

“LOSS OF REVENUE DUE TO RUNNING OF SUVIDHA EXPRESS TRAINS: SOUTH WESTERN RAILWAY”

MINISTRY OF RAILWAYS

**PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

ONE HUNDRED THIRTY-NINTH REPORT

SEVENTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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**“Loss of revenue due to running of Suvidha
Express Trains: South Western Railway”**

MINISTRY OF RAILWAYS



Presented to Hon'ble Speaker, Lok Sabha on: 29.04.2024

Presented to Lok Sabha on:

Laid in Rajya Sabha on:

LOK SABHA SECRETARIAT
NEW DELHI

April, 2024 /Vaisakha, 1946 (Saka)

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*** Minutes**

1. Minutes of sitting of the Public Accounts Committee (2023-24) held on 21.11.2023

*** To be appended later.**

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

Shri Adhir Ranjan Chowdhury - **Chairperson**

MEMBERS

LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Pratap Chandra Sarangi
7. Shri Vishnu Dayal Ram
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Dr. Satya Pal Singh
11. Shri Rajiv Ranjan Singh alias Lalan Singh
12. Shri Jayant Sinha
13. Shri Balashowry Vallabhaneni
14. Shri Ram Kripal Yadav
15. Vacant¹

RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Dr. K Laxman
18. Shri Derek O'Brien
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Vacant²

SECRETARIAT

1. Shri Sanjeev Sharma - Joint Secretary
2. Shri Partha Goswami - Director
3. Dr. Faiz Ahmad - Under Secretary
4. Shri Charanjeet Singh - Committee Officer

¹ Shri Brijendra Singh resigned w.e.f 12 March 2024

² Dr. Sudhanshu Trivedi retired from Rajya Sabha w.e.f. 2 April 2024

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24), having been authorised by the Committee, do present this 93rd Report (Seventeenth Lok Sabha) on “**Loss of revenue due to running of Suvidha Express Trains: South Western Railway**” based on C&AG Report number 25 of 2022 relating to the Ministry of Railways (Railway Board).

2. The Report of Comptroller and Auditor General of India was laid in the Parliament on 20 December 2022.

3. The Public Accounts Committee (2023-24) selected the subject for detailed examination and report during their current term i.e. 2023-24. The Committee took oral evidence of the representatives of the Ministry of Railways at their sitting held on 21.11.2023. The Public Accounts Committee (2023-24) considered and adopted this Report by way of circulation on 20.04.2024.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** and form Part-II of the Report.

5. The Committee would like to express their thanks to the representatives of the Ministry of Railways for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

6. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

NEW DELHI:
20 April, 2024
31 Chaitra, 1946 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee

PART- I

INTRODUCTION

1. The Committee have learnt that despite the suggestion of Commercial department, South Western Railway Administration failed to convert the Suvidha Express trains running with poor patronage to tatkal special/superfast express. This resulted in loss of revenue to the tune of Rs.80.74 crore for the period from 2016 to 2021.
2. The C&AG Report No. 25 of 2022 for the year ended 2022 contains significant results of the compliance audit of the Ministry of Railways of the Union Government.
3. Public accounts Committee (2023-24), selected the aforesaid C&AG Report for examination and report.
4. The Public Accounts Committee (2023-24), considered the subject for detailed examination, took oral evidence of the representatives and other officials of Ministry of Railways on 21.11.2023 and obtained written replies on the same. Based on the oral evidence and written replies, the Committee examined the subject in detail.

5. Para no 4.1 "Loss of revenue due to running of Suvidha Express Trains: South Western Railway"

"Ministry of Railways introduced Suvidha Express trains on Yesvantpur-Jaipur-Yesvantpur route to meet peak demand during festivals/holidays on variable fare structure. Despite the suggestion of Commercial department, South Western Railway Administration failed to convert the Suvidha Express trains running with poor patronage to tatkal special/superfast express. This resulted in loss of revenue to the tune of Rs.80.74 crore for the period from 2016 to 2021.

Ministry of Railways (MoR) introduced (June 2015) Suvidha Express trains to meet peak demand during festivals/holidays. These trains have variable fare structure consisting of five slabs. The fares go up for every 20 per cent of slabs with minimum fare at 30 per cent higher than the normal base fares of mail/express trains and maximum goes up to 3.9 times the normal mail/express trains fare for the class. The five slabs are indicated in Table

Detail of five slabs of fare in Suvidha Express trains

Figure in per cent

Fare/Charges	Base fare+ Tatkal	1.5 times of (Base fare+ Tatkal)	2 times of (Base fare+ Tatkal)	2.5 times of (Base fare+ Tatkal)	3 times of (Base fare+ Tatkal)
Per cent of seat/berth	20	20	20	20	20

