food preparation and food distribution.

The policy by introducing unbundling services brings in a paradigm shift in catering business on IR and is expected to provide healthy, wholesome and hygienic food to the passengers through closely monitored units."

1.25. In this regard, the Chairman, Railway Board in his oral evidence deposited before the Committee as under:

"...the latest policy is quite a well thought out policy.....It has restored the work of catering back to IRCTC where it should rightfully be because this body was developed for this purpose. In the near future, we can see a lot of improvement in the quality of catering in the Indian Railways."

1.26. On being asked about the audit findings of CA&G wherein it was stated that Zonal Railways were required to prepare a Master Plan (Blue Print) of catering services to be provided at each station and onboard trains which was not prepared in seven Zonal Railways like ECR, ER, NFE, NWR, SER, SWR and ECOR. The Ministry attributed the reasons as follows:

" Under Catering Policy 2010, Master Plans of catering services were to be prepared by all zones. Master Plans were prepared by SR, WR, SCR, NCR, NR, SECR, CR, NER and WCR by Zonal Railways, in coordination with Divisions.

As making a master plan is considered important for planning catering services accordingly, it was also included in the new Catering Policy 2017.

Catering Policy 2017 mandates that Zonal Railways will prepare the plan in coordination with Divisions and IRCTC at each station, taking into consideration bans as notified from time to time."

1.27. When enquired whether the Ministry of Railways had invited any suggestion from the Zonal Railways before formulation of new Catering Policy, 2017, specifically timely supply of meals, effective supervision, quality catering services, catering equipments, management of catering

services by professionals, selection of catering contractors, trained and qualified staff etc., the Ministry, in their written reply, submitted as under:

"Draft catering Policy 2016 was in public domain on Indian Railway website for all the stakeholders including zonal railways to give their comments/suggestions. The suggestions on draft Catering Policy 2016 so received from zonal railways and after examining the same, they were included in Catering Policy 2017 wherever found feasible."

1.28. Further, the representative of the Ministry of Railways (Railway Board), in a oral evidence, accepted before the Committee that during earlier policy when the catering services were transferred to IRCTC, base kitchens and some other things could not be handed over to IRCTC but in new Railway Catering Policy, 2017, full time-line has been prepared to transit the catering services to it with effect from 27th February, 2017."

1.29. The representative further added that all mobile units will be handed over to IRCTC along with existing contracts. The contracts which have been over will be awarded afresh on immediate basis. The contracts which were awarded in 2013-14 will gradually be short terminated or continued till expiry and re-allotted afresh after expiry. Further, Mega Base Kitchens will be constructed by IRCTC and the existing four Mega Base kitchens at Ahmedabad, Howrah, Mumbai and Delhi will be upgraded by IRCTC on PPP mode so that there should be a Base Kitchen on every 300 Km. Out of 80 number of proposed Mega Kitchens, 16 have been proposed to be prepared in 2017. Food Plazas and Food Courts have already been handed over to IRCTC and taken over by them except those which are under litigation.

1.30. The Committee were apprised that after launch of new Catering Policy, 2017, the IRCTC was required to submit 'Business Plan' to Railway Board within 30 days from the date of issuance of the Policy. When asked about whether the Business Plan has been submitted and approved by the Board, the Ministry in their written reply, submitted as under:

"Ministry of Railways has issued Catering Policy, 2017 vide commercial circular-20 of 2017 on 27.02.2017. As per the Catering Policy, 2017, IRCTC was required to submit Business Plan to Railway Board within 30 days from issuance of the Policy. IRCTC vide letter dated 6.4.17 has submitted the said Business Plan to Railway Board. Railway Board has raised some issues and accordingly IRCTC has been requested to furnish the revised Comprehensive Business Plan."

1.31. On being asked about the steps being taken by the Railways on the Audit Findings of CAG relating to sub-standard catering services in Indian Railways, the Ministry of Railways, in a written reply, submitted as under:

"There have been changes in policy that have impacted the catering over Indian Railways adversely. Catering Policy 2004 & 2005 mandated IRCTC to manage catering services on IR. But it was superseded by Catering Policy 2010, wherein management of catering services was shifted to Zonal Railways, as it was observed that IRCTC focused on revenue generation and no substantial and visible improvement in catering services was seen..... The new Catering Policy mandates IRCTC to carry out the unbundling of catering services on trains by creating a distinction primarily between food preparation and food distribution. This policy.....brings in a paradigm shift in catering business on IR and is expected to provide healthy, wholesome and hygienic food to the passengers through closely monitored units."

1.32. When the Committee drew the attention of the Ministry towards the findings of the CAG that Zonal Railways did not ensure provision of pantry cars in a number of long distance trains. It was seen that in nine trains having a run of more than 24 hours, no pantry car was provided. No Train Side Vending services were provided by NCR, SECR and SR for the trains which run for more than 12 hours during the day time. The Ministry, in their reply, informed as under:

"Presently 360 trains are running with pantry car and 232 mail/express trains have sectional train side vending. Non attachment of pantry cars in a long distance train can also be due to capacity constraints. The Capacity of a train, in terms of number of coaches that can be attached is restricted (around 24/26 coaches) because of various reasons such as length of platforms or loop lines en-route, washing pits etc.

However, in cases where pantry cars can not be attached, it is ascertained that there are provisions such as adequate number of catering static units on stations en-route, Train Side Vending contracts or E-catering available to ensure that catering needs of passengers are met."

1.33. When enquired about base kitchens that base kitchens were to be set up in Railway premises to monitor and control the quality and hygiene of food served in trains. However, only 16 base kitchens were located in railway premises. 115 base kitchens were located outside the railway premises and were not subjected to quality check. In respect of 128 trains of seven Zonal Railways, meals were picked up from outside base kitchens. The Ministry furnished as follows:

"In the new Catering Policy there is a paradigm shift to unbundling of food preparation and food distribution. The food is envisaged to be prepared in modern, mechanized and state-of-the-art kitchens developed by IRCTC. These kitchens will be located in Railway premises and will run under the direct supervision of IRCTC. In the new scheme of things, no food will be picked from kitchens located outside the premises."

1.34. When the attention of the Ministry was drawn towards the audit observation that in 2012, the Railway Board had instructed Zonal Railways to make efforts to improve the sale/availability of Janta Meals so as to provide good quality food at affordable price to railway passengers. However, out of 74 stations where joint inspections were conducted by Audit Party, Jan Ahaar units were not

provided on 46 stations. Share of Janta meals to the overall meals sold in six Zonal Railways was declining in the last three years. In this regard, the Ministry of Railways explained as under:

"Janta Meals are sold not only at Jan Ahaars but also at other static units as per Board's instructions. Thus, absence of Jan Ahaar outlets does not mean no sale of Janta Meal at any station as other outlets are also mandated to be sold in all static units."

1.35. The Ministry further added as under:

"Instructions have been issued to Zonal Railways for setting up of Jan Ahaar outlets and for ensuring sale of Janta meals to passengers. Also, there can be many factors for decline in sale of Janta meal, including rising purchasing power of passengers, availability of greater variety of food etc."

E. ORGANIZATIONAL STRUCTURE OF CATERING SERVICES

1.36. The Committee have been informed that the Directorate of Catering and Tourism under the direction and control of Member (Traffic) is responsible for policy formulation relating to catering services in Indian Railways. At Zonal level, the departmental catering is under the administrative control of the Chief Commercial Managers (CCMs). In Zonal Railways where the control of the catering units is decentralized, the executive control in the matters rests with the Divisional Commercial Managers.

1.37. In IRCTC, the responsibility of managing static catering units assigned to them lies with their respective Regional Offices. The work of awarding and managing contracts for mobile catering units, however, is the responsibility of the Corporate Office of IRCTC.

CHAPTER 2

CATERING UNITS

A. TRANSITION OF CATERING UNITS TO IRCTC

2.1. Catering services are provided to the travelling public either through Static units or mobile units.

2.2. Mobile Units

(i) Trains which are currently managed by IRCTC and the trains currently being run under temporary arrangement by Zonal Railway are proposed to be handed over to IRCTC for managing catering services as per budget announcement.

(ii) All new trains introduced are proposed to be handed over to IRCTC.

(iii) Trains for which contracts get terminated or surrendered are also proposed to be handed over to IRCTC.

2.3. When asked the current status of take over of mobile units by IRCTC, the Ministry of Railways in a written reply stated as under:

"Mobile units take over completed on 30.11.2017 and all trains with pantry/mini pantry have been taken over except one train (Train No. 12629-3-/12649-50 Yashwantpur-Hazrat Nizamuddin Sampark Kranti Express), which would not been taken over due to litigation."

2.4. STATIC UNITS:

(i) Currently IRCTC has 4 base kitchens viz. New Delhi, Rajendra Nagar, Howrah and Ahmedabad.

(ii) Four Zonal Railway base kitchens viz. Nagpur, Ballharshah, Mumbai Central and CSTM are proposed to be handed over to IRCTC.

(iii) Five other locations have also been identified by IRCTC for setting up of base kitchens.

(iv) Other static units with kitchen viz. Cell Kitchens, Refreshment Rooms, Jan Ahaars are being identified for formation of kitchen grid to supply food in trains.

2.5. When asked the current status of take over of static units by IRCTC, the Ministry of Railways in a written reply stated as under:

"All static units have been taken over as on 13.12.2017 except 18 units which are under process of take over."

2.6. When the Committee asked to state the reasons for pendency of take over of 18 static units by IRCTC, the Ministry, in a written reply, submitted that IRCTC is in advance stage of taking over of static units (i.e. Base Kitchens, Refreshment Rooms at A1 and A class stations, Jan Ahaars and Cell Kitchens) over Indian Railways Network. Presently, out of 272 static units, 255 static units have been taken over from Zonal Railways and remaining 17 static units are still pending with Zonal Railways due to various legal issues.

2.7. The Ministry further elaborated that, at present, there are **347** pairs of trains with pantry cars, which include **22** pairs of Rajdhanis, **24** pairs of Shatabdis, **18** pairs of Duranto trains and **283** pairs of mail/express trains. There are about **10149** Major and Minor Static Units on Indian Railways which include **46** Jan Ahar outlets, **188** Food Plazas/Fast Food Units.

2.8. In compliance of the budget announcement 2016-17, vetting and approval of instructions for handing over catering services to IRCTC is under process:

As on 31.03.2016

- Trains with pantry car services over Indian Railways-----**347**
- Pantry car services in trains licensed by Zonal Railway for 5+5 years--**254**
- Pantry car services in trains currently managed by IRCTC-----**63**
- Pantry car services in trains currently being run under temporary arrangement
by Zonal Railways-----**30**

2.9. To the query on the current status of transition of catering services to IRCTC, the Ministry, in their written reply, stated that IRCTC is undertaking the process of taking over of the units from Zonal Railways through tripartite agreement. As on 17.1.2018, all mobile units (Pantry and Mini-pantry) have been taken over by IRCTC except 01 train which is under litigation. With respect to the static units, all units except 17 units have been taken over by IRCTC. The static units still to be taken over are primarily held up due to issues of litigations.

2.10. Since catering services are facilitated to voluminous travelling passengers on a large scale over Indian Railways, there is no place of shortcomings to be taken place in catering services and if noticed, the same are required to be removed immediately. In this regard, the Committee invited

the attention of the Ministry towards shortcomings detected by C&AG. When enquired the measures proposed to be taken by the Indian Railways in regard to quick removal of shortcomings, the Chairman, Railway Board, in his oral evidence, stated that the shortcomings detected by C&AG in their Report came to the notice of the Ministry of Railways from time to time and also the Ministry is well aware of these shortcomings and preparing Action Taken Report thereon. As regard the changes in catering policy, in 2005, it was handed over to IRCTC and in 2010 the same was taken back but the basic problems were not addressed. The contractors who were in Railway catering went in IRCTC and again came to Railway. The contractor remained the same. Only the agency which was managing them got shifted. There was no hope for improvement. Based on the feedback, complaints and other information that the Railways got from time to time, they brought in a new Catering Policy, 2017.

2.11. The Ministry has informed that new Catering Policy, 2017 proposes to hand over mobile and kitchen units to IRCTC which are presently being managed either through a licensee or departmentally or through a temporary arrangement. 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 the time frame in which it shall be handed/taken over shall be stated.

2.12. All four Base Kitchens under departmental operation of Zonal Railways (Nagpur, Chhatrapati Shivaji Terminus, Mumbai Central and Balharshah) shall be handed over to IRCTC on 'as is where is' basis i.e. the infrastructure including equipments shall be transferred to IRCTC. All kitchen units i.e. Refreshment rooms at A1 and A category stations (i.e. excluding Refreshment Rooms at B and below category stations being minor units that will remain with Railways), Jan Ahaar, Cell Kitchens shall also be handed over to IRCTC on 'as is where is' basis i.e. the infrastructure including equipments shall be transferred to IRCTC.

B. UPGRADATION OF BASE KITCHENS:

2.13. The Committee asked the Ministry to provide the details of base kitchens which have presently been made operational. In response, the Ministry in their written reply, stated that IRCTC has planned to upgrade the base kitchen and 16 units have been identified for upgradation by 31.3.2018. Five (5) base kitchens have been made operational as on 31.11.2017. It is planned to make operational the balance 11 base kitchens by 31.3.2018.

2.14. When asked to furnish the details of additional kitchens which are required to be set up by IRCTC to meet the demand of Catering Services of travelling passengers as per new Catering Policy, 2017 and by when these kitchens will be made operational, they in a written reply stated as follows:

"11 additional kitchens are required to be set up by IRCTC in 2017-18 and 16 additional kitchens are required to be set up in 2018-19 to meet the demand of Catering Service over IR.

It is expected that all the additional kitchens would be made operational by the end of Financial Year 2018-19."

2.15. The Ministry further elaborated that in order to upgrade the quality of food, meals are to be picked up from the nominated kitchens owned, operated and managed by IRCTC and no food will be picked from kitchens located outside the railway premises.

C. CATERING UNITS: ALLOTMENT, PROCEDURE AND MANAGEMENT

2.16. The Committee have been informed that allotment of all major units including mobile units and all static General Minor Units (GMUs) at A, B, and C categories of stations is done through open, competitive, two packet tender system while allotment of static Special Minor Units (SMUs) at A, B and C categories of stations and all GMUs and SMUs at D, E and F categories stations is done by calling applications through press notification.

2.17. Allotment of Major Units and General Minor Units (GMUs) at A,B, and C Categories of Stations: The Ministry informed that Zonal Railways have an effective and transparent contract awarding, management and monitoring system. Allotment of all major units and of General Minor Units at A, B and C categories of stations is done through open, competitive, two-packet tendering system based on Standard Bid Document (SBD) and duly following all the procedures/instructions issued by Government of India/Railway Board from time to time.

2.18. Allotment of Special Minor Units and General Minor Units (GMUs) at D,E, and F Category of Stations: Allotment of 25% of Special Minor Units at A, B and C category of stations and all SMUs and General Minor Units at D, E and F category stations is made by DRMs by calling applications. Division calls for applications through press notifications. Individuals/partnership firms/companies/Cooperatives can apply. Applications are invited by calling for the following information and allotments are based on these criteria such as:-

- (i) Reputation/business standing of the applicant,

- (ii) Turn over of applicant's business in catering (to be supported by Income Tax Return for the last five years),
- (iii) Financial Standing,
- (iv) Previous experience in catering service,
- (v) location of the unit, and
- (vi) domicile of the units etc.

2.19. Tenure: On the tenure of the units, the Ministry has informed that tenure of all major units including food courts, fast food units (except food plazas, base kitchens and AVMs) will be for a period of five years. There will be no renewals. In case of mobile units and base kitchen, the tenure will be five years with one renewal for five years subject to satisfactory performance and payment of all dues and arrears.

(i) Tenure of General Minor Units and Special Minor Units at A, B and C category stations, shall be initially five years with subsequent renewal after every 3 years. Allotment of all GMUs and SMUs at D, E and F category stations will be initially for a period of 5 years and subsequently renewal after every 5 years for a further period of 5 years.

(ii) Tenure of Food Plaza will be for 9 years with an extension of 3 years on satisfactory performance. Tenure of AVMs will be made for a period of 5 years. There will be no renewals.

(iii) Tenure of Milk stalls at A, B, C stations will be for 5 years and renewal every 3 years whereas Milk stalls at D, E and F stations will be for 5 years and renewal every 5 years.

2.20. Licence Fee: Regarding the license fee to be deposited by the licensees with Indian Railways, the Ministry has informed that minimum license fees/minimum reserve price shall be fixed realistically based on the factors like (i) category of stations, (ii) type of license, (iii) number of originating passengers, (iv) number of trains stopping (day and night), (v) duration of stoppages and (vi) location of the unit at the station etc. Minimum license fee will be fixed as 12% of the estimated annual sales turnover for static units, 10% of the annual sales turnover for mobile units of Rajdhani/ Shatabdi trains/ Duranto/ mail/express trains and premium super fast trains. License fee will be reassessed and revised at the time of each renewal subject to a minimum of 10% increase over the prevailing license fee.

2.21. Management: On the system of management for allotment of units, the Committee have been informed that Two Packet Systems of tendering will be followed by Zonal Railways while selecting the successful bidder for award of major contracts and GMU at A, B and C category stations by the

Zonal Railways. Allotment of Special Minor Units and General Minor Units at D, E and F category stations will be done by DRMs by calling applications. In the eligibility criteria, weightage will be given to previous experienced (applicants) in catering business. AVMs will be allotted by zonal railways under two packet bidding system. Milk stalls at A, B and C stations will be allotted by zonal railways by calling of applications. There is no change in the procedure prevailing earlier for allotment of Milk stalls at D, E and F stations.

