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MASTER CIRCULAR

Master Circular No. 38

Canteens on Indian Railways

At present, the orders relating to Canteens on Indian Railways are contained in a number of office circulars/ orders issued from time to time. The question of consolidation of these existing orders/circulars into one Master Circular has been under the consideration of the Ministry of Railways (Railway Board). They have now decided to issue a consolidated order on the Subject as below for the information and guidance of all concerned.

2. Canteens on Railways are of two types, viz:

- a. Statutory; and
- b. Non-statutory (recognised).

2 (a) Statutory Canteens:

Under Section 46 of the Factories Act, 1948, it is incumbent on the employer to set up canteens in establishments which are governed by this Act and employ more than 250 workers.

2 (b) Non-Statutory (recognised) canteens:

These canteens are set up as a welfare measure. Canteens are set up where the staff strength is 100 or more and where the staff strength is not less than 25 but less than 100, Tiffin rooms are set up.

These canteens are run on "no-loss no-profit" basis.

[No. [E\(W\)63/CN 1-2 dated 9.7.1963](#)]

3. Any provision for setting up of new canteens on Railways should be referred to the Railway Board, for approval alongwith the financial implications duly vetted by the FA&CAO. No commitment should be made nor expenditure incurred for setting up of new Statutory/ non-statutory canteens as also increase in staff strength in any existing canteens without the prior approval of the Railway Board.

[No. [E\(W\)83/CN 1-8 dated 13.4.1987](#)(RBE 87/1987)]

4. As a result of the Supreme Court Judgment dated 22.10.1980 and 27.02.1990, the Ministry of Railways (Railway Board) have decided that: -

1. The employees of the Statutory Canteens and 11 Delhi-based non-Statutory canteens on the Railways will be treated as Railway servants with effect from 22.10.1980; and
2. The employees of the non-Statutory (recognised) canteens will be treated as Railway servants with effect from 01.04.1990.

4.1 As a consequence of the above decision, the employees of the canteens both Statutory and non-Statutory (recognised) canteens will be governed by the terms and conditions indicated below: -

a. Pay Scales:

The Railway services (Revised pay) Rules, 1986 will be applicable to these employees with effect from 01.01.1986 for which an option has to be exercised by them.

They will be entitled to all the other allowances like DA, CCA, HRA etc., as applicable, to other Railway servants of comparable status.

b. Drawal of annual increment:

They are eligible to draw their annual increment as admissible and if otherwise, in order, from the first day of the month in which it falls due. This is effective from 01.06.1982.

c. Leave:

The staff will be entitled to the grant of leave as admissible to other Railway servants of comparable status in the office to which the canteens are attached from the date of their becoming Railway servants.

No carry-forward of leave earned by them prior to becoming Railway servants is allowed.

d. Passes & PTOs :

The staff will be eligible for passes and PTOs on the same scale as admissible to the other serving employees of comparable status.

However, in respect of such of the employees of the canteens who have completed 20 years of service before becoming Railway servants and were enjoying the benefit of 2 sets of passes and 2 sets of PTOs may be allowed if they so opt to continue to enjoy that privilege. On completion of 5 years service, they will be eligible to 3 sets of passes and 6 sets of PTOs. This liberal provision has been agreed as a special concession and personal to them and does not amount to counting past services for reckoning eligibility for any other benefit.

The staff are also entitled to school passes, residential card passes, concessional season tickets on sections where such facilities were in vogue prior to 14.12.1953.

e. Medical facilities

This will be regulated in terms of paras [602](#) and [603](#) of R.I as the case may be and the instructions issued thereunder from time to time on the same scale as applicable to regular employees of comparable status.

However, the staff who were in service on the crucial date of 22.10.1980 and 01.04.1990, will be medically examined to relaxed C.II classification.

f. Staff Quarters

The staff will be eligible for allotment of Railway/ Govt. quarters in accordance with the rules as are applicable in the case of other serving Railway employees of comparable status. Their date of priority will count from the date they become Railway servants.

g. Discipline and Appeal Rules :

Staff will be subject to the provisions of Railway Servants Conduct Rules, 1966 and Railway servants Discipline & Appeal Rules, 1968 as amended from time to time.

h. Age of retirement :

On attaining the age of 58 years as in the case of other Railway servants.

i. Security Deposits :

This is necessary in regard to holding of certain posts in the Canteens like, Cashier, Store-keeper, Manager, etc. Deposits should be at the same level as applicable to similar staff of Catering Department.

j. HOER Provision:

Staff will be governed by the provisions of HOER and accordingly entitled to OT, Night duty allowance regulated in accordance with the extant Rules and orders on the subject.