Audit analysed the class wise occupancy and earning reports of Train No. 82653/82654107 YPR-JP/JYPR Suvidha Express train for the period from 2016 to 2021. The average occupancy for six years i.e. 2016 to 2021 of the trains was 81.20 per

cent. Audit calculated the potential earnings of Suvidha Express fare and noticed that as against earning potential of Rs.152.03 crore on both directions, the actual earning was Rs.71.29 crore during the period from 2016 to 2021. This has resulted in loss of revenue to the tune of Rs.80.74 crore, on running of the Suvidha Express train. Further, utilization of berths in 2A and 3A class was less than 60 per cent during the period which indicated that the continuous running of Suvidha Express on this route was under loss due to poor patronage. Audit further noticed that SWR was also running express train no.12975/12976 (MYS-JP/JP-MYS, via SBC) on the Jaipur route with an average occupancy of 144 per cent (6 years' average). This indicated that running of an Express/Tatkal Special was far more beneficial. Chief Commercial Manager (CCM)/Catg in his communication to Chief Passenger Transport Manager (CPTM), SWR also proposed (November 2018) that if Suvidha Express train is run as Tatkal Special, the patronization would improve to its maximum. The issue was taken up through a special letter issued in June 2020. Railway Administration in their reply stated (August 2021) that the patronization of Suvidha Express train cannot be directly correlated to just the dynamic pricing. Other factors like route taken by train, the time of train service and days of service also play a larger role in deciding the patronage of a particular train. It was further stated that the appropriate decision will be taken by Zonal Railways on further advice from Commercial Directorate of Railway Board. The reply was not tenable as Zonal Railway Administration ignored the recommendation of its Commercial Department for better utilization of berths and improving the earnings. Thus, running of Suvidha Express train with poor patronage and failure of SWR Administration to convert it as Tatkal Special/Superfast Express train resulted in loss of revenue to the tune of Rs.80.74 crore. The matter was referred to the MoR in May 2022; no reply was received (July 2022).

6. The Ministry in their Background Note have stated as under:

- Ministry of Railways introduced Suvidha Express trains on Yesvantpur-Jaipur--Yesvantpur route to meet peak demand during festivals/holidays on variable fare structure.
- Despite the suggestion of Commercial department, South Western Railway Administration failed to convert the Suvidha express trains running with poor patronage to tatkal special/super fast express.
- This resulted in loss of revenue to the tune of Rs. 80.74 crore for the period from 2016 to 2021.
- As per direction from Ministry of Railways, SWR decided to run Premium Express train no. 22695/22696 Yesvantpur-Jaipur-Yesvantpur (YPR-JP-YPR) as suvidha superfast train from March 2016 onwards. In July 2016, trains were renumbered as 82653/82654.
- Audit analyzed the class wise occupancy and earning reports of train no. 82653/82654 Yesvantpur-Jaipur-Yesvantpur Suvidha Express for the period 2016 to 2021.
- Audit calculated the potential earnings of Suvidha express fare and noticed that as against earning potential of Rs 153.37 crore in both directions, actual earning was Rs. 71.29 crore during the period 2016 to 2021 resulting in loss of revenue of Rs. 82.07 crore on running of Suvidha express train.

- Also utilization of berths in 2A and 3A was less than 60 per cent during the period which indicated that continuous running of Suvidha express on this route was under loss due to poor patronage.

7. On being asked about the proposal of the commercial department (November, 2018) for running Suvidha trains as Tatkal special, was only taken up for consideration in June, 2020 and the reasons for delay in taking up the proposal of the Commercial Department for running Suvidha Express Trains as tatkal special trains (November 2018) which was only reviewed in June, 2020, the Ministry in their reply stated as under:

"Rationalization and review of passenger fare is an ongoing and continuous process. Details of review of Suvidha Policy are as under:-

- (i) Originally Jaipur-Yesvantpur Express was introduced as regular Premium train on dynamic fare.
- (ii) In Jan 2016, the said train was converted into regular Suvidha train on Suvidha fare.
- (iii) Suvidha policy was reviewed comprehensively during 2016-17.
- (iv) Further review was made during 2018-19 and 2019-20."

8. On being asked about the grounds on the basis of which the decision was taken to continue the running of the Suvidha trains under the dynamic pricing method and why the Zonal Railway Administration ignored the recommendation of its Commercial Department in this regard, the Ministry in their written reply stated as under:

"A particular fare policy is uniformly applicable over all zonal Railways. Suvidha Policy was issued in June 2015 and is uniformly applicable over all Zonal Railways with minor changes made after review".

9. On being enquired whether the Ministry and SWR have undertaken a trial run of the Suvidha trains as tatkal special trains post-covid pandemic before the decision was taken to continue running the trains under dynamic pricing method, the Ministry in their written reply stated as under:

"No such trial run has been undertaken".