2.22. Reservation in allotment of Minor Units at A1, A, B and C Category of Stations: The Ministry has elaborated that there is no Constitutional provision for making reservations in matters other than services/appointment. However, in order to uplift socially and economically backward people of the society, Indian Railways has already made 25% reservation at A, B and C category of railway stations for allotment of minor static catering units and 49.50% reservation at D, E and F category of railway stations for allotment of minor catering static units. This provision of reservation is a conscious and proactive decision of Ministry of Railways which is in the general interest of the travelling public and society at large.

2.23. Though, there is no reservation for allotment of major units, however, 25% reservation has been provided for allotment of minor units in A, B and C categories of stations viz. (i) SC- 6% (ii) ST-4% (iii) people below poverty line-3% (iv) Women including war widows and widows of railway employees- 4% (v) Other Backward Classes- 3% (vi) Minorities (Muslims, Christians, Sikhs, Buddhists, Zoroastrians i.e. Parsis and Jain)- 3% (vii) Physically Handicapped persons- 2%.

2.24. Reservation in allotment of Minor Units at D,E, and F Category of Stations: The Ministry has stated that similar to reservation provision in allotment of minor units at A1, A, B and C category of stations, 49.5% reservation has been earmarked for allotment of minor units in D, E and F category of stations. SC-12%, ST-8%, OBC- 20%, Minorities (Muslims, Christians, Sikhs, Buddhists, Zoroastrians i.e. Parsis and Jain)- 9.5%. Out of this 49.5% reservation, there will be sub quota of 10% for freedom fighters and war widows and widows of Railway employees and another sub quota of 2% will be for physically challenged people. Within 49.5% of total reservation, 2% sub quota will be provided to the persons who have been dislocated/displaced due to their land having been taken over by the railways for its own use. The quota of 10% for freedom fighters and war widows and widows of Railway employees; sub quota of 2% for physically and mentally challenged people will also apply in the general category of 50.5%.

2.25. The Ministry of Railways have informed that,

"The issue of reservations is at present sub-judice in the Hon'ble Supreme Court. Any allotment/extension in the case of reservations will be subject to the final order of the Hon'ble Supreme Court in Civil Appeal No. 7513 of 2005 and analogous case referred to the Constitutional Bench".

2.26. The Ministry has further informed that in compliance of Budget Announcement 2016-17, process for giving a sub quota of 33% for women in each of the reserved categories in allotment of minor catering units has been initiated. Accordingly, there shall be a provision of 33% sub quota for women in allotment of each of the reserved category of minor catering units at all category of stations. The sub-quota of 33% for women will also apply in general category. Also for the purpose of reservation, one division will be considered as one entity for which a one time station-wise exercise will be done for the whole division and reservation percentage will be progressively achieved as and when either new units are provided or old units get vacated due to any reason.

2.27. When enquired about the rationale behind differences in reservation quota in allotment of minor units between A1, A, B and C category of stations i.e. 25% compared and D, E and F category of stations which is 49.50%, the Ministry, in a written reply, submitted as under:

"There is no Constitutional provision for making reservations in matters other than services/appointment. However, in order to uplift socially and economically backward people of the society, Indian Railways has already made 25% reservation at A, B and C category of railway stations for allotment of minor static catering units and 49.50% reservation at D, E and F category of railway stations for allotment of minor catering static units. This provision of reservation is a conscious and proactive decision of Ministry of Railways which is in the general interest of the travelling public and society at large."

2.28. **Measures to control monopoly- ceiling limit:** On the ceiling limit of allotment of Minor Units to licensees, the Ministry has informed that a licensee can be allotted maximum of two minor catering units at a station and a maximum of 10 units per Zonal Railway. In case of suburban station, there is ceiling limit of 2 units per Division. Regarding ceiling in allotment of major units at D, E and F category of stations, a provision has been made for allotment of maximum two units of Food Plaza, Food Courts and Fast Food Units per Division and a maximum 10% of all the units over Indian Railways. As regard Refreshment Rooms, maximum 2 units per Division and a maximum 10% of all the units over Indian Railways. The provision of allotment of Premium Franchisees outlets including stand alone beverage vending machines will be maximum 10% of all units over each railway. Ceiling of allotment of Mobile Units will be 10% of similar category of major units over Indian Railways.

2.29 Train Side Vending: With a view to facilitate travelling passengers of their need of catering services enroute, the Ministry of Railways have informed that the trains which do not have pantry cars are facilitated with Train Side Vending. In this regard, they have submitted as under:

"It is provided from a suitable unit of a nominated station/stations enroute and arrangements will be made through static units by either segmentation of run or end to end basis as practicable."

D. MENU AND TARIFF

2.30. The Ministry has informed that as per the extant guidelines, the Railway Board notifies the menu and tariff for meals on Rajdhani/Shatabdi and Duronto Express Trains and the standard meals, breakfast and tea/coffee. Further, Zonal railways are empowered to fix the menu and tariff of a-la-carte items. Menu and tariff for food plaza, fast food units and food courts are market driven and fixed by IRCTC since the management is with IRCTC. The menu and catering charges of Rajdhani/Duronto/Shatabdi Express Trains were last revised on 06.08.2014. The rates for standard meals, breakfast and beverages for other Mail/Express trains has been revised on 21.12.2012.

2.31. When enquired the steps proposed to be taken against contractors when they found guilty of adulteration of foods, the Ministry, in a written reply, submitted as under:

"The allotment of catering units are done by following transparent contract awarding management system. Regular and surprise inspections are conducted by railway officials to check the quality of food and samples of food are also taken for testing for adulteration. Punitive action is taken in the case of irregularity found as per the term of the contract including fine, warning, termination and blacklisting etc."

2.32. The Committee, during their deliberations, enquired to know the steps being taken by the Ministry against the blacklisted licensees who after being blacklisted arrange to get contract in different names in collusion with some railway officials and indulge in adulteration. In this regard, the Ministry apprised the Committee as under:

"As per Catering Policy 2017, contracts are awarded through a competitive, transparent contract awarding system through tenders strictly in consonance with the letter and spirit of extant policy guidelines. The contractors to whom licenses are awarded have to submit an affidavit clearly indicating that they have not been debarred or blacklisted by the Railway Administration. Any false declaration by the bidder on such affidavit is treated as material breach and result in termination of license and debarment/black-listing of licensee from participating further in allotment of catering units on any zonal railway/IRCTC."

2.33. New Menu and Tariff Committee: The Ministry have informed that New Menu and Tariff Committee has been constituted by Ministry of Railways on 25.4.2017 to examine the issues as per following terms of reference:

- (i) Finalization of menu and tariff for standard menu/food items to be served on trains like Rajdhani, Shatabdi, Durgam, Gatiman, Mail/Express and A-la-carte items in Mail/Express trains.
- (ii) Finalization of empirical formula to calculate annual or periodical escalation of tariff for meals. This may take into account inter alia the following aspects:
 - (a) Price of ingredients as per laid down norms and other components required for preparation of food.
 - (b) Distribution cost of meals.
 - (c) Hygienic food production and distribution and efficient disposal of garbage.

The Committee will submit its report shortly.

E. UNAUTHORIZED VENDING

2.34. When asked to state the steps taken to stop unauthorized vending in railway premises, the Ministry submitted that the unauthorized vending in Railway premises is not allowed in any way. It is a punishable offence under section 144 of Railway Act, 1989. Railways carry out surprise inspections with the help of Railway Protection Force (RPF) to check the menace of unauthorized vending and fines, imprisonment or both are imposed on the offenders.

2.35. To a pointed query that C&AG in their audit Report tabled in Monsoon Session of Parliament in 2017 observed that during joint inspections of selected trains, a number of unauthorized vendors were found active on platforms and in trains. On being asked about the steps being taken by the Railways to check this menace, the Ministry informed that unauthorized vending is a punishable offence under section 144 of Indian Railway Act 1989 which includes imprisonment, fine or both. Drives against unauthorized vending are organized by RPF constantly to check this menace. During 2013-14 to 2015-16, 2,39,096 cases were prosecuted by Railway Protection Force and fine imposed in eight Zonal Railways.

2.36. In this regard, a representative of the Ministry of Railways (Railway Board) during oral evidence accepted that Indian Railways are the victim of unauthorized vending. The Chairman, Railway Board during oral evidence, deposed before the Committee as under:

"The total traffic at our stations has gone up considerably in the last one or two decades. In New Delhi Station, almost five lakh people enter and exit. There is no design for this volume. Our stations are open from all sides. We have not added that kind of infrastructure. Anybody can enter the station from any side. There is hardly any access control which we will put in place in future but access control is a major problem and that results in unauthorized vending. We regularly have a drive on unauthorized vending but this is a ground reality like the New Delhi Station which is open from Paharganj and Ajmeri Gate sides. It is totally open. Anybody can walk in and do anything and then go out. Unless you bring in access control, the problem of unauthorized vending can be controlled from time to time but it will not be limited altogether."

2.37. When asked to furnish the details of cases of unauthorized vendors reported/prosecuted/fined by RPF during the last three years and Railway's strategy to check this menace in new Catering Policy, 2017, the Ministry of Railways, in their written reply, stated as follows:

"Prosecution under section 144 of Railway Act for the year 2014, 2015 and 2016 are as under:

| Year | No. of cases of unauthorized vending reported/registered | No. of persons prosecuted | No. of persons fined | Amount of fine realized (in Rs.) | No. of persons sent to jail |
|------|--|---------------------------|----------------------|----------------------------------|-----------------------------|
| 2014 | 167169 | 177104 | 166809 | 74575644/- | 3058 |
| 2015 | 183153 | 193159 | 181452 | 90305379/- | 3324 |
| 2016 | 221233 | 228786 | 214307 | 118138662/- | 3456 |

.....Since already provisions exist in law of the land to prohibit unauthorized vending with suitable deterrent punishment incorporated in the Railway Act, hence clause of unauthorized vending was not incorporated in New Catering Policy, 2017."

2.38. The Committee asked the Ministry to specify that after all out efforts taken by the Ministry to check the menace of unauthorized vending in railways, the problem is increasing manifold indicating that either no stringent action is being taken in the matter or there is some loopholes in the penal provisions due to which offenders are exonerated. The Ministry, in their written reply, stated that action is taken by RPF under Section 144 of the Railways Act against unauthorized vendors apprehended from station premises and trains. During the year 2016 and 2017 (upto December) a total of 4,43,199 number of unauthorized vendors have been prosecuted by RPF with realization of fine to the tune of Rs. 21,45,73,139/-. To further strengthen the penal provisions under the provisions of the Railways Act including Section 144, a proposal is under consideration for amendment in the Railways Act, 1989.

2.39. The Ministry has further elaborated that in order to refrain unauthorized vending of food items and water bottles in trains, IRCTC has issued the instructions to service providers to provide prescribed uniforms along with name badge and logo of IRCTC to their staff for creating distinction from unauthorized vendors inside the trains. IRCTC undertakes various inspections and the matter regarding unauthorized vending is reported to the concerned authorities under Zonal Railways. Also, Railway is regularly constructing boundary wall at vulnerable locations over Railway Network depending upon availability of fund. During last three years, 425 KM of boundary wall at different locations has been constructed.

CHAPTER 3

NEW INITIATIVES

3.1. The Ministry of Railways have informed that following new initiatives have been taken/are being taken to further improve the quality of catering services:

A. E-CATERING

3.2. The e-catering facilities have been implemented on 1350 trains running without pantry cars. Passengers can book their choice of meals either on the websites of IRCTC directly or on phone/SMS. The website address is **www.ecatering.irctc.co.in** and phone numbers are **1800-1034-139** (Toll free), **0120-4383892-99** (Toll) and SMS MEAL to **139**. On 16.9.2015, Instructions have been issued to IRCTC and Zonal Railways to start Station-based E-catering on 45 identified stations across Indian Railways on pilot basis upto 31st March, 2016. Subsequently, as announced in Rail Budget, 2016-17, extension of station based e-catering service to all 408, A1 and A category stations is being undertaken through IRCTC. At present, an average of 4000 meals per day are being booked which is expected to increase as the scheme gains popularity.

3.3. In this regard, the Chairman, Railway Board, in his oral evidence before the Committee, deposed as under:

"We also want to give an option to the passengers to order the food as they wish. We have covered all the 'A' category stations, which are almost 400 stations with e-catering where one can order the food of his choice. We have also initiated a third party audit for catering".

3.4. When enquired about the measures taken for expansion of e-catering facilities in Indian Railways, the Chairman, Railway Board in his oral evidence tendered before the Committee stated that Railways are taking steps for expansion of e-catering services. Currently, around 350 trains have pantry cars. Even the passengers of those trains having pantry cars, are expressing concern to have foods from reputed Food Chain. In this regard, the Ministry have tied up with Reputed Food Chains.

3.5. In this regard, the Chairman, Railway Board stated that the Railways have given option to passengers of these trains to de-opt railway foods during the reservation. However, only 5% passengers have de-opted the railway foods.

3.6. On enquired about making availability of meals to passengers under E-catering facilities, the Ministry of Railways have informed as under:

"Passenger can pre-order the meal from the different options available as per the choice, for delivery at the opted stations through the e-catering (website & phone/SMS call centre). The mode of payment in e-catering shall be pre-paid i.e. online payment as well as cash on delivery (CoD) basis. The shortlisted vendor shall deliver the pre-ordered meal to customer on stationary train at the opted station. The opted meal is communicated to the vendor through SMS as well as email at the time of booking and also again at about 2 hours in advance of delivery time (delivery time is the train arrival time on a particular station). The short-listing vendor can provide meals through his catering units on all India basis.

Each unit/location, requested by vendor, to be included for e-catering project is required to have all statutory licenses as required under the central/state laws and should comply with the laws of the land. The short-listed entity may request for addition of more locations/units during the currency of the short-listing. The shortlisted entity may supply food items under e-catering project only from its approved (by IRCTC) locations/units to the stations in the reasonable vicinity of the said units."

3.7. On being asked about safety hazards on availing e-catering services in trains and the preventive measures taken/to be taken therefor, the Ministry of Railways, in a written reply, submitted as under:

"No such incident has been reported in Tourism and Catering Department."

3.8. The Ministry have further added:

"E-catering service on Indian Railways is managed by IRCTC. Initially, e-catering service was train specific and was made available in 1350 trains which did not have services of pantry car or Train Side Vending. As a major initiative during September, 2015, this scheme has been reoriented to make it 'Station-based E-catering' in place of train specific e-catering. In the first phase, a pilot project has been undertaken on 45 major stations and subsequently extended to all 'A1' & 'A' category of stations which is presently under implementation. E-catering service is now available on 357 railway stations and the average supply of meals under this scheme is around 6000 meals per day which was around 400 meals per day during Oct' 2015.

Revamp of E-catering services in September 2015 also permitted Food Aggregators to join the E-catering initiative. Aggregators like , Railrestro, Zoop, Comesum, Mera Food Choice, Rail Darbar have been integrated through API covering 529 vendors and 244 offline vendors have also been incorporated for e-catering services across 357 stations.

Passengers travelling from these stations are now able to access E-catering facilities for all trains passing through these stations. IRCTC is facilitating booking of meals through a specified phone number/website/SMS/ Mobile Apps etc. Passengers having mobile number are able to book meals under this scheme. CoD facility to passengers under this scheme has also been made available."

3.9. When asked about the current status of implementation of re-oriented e-catering, the Ministry of Railways have informed that e-catering has now been re-oriented to make it station-

based e-catering in lieu of train specific. They had undertaken a pilot project on 45 major stations which has been extended to all A1 and A category stations. The Ministry further elaborated as under:

"..IRCTC has established a state-of-the-art call centre for operationalizing E-catering services where passengers can pre-order the meal from the different options available as per the choice, for delivery at the opted stations."

3.10. The Committee asked the Ministry how the Indian Railways monitor the hygiene and quality of foods supplied through E-catering, the Ministry, in their written reply, stated as follows:

"Only the F & B operator having valid FSSAI license are allowed to take and serve orders through E-catering.

As the orders generated through E-catering are 100% traceable, IRCTC can trace back errant vendors in order to take penal action on quality related problems.

In addition to above, E-catering safeguards customers' interest by the following measures:

- (a) Customer can pay online and thus can not be overcharged.
- (b) Raise a complaint online.
- (c) Can rate the customer services for quality, quantity of good and better parameters.

(d) The services allow as many vendors to join the platform and provide ample choice to customer to order and create an environment of competition amongst vendors for maintaining quality and value for money."

3.11. The Committee enquired about the number of complaints received by them with respect to poor quality of services of E-catering during the last three years, the Ministry informed that a total of 19796 complaints were received on poor E-catering services, out of which 17873 complaints have been closed and 1923 are pending. The pending complaints are in process of being resolved up to the customers' satisfaction.

3.12. On a pointed query about the measures being taken to reorganize and revamp market strategy to popularize e-catering and to increase supply of meals under this scheme from 6000 meals per day, at present, to one lakh meals per day, the Ministry, in their written reply, submitted as under:

"Currently, the services are being marketed in following ways:

1. All E-ticket customer due for travel next day are sent a promotional message (SMS) introducing the services with a link of E-catering website and mobile app.

2. Radio spots, physical marketing at stations, newspaper advertisements, information on e-ticket print out, advertisements on DMRC etc. were done in past.

3. Digital Marketing:

(a) SEO-Search Engine Optimization and SEM- Search Engine Market:-

Digital marketing tools for improving upon the online visibility of website and obtaining a high ranking placement in the results page of a online search and thus driving more visitors to website.

(b) Remarketing:- A digital marketing tool to follow a visitor (of E-catering website who hasn't booked an order) in digital space to keep reminding him of the service.

IRCTC is in process of implementation of a nationwide marketing plan covering various media like audio, visual, print etc. with emphasis on digital media to promote the services in future."

3.13. When enquired about the number of service providers registered to supply foods under E-catering services and the steps to be taken to bring more service providers under the E-catering services so as to give a boost to E-catering services, the Ministry, in a written reply, informed as follows:

"At present, 11 aggregators and 359 independent vendors are providing services through E-catering at 310 stations. IRCTC will soon implement an online mechanism for any vendor to get itself registered with IRCTC and start taking orders for supply to passengers. Vendors will then not be required to visit IRCTC office in person or fill up an empanelment document."

3.14. The Committee further asked the Ministry regarding the measures taken for empanelment of service providers and imposition of penalty for non-delivery of order, the Ministry, in a written submission informed that they have taken steps for empanelment of service providers by simplifying the process of empanelment of direct vendors for e-catering and at the same time, they have made arrangement to impose a fine of Rs. 100/- per order on vendor for non-delivery of every order. Customer is provided a full refund of non-delivered order along with a voucher of Rs. 100/- that can be redeemed by customer in his next order with E-catering. In addition to this, IRCTC reserves the right to impose more stringent actions on the repeated defaulters including fines, deactivation from website and dis-empanelment from the services.

3.15. The Committee enquired about the details of complaints received in connection with supply of unhygienic and poor quality of foods under the E-catering services, the Ministry has furnished following data:

| Year | Total complaints | Total complaints on quality | Complaints closed of quality | Complaints pending of quality |
|---------------------------|------------------|-----------------------------|------------------------------|-------------------------------|
| Sept, 2015 to March, 2016 | 890 | 72 | 72 | 0 |
| April, 2016 to Dec, 2016 | 3357 | 306 | 306 | 0 |
| Jan, 2017 to 19 Jan, 2018 | 17745 | 2357 | 2061 | 296 |
| Total | 21992 | 2735 | 2439 | 296 |

Only 296 out of 2735 complaints are pending and are under process of getting resolved and closed.

B. SELF HELP GROUPS

3.16. The Ministry, in a written reply, informed the Committee that in new Catering Policy, 2017, IRCTC may involve/empanel Self Help Groups (SHGs) for providing healthy, wholesome regional cuisine at an affordable cost to the travelling public through E-catering. Nine SHGs have been empanelled at 10 stations i.e.4 in Andhra Pradesh, one in Karnataka, 2 in Kerala, 3 in Madhya Pradesh, one each in Maharashtra and West Bengal.

C. READY TO EAT MEALS

3.17. The Ministry have informed that the Indian Railways Catering and Tourism Corporation (IRCTC) has started sale of Ready-To-Eat (RTE) food packets at some of the Railway stations on trial basis. During the trial period, the MRP has been kept at Rs. 40/- per packet for all items. IRCTC has signed a Memorandum of Understanding with Defence Food Research Laboratory, Mysore of DRDO for transfer of technology of Retort Pouch Processed Foods so that ready to eat food can be warmed and eaten straight out of the packet. Further, an MoU has also been signed on 27.6.2016 between IRCTC and Central Food Technology Research Institute (CFTRI), Mysore for transfer of technology to provide hygienic food products and services to train passengers. IRCTC and CFTRI will mutually

finalize the list of products and service to be provided to passengers. The scheme of ready to eat meals has already been implemented in train No. 12565/66 Bihar Sampark Kranti Express w.e.f. 16.08.2017.

3.18. When enquired about the outcome of the trial of sale of Ready-to-Eat (RTE) food packets conducted by the Railways at some of the stations, the Ministry, in a written reply, submitted as under:

"IRCTC had conducted trials of Ready-to-Eat (RTE) foods in several trains across the country stretched over a period of time. The details of the RTE trials are summarized below:

| SN | Train No./Name | Date | Remarks |
|----|--|-----------------------------|--|
| 1. | 12260, New Delhi-Sealdah Duronto Exp. | 17.4.2014 | 76% Appreciated RTE Food |
| 2. | 02723, Secunderabad-New Delhi Premium Train | 25.4.2014 | 72% Appreciated RTE Food |
| 3. | 02724, New Delhi Secunderabad- Premium Train | 26.4.2014 | 83% Appreciated RTE Food |
| 4. | 12958 Ahmedabad Rajdhani Express | 19.5.2014 | 82% Appreciated RTE Food |
| 5. | 12954 NZM BCT | 5.8.2014 | 76% Appreciated RTE Food |
| 6. | 12953 BCT NZM | 6.8.2014 | 67% Appreciated RTE Food |
| 7. | 12246 YPR HWR Duronto | 5.8.2014 | 90% Appreciated RTE Food |
| 8. | 12245 HWR YPR Duronto | 8.8.2014 | 83% Appreciated RTE Food |
| 9. | 22914 NDLS BCT | 9.8.2014 | 65% Appreciated RTE Food |
| 10 | 22913 BCT NDLS | 10.8.2014 | 68% Appreciated RTE Food |
| 11 | 12048/47 | 8.9.2017 to 22.9.2017 | 64% in Breakfast and 47% in Dinner Rated RTE as excellent/very good. |

a) RTE food was also sold to passengers in mail express trains like Bihar Sampark Kranti Exp. However, the response was not very encouraging.

b) Presently, IRCTC serves branded RTE food as distressed meals during late running trains in all departmentally operated prepaid trains like Rajdhani and Duronto Trains."

3.19. When asked about the current status of transfer of the technology of Retort Pouch Processed Foods to Indian Railways, the Ministry, in their written reply, stated as follows:

"LAToT (License Agreement for Transfer of Technology) was signed between IRCTC, Food Research Laboratory, Mysore and DRDO on 4.6.2016 for transfer of Technology for manufacturing of RTE Food in DFRL premises. Under the agreement, 51,000 nos. of RTE packets were prepared out of total of 1,21,000 nos. RTE packets. However, due to non-availability of time slots at DFRL, remaining numbers of RTE packets are still to be prepared

at DFRL. Responses pertaining to allotment of time slots for manufacture of RTE meals are still awaited from DFRL. The matter is under follow up."

3.20. When asked what action Railways are taking to expedite the response pertaining to allotment of time slots for manufacture of Ready-To-Eat meals which are still awaited from DFRL, the Ministry, in their written reply, stated that IRCTC has requested DFRL to allot time slot for preparation of remaining RTE meals in their premises vide letter dated 11/10/2017 and 20/11/2017. South Zone office of IRCTC has also approached DFRL, Mysore for allotment of time slot. However, no response has been received till date.

3.21. On a pointed query asked about action taken/to be taken against the registered food companies for non-adherence of norms by them for supply of good quality of foods to railway passengers under e-catering services, the Chairman, Railway Board in his oral evidence tendered before the Committee stated as under:

"the Help line No. 138 is operational and any complaint made on any issue on this number will be immediately responded to and on the next station required assistance is provided so as to address the grievance."

3.22. When asked about the penal provision defaulter companies for non-adherence of norms for supply of hygienic and good quality of foods, the Ministry of Railways, in a written reply, submitted as under:

"Monitoring of quality is made through inspections and food quality checks. If any violation of the provision of the policy or deficiency is noticed in the service, suitable penal action is taken as per the provision of agreement. In case of continued failure in performance, Railways will have the right to close down any unit."

3.23. The Committee asked the Ministry to provide feedback of passengers regarding opting/de-opting of Ready-To-Eat Foods (RTE) in trains, the Ministry, in a written reply, stated that RTE food is served in several pre-paid trains either as a distressed meal or as an option to regular lunch/dinner meal. Regular feedback of passenger is collected during taking of orders for service. As per feedback from passengers not opting for RTE food, it is understood that RTE food is not much tasty, refreshing, flavorful and appealing as fresh food. Secondly, quite a few number of passenger avoid RTE food as they are under the impression that it may not be good and nutritious as fresh food.

CHAPTR 4

MONITORING AND REDRESSAL

4.1. Keeping in view the vast network of Indian Railways and volume of travelling passengers, good quality and hygienic catering services are of paramount importance to the Railways and it should invariably be part of the new Catering Policy, 2017. With a view to ensure good and hygienic catering services, the monitoring mechanism of complaints/grievances arising out therefrom, should be strong and strengthened with the provision of every complaint/grievance being attended to /redressed in a time bound manner. The new Catering Policy, 2017 envisages that with a view to provide hygienic and quality food to the rail passengers, a strict and effective system of monitoring of catering services should be adhered to. Monitoring of quality should be made through inspections and food quality checks. If any violation of the provision of the Policy or deficiencies is noticed in the service, suitable penal action shall be taken as per the provision of agreement.

4.2. When asked about to state the details of monitoring mechanism being put in place in new Catering Policy, 2017, the Chairman, Railway Board during his oral evidence tendered before the Committee submitted as follows:

"We have also established a system of feedback. We are making one lakh calls per day to various passengers and getting their feedback. A lot of passengers decide not to give but based on the feedback we have been getting the satisfaction level which is almost 62 per cent. Still that leaves a big gap of those who say that the facilities or services that they got from the Railways was not upto the mark. We have also started a grievance redressal system which has online through use of social media. The response has been very good and we are able to provide assistance to the public within 30 minutes."

4.3 The Ministry of Railways have elaborated that new Catering Policy, 2017 envisages to ensure hygienic and quality food to the rail passengers, a provision has been made in new Catering Policy, 2017 that IRCTC would supervise catering services on each mobile unit through its own supervisors directly employed by IRCTC.

4.4 The Committee asked about how many supervisors will be deputed per train having pantry car to supervise distribution of food to passengers and what action will they take on the spot in case any deficiency is noticed or reported to them. The Ministry, in a written reply, stated that as per the

existing plan, 01 supervisor has been deployed on rake of important Rajdhani/Shatabdi/Duronto trains and further plans for deployment are under process for monitoring of other important Mail/Exp trains on sectional or end to end monitoring as the case may be. The on board IRCTC's supervisors take immediate necessary corrective action as per the deficiency noticed or reported by passengers. In addition to the IRCTC supervisor, pantry car manager of service provider is also available onboard and the passengers have the option to approach the pantry car manager or the train superintendent of the train for redressal of deficiency/complaint/grievances.

4.5. On being asked about the measures being taken by the Railways on the Audit conducted by C&AG observing shortcomings found out that despite a complaint redressal system 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. The Ministry, in their written reply, stated as under:

"A complaint redressal system is firmly in place on IR. There is centralized Catering Service Monitoring Cell (CSMC) (toll free number 1800-111-321) for prompt redressal of passenger grievances relating to the catering activities. There is also all India Helpline (NO. 138) for rail users to lodge complaints/suggestions regarding food and catering services. There is also twitter handle with the address @IRCATERING to cater to the complaints/suggestions with regard to catering services.

..... in the past, complaints were received through only one source i.e. the complaint book at static as well as mobile units, today's passenger is empowered with many more medium viz. mobile, internet, Facebook, social media through tweets."

4.6. On this issue, the Chairman, Railway Board in his oral evidence tendered before the Committee, submitted as under:

"Regarding increase in complaints, we always say that the number of complaints has increased but in the last couple of years, the method of making complaints have also undergone a radical change. There has been a paradigm change in it. We have got Face Book, Twitter etc. All these modes were not there earlier. Increase in number of complaints is due to increase in awareness. It does not exactly mean that our performance has gone down. It can not be exactly related to that because there has been improvement in catering as such. In quality and hygiene, there has been improvement and we are continuously stressing upon the fact that we have to improve it much further."

4.7. The Ministry has elaborated that regarding effective check and control of unfair practices of overcharging, issues of quality as well as quantity, they have taken following measures:

"(i) Optional catering is planned to be introduced as a pilot project in mail/express trains so that passengers can pay for the meals and Packaged Drinking Water (PDW) in advance at the time of booking of journey tickets.

(ii) In prepaid trains, optional catering is being introduced as a pilot project so that passenger has the option to 'not eat' if he does not want the food supplied on board.

(iii) A policy of zero tolerance towards bad quality of food served to passengers and overcharging is being followed and during the last six months, seven contracts have been terminated on account of poor quality of food served. 16 contractors have been blacklisted for breach of contract term in last one year.

(iv) More than 40,000 inspections have been conducted by railway officials annually to improve the catering services.

(v) A fine of Rs. 4056 crores has been imposed during January to June, 2017 as compared to Rs 4.05 crores imposed during 2016 (Jan. to Dec.), Rs. 2.61 crores in 2015 (Jan. to Dec.) and Rs 1,73 crores in 2014 (Jan. to Dec.).

(vi) Disciplinary action has been taken against 21 railway officials in the last one year.

(vii) In the latest SBD being drafted, issue of electronic receipt is being made mandatory for sale of every item over Indian Railways. Further, through the use of Bar and QR Codes, each food item would be closely monitored.

(viii) Third party Audit of mobile units and base kitchen is to be undertaken by zonal railway periodically, by hiring an independent agency in accordance with provision given in new Catering Policy 2017".(LOP 1/10 P7-8)

4.8. The Ministry have further added that to maintain the quality of foods and have better monitoring of catering services in new Catering Policy, 2017, endeavour is being made that all catering services are ISO certified and FSSAI approved and as per latest norms."

PART II

RECOMMENDATIONS/OBSERVATIONS

1. The Indian Railways, being one of the largest rail networks in the world, have 66,687 route kilometers of route length and cover 8495 stations and more than 22.21 million passengers avail of the services at stations and trains per day. Being a sole national common carrier transporting passengers of high magnitude, the Indian Railways also plays a key role in country's social and economic development apart from bringing together the people of diversified cultures of sub-continent. Being an affordable means of transportation for millions of passengers, it becomes imperative on the part of Indian Railways to provide fresh, hygienic and good quality catering services and pure drinking water to their travelling passengers who extend their continued patronage to the Railways.

2. The Committee note that commensurate to announcement of the Minister of Railways in Rail Budget 2016-17, IRCTC was designated to manage the catering services in a phased manner by unbundling catering services and creating a distinction primarily between food preparation and food distribution. Accordingly, a Commercial Circular-20 of 2017, christening the 'new Catering Policy, 2017' was issued on 27th February, 2017 in compliance of the announcement of the Minister of Railways and the recommendations of the departmental committees on Railways namely 'Debroy Committee' and 'Sreedharan Committee' to this effect. The IRCTC would now begin to manage catering services over Indian Railways in a phased manner through IRCTC operated, mechanized, sophisticated base kitchens and ensure supply of good quality hygienic foods on board and at static units. The Committee have been given to understand that the Catering Policy 2005 mandated IRCTC to manage catering services on Indian Railways which was later superseded by Catering Policy, 2010 wherein management of catering services was transferred to Zonal Railways. The reason for this transition was attributed to focus on revenue generation

instead of improvement in catering services. It was substantiated by White Paper on Indian Railways, presented in Parliament in 2009, observing that no substantial and visible improvements in catering services were seen as IRCTC focused on revenue generation and catering services continued to be operated by the same set of licensees. The new Catering Policy, 2017 targets to replace the management from Zonal Railways to IRCTC contrary to Catering Policy, 2010 which was required to be modified and revamped in the light of the complaints arising out of the shortcomings experienced in the Policy. The Committee, after having been seized of the matter, conducted an in-depth examination of the New Catering Policy, 2017 and arrived at certain conclusions which are being discussed in succeeding paragraphs.

3. The Committee note that catering services had undergone frequent changes which have adversely impacted the catering over Indian Railways. The Catering

Policy of 2005 mandated IRCTC to manage catering services which was subsequently transited to Zonal Railways in Catering Policy, 2010 on the grounds that the IRCTC focused to revenue generation instead of improving the catering services. The Indian Railways Catering and Tourism Corporation (IRCTC) was restricted to management of Food Plazas, Food Courts, Fast Food Units and tourist activities. The Committee are distressed to note that the Catering Policy, 2010 too could not bring fruitful improvement in catering services and complaints were flooding from all corners over Indian Railways. The Committee further note that C&AG in its Report No. 13 of 2017 has pointed out that preceding to new Catering Policy, 2017, the management of catering services was with Zonal Railways wherein cleanliness and hygiene were not maintained properly at catering units at stations and in trains. Unpurified water straight from taps and at times toilets was used in preparation of beverages, waste bin were not found covered / emptied regularly and

not washed, food stuff were not covered to protect them from flies, insects and dust. Rats and cockroaches were found in Kitchens, Station Kitchens and Train Pantries. Besides, unfair practices were followed in execution of catering services at stations and in trains. Bills were not provided for the food items served in mobile units. Printed menu cards with tariff for the list of food items sold in the mobile units were not available with waiters and Catering Managers in trains. Less than prescribed quantity of food stuff were served, unapproved packaged drinking water was sold, Proprietary Article Depot (PAD) items were sold at the Railway Stations at maximum retail price (MRP) with weight and prices different from open market and per unit price of food articles sold in railway premises was significantly higher. Deficiencies in respect of quality of food served were noticed. Articles unsuitable for human consumption, contaminated food stuff, recycled food stuff, shelf life expired packaged and bottled items, unauthorized brands of water bottles etc. were offered for sale on stations. The Committee have been apprised by the Ministry that in new Catering Policy, 2017, these problems would be removed and IRCTC would be responsible for catering services through mobile units and static units viz. Base Kitchens, Cell Kitchens, Refreshment Rooms at A1 and A category of stations, Food Plazas, Food Courts, Train Side Vending, Jan Ahaars. In order to upgrade quality of food preparation, IRCTC shall set up new Kitchens and upgrade existing ones which shall comply all statutory guidelines of food safety. The Committee are of the view that unless the basic problems and deficiencies which the railways and IRCTC have experienced in the past such as supply of quality and hygienic foods and beverages including purified water to their customers are addressed, nothing is going to happen for betterment of catering services. Mere bringing a new policy and blaming the concerned agencies to be responsible for the lapses will not solve the problem. They hope that the railways would endeavour in this direction so that the new Catering Policy, 2017 could bring a paradigm shift in catering business on Indian Railways to provide healthy, wholesome and hygienic food to the

passengers through closely monitored units by creating a distinction between food preparation and food distribution and removing all the deficiencies experienced earlier.

