

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
STARRED QUESTION NO. 216
TO BE ANSWERED ON 26.12.2018**

FLEXI-FARE SYSTEM

***216. DR. P.K. BIJU:**

SHRI ABHIJIT MUKHERJEE:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether it is a fact that after introduction of UDAN scheme and flexi-fare system, Railways have lost their premium trains 'patronage' and experienced fall in passenger traffic and if so, the reasons therefor;**
- (b) whether CAG in its latest report has strongly observed against Railways on flexi-fare system and if so, the details thereof;**
- (c) whether the passengers are opting to travel by Airlines instead of trains because of UDAN Scheme and flexi-fare system, which is without value addition and if so, the details thereof;**
- (d) the details of the revenue earned by the Railways through flexi-fare scheme since its inception, year-wise; and**
- (e) whether the Railways intends to introduce the dynamic pricing mechanism for all mail and express trains only during the peak seasons and if so, the details thereof?**

ANSWER

MINISTER OF RAILWAYS AND COAL

(SHRI PIYUSH GOYAL)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 216 BY DR. P.K. BIJU AND SHRI ABHIJIT MUKHERJEE TO BE ANSWERED IN LOK SABHA ON 26.12.2018 REGARDING FLEXI-FARE SYSTEM

(a) No, Madam. Number of passengers booked in the trains having flexi fare has registered an increase of 0.95% for the period September 2016 to August 2018 (Flexi Fare period) as compared to corresponding period of previous years (Non Flexi Fare period).

(b) The Comptroller and Auditor General (CAG) in their report no. 5 of 2018 have observed that after the introduction of flexi-fare system in premium trains, fewer passengers travelled in these trains.

However, the position is as under:-

(i). Number of passengers booked in the trains having flexi fare has registered an increase of 0.95% for the period September 2016 to August 2018 (Flexi Fare period) as compared to corresponding period of previous years (Non Flexi Fare period).

(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.

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

There is no fixed maximum limit of fare in Airlines whereas Railways have fixed maximum fare throughout the year. Airline fare varies significantly 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 for Railway or Airlines as per their convenience.

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

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

(iii). 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 overall there has been no loss of traffic by Indian Railways to other mode of transport like Airlines.

(d): Additional earnings due to flexi fare upto November 2018 are as under:

Period	Additional earnings (Approx.) (₹ in Crore)
September 2016 to March 2017	371
April 2017 to March 2018	864
April 2018 to November 2018	601
Total	1836

(e): At present there is no proposal to extend the scope of flexi fare scheme in all Mail/Express trains.

However, flexi fare scheme in Rajdhani, Shatabdi and Duronto trains has been rationalized as under:-

(i). Discontinuation of Flexi fare scheme from 15 trains for full year and from 32 trains during pre defined lean period of 3 months (February, March & August).

(ii). Maximum cap of flexi fare scheme has been reduced to 1.4 times in all flexi fare applicable classes.

(iii). Graded discount has been introduced in flexi fare trains and Humsafar trains, where class-wise occupancy is less than 60%, 4 days prior to scheduled departure of the train as under:-

Occupancy	Discount
Up to 70%	20% on last fare
70 to 80%	10% on last fare
Above 80%	Nil

The above changes have been implemented with effect from 15-03-2019 (after advanced reservation period).