k. Group Insurance Scheme 1980:

The staffs are eligible for the Group Insurance Scheme subject to the following conditions:

- i. Options, in favour of the Scheme should be invited from the employees of the Canteens who were treated as Railway servants;**
- ii. The benefit of the Scheme will not be admissible in the case of death before the option is exercised;**
- iii. In respect of such of the staff as opt for the scheme recoveries towards the insurance cover of Rs. 15,000/- for Group 'D' and Rs. 30,000/- for Group 'C' employees may be effected @ Rs. 5/- and Rs. 10/- per month respectively with effect from 01.04.1990 and upto 31.12.1990.**

NOTE: No benefit of the Scheme will be available between 01.04.1990 and 31.12.1990 as no subscription will be payable to the Savings Fund.

- iv. The rate of recovery will be raised to Rs. 15/- and Rs. 30/- per month respectively in the case of Group 'D' and Group 'C' staff from 01.01.1991 when they will be eligible for the Insurance Cover.**
- v. Canteen employees appointed after 01.01.1991 will be automatically governed by the Scheme.**

l. Pension and SRPF:

The employees of Statutory Canteens and 11 Delhi-based non-statutory canteens will be entitled to drawal of pension under the Railway pension Scheme with effect from 01.04.1990.

In both the cases, the services rendered prior to 22.10.1980 and 01.04.1990 respectively to the extent it qualifies for pension benefits as per rules will be taken into account.

Employees of Statutory canteens and 11 Delhi-based non-Statutory canteens who have retired after 22.10.1980 will also be settled under the Pension Scheme provided they refund the Employees Contribution to the P.F.

Employees who have more than a year's service at their credit will start subscribing to non-Contributory SRPF and others on completion of one year service.

m. Bonus:

Staff will be eligible for productivity linked bonus on the same basis as applicable to the staff of the office/ establishment to which they are attached from the date they are declared as Railway employees subject to the normal conditions.

n. Closure of Canteen/reduction in establishment:

In case of closure of a canteen due to administrative reasons, staff of the canteen will be deemed to have been retrenched from service with effect from the date of closure.

In the case of reduction in establishment, retrenchment will be made on the basis of "last to come first to go".

4.2 For all other conditions not specifically provided for herein, the employees would be governed by such rules, orders, modifications, revisions etc., as may be issued/specified by the Ministry of Railways (Rly Board)

[No. [E\(W\)76/CN 1-6 dated 22.5.1981](#),
[E\(W\)76/CN 1-6 dated 8.6.1981](#),
[E\(W\)81/ CN 1-21 dated 19.9.1981](#),
[E\(W\)81/ CN 1-21 dated 19.9.1981](#),
[E\(W\)81/ CN 1-21 dated 14.1.1982](#),
[E\(W\)81/ CN 1-21-A dated 11.3.1982](#),
[E\(W\)82/ CN 1-12 dated 23.6.1982](#),
[E\(W\)82/ CN 1-4 dated 5.8.1982](#),
[E\(W\)82/ CN 1-17 dated 6.9.1982](#),
[E\(W\)82/ CN 1-Misc dated 6.4.1983](#),
[E\(W\)83/CN 1-8 dated 13.5.1983](#),
[E\(W\)83/CN 1-8 dated 19.5.1983](#),
[E\(W\)83/CN 1-8 dated 10.6.1983](#),
[E\(W\)83/CN 1-8 dated 18.8.1983](#),
[E\(W\)83/CN 1-8 dated 17.9.1983](#),
[E\(W\)83/CN 1-12 dated 21.2.1984](#),
[E\(W\)83/CN 1-6 dated 26.3.1984](#),
[E\(W\)83/CN 1-5 dated 13.4.1987](#).(RBE 88/1987),
[E\(W\)83/CN 1-8 dated 27.7.1987](#).(RBE 191/1987),
[E\(W\)83/CN 1-8A dated 27.7.1987](#).(RBE 192/1987),
[E\(W\)90/CN 1-7\(I\) dated 18.5.1990](#).(RBE 82/1990),
[E\(W\)90/CN 1-7\(II\) dated 18.5.1990](#).(RBE 83/1990),
[E\(W\)90/CN 1-8 dated 5.6.1990](#).(RBE 97/1990),
[E\(W\)90/CN 1-9 dated 15.6.1990](#).(RBE 102/1990),
[E\(W\)90/CN 1-8 dated 19.11.1990](#).(RBE 212/1990),
and [E\(G\)58 PS5-4/1 dated 9.11.1959](#).