4. The new Catering Policy, 2017 has again mandated IRCTC to take over the management of catering services in a slightly modified way of carrying out the unbundling of catering services by creating a distinction primarily between food preparation and food distribution. The Committee are of the view that not only the Catering Policy of 2005 lacked professional, practical and futuristic vision but also the Catering Policy, 2010 was not well planned in a professional and scientific way to cater to the needs of the commuters of Indian Railways which have necessitated to introduce new Catering Policy, 2017 in a very short span of time. Besides, frequent changes in Catering Policy for an undertaking of the size of the Indian Railways where 23 million passengers travel daily, have adversely impacted the catering services leaving the travelling passengers in lurch and switch over to other means of catering resulting into intrusion of unauthorized vendors. The Committee fail to understand as to how it was decided to frequently change the responsibility of such an important service of catering of a vast organization like Indian Railways from IRCTC, which was incorporated on a decision of the Cabinet, as an extended arm of Indian Railways. Frequent changes in policies not only affect the efficiency of the system due to time slag in dealing with teething problem of implementation but also hits the morale of the employees of the organization. The Committee hope that the new Catering Policy, 2017 has been designed in a more scientific manner. They hope that it will be implemented effectively in letter and spirit with no further change in the system.

5. The Committee have been informed that the Catering Policy, 2010 had aimed a paradigm shift with regard to the whole approach towards railway catering. Whereas earlier policy sought to treat catering as an independent profit centre, the Policy of 2010 acknowledged catering as a

passenger service. The New Catering Policy, 2017 mandates that Zonal Railways will prepare the plan in coordination with Divisions and IRCTC at each station. In the Policy of 2017, the Ministry has categorically demarcated the areas of service providers of Food Preparator (who shall prepare the food) and the Distributor (who will distribute the prepared foods). The Committee have been informed that the system of train based contracts prevailing in earlier Catering Policy, 2010 has now been done away with in new Catering Policy, 2017 and instead IRCTC run state-of-the-art kitchens of various sizes would be provided at locations across the country. IRCTC would be responsible for catering services through mobile catering units, Base Kitchens, Cell Kitchens, Refreshment Rooms at A1 and A category stations, Food Plazas, Food Courts, Train Side Vending, Jan Ahaars as defined in the Policy. All mobile units will be handed over to IRCTC along with existing contracts. The contracts which were awarded in 2013-14 and still continuing, will gradually be short terminated or continued till expiry and re-allotted afresh after expiry of term. Further, Mega Base Kitchens will be constructed by IRCTC and the existing four Mega Base Kitchens of Ahmedabad, Howrah, Mumbai and Delhi will be upgraded by IRCTC on PPP mode. Mega Kitchens will be provided with the provisions that there should be a Base Kitchen on every 300 Km. The Committee are unhappy to note that out of 80 number of Mega Kitchens proposed to be constructed, only 16 have been planned to be constructed in 2017. Further, to their dismay, only 5 Mega Kitchens have been completed so far. The Committee feel that if Railways intend to provide good quality hygienic foods to their passengers, they will have to focus on timely construction of base kitchens. The Committee emphasize the need of expeditious completion of remaining Base Kitchens to satisfy the need of growing number of passengers by way of providing good quality hygienic food. Further, the Ministry have claimed that out of 272 static units, 255 static units have been taken over by IRCTC and remaining 17 static units are still pending with Zonal railways. Likewise, as on 17.1.2018, all mobile units (Pantry and Mini pantry) have been

taken over by IRCTC except 01 (one) train which is under litigation. The Committee have taken note of lack of seriousness on the part of the Ministry and are of the view that if proper preparedness were made to settle the issues before launch of such a prioritized Scheme of public importance, there would have no scope of any litigation and all units would have been transferred to IRCTC smoothly. The Committee are apprehensive that such incomplete transition of catering services may cause considerable inconvenience to the travelling passengers as it will hamper IRCTC in facilitating smooth and unhindered catering services. They, therefore, desire that with a view to implement the new Catering Policy, 2017 in letter and spirit, the Railway should hand over remaining catering services immediately to IRCTC to make them responsible for supply of quality, wholesome and hygienic foods to passengers. They, therefore, desire the Ministry to take the remedial measures immediately to hand over all units including Food Plazas and Food Courts to IRCTC urgently.

6. The Committee are happy to note that in new Catering Policy, 2017, a New Menu and Tariff Committee has been constituted by the Ministry to study the workability of the rates in catering contracts and to recommend/report upon the fixation of tariff for standard menu/food items on the list of menu items given by IRCTC and calculation of empirical formulae so as to calculate annual or periodical escalation with respect to increase in prices of the components leading to preparation of meal. The committee will submit its report shortly. The Committee, therefore, desire that while implementing the new Catering Policy, 2017, the Railways should closely examine the recommendations of the New Menu and Tariff Committee and implement them in letter and spirit to avoid difficulty and demotivation to the parties concerned in the endeavor for the betterment of catering services over Indian railways. The Committee would like to be apprised of its recommendations vis-a-vis status of their implementation.

7. The Committee have been informed that in the Catering Policy, 2010, Zonal Railways had a contract awarding, management and monitoring system which was effective and transparent. The allotment of all major units and General Minor Units at A, B and C categories stations were done through open, competitive and two-packet tendering system based on Standard Bid Document (SBD) and duly following all the procedures/instructions issued by Government of India/Railway Board from time to time. Allotments of static Special Minor Units (SMUs) at A, B and C categories of stations and all GMUs and SMUs at D, E and F categories stations were done by calling applications through press notification. The Ministry have informed that tenure of all major units being handed over to IRCTC will be governed as per catering Policy, 2010 and continue till the expiry of the contracts. IRCTC shall further manage these units as per the provisions of the new Catering Policy, 2017. Tenure of all other catering units (major units and minor units) will be for a period of 5 years only. The contracts awarded by zonal railways for kitchen units viz. Refreshment Rooms at A1 and A category stations, Jan Ahaar, Cell Kitchens shall be reassigned to IRCTC on the same terms and conditions with sharing of license fee between IR and IRCTC in the ratio of 40:60 in all cases other than departmentally managed units by IRCTC wherein revenue shall be shared in the ratio of 15:85. The allotment of Refreshment Room (at B and below category stations), a stall or a trolley is deemed as one unit and shall be awarded through a single license. No new license for khomcha/Dallah/Chhabba/ Wheel Barrow/Hand Barrow/Tray/Table/ Tea Balta (or any other similar unit by a different name) shall be awarded by Zonal Railways. The Committee are, however, note that though the Ministry of Finance (Deptt. of Expenditure) has mandated all Ministries/Departments of Central Government, their attached and subordinated offices, Central Public Sector Enterprises and Autonomous/Statutory bodies to commence e-procurement through E-tendering in respect of all procurements with estimated value of Rs. 2 lakhs or above w.e.f. 1.4.2016 vide Office Memorandum dated 30.03.2012, 09.01.2014 and 21.01.2016 by

selecting e-Procurement service provider of their own choice, the Railways are still continuing awarding contracts by following old systems even after unification of Railways Budget with Union Budget. The reasons for opting E-tendering process has been stated to be more transparent for awarding contracts. In this regard, the Ministry have informed that they have constituted a committee for preparation/modification in the Standard Bid Document for allotment of static catering units and development of e-tendering module for Zonal Railways which has submitted its report on E-tendering module for catering tenders along with draft SBDs (Standard Bid Documents). The SBDs are under examination. The Committee desire that the examination of SBDs may be expedited and E-tendering module may be implemented over Indian Railways in letter and spirit. A monitoring mechanism be evolved to enable that all contracts may be awarded commensurate to this E-tendering module.

8. The Committee note that after the Catering Policy 2010, Zonal Railways were required to prepare a Master Plan (Blue Print) of catering services to be provided at each station and on-board trains which was not prepared in Zones like ECR, ER, NFE, NWR, SER, SWR and ECOR. They are of the considered view that making a master plan (Blue Print) as per given mandate, was important for planning catering services over Indian Railways. The Ministry failed to submit any reasons for not making plan/blueprint by these Zonal Railways. Also, the Ministry could not take effective steps to bridge the gap to provide necessary infrastructure in terms of base kitchens, Static Catering units, train-side vending arrangements and Automatic Vending Machines etc. to ensure adequate catering facilities available to the travelling public. Even, in the new Catering Policy, 2017, the Zonal Railways are required to prepare plan in coordination with Divisions and IRCTC at each station taking into consideration bans notified from time to time as making master plan is considered important for planning catering services. The Committee desire the Ministry to ensure

that the required plan/blue print for each station are prepared in a time bound manner and be implemented in all Zonal Railways in letter and spirit.

9. The Committee note that during earlier catering policies, the catering services was used to shift from IRCTC to Zonal Railways and vice versa but the basic problems were not addressed. The same set of contractors who were in Railway catering, went to IRCTC and came back to Railways. Then, with the change in policy, the contractor with their same products and services remained the same. Based on the feedback, complaints and other information that the Railways got from time to time, they brought in the new Catering Policy, 2017 which aims to remove anomalies which the earlier policies had over looked. The Committee appreciate this move of the Ministry and hope that the new Catering Policy, 2017 will be implemented efficaciously to benefit the passengers at large.

10. The Committee have been given to understand that in new Catering Policy, 2017, IRCTC was required to submit Business Plan to Railway Board within 30 days from issuance of the Policy. The IRCTC is stated to have submitted the business plan to Railway Board which has been sent back to IRCTC for rectification/modification. They wonder that even after lapse of one year of issue of the Policy, the Business Plan is still at scrutiny stage reflecting lack of preparedness and lackadaisical approach on the part of the Railways. The Committee, therefore, recommend that Railway should take effective steps to support IRCTC to finalize concrete Business Plans urgently so that vested responsibilities of IRCTC aiming at improvement in catering services are not hampered due to non-implementation of the new Catering Policy, 2017.

11. The Committee are happy to note that with a view to uplift socially and economically backward people of the society, a provision for reservation in award of contracts has been made in favour of the underprivileged and marginalized sections of society in the new Catering Policy,

2017. Indian Railways follow the reservation criteria in allotment of catering units except the major units wherein no reservation is applied. They find that in allotment of minor units at A1, A, B and C categories of stations, twenty five percent (25%) reservation has been provided wherein 6%, 4%, 3%, 3%, 2%, 4% and 3% reservation is earmarked to SCs, STs, OBCs, Minorities, Divyang, Freedom Fighters/war-widows/widows of railway employees/persons displaced due to their land taken over by the Railways for its own use and People Below Poverty Line respectively. Among minorities, Muslims, Christians, Sikhs, Buddhists, Zoroastrians (Parsis) and Jain are covered. Likewise, 49.5 percent reservation has been made for allotment of Minor Units at D, E, and F category stations wherein SCs are provided 12%, STs 8%, OBCs 20% and minorities 9.5%. The Committee desire that a uniform policy of reservation should be followed in all catering units at all stations/trains. They, therefore, recommend that the existing reservation policy of the Government of India should be strictly followed and complied with. The Committee note that the issue of reservation is, at present, sub-judice in the Hon'ble Supreme Court and as a result, all allotments/extensions in the case of reservations are subject to the final order of the Hon'ble Supreme Court in Civil Appeal No. 7513 of 2005 and analogous cases referred to the Constitutional Bench. They would like the Ministry to pursue the matter expeditiously so that catering need of passengers met appropriately.

12. The Committee note that preceding to new Catering Policy, 2017, the Zonal Railways did not ensure provision of pantry cars in a number of long distance trains. It was seen that in nine trains having a run of more than 24 hours, no pantry car was provided. No Train-Side Vending services were facilitated by NCR, SECR and SR for the trains which run for more than 12 hours during the day time. They are not convinced with Ministry's attribution that non-attachment of pantry cars in long distance trains was due to capacity constraints of trains as 360 trains are already running

with pantry cars and 232 mail/express trains have sectional train side vending. The Committee are of the view that wherever the Indian Railways do not attach pantry cars to trains, they should arrange adequate number of catering static units on stations en-route, Train Side Vending and E-catering facility available to passengers. They hope that in new Catering Policy, 2017, these anomalies would be removed and the trains having run of 12 hours or more will be facilitated with pantry cars and trains having run of 12 hours, where no pantry car is attached, shall be provided proper catering services like catering static units on stations en-route, train side vending and e-catering facilities available to passengers.

13. The Committee note that the new Catering Policy, 2017 envisages for setting up of base kitchens in the Railway premises to monitor and control the quality and hygiene of food served in trains. Earlier, foods were prepared in kitchens most of them located outside railway premises and carriage of foods from the kitchen to the serving destination used to take much time and as such prepared foods could not reach to the customers in time resulting into decline in quality of foods. Besides, the quality of foods prepared in base kitchens located outside railway premises could not be easily monitored and controlled unlike the foods prepared in kitchens located in railway premises. The Committee are satisfied to find that in new Catering Policy, 2017, foods will be prepared in modern, mechanized and state-of-the-art kitchens developed by IRCTC located in railway premises only under the direct supervision of IRCTC and no food will be picked from kitchens located outside the rail premises. The quality of foods so prepared will be monitored easily. The Committee emphasize the need of narrowing the time gap of food preparation and its distribution and development coordination between the agencies of food preparation and food distribution so as to ensure that the prepared foods could remain as fresh as possible and reach the customers within the shortest time gap.

14. The Committee note that the Ministry has made arrangements for Third Party Audit of catering services to be conducted at periodic intervals by independent and reputed auditing agencies. For this purpose, IRCTC has already selected an agency to conduct Third Party Audit for 96 number of trains and 206 number of Food Plazas and Fast Food Units. The Committee are of the considered view that these issues require continuous surveillance of the Railways. They desire that frequent surveys should be conducted and feedback taken from passengers and deficiencies noticed, may be eliminated immediately. The complaints and suggestions should not be ignored rather than should be the basis for better service.

15. The Committee find that in the new Catering Policy, 2017, the Ministry has taken measures for Third Party Audit of Catering Services to be conducted at periodic intervals by independent and reputed auditing agencies accredited by National Accreditation Board for Certification Bodies (NABCB) as empanelled by the Zonal Railways. The parameters for Audit of catering services have been enumerated to be personal hygiene of service providers, infrastructure facilities, cleaning and sanitation, food safety, storage facilities, implementation of regulatory, statutory and safety regulations, quality of presentation etc. IRCTC has already selected an agency to conduct Third Party Audit for 96 trains and 206 Food Plazas and Fast Food Units. The Committee desire that all mobile and static units within the jurisdiction of IRCTC, may be brought under the third party audit. They hope that the audit will be conducted in details, regularly and shortcomings, if any, will be removed immediately.

16. The Committee note that New Catering Policy, 2017 mandates IRCTC to supply low cost Janta Meals through static catering units, including the units handed over to IRCTC at the rates decided by Railway Board. In this regard, instructions have already been issued to Zonal Railways and IRCTC for sale of Janta Meals at Static Units. The Zonal Railways would endeavour to make

efforts to improve the sale/availability of 'Janta Meals' of good quality at affordable rates to railway passengers. The Committee find that in Catering Policy, 2010, Zonal Railways were required to provide Jan Ahaar units to facilitate passengers which could not materialize in letter and spirit. Even, the C&AG, in their audit observation, revealed that out of 74 stations where joint inspections were conducted, Jan Ahaar units were not provided on 46 stations. Further, share of Janta meals to the overall meals sold in six Zonal Railways was declining in the last three years. The reasons explained by the Ministry that Janta Meals were sold not only at Jan Ahaars but also at other static units as per Board's instructions and thus, absence of Jan Ahaar outlets does not mean no sale of Janta Meal at any station as other outlets were also mandated to sell Jan Ahaars in all static units. However, this is not acceptable to the Committee as the passengers may not be even aware the availability of Jan Ahaar at other outlets. They feel that lack of preparedness in ensuring sale of Janta meals at stations as mandated in the Policy resulting into slippages and depriving the passengers from availing good quality catering services at affordable rates at designated places. The Committee urge the Ministry for regular monitoring of availability of Janata Meals at Stations and ensure that the concerned agencies at the stations are alert towards their duties and responsibilities. They also urge the Ministry to take up the work in right earnest so that both the passengers and the Railways are benefitted from the scheme.