10. On being asked about the steps taken by SWR to improve the utilization of berths in 2A and 3A class in the Suvidha Trains and whether the average utilization of these berths have increased since, the Ministry in their written reply stated as under:

The overall occupancy of the Yesvantpur-Jaipur and Jaipur-Yesvantpur Suvidha express was 81% and 94% respectively in 2022-23. The occupancy of trains on Indian Railways varies from season to season depending upon factors such as holidays, festivals etc."

11. The Ministry, while explaining the lower ridership of Yeshvantpur - Jaipur Suvidha Express (82653/82654) compared to other express trains like 12975/12976, mentioned that the convenience for commuters is higher when trains terminate at Bengaluru Main station rather than Yashvantpur, where Suvidha Express terminates. On being asked about the factors which influenced the Ministry's decision not to change the terminating station of Suvidha Express to Bengaluru Main station, the Ministry in their written reply stated as under:

"There are operational Constraints such as non availability of sufficient Pit slots and platforms at Bengaluru main station".

12. On being enquired whether the earnings of Suvidha Express trains have improved post covid pandemic, the Ministry in their written reply stated as under:

"The earnings have not only increased in comparison to covid period of 2020-21 and 2021-22 but even in comparison to 2019-20 also. The earnings during 2019-20 was Rs. 18.4 crores for both the trains combined which increased to Rs. 28.2 crores during 2022-23".

13. On being asked for the opinion of the Ministry that the Yeshvantpur - Jaipur AC premium express(Suvidha Express) trains experienced low ridership primarily because of the considerably higher ticket prices resulting from dynamic pricing, especially when compared to other superfast trains operating in the same sector, the Ministry in their written reply stated as under:

"The detailed reply is already given in the reply to ATN. Moreover, it is submitted that occupancy of the train varies depending upon various factors like, peak and lean season, holidays/festivals etc".

14. On enquiring about the comparative analysis undertaken by the Ministry to examine the correlation between the ridership/revenue earned of different trains under the dynamic pricing method of fare calculation and those without dynamic fares and if so, what is the outcome of the study, the Ministry in their written reply stated as under:

"Introduction of new trains with different fare structures is done on the basis of Passenger traffic requirement on different routes. Continuous review of occupancy pattern and revenue earned is undertaken and if need be, corrective action is taken".

15. On being asked if the current system has any mechanism for conducting a cost-benefit analysis of each train, enabling the Ministry to obtain an annual review of the ridership and revenue for each train, the Ministry in their written reply stated as under:

"Indian Railway runs different types of trains with different fare structures to cater to the transportation requirements of every strata of population. While Non-suburban and Suburban local/ordinary passenger fare is very low, Railways also have other train services with comparatively higher fare structures. Further, occupancy and revenue earned is regularly monitored".

Part II

Observations and Recommendations

Ministry of Railways introduced Suvidha Express trains on Yesvantpur-Jaipur-Yesvantpur route to meet peak demand during festival/holidays on dynamic fare structure. The Committee learnt that despite the suggestion of Commercial department, South Western Railway Administration failed to convert Suvidha Express trains running with poor patronage to tatkal special/superfast express. This resulted in loss of revenue to the tune of Rs.80.74 crore for the period from 2016 to 2021.

2. Failure of South Western Railway Administration to convert Suvidha Express Trains running with poor patronage to tatkal special/superfast express:

The Committee note from audit observation that despite the suggestion of Commercial department, South Western Railway Administration failed to convert Suvidha Express trains running with poor patronage to tatkal special/superfast express. This resulted in loss of revenue to the tune of Rs.80.74 crore for the period from 2016 to 2021. However, the Ministry in their Action Taken Note stated that the analysis from 2016 to 2021 showed Rs. 7.9 crore more in actual earning when a comparison is drawn between actual earning and earning potential and it cannot be deemed as loss. Observing the above fact, the Committee find that the reply of the Ministry is not tenable and infer that South Western Railway did not take cognizance of the suggestion of Commercial Department that led to the loss of revenue of Rs. 80.74 crore. The Committee are of the view that the Ministry should have ensured that there is proper co-ordination amongst various authorities of Railways.

3. Under utilization of berths in 2A and 3A Class:

The Committee note from audit observation that utilization of berths in 2A and 3A class was less than 60 percent during the period from 2016-2021. The Ministry in their written reply stated that occupancy of trains varies from season to season depending upon factors such as holidays, festivals etc. Considering the fact, the Committee are of the view that swift action should have been taken on the issue so that earnings of the Railway are not hit. The Committee are also of the view that continuous review of occupancy pattern and revenue earned should be undertaken so that corrective action is taken if and when any need arises. The Committee also opine that thorough ground work should be done before the introduction of new trains so that optimum utilization is achieved.

NEW DELHI
20 April, 2024
31 Chaitra, 1946 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee
