

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS**

**LOK SABHA  
STARRED QUESTION NO. 302  
TO BE ANSWERED ON 08.08.2018**

**FLEXI-FARE SYSTEM**

**\*302. SHRI CH. MALLA REDDY:  
SHRIMATI K. MARAGATHAM:**

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether the Comptroller and Auditor General (CAG) in its report has observed that after the introduction of flexi-fare system in premium trains, fewer passengers travelled in these trains;**
- (b) if so, the details thereof along with the drop in occupancy, in absolute and percentage terms, class-wise in these trains during the period from September, 2016 to July, 2017 along with the percentage of vacant seats;**
- (c) whether CAG has also observed that the passengers are choosing air travel over trains on routes where fares in Rajdhani, Shatabdi and Duronto Express trains are higher due to the flexi-fare system and if so, the reaction of the Railways thereto;**
- (d) the additional revenue earned by the Railways through flexi-fare system which otherwise could not have been possible through normal fare system; and**
- (e) whether the Railways has reviewed/proposes to review the flexi-fare system, if so, the details and the outcome thereof and if not, the reasons therefor?**

**ANSWER**

**MINISTER OF RAILWAYS, COAL, FINANCE AND CORPORATE AFFAIRS  
(SHRI PIYUSH GOYAL)**

**(a) to (e): A Statement is laid on the Table of the House.**

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 302 BY SHRI CH. MALLA REDDY AND SHRIMATI K. MARAGATHAM TO BE ANSWERED IN LOK SABHA ON 08.08.2018 REGARDING FLEXI-FARE SYSTEM**

**(a) & (b): The Comptroller and Auditor General (CAG) in its report has observed that after the introduction of flexi-fare system in premium trains, fewer passengers travelled in these trains.**

**However, Railways' contention is as follows:**

**(i) Number of passengers booked in the trains having flexi fare has registered an increase of 1.37% for the period September 2016 to June 2018 (Flexi Fare period) as compared to corresponding period of previous years (Non Flexi Fare period).**

**Comparative increase in actual number of passengers during 09.09.2016 to 30.06.2018 (flexi fare period) vis-a-vis 09.09.2014 to 30.06.2016 (non-flexi period) in flexi fare trains is as under:-**

<b>Period</b>	<b>Actual passengers</b>
<b>09.09.2014 to 30.06.2016 (non-flexi period)</b>	<b>52.32 Million</b>
<b>09.09.2016 to 30.06.2018 (flexi fare period)</b>	<b>53.04 Million</b>
<b>Absolute increase</b>	<b>0.72 million</b>
<b>% increase</b>	<b>1.37%</b>

**(ii) The CAG report has assessed the first 11 months of the implementation of Flexi Fare system. Since Advance Reservation Period (ARP) of trains is 120 days, the actual assessment would have been only four months after introduction of this scheme on 09.09.2016. Besides, the months of February 2017 and March 2017 were lean period when normally most of the trains have comparatively lower occupancy.**

(iii) Trains with Flexi fare i.e., Rajdhani, Shatabdi and Duronto constitute only approximately 1.11% of total number of trains over Indian Railways. First four months after introduction of Flexi fare consists of Advance Reservation Period. This was followed by lean period for passenger traffic. Therefore, initial drop in occupancy in trains with flexi fare does not indicate drop in overall occupancy over Indian Railways.

(iv) Occupancy of the trains varies during peak, non-peak, festival seasons, special occasions and weekends etc. Therefore, sometimes the trains run with higher occupancy (more than the berth potential) and sometimes during non-peak periods, some berths remain vacant.

Class-wise number of passengers booked in Rajdhani, Shatabdi and Duronto Express trains (trains with flexi fare) from September 2016 to July 2017 vis-a-vis September 2015 to July 2016, absolute variation and percentage variation are as under:

Class	September 2015 to July 2016	September 2016 to July 2017	Absolute variation	Percentage variation (%)
1A*	344515	352763	8248	2.39
2A	2932115	2652896	-279219	-9.52
3A	9931776	9996277	64501	0.65
3E	285381	276562	-8819	-3.09
CC	10429062	10173920	-255142	-2.45
EC*	875471	890387	14916	1.70
SL	2084983	2180848	95865	4.60
Total	26883303	26523653	-359650	-1.34

\* Flexi fare has not been implemented in these classes.

**The above table is for the period September 2016 to July 2017 (as asked for in the Part 'b' of the question). However, the passengers booked have increased by 1.37% for the complete flexi fare period upto June 2018 as compared to corresponding period of previous years (non flexi fare).**

**(c): The CAG report has observed that decrease in occupancy in premier trains did lead to passenger shifting to air for travel in these sectors (13 sectors assessed by CAG)**

**However, Railways' contention is as follows:**

**(i) Railways and Airlines are different modes of transport, which are not comparable in the terms of volume, connectivity as well as convenience.**

**(ii) There is no fixed maximum limit of fare in Airlines whereas Railways have fixed maximum fare throughout the year. Airline fare varies excessively depending on time of operation, stoppages, travel duration, Origin – Destination pair, carrier etc. Railways' fare may or may not be higher than the air fare depending upon the class of travel as well as the peak or lean periods. It is the choice of the passengers to opt either Railway or Airlines for travelling as per their convenience.**

**(iii) Alternative train services on normal fare structure are available over Indian Railways on the routes of Rajdhani, Shatabdi and Duronto trains.**

**(iv) Railway also serves a large number of passengers boarding/de-boarding at intermediate stations.**

**(v) The average occupancy of all reserved accommodation including routes of flexi fare trains during 2015-2016 (Non-flexi period) was 101.15% which has gone up to 105.80% in 2017-18 (Flexi period). This shows that there has been no loss of traffic by Indian Railways to other mode of transport like Airlines.**

**(vi) Sectors assessed by CAG are typically very long distance sectors like Mumbai-Kolkata and Chennai-New Delhi. Trains take around 26 to 28 hours for travel on these sectors while the same journey is done in 1.5 to 3 hours by air.**

**(d): Additional earnings due to flexi fare upto June 2018 in comparison to corresponding previous years are as under:**

<b>Period</b>	<b>Additional earnings (Approx.) (₹ in Crore)</b>
<b>September 2016 to March 2017</b>	<b>371</b>
<b>April 2017 to March 2018</b>	<b>864</b>
<b>April 2018 to June 2018</b>	<b>265</b>
<b>Total</b>	<b>1500</b>

**(e): A committee was constituted to review the flexi fare system. The committee has submitted its report and the same is under examination.**

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