17. The Committee are concerned to note the mushroom growth of unauthorized vending in trains and at stations. They are aware that the Railways have taken measures to refrain unauthorized vending in trains and at stations including inspections to check the menace of unauthorized vending. The Ministry have issued instructions to service providers to provide prescribed uniforms along with name badge and logo of IRCTC to their working staff on board for creating distinction from unauthorized vendors inside the trains. Despite these efforts,

unauthorized vendors are predominating in trains and at stations in selling adulterated and simulated food items, beverages and water bottles. Prosecution of 4,43,193 cases of unauthorized vending in 2016 and 2017 (upto December), by Railway Protection Force and imposition of fine and realization of Rs. 21,45,73,139/- towards fine imposed as such, substantiate the volume of menace of unauthorized vending and disclose inadequacy of penal provisions and precautionary measures of Railways. The Committee note that the strengthening of the penal provisions of the Railways Act, 1989 including Section 144 is underway. Railways are also constructing boundary wall at vulnerable locations over Railway Network and 425 KM of boundary wall has been put at different locations. However, the Committee apprehend that unless and until stringent penal provisions are provided in the Act / Rules and action is taken accordingly against the defaulters, no tangible improvement can take place. Further, the probability of connivance of railway officials with the unauthorized vendors should also be looked into. According to C&AG Report, Audit para (Para No. 3.9) tabled in Parliament on 21st July, 2017 has also observed activities of a number of unauthorized vendors on platforms and in trains which they detected during joint inspections in selected trains. The Committee strongly feel that unauthorized vending not only causes loss of revenue to Railways but also poses a health hazard to the passengers. They, therefore, urge the Ministry to immediately work out appropriate remedial measures to check unauthorized vending both in mobile units and at stations.

18. The Committee appreciate to note that in new Catering Policy, 2017, the Railways have planned to effectively check and control unfair practices of overcharging, issue of quality as well as quantity of food articles. The Ministry have informed that the Railways have introduced optional catering facilities as a pilot project in mail/express trains to enable travelling passengers to pay for the meals and Packaged Drinking Water (PDW) in advance at the time of booking of

journey tickets. While appreciating the same, the Committee desire the Ministry to cover foods of diverse varieties of different choice in their menu/list of foods for sake of those passengers who have to de-opt foods at the time of booking ticket on the grounds of health, ailments or need to have fresh food during long journey, in general, and delay of trains, in particular. In this regard, an option of 'specific food need' on the cost over and above the general food can be asked to be exercised from these passengers and differential cost, if any, may be charged from them. The Committee note that many a times food servers refuse to give bill to passengers even when asked to do so. In such cases, Railways should make sure to put a policy in place. They are satisfied to note that a policy of zero tolerance is being adopted in new Catering Policy, 2017 for bad quality of food served to passengers, overcharging of food articles sold and making issue of electronic receipt mandatory for sale of every item over Indian Railways. Through the use of Bar and QR Codes, each food item would be closely monitored. The Committee are of the view that these measures be implemented in all mobile and static units, Food Plazas and Food Courts with proper monitoring from time to time with stringent penal provisions for defaulters. They also desire that a policy of 'No Food Bill, No Payment' may be adopted to do away with overcharging.

19. The Committee note that the new Catering Policy 2017, mandates IRCTC to be responsible for catering services through mobile catering units, Base Kitchens, Cell Kitchens, Refreshment Rooms at A1 and A category of stations, Food Plazas, Food Courts, Train Side Vending, Jan Ahaar. There would be no train based contracts. The catering activity would be done in close supervision by IRCTC on stations where kitchens are located. The Committee are glad to note that the new initiatives taken by the Ministry for ensuring computerized billing for the items sold in mobile and static units will go a long way in yielding desired results besides bringing in transparency in catering services over Indian Railways apart from strengthening the trust of railway passengers.

20. The Ministry have informed that new Catering Policy, 2017 envisages for cashless transaction and ensuring computerized billing in a phased manner to the extent feasible for all the items sold in mobile and static units under the management of IRCTC. Apart from this, passengers would be facilitated for cashless transaction through usage of Point of Sale (POS)/swipe machine etc. in all the mobile and static units. IRCTC and the licensees are in the process of procurement of these machines. The Committee desire that concrete measures may be taken to ensure that POS/swipe machines are available with the catering serving personnel with regular monitoring thereof to ascertain that these machines are in working condition so that passengers could not face any hardships in making payment and catering services remain transparent and passenger friendly.

21. Quantity and quality of food items and safe drinking water supplied to the travelling passengers are the matters of utmost concern for the Committee. Though quality control is of paramount importance in any concern dealing with food and beverages as it is directly linked with the health and safety of the passengers. Quantity control of items supplied to passengers is in no way lesser than the quality. Every travelling passenger has right to get accurate quantity of items against payment of the given cost of that item. But things are happening not like that. It is seen that items are sold over and above the MRP prices mentioned thereon. Even in open market, these items are available below the MRP. Sometimes, prices indicated on items are got erased and overwritten to charge extra from the passengers. No bills are provided for the items sold to passengers. The Committee while commending the initiative of the Ministry to make computerized billing mandatory in mobile trains as well as at static units desire the Ministry to ensure its implementation in letter and spirit with proper monitoring. Stringent penal provisions may also be put in place for adherence.

22. The Committee find that the Railways have launched E-catering facilities to travelling passengers which is presently available on 357 railway stations. They note that only F and B operators, having valid FSSAI license, are allowed to take and serve orders through E-catering. The average supply of meals under this scheme is around 6000 meals per day which was 400 meals per day in 2015. The Ministry have informed that E-catering services are being managed by IRCTC on stations where travelling passengers can avail e-catering facilities for all trains halting at and originating from those stations. Booking of meals is facilitated through specified phone number (1323)/website/SMS/Mobile Apps etc. and passenger can pre-order the meal from the different options available as per choice for delivery at the opted stations. The mode of payment is both pre-paid as well as cash on delivery (CoD). After the meal is ordered, the same is communicated to the concerned vendor immediately and also again at about 2 hours in advance of delivery time where the delivery time is the train arrival time on a particular station. The shortlisted vendor delivers the pre-ordered meal to customer on stationary train at the opted station. The Committee are glad to note that the Railways have taken steps to reorganize and revamp marketing strategies to popularize E-catering so as to achieve the target of 1 (one) lakh meals per day from 6000 per day, as at present, but they would like to caution the Ministry not to supply stale or unhygienic meals to passengers as the time of delivery of pre ordered food is train arrival time and trains usually run late. In such cases, quality of pre-ordered meal packed for delivery as per train's scheduled arrival time may deteriorate and there is no option for passengers but to complain. The Committee find that even in a short period between September, 2015 to January, 2018, 21992 complaints were lodged. The Committee are, therefore, of the considered view that there should be a close coordination between the agencies concerned to share the information pertaining to running of train and supply of meal as any communication gap may result into health hazard to passengers arising out of supply of unhygienic meals to passengers. The Committee note that

Railways have provided for a penal provision to impose fine of Rs. 100/- per order for non-delivery of an order by the vendor. In such cases, customer is provided full refund of non-delivered order along with a voucher of Rs. 100/- which is redeemable in his next order with E-catering. The Committee think that this redeemable amount is very low and is redeemable in next order only. They, therefore, desire that the redeemable amount may be increased at least to Rs. 250/- with the options to redeem the same either during on-going journey or in his next journey as per his/her convenience. The Committee also desire that stringent penal provisions should be provided for defaulting companies with imposition of fines, de-activation from website and de-listing from empanelment from the services for non-adhering to the orders of passengers.

23. The Committee note that to augment E-catering services, the Railways have initiated to bring more and more Food Aggregators within the ambit of E-catering and they will soon implement an online mechanism for vendors to get registered with IRCTC and start taking orders for supply of foods to passengers. The Committee note that quality control of food items supplied to the travelling passengers is a matter of the utmost concern and paramount importance as it is directly linked with the health and safety of the customers. The Ministry have informed that E-catering services allows as many vendors to join the platform and provide ample choice to customers to order and create an environment of competition amongst vendors for maintaining quality and value of money. Vendors will then not be required to visit IRCTC office in person or fill up any empanelment document. The Committee are of the considered view that apart from coverage of as many number of Food Aggregators under the aegis of E-catering Service to provide food of ample choice and taste to customers, a strong mechanism of quality control of foods supplied under E-catering services may also be put in place.

24. The Ministry have informed that IRCTC has started sale of Ready-to-Eat (RTE) food packets at some of the railway stations @ Rs. 40/- per packet for all items and in Firozpur Shatabdi and Special Rajdhani trains on trial basis. RTE is being served in pre-paid trains either as a distressed meal or as an option to regular lunch/dinner meal. The Committee note that the feedback of passengers not opting for RTE food discouraged the railways to arrive at that RTE is not much tasty, refreshing, flavourful and appealing as fresh food. Also, some passengers avoid RTE food under the impression that it may not be good and nutritious as fresh food. The Ministry have informed that to make RTE a success, IRCTC has signed a MoU with Defence Food Research Laboratory (DFRL), Mysore and DRDO for transfer of technology of Retort Pouch Processed Foods so that Ready-To-Eat food can be warmed and eaten straight out of the packet. The IRCTC has also signed a MoU with Central Food Technology Research Institute (CFTRI), Mysore for transfer of technology to provide hygienic food products and services to train passengers. The IRCTC and CFTRI will mutually finalize the list of products and services to be provided to passengers. The Committee find the initiatives of the Ministry laudable and hope that the synergize activities of IRCTC, Defence Food Research Laboratory, Mysore, DRDO and CFTRI may facilitate in getting fresh and hygienic foods over Indian Railways. They, therefore, desire the Ministry to finalize the proposals for RTE food technology which is pending with CFTRI, DRDO, and DFRL for implementation. The Committee would also like to be apprised of the same.

25. The Ministry have informed that the new Catering Policy 2017, envisages for empanelment of Self Help Groups (SHGs) for betterment of catering services over Indian Railways by way of providing healthy, wholesome regional cuisine at an affordable cost to the travelling public through e-catering. In this regard, 9 SHGs have been empanelled at 10 stations. Out of this number, one is in Karnataka, 2 in Kerala, 3 in M.P and one each in Maharashtra and West Bengal.

The remaining are in Andhra Pradesh. The Committee note with concern that the Ministry have taken steps to empanel more SHGs by creating a portal on its website for sale of catering items, handicrafts, artefacts etc. which will not only synergise catering services but also contribute in revenue generation. The only need is to closely monitor them to ensure that the items supplied by SHGs are of good quality and available to passengers at affordable rates with computerized billing.

26. The Committee note that as per the new Catering Policy, 2017, emphasis has been laid on ensuring quality foods to the rail customers by unbundling of catering services by creating a distinction primarily between food preparation and food distribution. The Committee appreciate the contention of the Ministry to make catering services ISO certified and FSSAI approved as per latest norms, but at the same time, they would like to caution the Railways to not to compromise with the hygiene and quality of food provided to the passengers of Indian Railways having a vast network stretching from Jammu & Kashmir in North to Kanyakumari in South and from Bhuj in the West to Agartala in the East with each region having its distinct regional cuisines. Therefore, it becomes imperative on the part of Indian Railways to ensure availability of regional cuisines depending upon the area. The Committee hope that in new Catering Policy, 2017, railway will ensure these concerns to optimize good catering services for their passengers over the network.

27. The Committee note that the most of the complaints of passengers mainly pertain to catering services specifically hygiene and quality of foods served to them on board and in static units. The Ministry have informed that the Railways have set up Catering Monitoring Cells at Zonal and Division levels for real time assistance to travelling passengers, all Zonal Railways have also a detailed institutionalized mechanism for monitoring of quality and hygiene of catering services through regular, surprise and periodical inspections. Besides, a Centralized Catering Services

Monitoring Cell (CSMC) is also operational at national level having toll free number 1800-111-321 excluding operationalization of an all India helpline number 138 for all rail users in the mobile trains. Though the Committee appreciate the initiatives of the Ministry for providing real time assistance to passengers and prompt disposal of their grievances through social media and for this needful, they have established a twitter handle with address of @IRCATERING to cater to the complaints/suggestions of passengers, they are distressed to note that despite all these mechanism, the complaints of passengers are not decreasing. The attribution of the Ministry that flooding of complaints is due to twitter, social media etc., is not acceptable to the Committee as prior to twitter and social media, plenty of complaints did not reach to the Railways. They, therefore, desire that stringent measures should be taken in new Catering Policy, 2017 to contain the grievances by complying all statutory guidelines/norms for food safety and quality control from preparation level to its distribution. Also, strict penal provisions should be in place and adhered to in letter and spirit in respect to those who flout and default the provisions.

New Delhi;
.....August, 2018
..... Sharvana, 1940 (Saka)

SUDIP BANDYOPADHYAY
Chairperson
Standing Committee on Railways

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD**

No. 2016/TG-III/600/1/Pt.

New Delhi, dated **27**/02/2017

The General Managers
All Indian Railways

The Chairman & Managing Director
Indian Railway Catering & Tourism Corporation Ltd.
New Delhi.

(Commercial Circular No. **20** /2017)

CATERING POLICY 2017

1. OBJECTIVES

With the objective to provide quality food to our customers unbundling of catering services on trains has been envisaged in Catering Policy 2017. This policy supersedes Catering Policy 2010 and related instructions, unless specifically referred to in this policy document.

IRCTC has been mandated to carry out the unbundling by creating a distinction primarily between food preparation and food distribution. In order to upgrade quality of food preparation IRCTC shall be setting up new kitchens and upgrade existing ones.

Modifications have been necessitated in the management of catering service on mobile and static units to implement social objectives of the Government besides encouraging fair competition in allotment of catering units over stations.

IRCTC shall be responsible for catering services through mobile catering units, Base Kitchens, Cell Kitchens, Refreshment Rooms at A1 & A category of stations, Food Plazas, Food Courts, Train Side Vending, Jan Ahaars. All other catering units like Refreshment Rooms at B and below category of stations, AVMs, Milk Stalls, trolleys shall be managed by the Zonal Railways.

2. DEFINITIONS: AS ANNEXURE- I

3. MANAGEMENT OF CATERING SERVICES IN MOBILE UNITS

- 3.1 All pantry car service contracts awarded by zonal railways shall be reassigned to IRCTC on the same terms and conditions, as per the plan decided mutually by IRCTC and Railways. Sharing of license fee between IR and IRCTC shall be in the ratio of 40:60 in all cases other than departmentally managed units by IRCTC wherein revenue shall be shared in the ratio of 15:85. Also all such reassigned contracts should be got vetted by Legal Deptt. of Zonal Railways.
- 3.2 IRCTC shall submit its business plan for approval of Railway Board, for managing mobile catering services on the trains after the issuance of this



policy. Business plan may be prepared by IRCTC separately for those trains in which cost of meals is included in the ticket and for those where catering is optional. While framing the Business Plan IRCTC may take into consideration the terms and conditions of existing contracts re-assigned to IRCTC and time frame required to put into effect various provisions contained in paras 3.7, 3.8 and other relevant provisions of this policy.

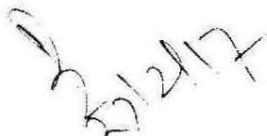
- 3.3 IRCTC shall manage catering service on all mobile units having pantry car service presently with IRCTC. IRCTC shall also take over management of catering services on trains for which contracts have not been awarded by zonal railways due to various reasons or trains are being run departmentally by zonal railways.
- 3.4 Management of catering services on all new trains/ trains started on short notice shall also be done by IRCTC.
- 3.5 Since all trains are not provided with pantry cars, Train Side Vending will be provided from a suitable unit of nominated station/stations enroute. For this purpose, arrangements will be made through static kitchen units under the management of IRCTC by either segmentation of run or on end to end basis, as practicable. IRCTC shall manage Train Side Vending as per instructions entailed in this policy.
- 3.6 IRCTC should submit the Business Plan within a period of 30 days from the date of issuance of the policy, which shall be approved by Railway Board within 30 days from the date of submission by IRCTC.

3.7 Method of Operation of Mobile Catering Service

- 3.7.1 Preparation of Food: To ensure quality, hygiene and cleanliness, meals for all mobile units will be picked up from the nominated kitchens owned, operated and managed by IRCTC. This is subject to Business Plan for mobile catering as well as Base Kitchens, as approved by Board.
- 3.7.2 Service of Food in Trains: IRCTC can engage service providers from hospitality industry for service of food in train.
- 3.7.3 IRCTC shall supervise catering services on each mobile unit through its own supervisors directly employed by IRCTC.
- 3.7.4 IRCTC shall determine the menu of standard meals, in consultation with zonal railways, keeping into consideration the local taste and cuisine. The standard meals served in trains shall be within the fixed tariff approved by Railway Board.
- 3.7.5 Sale of a-la-carte items, Ready-to-Eat (RTE) Meals shall be permitted both through e-catering and onboard services by IRCTC.
- 3.7.6 The rates of standard, a-la-carte and RTE items shall be prominently displayed in coaches and Railways' websites and shall be made available through mobile apps.

3.8 Setting Up and Operation of Kitchen Units

- 3.8.1 All four Base Kitchens under departmental operation of Zonal Railways (Nagpur, Chhatrapati Shivaji Terminus, Mumbai Central and Balharshah) shall

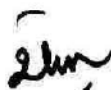


be handed over to IRCTC on 'as is where is basis' i.e. the infrastructure including equipments shall be transferred to IRCTC. All kitchen units i.e. Refreshment Rooms at A1 and A category stations (i.e. excluding Refreshment Rooms at B and below category stations being minor units that will remain with Railways), Jan Ahaar, Cell Kitchens shall also be handed over to IRCTC on 'as is where is basis' i.e. the infrastructure including equipments shall be transferred to IRCTC.