5. The Supreme Court have rejected the prayer of the employees of a few non-recognised (unsubsidised) non-Statutory canteens, which have sprung up without the approval of the Railway Board and in some cases with the approval and patronage of local authorities, for grant of status of Railway servants in their judgement dated 27.02.1990. Due care may, therefore, be taken to ensure that the benefits of these instructions accrue only to the employees of non-Statutory (recognised) canteens set up with the approval of the Railway Board.

6. The practice of granting subsidy to the non-Statutory (recognised) canteens in the past is discontinued with effect from 01.04.1990, i.e. the date from which the employees of these canteens were treated as Railway servants

6.1 The Managing Committee for the Statutory Canteens established under the Factories Act, 1948 should be constituted in conformity with the provisions of sub-section (2) of Section 46 of the Factories Act, 1948 and the rules framed there under by the concerned State Government.

6.2 The Managing Committee for non-statutory (Recognised) canteens will continue to be constituted by the Railway Administration to help in the day-to-day working of the canteens. However, these Committees will have purely advisory functions.

**[No. [E\(W\)63/CN 1-2 dated 9.7.1963](#),
[E\(W\)63/CN 1-12 dated 31.1.1964](#),
[E\(W\)62/CN 1-7 dated 10.4.1964](#),
[E\(W\)63/CN 1-10 dated 11.2.1964](#),
[E\(W\)64/CN 1-17 dated 28.12.1964](#),
[E\(W\)63/CN 1-10 dated 11.12.1964](#),
[E\(W\)65/CN 1-5 dated 2.8.1965](#),
[E\(W\)66/CN 1-6 dated 25.9.1967](#),
[E\(W\)69/CN 1-12 dated 21.5.1970](#),
[E\(W\)71/CN 1-13 dated 25.10.1977](#),
[E\(W\)87/CN 1-13 dated 13.10.1987](#).(RBE 252/1987),
and [E\(W\)90/CN 1-9 dated 15.6.1990](#).(RBE 102/1990).]**

7. Where clothes (uniforms) have to be provided to the canteen employees under the rules of the Factories Act, 1948 or otherwise, the cost of the same should be borne by the Railway Administration but the cost of washing should be charged to the canteen accounts.

**[Nos. [E\(W\)65/CN 1-14 dated 17.5.1966](#),
[E\(W\)65/CN 1-14 dated 6.2.1967](#),
[E\(W\)78/CN 1-4 dated 19.6.1978](#).]**

8. Statutory canteens run by the Railways under the provisions of the Factories Act, 1948 should be provided with all the facilities referred to in the Act whether provision of such facilities are covered or not by the general instructions issued by the Railway Board from time to time.

(No. [E\(W\)60/CN 1-6 dated 28.12.1961](#))

9. Assessment of manpower requirement in the Statutory and non-Statutory (recognised) canteens should be done based on functional requirements and the same should be kept to the bare minimum. Any addition to the existing strength, which might become necessary in future, will have to be processed in terms of the extant ban orders.

**(Para 4 of No. [E\(W\)90/CN 1-7\(I\) dated 18.5.1990](#).(RBE 82/1990)
and para 6 of [E\(W\)90/CN 1-7\(II\) dated 18.5.1990](#).(RBE 83/1990))**

10. Proper licence as required under the Prevention of Food Adulteration Act, 1954, should be obtained from the concerned Municipal authorities.

(No. [E\(W\)86/CN 1-15 dated 6.10.1986](#).(RBE 184/1986))

11. Provident Fund Act, 1952 is not applicable to departmental canteens, both Statutory and non-Statutory, as these canteens form part of the Railways and the Railways have been given exemption from this Act.

12. General:

- a. While referring to this circular, the original letters referred to herein should be read for a proper appreciation. This circular is only a consolidation of the instructions issued so far and should not be treated as a substitution to the originals. In case of doubt, the original circular should be relied upon as**

authority.

- b. The instructions contained in the original circulars referred to have only prospective effect from the date of issue unless specifically indicated otherwise in the concerned circular. For dealing with old cases, the instructions in force at the relevant time should be referred to; and
- c. If any circular on the subject, which has not been superseded, has not been taken into Consideration while preparing this consolidated letter, the said circular, which has been missed through oversight should be treated as valid and operative. Such a missing circular, if any, may be brought to the notice of the Railway Board.