- 3.8.2 Contracts awarded by zonal railways for kitchens units viz., Refreshment Rooms at A1 and A category stations, Jan Ahaar, Cell Kitchens shall be reassigned to IRCTC on the same terms and conditions with sharing of license fee between IR and IRCTC in the ratio of 40:60 in all cases other than departmentally managed units by IRCTC wherein revenue shall be shared in the ratio of 15:85. Also all such reassigned contracts should be got vetted by Legal Deptt. of Zonal Railways.
- 3.8.3 The setting up/ development / refurbishment of new or existing Base Kitchens/Kitchen units (after contract ceases to exist in case of units discussed in Para 3.8.1) shall be undertaken by IRCTC on the following broad parameters:-
- IRCTC shall develop different types of kitchens keeping in view supply of food and usage assessed.
 - Kitchen should be on a Business model so that they can expand and enhance the service. Revenue sharing, operational modalities are to be submitted by IRCTC for prior approval of Railway Board. Land license fee for such cases shall be decided as per the plan submitted by IRCTC and terms agreed by Land & Amenities (L&A) Directorate.
 - IRCTC shall prepare a detailed concession agreement of the Business Model proposed for setting up of the kitchens, which shall be approved by Board.

The services provided currently through Refreshment Rooms, Jan Ahaars and Cell Kitchens shall be provided by IRCTC.

- 3.8.4 IRCTC shall not outrightly outsource or issue licenses for provision of catering services to private licensees. IRCTC shall retain the ownership and shall be fully accountable for all the issues pertaining to setting up and operation of the Base Kitchens and quality of food.
- 3.8.5 The kitchens set up/ developed/ refurbished by IRCTC shall be modern and mechanized. IRCTC shall ensure that the kitchens acquire valid ISO certification within the specified fixed time period including compliance of all statutory guidelines and food safety norms issued from time to time.
- 3.8.6 Apart from kitchen units handed over by zonal railway, IRCTC may set up its own Kitchens at additional stations identified by it preferably within the railway premises and as per availability of land.
- 3.8.7 Kitchen structures/ land handed over by Zonal Railways to IRCTC for setting up/ development / refurbishment of Kitchen units shall be done on a token license fee of Re.1/- (Re. one) per sqft. p.a. subject to minimum of Rs.100/- (Rs. One Hundred) p.a. However, the concessional land license fee will be applicable only



for Railway related catering work and not for any other purpose. In case IRCTC use these base kitchens for the purpose other than mandated in the catering policy, land license fee shall be decided as per the plan submitted by IRCTC and terms agreed by Railway Board.

- 3.8.8 It shall be mandatory for IRCTC to establish the kitchens in a time bound manner as stipulated hereunder. The location and area of the land for construction of Base Kitchens shall be decided mutually by the Divisions and IRCTC to be approved by Zonal Railways. IRCTC and Divisions shall jointly prepare a General Agreement Drawing (GAD) of the proposed kitchen duly showing addition/alteration. Sr.DCM in the Division and CCM (Catering)/CCM will be the nodal officer for matters relating to handing over of the land and setting up of the kitchens. Following timeframe shall be followed for setting up of the kitchen:-

| Activity | Timeframe | Responsibility |
|--|---|--|
| (i) Identification of site | 10 working days from 21 days after the issue of the policy | Sr. DCM, Sr.DEN and IRCTC. Any delay will require condonation by DRM along with a speaking order. |
| (ii) Preparation of GAD plan | 21 working days after identification of the site | Sr.DEN, Sr. DCM, Sr. DEE, Sr. DSTE, IRCTC and any other official, if required. Any delay will require condonation by DRM along with a speaking order. |
| (iii) Approval of GAD | 21 working days after preparation of GAD | CEE, PCE, CSTE, CCM and any other official, if required. Any delay will require condonation by GM along with a speaking order. This will be deemed to be the approval of Zonal Headquarters. |
| (iv) Handing over of the land/site | 10 working days after approval of GAD | Sr.DEN, Sr. DCM and IRCTC. Any delay will require condonation by DRM along with a speaking order. |
| (v) Signing of agreements (Land Licensing Agreement and O&M Agreement) | 10 working days after handing over of the land/site | DRM and IRCTC. Commencement/setting up of kitchens will start only after signing of the agreement. GM shall ensure that the agreement is signed within the given timeframe. |
| (vi) Setting up of the kitchen | (a) 3 months where basic structure is provided by Railways; and (b) 6 months where only vacant land is provided by Railways. From the date of handing over of land/site | CMD/IRCTC shall be responsible for setting up of kitchens in fixed timeframe. Reasons for delay shall be reported by the CMD/IRCTC to Railway Board. |

- 3.8.9 The existing railway operated Base Kitchens/kitchen units and the land allotted for setting up of new kitchens shall be handed over to IRCTC for a term period of 10 years which shall be extendable for another period of 5 years at a time subject to mutual agreement. There shall be a provision for taking back the Base Kitchens/kitchen units/land handed over to IRCTC in case said premises are required for integrated development of stations. The shifting shall take place only after the alternative site is made functional in all respects for which both parties shall act proactively as per laid down timeframe. This condition should be incorporated in the agreement to be executed between Zonal Railway and IRCTC before handing over the kitchen unit/land to IRCTC.
- 3.8.10 A separate land licensing agreement will be signed by the Zonal Railways and IRCTC for all the above purposes.
- 3.8.11 There shall be no lease/ licensing of land to third party for the purpose of setting up of Base Kitchens/Kitchen Units. IRCTC will design its model for operation and maintenance without assigning any right/ lien to third party over the space allotted.
- 3.8.12 Electricity and water charges shall be charged based on actual consumption basis and the same shall be payable by IRCTC. Additional capital cost involved in augmenting utilities, if any, shall also be borne by IRCTC.
- 3.8.13 For the mobile units already licensed out by the Zonal Railways, IRCTC shall take over those contracts and monitor the management of catering services by licensee by deputing IRCTC supervisors in each train who shall be accountable for the performance of the contractor.
- 3.8.14 The mobile and kitchen units proposed to be handed over to IRCTC in this policy are presently being managed either through a licensee or departmentally or through a temporary arrangement. 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 the timeframe in which it shall be handed/taken over shall be stated.
- 3.8.15 Delay in setting up of kitchen by IRCTC, as defined in para 3.8.8 (vi), shall invite a minimum penalty of Rs. One Lakh per month per unit.
- 3.8.16 IRCTC should submit the Business Plan for Base Kitchens within 30 days of the issuance of this policy and Board shall approve the same within 30 days of submission of the Business Plan by IRCTC.

3.9 Inspection and Supervision by IR

- 3.9.1 Officials of Railway Board, Zonal Railway & Division shall be authorized to inspect the kitchen units/mobile catering units. If any violation of the provision of the policy or deficiencies is noticed in the service, suitable penal action as decided by Zonal Railways will be taken as per the provision of agreement signed between IRCTC and Zonal Railways or IRCTC, Zonal Railway and Licensee for tripartite agreement (In case of licenses which are to be reassigned to IRCTC).



3.9.2 IRCTC and CCMs of the concerned Zonal Railways shall enter into an agreement with respect to each unit to be handed over to IRCTC. Railway Board shall issue a draft model agreement incorporating appropriate penal action against IRCTC for the violation of extant policy guidelines/deficiency. This agreement shall be executed between IRCTC and Zonal Railway before handing over of the contract.

3.10 General Instructions

3.10.1 IRCTC may involve/empanel Self Help groups for providing catering related services. However, IRCTC shall not outsource or issue licenses for provision of catering services to SHGs.

3.10.2 IRCTC shall ensure compliance of all statutory guidelines viz. FSSAI norms of food safety in Base Kitchens/kitchen units and mobile catering units, pollution control, Green Tribunal etc. (the statutory bodies mentioned are indicative in nature, not exhaustive). Further, it shall be entirely responsible for payment of any penalty imposed for non-compliance of these guidelines.

3.10.3 IRCTC shall ensure payment of all taxes, as applicable from time to time.

3.10.4 Third Party Audit of mobile units and base kitchens shall be done by Zonal Railway periodically by an independent agency as per Board's instructions issued vide letter no. 2013/TG-III/600/17 dated 12/08/2014 and any other instructions issued from time to time. Cost of the audit shall be borne by IRCTC.

3.10.5 IRCTC and Zonal Railways shall ensure compliance of extant policy guidelines issued from time to time.

3.10.6 In view of change in role of IRCTC in terms of management of catering service, the existing MoU between Ministry of Railways and IRCTC shall be redefined and a revised MoU shall be issued.

3.10.7 In case of any issues of interpretation of any clause/expression referred to in this policy the interpretation of MoR shall be final and binding.

3.10.8 IRCTC shall be responsible for ensuring that the standards, as laid down for different services, are maintained and policy directives issued by Railway Board from time to time are strictly complied with. Concerned Zonal Railways shall monitor the performance of IRCTC over their jurisdiction.

3.10.9 IRCTC shall ensure computerized billing in a phased manner to the extent feasible for all the items sold in mobile and static units under the management of IRCTC. Facility for cashless transaction viz. POS/Swipe machine etc. shall be compulsorily available in all the mobile and static units.

3.10.10 Railways' share of revenue shall be realized division/station/unit wise on monthly basis and reflected in monthly station balance sheet of the concerned station. A procedure Order for accountal of the revenue share shall be issued by Railway Board.



4. MANAGEMENT OF CATERING SERVICE IN STATIC UNITS:

- 4.1 As already decided, IRCTC would begin to manage catering services over IR in a phased manner. However, catering services in static units (except units mentioned in Para 3.8.1 & 4.2) shall continue to be awarded and managed by Zonal Railways.
- 4.2 IRCTC will be responsible for management of catering units mentioned in Para 3.8.1 and for operations of Food Plaza, Food Courts, fast food units within the ambit of this policy.

5. SCALE OF CATERING SERVICES THROUGH STATIC UNITS:

- 5.1 Zonal Railways, in coordination with Divisions and IRCTC, will prepare a comprehensive blue print for the catering units (under the control of Zonal Railways and IRCTC) at each station taking into consideration bans as notified from time to time. Further, Zonal Railways should ensure that adequate facilities are available for providing affordable food to passengers before permitting any other type of outlets. In case of banned stations, Zonal Railways shall be empowered to make provisions for catering units with concurrence of Finance and approval of General Manager.

6. INFRASTRUCTURE AT STATIC UNITS:

- 6.1 There should be no cooking on platforms at suburban stations and for other stations there should be efforts to progressively reduce cooking on stalls and trolleys on the platforms, except for items which could be prepared through electrically operated equipments. Railway Board's instructions issued vide letter no. 2011/TG-III/600/14 dated 25/04/2012 and other instructions issued from time to time may be followed in this regard.
- 6.2 No new Khomcha or alike shall be allotted, however, trolleys/khomchas (already allotted) may be continued on selective basis. In order to reduce congestion, these should be made area specific. Care should be taken not to place them near FOBs or doors of trains. Preference should be given towards providing them at the ends of platforms so that General Service Coaches and unreserved passengers have easy access to them. Such trolleys/khomchas must have adequate availability of the low priced Janta Khana.
- 6.3 Gradually all old catering stalls should be replaced with compact modular stalls of superior quality material to ease congestion on the station platforms and circulating area and improve on aesthetics, durability and convenience for maintenance.
- 6.4 Static Catering Units should have service across the counter only. There shall be compulsory and prominent display arrangements of rates and FSSAI certification.
- 6.5 Zonal Railways shall ensure computerized billing for all the items sold at static units under its management in a phased manner to the extent feasible. Facility



for cashless transaction viz. POS/Swipe machine etc. shall be compulsorily available in all the static units.

- 6.6 All systems and processes and equipments such as deep freezers, hot cases, microwave ovens, refrigerated storage units, bain-maries should progressively replace the existing traditional equipments and manual methods in static units.

7. AUTOMATIC VENDING MACHINES (AVMs):

- 7.1 Zonal Railways shall manage through licensee the automatic self vending machines. Automatic Vending Machines shall be permitted only in the form of stand-alone self dispensing units. They shall not be permitted to sell any other item except those to be dispensed through these machines. The operations of the AVMs shall not involve any manual interface except for the purpose of refilling/repair/maintenance of machine. However, all dispensation related operations shall be through coin/currency/card only.
- 7.2 The AVMs that are not stand alone self dispensing units should be closed down forthwith taking into account the provisions of contract. Other existing AVMs would be allowed to continue only until the currency of the existing contract and no extension should be given.
- 7.3 New AVMs, adhering to current norms, shall be awarded through two-packet tender system. Allotment will be done by e-tendering method. Till the finalization of e-tendering module and issuance of procedure order by Railway Board normal tendering process shall be followed.
- 7.4 The allotment of new AVMs should be done by following SBD guidelines for major units issued by Railway Board on 05/07.09.2012. Fixation of license fee shall be governed by Para 12 of this policy. Specification of machine and other modalities may be decided by zonal railway.

8. MILK AND MILK PRODUCT STALLS:

- 8.1 Milk Stall license shall be awarded to apex dairy cooperative societies approved by Government, dairy cooperative federations/members of National Cooperative Dairy Federation of India Limited (NCDFI) and/or developed under the aegis of Operation Flood Programme, bodies/agencies registered/certified by FSSAI for sale of milk and milk products.
- 8.2 Allotment at all category of stations shall be done through tender system. The process of allotment, tenure, fixation of license fee and ceiling shall be governed by Para 9 (except conditions stipulated in 9.3.1), 11, 12 and 13 respectively of this policy. Allotment will be done by e-tendering method. Till the finalization of e-tendering module and issuance of procedure order by Railway Board normal tendering process shall be followed.
- 8.3 Sale of Packaged Drinking Water (Rail Neer) shall be permitted at Milk Stalls and instructions issued vide letter no. 2015/TG-III/631/8 dated 12.02.2016 shall be followed in this regard.



9. Allotment Procedure for Static Catering Units (except static units mentioned in Para 3.8.1):

- 9.1 For the purpose of allotment, a Refreshment Room (at B and below category stations) or a stall or a trolley shall be deemed as one unit. As such, a single unit shall be awarded through a single license.
- 9.2 No new license for khomcha / Dallah / Chhabba / Wheel Barrow/ Hand Barrow / Tray / Table / Tea Balta (or any other similar unit by a different name) shall be awarded by Zonal Railway.
- 9.3 Zonal Railways shall have an effective and transparent contract awarding system for static catering units at A1, A, B & C category station. Allotment of static catering units will be done by e-tendering method. Till the finalization of e-tendering module and issuance of procedure order by Railway Board, normal tendering process shall be followed.
- 9.3.1 Allotments of all major static units (except units mentioned in Para 3.8.1) and of General Minor Units at A1, A, B & C category stations will be done through open, competitive, two-packet tendering system by divisions in accordance with the Standard Bid Documents issued vide Board's letters No. 2010/TG-III/ 600/ 12/SBD/Pt.3 dated 05/09/2012 and No. 2010/TG-III/600/12/ SBD/1Pt 05/07/2011, duly following all the procedures/instructions issued by Government of India/Railway Board from time to time.
- 9.3.2 Allotment of Special Minor Units at A1, A, B & C category stations will be done by divisions through open tendering system within the similar reserved category. The technical eligibility criteria, however, shall be as under:-
- (a) Turnover of applicant's business in catering (to be supported by Income Tax Return for the last 3 years) duly certified by Chartered Accountant (Exempted in case of BPL category).
 - (b) Previous experience in catering business (to be supported by certificate/letter of experience/allotment from concerned agencies for the last 3 years).
 - (c) The bidder shall be an Individual/sole proprietor who shall furnish relevant certificate from competent government authority as a proof of being a member of the particular reserved category in which he/she is bidding.
 - (d) Government approved identity proof and residence proof such as Aadhaar Card/ PAN/Voter ID etc. to ensure genuineness of the bidder and VAT registration, if required.
 - (e) Affidavit to the effect that the applicant is solvent, there are no pending dues of railways, no debarment of the bidder by any zonal railways and that there is no conviction of the bidder in any criminal case by Court.
 - (f) Medical certificate on allotment to certify that those handling preparation and service of food are not suffering from infectious diseases.
 - (g) Any false declaration by the bidder on affidavit shall be treated as 'Material Breach' and would result in termination of the license and debarment/blacklisting of the licensee from participating further in allotment of catering units on any zonal railway/IRCTC.

- (h) Any other special condition considered relevant by Railways with the approval of the concerned CCM.

Allotment should be made to the highest eligible bidder subject to the fulfillment of all the above criteria.

- 9.3.3 Standing Tender Committee, to be nominated by DRM, shall comprise of three members one each from Commercial and Finance department and third member from any other department. The level of committee members as per category of stations shall be as under:

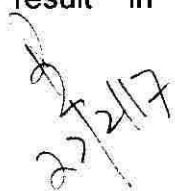
| Category of stations | Level of Committee | Accepting Authority |
|----------------------|--------------------------|---------------------------|
| A1, A, B & C | Sr. Scale level officers | Next Higher Grade officer |
| D, E & F | Jr. Scale level officers | Next Higher Grade officer |

- 9.3.4 Any amendment in the above delegation of powers by Zonal Railway shall be carried out with the approval of the Chief Commercial Manager.

- 9.4 Allotment of Special Minor Units at D, E, F and General Minor Units at D, E, F category stations will be made by Divisions through open tender system from the eligible bidders. In case of SMUs at D, E, F category stations, tenders shall be called from the similar reserved category applicants. The eligibility criteria shall be as under:

- (a) **General Minor Units at D, E & F category stations:** Divisions will call for tenders through press notifications from Individuals/partnership firms/companies/Co-operatives/ Self Help Groups etc. In case of partnership firms, a certified copy of legal partnership deed should be submitted.
- (b) **Special Minor Units at D, E and F category stations:** Divisions will call for tenders through press notifications from an Individual/sole proprietor who shall furnish relevant certificate from competent government authority as a proof of being a member of the particular reserved category in which he/she is applying. Benefit of reservation shall be admissible only in case of individual or sole proprietor.
- (c) Experience in catering business to be supported by turnover (Income Tax Return/bank statements) in that business for the last three years duly certified by Chartered Accountant (Exempted in case of BPL category).
- (d) Government approved identity proof and residence proof such as Aadhaar Card/ PAN/Voter ID etc. to ensure genuineness of the bidder and VAT registration, if required.
- (f) Affidavit to the effect that the applicant is solvent, there are no pending dues of railways, no debarment of the bidder by any zonal railways and that there is no conviction of the bidder in any criminal case by Court.
- (g) Medical certificate on allotment to certify that those handling preparation and service of food are not suffering from infectious diseases.
- (h) Any false declaration by the bidder on affidavit shall be treated as 'Material Breach' and would result in termination of the license and





debarment/blacklisting of the licensee from participating further in allotment of catering units on any zonal railways/IRCTC.

- (i) Any other special condition considered relevant by Railways with the approval of the concerned CCM.

Allotment should be made subject to the fulfillment of all the above criteria by the nominated Tender Committee as stated in Para 9.3.3.

9.4.1 Minimum licence fee will be fixed as 12% of the estimated annual sales turnover for the respective static unit. Minimum license fee will be fixed by Zonal Railways/Divisions based on criteria mentioned in para 12.1.

9.4.2 Divisions shall maintain the vacancy position of units allotted under reserved categories. In case no application is received against a particular reserved category as per break up specified in this policy, one re-notification will be done for allotment of units to reserved category applicants. In case no reserved category applicant turns up, the earmarked unit shall be treated as GMU and shall be allotted for one term of 5 years only. However, after completion of that 5 year term, the re-notification exercise shall be repeated for allotment of reserved category stall to reserved category applicant.

9.4.3 Total allotment to a particular category should not exceed the specified percentage reserved for that particular category. The total number of allotments of minor units to the various reserved categories should not exceed 49.5% of the total allotments of minor units made on a particular Division at D, E and F category stations and 25% of the total allotments of minor units made on a particular Division at A1, A, B and C category stations. Record of allotments based on reservation will be maintained by the concerned division.

10. RESERVATION IN ALLOTMENT:

10.1 RESERVATION IN A1, A, B & C CATEGORIES

10.1.1 There shall be no reservation for major units.

10.1.2 There shall be 25% reservation for minor units in A1, A, B & C categories of stations with the following break up.

| S.No. | Category | %age reservation |
|-------|---|------------------|
| 1. | Scheduled Caste | 6% |
| 2. | Scheduled Tribes | 4% |
| 3. | Other Backward Classes | 3% |
| 4. | Minorities * | 3% |
| 5. | Divyang | 2% |
| 6. | Freedom Fighters/war widows and widows of railway employees, persons who have been dislocated/ displaced due to their land having been taken over by the railways for its own use | 4% |
| 7. | People below Poverty Line | 3% |
| | Total | 25% |

* the term minorities will include the communities namely (i) Muslims, (ii) Christians, (iii) Sikhs, (iv) Buddhists, (v) Zoroastrians (Parsis) (vi) Jain

10.2 RESERVATION IN D, E & F CATEGORY:

There shall be 49.5% reservation for allotment in D, E & F categories of stations with following break up.

| S.No. | Category | %age reservation |
|--|------------------------|------------------|
| 1. | Scheduled Caste | 12% |
| 2. | Scheduled Tribes | 8% |
| 3. | Other Backward Classes | 20% |
| 4. | Minorities * | 9.5% |
| | Total | 49.5%** |
| *the term minorities will include the communities namely (i) Muslims, (ii) Christians, (iii) Sikhs, (iv) Buddhists, (v) Zoroastrians (Parsis) (vi) Jain | | |
| ** Out of this 49.5%, there will be sub quota of 10% for freedom fighters & war widows & widows of Railway employees and another sub quota of 2 % will be for physically challenged people. Within 49.5% of total reservation 2% sub quota will be provided to the persons who have been dislocated/ displaced due to their land having been taken over by the railways for its own use. | | |
| The sub quota of 10% for freedom fighters & war widows & widows of Railway employees; sub quota of 2% for physically & mentally challenged people will also apply in the general category of 50.5%. | | |

The issue of reservations is at present sub-judice in the Hon'ble Supreme Court. Any allotment/extension in the case of reservations will be subject to the final order of the Hon'ble Supreme Court in Civil Appeal No.7513 of 2005 and analogous case referred to the Constitutional bench.

- 10.3. There shall be a provision of 33% sub quota for women in allotment of each of the reserved category of minor catering units at all category of stations. The sub quota of 33% for women will also apply in general category.
- 10.4 For the purpose of reservation, one division will be considered as one entity for which a one time station-wise exercise will be done for the whole division and reservation percentage will be progressively achieved as and when either new units are provided or old units get vacated due to any reason.

11 TENURE

- 11.1 Tenure of all major units being handed over to IRCTC will be governed as per Catering Policy 2010 till the expiry of the contracts. IRCTC shall further manage these units as per the provisions of this policy.
- 11.2 Tenure of Food Plaza shall be for a period of 9 years. Tenure of all other catering units (Major Units & Minor Units) will be for a period of 5 years only. There will be no further extension/renewal, except for units specifically referred to in para 3.8.1.





12. FIXATION OF LICENCE FEE FOR STATIC UNITS (EXCEPT UNITS MENTIONED IN PARA 3.8.1)

- 12.1 Minimum license fees / minimum reserve price shall be fixed as 12% of the annual sales turnover for static units. Annual sales turnover shall be based on the following factors (i) category of station, (ii) type of licence, (iii) number of originating passengers, (iv) number of trains stopping (day & night), (v) duration of stoppages (vi) location of the unit at the station, (vii) approximate licence fees of a similar type of unit at a similar category of station in proximity. In case of Static Units on Category 'A1' and 'A' stations of Metro cities, and 'C' Category stations having high purchasing power, the fixation of minimum licence fee will apart from all other factors take into account the Circle rates notified by the competent authority of the State Government as fixed from time to time. The zonal railways shall evolve a formula based on the above parameters for fixing the licence fees for the units falling within their jurisdiction. A Committee comprising three SA Grade officers from Commercial, Finance and Civil Engineering shall be nominated by the General Manager which shall fix the formula for each category of stations. The formula so fixed by the zonal railway shall be applicable to the entire zonal railway. Apart from the above zonal railways may include and consider any other factor/s unique to the unit/units. General Managers shall have full discretionary powers on recommendation of CCM and concurrence by FA&CAO of the zonal railways to revise/modify the minimum licence fee calculated as per the SAG formula also keeping in view the Last Accepted Rate (LAR) of the completed contract.
- 12.2 In the case of static units there will be no separate charges payable towards rent for building /land, vender's fee and conservancy charges etc, except electricity and water charges, which will be based on actual consumption and payment of applicable taxes.
- 12.3 The licensee will be required to pay all the charges as per the contract agreement and all statutory duties/charges/levies/taxes, etc. (including Service Tax on Licence Fee) would also be borne by the licensee as and when due or any new tax (including GST) is notified.
- 12.4 In case of all units under the management of IRCTC, land license fee for land leased to IRCTC will be payable by IRCTC and revenue sharing will be as stipulated in para 3.1 and 3.8.2 above.

13 CEILING LIMITS ON HOLDING OF CATERING LICENSES:

- 13.1 Zonal Railway and Divisions shall maintain a data base of the various catering establishments to ensure that the under mentioned ceiling on holding of catering licenses are complied with. The data base should be reconciled by Zonal Railway Headquarters on six monthly basis. As and when a tender is finalized, the information may be circulated to all concerned for updating the data base. Railways shall consolidate and circulate a list of all catering establishments as on 1st January of each year to be circulated latest by 31st March and as on 1st July of each year to be circulated latest by 31st October of that year. Such information should be

updated and accordingly uploaded on 1st January and 1st July of every year on the websites of the Railways.

- 13.2 Stand alone AVMs: An entity will be allowed to hold a maximum of 10 AVMs over each zonal railway.
- 13.3 For Milk Stalls, authorized franchisee/agencies of allottees (apex dairy cooperative societies approved by Government, dairy cooperative federations/members of NCDFI and/or developed under the aegis of Operation Flood Programme, bodies/agencies registered/certified by FSSAI) will be allowed to hold a maximum of five milk stalls per Division.
- 13.4 A licensee will be allowed to hold a maximum of five minor catering units per Division.
- 13.5 Food Plaza, Food Courts and Fast Food Units: An individual/firm/company will be allowed to hold maximum two units per division, subject to a further limit of 25 units over Indian Railways.
- 13.6 If a licensee holds more than one unit under a single or multiple licences, for the purpose of implementation of ceiling limit, one RR (at B & below category stations), one stall or one trolley or one khomcha shall be equivalent to one unit.
- 13.7 No new license for khomcha/Dallah/Chhabba /Wheel Barrow/ Hand Barrow/Tray/ Table/Tea Balta (any other similar unit) shall be awarded by Zonal Railway.
- 13.8 Modification of the above limits may be done only with prior approval of Railway Board.

14. MENU AND TARIFF:

- 14.1 Menu and Tariff of food items will be fixed as follows:
 - 14.1.1 For Rajdhani/Shatabdi/Duronto trains and such other trains in which catering charges are inbuilt in the passenger fare, the menu shall be decided by IRCTC in consultation with Railway Board to make it commensurate with the tariff, which will be fixed by Railway Board.
 - 14.1.2 For controlled segment items/standard menu/Janta Meals on units handed over to IRCTC, the menu shall be decided by IRCTC in consultation with Zonal Railways within the fixed tariff approved by Railway Board.
 - 14.1.3 Menu and tariffs for Food Plaza, Food Courts and fast food units will be decided and fixed by IRCTC.
 - 14.1.4 Menu of controlled segment items including regional cuisine on minor static catering units shall be decided by Zonal Railways within the fixed tariff approved by Railway Board.



14.1.5 Menu & Tariff of a-la-carte items served through static catering units managed by Zonal Railways as well as IRCTC, will be fixed by Zonal Railways in consultation with IRCTC.

14.1.6 The Menu & Tariff of a-la-carte meals on mobile units handed over to IRCTC shall be decided by IRCTC. However, in cases where the contracts for mobile units are being re-assigned to IRCTC, the same terms and conditions including menu and tariff shall be applicable till the reassigned contracts cease to exist.

14.1.7 Adequate emphasis should be laid on availability of regional cuisine all over Indian Railway.

14.1.8 Instructions issued vide CC No. 78/2012, CC No. 63/2013, CC No. 32/2014 and issued vide letter no. 2012/TG-III/631/2 dated 11/07/16 and related instructions to ensure availability of diabetic/patients/ailing passengers/jain food on demand and availability of food to infants at stations, shall be followed.

14.1.9 The procedure for regular revision of tariff based upon certain index, parameters, inflation etc. would be finalized by Board from time to time.

15 QUALITY ASSURANCE PROGRAMME:

Zonal Railways/IRCTC shall frame an efficient quality assurance programme to ensure good quality and hygienic food to the passengers. Progressively, ISO 22000 Standards & relevant international standards in vogue from time to time will be implemented for all catering units.

16 DISPOSAL OF GARBAGE

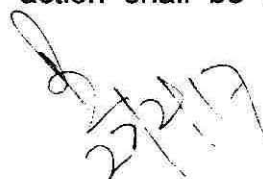
Zonal Railways and IRCTC shall ensure compliance of instructions on waste management already issued vide Commercial Circular No. 45/2011 dated 13/09/2011 and instructions issued in this regard from time to time. Instructions issued in this regard from time to time should be incorporated in all agreements.

17 MECHANISM FOR MONITORING OF CATERING SERVICES

17.1 Inspections/Quality checks and monitoring of complaints

17.1.1 Endeavour should be made that all catering services are ISO certified as per latest norms.

17.1.2 To provide hygienic and quality food to the rail passengers a strict and effective system of monitoring of catering services should be adhered to. Monitoring of quality should be made through inspections and food quality checks. If any violation of the provision of the policy or deficiencies is noticed in the service, suitable penal action shall be taken as per the provision of agreement.



- 17.1.3 System for complaint redressal for catering services for static and on-board services that is already in place providing proactive and effective complaint redressal mechanism shall be strengthened.
- 17.1.4 Complaint Monitoring Cells set up at zonal railway headquarters and divisional offices wherein all complaints received through toll free number, complaint books, emails, SMS and other online platforms etc. should be collected and forwarded to concerned Zonal Railways/IRCTC for necessary action. A mechanism be devised to acknowledge the complaints / feedback within 24 hrs. Action taken on complaints should be monitored by the CCM of the zonal railway and DRMs of the divisions on a monthly periodical basis. Complaints of repetitive nature should be taken up sternly.
- 17.2 IRCTC will conduct passenger satisfaction surveys by means of third party audits. In case of deficiencies noticed by Third Party Audit Agency, suitable penal action shall be taken as stated in paras 17.3 & 17.4.
- 17.3. If any violation of the provision of the policy or deficiencies is noticed in the service, suitable penal action as decided by Zonal Railways will be taken as per the provision of agreement. In case of continued failure in performance, Railways will have the right to close down any unit. The event of continued failure may be explicitly defined in the tender document/agreement.
- 17.4 Zonal Railways and IRCTC will take corrective action for deficiency in services, which may include D&AR action against the concerned employees.

18 TRANSFER OF LICENSE:

Transfer of license to the legal heir would be allowed only in the event of death of the original licensee. The license shall be transferred in the name of the legal heir for the unexpired period of the contract as per General Conditions of Contract (GCC) of Railways. No subletting will be allowed.

19 EXCLUSION OF GOVT. EMPLOYEES AND THEIR DEPENDENTS:

As per extant instructions, no catering /vending license should be awarded to any Government employee or railway servant or any other member of his/her family (as defined in rule no 103 para 17 of the Indian Railway Establishment Code – Vol.-I). The existing catering/vending licensees who are coming under the above category, should also not be allowed to continue their license on confirmation of the above position.

20 APPLICABILITY OF THE NEW POLICY:

- 20.1 The revised catering policy will be applicable with immediate effect i.e. from the date of issue. This policy supersedes all prior policy circulars issued from time to time unless specifically referred to in this policy document.
- 20.2 Tenders that have been finalized and LoA issued prior to the date of notification of this policy, shall be allowed to continue as per policy guidelines prevailing at that time. Zonal Railways will cancel all such

tenders and return the earnest money to the tenderers in cases, where LoA has not been issued before issuance of this circular.

- 20.3 Any other special condition including provision of catering service during unforeseen circumstances including accidents, as considered relevant by Railways with the approval of the concerned CCM, shall form part of the agreement to be entered into, which shall be binding on the IRCTC/static units licensees.
- 20.4 Pending litigation and any new litigation on existing units being handed over to IRCTC, shall be defended/contested by IRCTC on behalf of Indian Railways before all courts/forums.

21. NEW INITIATIVES

Zonal Railways shall be permitted to introduce innovative/new initiatives in catering on stations, with the concurrence of Associate Finance and approval of General Manager. Tenure for such initiatives shall be one year extendable to second year with the approval of General Manager. Further, extension for remaining period of the full tenure (i.e. five years) shall be with the approval of Railway Board.

22. ARBITRATION

For units being managed by zonal railway contract agreement should have arbitration clause for the case of any dispute, difference, or question arising between Railways and the licensee as to the respective rights, duties, obligations of the parties hereto or as to the construction or interpretation of any of the terms and conditions of the agreement or as to its application the same shall be resolved amicably failing which GMs of the Zonal Railways will be nominating authority as per GCC of the railways. The disputes referred for arbitration shall be dealt as per the procedure laid down in the Arbitration and Conciliation Act, 1996, as amended from time to time. The place of arbitration would be Zonal Railways Headquarters and language for arbitration proceeding shall be English.



ANNEXURE – I

DEFINITIONS OF THE TERMS USED IN THE CATERING POLICY

1. **A-la-carte Menu:** These are popular food items served through static/mobile units and decided by market/customer, the rates for which are fixed by zonal railways/IRCTC. CCMs of the zonal railways will be the competent authority to decide the A-La-carte rates. Zonal Railways, after taking into consideration the regional tastes and cuisine, will approve such items. A-la-carte menu and standard items shall be mutually exclusive to ensure that passengers are not overcharged.
2. **Automatic Vending Machines (AVM):** These are automatic vending machines for dispensing hygienically packaged catering items e.g. PAD items, PDW, eatables, tea/coffee, cold drinks, etc. AVM stalls should not be permitted to sell any other item except those to be dispensed through these machines.
3. **Base Kitchen:** Base Kitchen is a large cooking and packing facility set up in the vicinity of railway premises whether inside or outside Railway premises from where food is prepared and distributed in trains or to the static units. There will be no sale of food directly to the passengers from a base kitchen. All base kitchens should be ISO certified.
4. **Category of station:** Stations are categorized on the basis of passenger earnings as follows:

| | |
|--------------|--|
| Category A-1 | Non sub-urban stations with an annual passenger earning of more than Rs.60 Crores. |
| Category 'A' | Non sub-urban stations with an annual passenger earnings of more than Rs.8 Crores and upto Rs. 60 Crores. |
| Category 'B' | I. Non sub-urban stations with an annual passenger earnings between Rs. 4 crores to Rs. 8 Crores. II. Stations of tourist importance or an important junction station (to be decided by G.M.) |
| Category 'C' | All-suburban stations |
| Category 'D' | Non sub-urban stations with an annual passenger earnings between Rs. 60 Lakhs and Rs. 4 Crores |
| Category 'E' | Non sub-urban stations with an annual passenger earnings less than Rs. 60 Lakhs. |
| Category 'F' | Halts |

(Note:- The above categorization based on monetary limits is subject to further revision from time to time.)