The consolidation has been made from the following letters/circulars:

- 1. No. [E\(G\)58 PS5-4/1 dated 9.11.1959.](#)
- 2. No. [E\(W\)60/CN 1-6 dated 28.12.1961.](#)
- 3. No. [E\(W\)63/CN 1-2 dated 9.7.1963.](#)
- 4. No. [E\(W\)63/CN 1-12 dated 31.1.1964.](#)
- 5. No. [E\(W\)62/CN 1-7 dated 10.4.1964.](#)
- 6. No. [E\(W\)63/CN 1-10 dated 11.2.1964.](#)
- 7. No. [E\(W\)64/CN 1-17 dated 28.12.1964.](#)
- 8. No. [E\(W\)63/CN 1-10 dated 11.12.1964.](#)
- 9. No. [E\(W\)65/CN 1-5 dated 2.8.1965.](#)
- 10. No. [E\(W\)65/CN 1-14 dated 17.5.1966.](#)
- 11. No. [E\(W\)65/CN 1-14 dated 6.2.1967.](#)
- 12. No. [E\(W\)66/CN 1-6 dated 25.9.1967.](#)
- 13. No. [E\(W\)69/CN 1-12 dated 21.5.1970.](#)
- 14. No. [E\(W\)71/CN 1-13 dated 25.10.1977.](#)
- 15. No. [E\(W\)78/CN 1-4 dated 19.6.1978.](#)
- 16. No. [E\(W\)76/CN 1-6 dated 22.5.1981.](#)
- 17. No. [E\(W\)76/CN 1-6 dated 8.6.1981.](#)
- 18. No. [E\(W\)81/ CN 1-21 dated 19.9.1981.](#)
- 19. No. [E\(W\)81/ CN 1-21 dated 19.9.1981.](#)
- 20. No. [E\(W\)81/ CN 1-21 dated 14.1.1982.](#)
- 21. No. [E\(W\)81/ CN 1-21-A dated 11.3.1982.](#)
- 22. No. [E\(W\)82/ CN 1-12 dated 23.6.1982.](#)
- 23. No. [E\(W\)82/ CN 1-4 dated 5.8.1982.](#)
- 24. No. [E\(W\)82/ CN 1-17 dated 6.9.1982.](#)
- 25. No. [E\(W\)82/ CN 1-Misc dated 6.4.1983.](#)
- 26. No. [E\(W\)83/CN 1-8 dated 13.5.1983.](#)
- 27. No. [E\(W\)83/CN 1-8 dated 19.5.1983.](#)
- 28. No. [E\(W\)83/CN 1-8 dated 10.6.1983.](#)
- 29. No. [E\(W\)83/CN 1-8 dated 18.8.1983.](#)
- 30. No. [E\(W\)83/CN 1-8 dated 17.9.1983.](#)
- 31. No. [E\(W\)83/CN 1-12 dated 21.2.1984.](#)
- 32. No. [E\(W\)83/CN 1-6 dated 26.3.1984.](#)
- 33. No. [E\(W\)86/CN 1-15 dated 6.10.1986.](#)(RBE 184/1986)
- 34. No. [E\(W\)83/CN 1-8 dated 13.4.1987.](#)(RBE 87/1987)

35. No. [E\(W\)83/CN 1-5 dated 13.4.1987.](#)(RBE 88/1987)
36. No. [E\(W\)83/CN 1-8 dated 27.7.1987.](#)(RBE 191/1987)
37. No. [E\(W\)83/CN 1-8A dated 27.7.1987.](#)(RBE 192/1987)
38. No. [E\(W\)87/CN 1-13 dated 13.10.1987.](#)(RBE 252/1987)
39. No. [E\(W\)90/CN 1-7\(I\) dated 18.5.1990.](#)(RBE 82/1990)
40. No. [E\(W\)90/CN 1-7\(II\) dated 18.5.1990.](#)(RBE 83/1990)
41. No. [E\(W\)90/CN 1-8 dated 5.6.1990.](#)(RBE 97/1990)
42. No. [E\(W\)90/CN 1-9 dated 15.6.1990.](#)(RBE 102/1990)
43. No. [E\(W\)90/CN 1-8 dated 19.11.1990.](#)(RBE 212/1990)
44. Section 46 of Factories Act.

Supplementary Circular and Subsequent Letters

1. Supplementary Circular No. 1 vide Railway Board's Letter No. [E\(W\)92CN1-16 dated 02/12/1993](#) (RBE No. 172/93).
2. Supplementary Circular No. 1 - Exemption from purview of administrative instructions issued by is Deptt. of Personnel & Training - [E\(W\)92CN1-12, dated 12.12.1994](#) (RBE 115/1994).
3. Supplementary Circular No. 2 vide Railway Board's Letter No. [E\(W\)97/CN-1/15, Dated 16.11.1999](#) (RBE No. 290/99).