5. **Catering Stalls:** These are of three different types of stalls selling catering products like beverages, snacks and other light refreshments. First is the tea stall where tea, biscuits and snacks are served. The second type of stall is milk bar, which are specially meant for various milk products and the third type of stall is juice bar meant for juices and fresh fruits.



6. Ceiling Limit: It is the upper limit put on holding of major/minor units by a company/firm/individual to prevent monopolistic tendencies.
7. Cell Kitchen: Cell Kitchens are Mini Base Kitchens which supply food to other catering units, static/mobile, and at the same time can sell food and beverages directly to the passengers.
8. Earnest Money: It is the amount of money to be deposited along with tender for consideration of tenders. Tenders submitted without the prescribed earnest money are liable to will be summarily rejected.
9. Food Courts: It is a cluster of stalls at a nominated place, where food items such as branded products/eatables are provided.
10. Fast Food Units: Fast Food Units are major units synonymous to Snack Bar, where through self service counters, fast food items are sold.
11. Food Plaza: Food Plaza is a multi cuisine plaza giving a variety of choice for eating. The quality and rates for items of food plazas are market-driven.
12. Island Platform: It is the platform located between two lines and it serves trains opposite each other.
13. Jan Ahaar: Jan Ahaar meals comprise economy combo meals that may be served and vended from a Jan Ahaar outlet or any major/minor unit. They comprise a variety of regional and local items.
14. Khomcha: It is generic term used for small vending unit, which is usually made of sarkhanda and could be in a form of Dallah/ Chhabba /Wheel Barrow/ Hand Barrow/Tray/ Table/Tea Balta etc.
15. License: It is a document issued by either Indian Railways or IRCTC giving authorization to the licensee to operate a particular service. This license can be for a stipulated period defined for that unit. The license can be issued open tendering system.
16. Licensee: An agency which can be a company or a firm/society/cooperative or an individual, as the case may be. The firm can be a proprietorship or partnership. The licensee is the entity authorized by railway administration or IRCTC to carry out the particular service.
17. Main Platform: It is the platform adjacent to the concourse and usually includes the main entrance hall.
18. Major Units:
 - Fast Food Units, Food Plaza and Food Courts at all category of stations.
 - Refreshment Rooms at 'A1' & 'A' category stations.
 - Jan Ahaar
 - Mobile catering units.
 - AVMs at all category of stations
 - Base kitchens
 - Cell Kitchens
 - Train Side Vending
19. Minor Units:

All other units at A1, A, B, C, D, E & F category stations which are not covered in major units as above are known as minor units, i.e. :

 - Stalls, Trolleys and Khomchas at all categories of stations.
 - Refreshment Rooms at 'B' & below categories of stations.





- Minor Units are of two types
 - General Minor Unit (GMU):

| | |
|-------|---|
| (i) | 75% unreserved Refreshment Rooms at 'B' & 'C' categories stations |
| (ii) | 75% unreserved stalls, trolleys, khomcha at A1, A, B & C Category stations |
| (iii) | 50.5% unreserved stalls, trolleys and Khomchas, etc. at D, E & F category stations. |

- Special Minor Unit (SMU):

| | |
|-------|---|
| (i) | 25% reserved Refreshment Rooms at 'B' and 'C' category stations |
| (ii) | 25% reserved Stalls, Trolleys and Khomcha (wherever licensed independently) at A1 at A, B & C Category stations |
| (iii) | 49.5% of reserved stalls, trolleys and Khomchas, etc. at D, E & F category stations. |

20. Mobile Units: All catering service through pantry cars/ mini pantry cars are collectively known as mobile units.
21. Quoted license fee: This is the license fee quoted by a licensee including mark up over minimum license fee.
22. Refreshment Room: It is a place where a-la-carte items, Ready-to-Eat meals and 'thali meals' are also served.
23. Sales Turnover of Static Units: The sales turnover of any static unit is considered for the purpose of making assessment of volume of business and for fixing of minimum floor prices.
24. Static Units: All units at the stations including Food Plazas, Food Courts, fast food units, refreshment rooms, stalls, trolleys, Jan Ahaar, base kitchen, cell kitchen, AVMs, etc. are collectively called as static units.
25. Controlled Segment Items/Standard Menu: Consists of standard meals, breakfast, tea, coffee, packaged drinking water for which quantity and rates are fixed by Railway Board.
26. Trains Side Vending (TSV): A large number of trains do not have pantry cars or mini pantries attached to them. From the static units of important station/stations, food is supplied to the train during meal time through vendors, who travel on the trains and take orders.
27. Two packet Tendering consists of Packet-A and packet -B
In packet-A, technical details received from the licensee are detailed and the Packet-B is the financial offer, which is considered only for those bidders who qualify as per short listing based on all the laid down eligibility criteria for Packet-A.

2/11/17

APPENDICES

MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2016-17)

The Committee sat on Wednesday, the 31st May, 2017, from 1100 hours to 1323 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Ganesh Singh - **In the Chair**

MEMBERS

LOK SABHA

2. Shri Kunwar Pushpendra Singh Chandel
3. Shri Ram Tahal Chaudhary
4. Shri Rajeev Shankarrao Satav
5. Shri Ramesh Chander Kaushik
6. Shri Balabhadra Majhi
7. Shri K.H. Muniyappa
8. Shri A.T. Nana Patil
9. Shri Mekapati Raja Mohan Reddy
10. Shri Lakhan Lal Sahu
11. Prof. (Dr.) Ram Shanker
12. Shri Uday Pratap Singh
13. Shri S.R. Vijayakumar

RAJYA SABHA

14. Shri Ranvijay Singh Judev
15. Shri T. Rathinavel
16. Shri Bashistha Narain Singh
17. Shri Alok Tiwari

SECRETARIAT

- | | | | |
|----|----------------------------|---|------------------|
| 1. | Smt. Abha Singh Yaduvanshi | - | Joint Secretary |
| 2. | Shri Arun Kumar Kaushik | - | Director |
| 3. | Smt. Geeta Parmar | - | Deputy Secretary |

***REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)**

- | | | |
|----|--------------------------|---|
| 1. | Shri A.K. Mital | Chairman, Railway Board & Ex. –Officio Principal Secretary to the Government of India. |
| 2. | Shri B.N. Mohapatra | Financial Commissioner (Railways) & Ex. – Officio Secretary to the Government of India. |
| 3. | Shri Aditya Kumar Mittal | Member Engineering, Railway Board & Ex. – Officio Secretary to the Government of India. |
| 4. | Shri Mohd. Jamshed | Member-Traffic, Railway Board & Ex-officio Secretary to the Government of India. |
| 5. | Shri Ghanshyam Singh | Member Traction, Railway Board & Ex-officio Secretary to the Government of India. |

***Present during briefing by the Ministry of Railways (Railway Board)**

2. In the absence of Chairperson, the Committee chose Shri Ganesh Singh to act as Chairperson for the sitting under the provision of Rule 258(3) of 'Rules of Procedure and Conduct of Business in Lok Sabha' which *inter alia* states as under:-

"258(3) If the Chairperson is absent from any sitting, the Committee shall choose another member to act as Chairperson for that sitting."

3. xxxxx xxxxx xxxxx xxxxx
4. xxxxx xxxxx xxxxx xxxxx

5. Thereafter, representatives of the Ministry of Railways were called in and the Chairperson welcomed the officials of the Ministry of Railways to the sitting of the Committee. The Chairperson then drew the attention of the witness to Direction 55 of the Directions by Speaker, Lok Sabha.

6. The representatives of the Ministry of Railways briefed the Committee in connection with the subject 'Passenger Amenities including Modernisation of Railway Stations, and Catering Services'. The members sought certain clarifications relating to the subject and the representatives of the Ministry replied to the same. The Committee desired the Chairman, Railway Board to furnish the replies to the unanswered questions at the earliest to the Committee. The witnesses then withdrew.

7. xxxx xxxx xxxx xxxx

8. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

xxxx not relevant to the Report.

MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2016-17)

The Committee sat on Wednesday, the 4th August, 2017, from 1500 hours to 1620 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - **Chairperson**

MEMBERS

LOK SABHA

2. Shri Ram Tahal Chaudhary
3. Shri Rajeev Satav
4. Shri Chandra Prakash Joshi
5. Shri Ramesh Chander Kaushik
6. Shri Gajanan Kirtikar
7. Shri Balabhadra Majhi
8. Shri Mekapati Raja Mohan Reddy
9. Shri Lakhan Lal Sahu
10. Shri Ganesh Singh
11. Shri Uday Pratap Singh
12. Shri Thota Narasimham

RAJYA SABHA

13. Shri Ranvijay Singh Judev
14. Shri Shwait Malik
15. Shri Mukut Mithi
16. Shri T. Rathinavel

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri Arun Kumar Kaushik - Director
3. Smt. Ram Lal Yadav - Deputy Secretary

***REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)**

- | | | |
|----|--------------------------|---|
| 1. | Shri A.K. Mital | Chairman, Railway Board & Ex. –Officio Principal Secretary to the Government of India. |
| 2. | Shri B.N. Mohapatra | Financial Commissioner (Railways) & Ex. – Officio Secretary to the Government of India. |
| 3. | Shri Aditya Kumar Mittal | Member Engineering, Railway Board & Ex. – Officio Secretary to the Government of India. |
| 4. | Shri Mohd. Jamshed | Member-Traffic, Railway Board & Ex-officio Secretary to the Government of India. |
| 5. | Shri Ravindra Gupta | Member Rolling Stock, Railway Board & Ex-officio Secretary to the Government of India. |
| 6. | Shri Ghanshyam Singh | Member Traction, Railway Board & Ex-officio Secretary to the Government of India. |

* Present during the evidence.

2. xxxx xxxx xxxx xxxx

3. Thereafter, representatives of the Ministry of Railways were called in and the Chairperson welcomed the officials of the Ministry of Railways to the sitting of the Committee. The Chairperson, then, drew the attention of the witness to Direction 55 of the Directions by Speaker, Lok Sabha.

4. The Committee, then, took evidence of the representatives of the Ministry of Railways (Railway Board) on the subject 'Passenger Amenities including Modernisation of Railway Stations, and Catering Services'. The members sought certain clarifications relating to the subject. The Committee desired the Chairman, Railway Board to furnish the replies to the unanswered questions at the earliest to the Committee. The witnesses then withdrew.

5. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

xxxx Not related to the Report.

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON
RAILWAYS (2017-18)**

The Committee met on Thursday, the 7th December, 2017 from 1400 hrs. to 1510 hrs. in Committee Room No.'2', Block A, Parliament House Annexe Extension Building, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri Ram Tahal Choudhary
3. Shri Sudheer Gupta
4. Shri Ramesh Chander Kaushik
5. Shri Balabhadra Majhi
6. Shri K.H. Muniyappa
7. Shri Lakhan Lal Sahu
8. Shri Rajeev Satav
9. Shri Uday Pratap Singh

RAJYA SABHA

10. Shri Shwait Malik
11. Shri Mukut Mithi
12. Shri Bashistha Narain Singh
13. Shri Motilal Vora

SECRETARIAT

1. Shri Arun K. Kaushik - Director
2. Shri Ram Lal Yadav - Deputy Secretary

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

| | | |
|----|---------------------|---|
| 1. | Shri Ashwani Lohani | Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India |
| 2. | Shri Mohd. Jamshed | Member-Traffic, Railway Board & Ex-officio Secretary to the Government of India |
| 3. | Shri Sanjiv Garg | Additional Member (Tourism and Catering) |
| 4. | Shri MP Mall | CMD, IRCTC |

2. At the outset, the Chairperson welcomed the representatives of the Ministry of Railways (Railway Board) to the sitting and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha regarding the proceedings to be treated as confidential.

3. Thereafter, the representatives of the Ministry of Railways made a Power-point presentation highlighting the major aspects of the new Railway Catering Policy-2017. They also outlined the changes that had been effected by the new policy as well as the steps being taken for its effective and early implementation.

4. Thereafter, the Chairperson and Members of the Committee sought certain clarification on the subject. The Chairperson, then thanked the Chairman, Railway Board and other officials for appearing before the Committee and providing valuable information on the subject and also directed the Ministry to provide written replies to queries that remained unanswered. The evidence remained inconclusive.

5. A verbatim record of the proceedings of the Committee has been kept.

The Committee then adjourned.

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON
RAILWAYS (2017-18)**

The Committee met on Thursday, the 21st December, 2017 from 1500 hrs. to 1610 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri Ram Tahal Choudhary
3. Shri Sudheer Gupta
4. Shri Chandra Prakash Joshi
5. Shri Ramesh Chander Kaushik
6. Shri Gajanan Kirtikar
7. Shri Balabhadra Majhi
8. Shri A. T. Nana Patil
9. Shri Mekapati Raja Mohan Reddy
10. Shri Lakhan Lal Sahu
11. Shri Ganesh Singh
12. Shri Uday Pratap Singh

RAJYA SABHA

13. Shri Shwait Malik
14. Shri Mukut Mithi
15. Mahant Shambhuprasadji Tundiya
16. Shri Motilal Vora

SECRETARIAT

- | | | |
|----|-----------------------------|------------------|
| 1. | Smt. Abha Singh Yaduvanshi- | Joint Secretary |
| 2. | Shri Arun K. Kaushik - | Director |
| 3. | Shri Ram Lal Yadav - | Deputy Secretary |

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)*

| | | |
|----|---------------------|---|
| 1. | Shri Ashwani Lohani | Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India |
| 2. | Shri Mohd. Jamshed | Member-Traffic, Railway Board & Ex-officio Secretary to the Government of India |
| 3. | Shri Sanjiv Garg | Additional Member (Tourism and Catering) |
| 4. | Shri MP Mall | CMD, IRCTC |

*** present during evidence only.**

- | | | | |
|----|--|------|------|
| 2. | XXXX | XXXX | XXXX |
| 3. | <p>Thereafter, the Chairperson welcomed the representatives of the Ministry of Railways (Railway Board) to the sitting and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha regarding the proceedings to be treated as confidential.</p> | | |
| 4. | <p>The Committee then took oral evidence of the representatives of the Ministry of Railways (Railway Board) on the subject "New Railway Catering Policy-2017". The representatives of the Ministry replied to various queries raised by the Chairperson and Members of the Committee on the subject "New Railway Catering Policy – 2017". Thereafter, the Chairperson and Members of the Committee sought certain clarification on the subject on matter relating thereto. The Chairperson, then thanked the Chairman, Railway Board and other officials of the Ministry for appearing before the Committee and providing valuable information on the subject and also directed the Ministry to provide written replies to queries that remained unanswered. The evidence remained inconclusive.</p> | | |
| 5. | <p>A verbatim record of the proceedings of the Committee has been kept.</p> | | |

The Committee then adjourned.

xxxx Not related to the Report.

MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE ON
RAILWAYS (2017-18)

The Committee met on Thursday, the 2nd August, 2018 from 1500 hrs. to 1615 hrs. in Committee Room 'B', PHA, New Delhi.

PRESENT

Shri Motilal Vora - In the Chair

MEMBERS

LOK SABHA

2. Shri Ram Tahal Choudhary
3. Shri Ramesh Chander Kaushik
4. Shri Gajanan Kirtikar
5. Shri K.H. Muniyappa
6. Shri R. Radhakrishnan
7. Shri Lakhan Lal Sahu
8. Shri Rajeev Satav
9. Shri Uday Pratap Singh

RAJYA SABHA

10. Shri Shwait Malik
11. Shri Mukut Mithi
12. Mahant Shambhuprasadji Tundiya
13. Shri Bashistha Narain Singh

SECRETARIAT

- | | | | |
|----|----------------------|---|------------------|
| 1. | Shri R.C. Tiwari | - | Joint Secretary |
| 2. | Shri Arun K. Kaushik | - | Director |
| 3. | Shri Ram Lal Yadav | - | Deputy Secretary |

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2. In the absence of Chairperson, the Committee chose Shri Motilal Vora to act as Chairperson for the sitting under the provision of Rule 258(3) of Rules of Procedure and Conduct of Business of Lok Sabha which *interalia* states as under:

“258(3) If the Chairperson is absent from any sitting; the Committee shall choose another member to act as Chairperson for that sitting.”

3. At the outset, the Convener welcomed the Members to the sitting of the Committee. The Committee took up for consideration the following draft Reports and adopted them without any modifications:

- | | | | |
|---|-------|-------|-------|
| (i) XXXXX | XXXXX | XXXXX | XXXXX |
| (ii) Draft Report on “New Railway Catering Policy 2017” | | | |

4. The Committee authorized the Chairperson to finalise the Reports in light of the factual verification received from the Ministry of Railways and present the same to the Parliament.

| | | | |
|----------|-------|-------|-------|
| 5. XXXXX | XXXXX | XXXXX | XXXXX |
|----------|-------|-------|-------|

| | | | |
|----------|-------|-------|-------|
| 6. XXXXX | XXXXX | XXXXX | XXXXX |
|----------|-------|-------|-------|

7. XXXXX XXXXX XXXXX XXXXX
8. A verbatim record of the proceedings of the Committee has been kept.

The Committee then adjourned.
