



Government's decision on operation of trains by IRCTC

Is it a right decision?

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Two Tejas trains offered to IRCTC



At par with the standards of Shatabdi express

1) Lucknow – New Delhi - Lucknow

2) Ahmedbad – Mumbai – Ahmedbad

Operation on Indian Railway Time table

In the hands of IRCTC



IRCTC can fix its own rates



Catering



NGeT portal of IR free in 1st year for ticketing



Concessional travel



Ticket Checking



Luggage & parcel



IR to provide



**Loco
pilots**



Guards



**Station
masters**



**Pit
line**



POH



IOH



**All scheduled
examinations**



**On Board Tech
Staff**

IR going to bear more

HAULAGE

IRCTC to pay concessional haulage charges, with relief in maintenance and overhead charges

commercial

IRCTC will pay only for commercial trips



Normal composition of Trains will be 18 coaches. For the first year composition of 12 coaches is permitted



Relief operation in case of accident involving IRCTC operated trains will be taken care by Railways

% of losses/profits in different classes

Class	Loss/Profit %
AC 1 st class	- 23.50%
1 st Class	- 81.03%
AC 2 tier	- 12.01%
AC 3 tier	+ 11.69%
AC Chair Car	- 0.40%
Sleeper class	- 38.65%
Second class	- 45.37%
Ordinary (all classes)	- 69.14%
EMU suburban services	- 65.15%

Source: CAG report on Railway Finances – 2018

Prelude to give away profit making class to private



A/C 3 tier class earns profit.



A/C chair car – No loss, No profit.



All other class causes financial losses to Railways.

TEJAS express formation consists of AC Chair Cars.



By offering TEJAS to IRCTC, intention is made clear - profit making business will be gifted out.



Other classes making huge losses will be retained with Railways.

Catering - Track record of IRCTC

Extracts from CAG report on catering services in Indian Railways – 2017



Cleanliness and hygiene were not being maintained at catering units at stations and in trains.



Unpurified water straight from tap was used in preparation of beverages,



Waste bins were not covered, not emptied regularly and not washed,



Food stuff were not covered to protect them from flies, insects and dust, rats and cockroaches were found in trains etc

Continues

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Bills were not given for the food items.



Printed menu cards with tariff were not available with waiters and Catering Managers in trains.



Food stuff served was less than the prescribed scheduled quantity,



Unapproved packaged drinking water was sold,



Items were sold at the railway stations at maximum retail price (MRP) with weight and prices different from the open market,



Unit price of food articles sold in railway premises is significantly higher,

Continues

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Deficiencies in quality of food served

Unfit for human consumption

Articles unsuitable for human consumption,



Contaminated foodstuff,



Recycled foodstuff,



Shelf life expired packaged and bottled items.

Customer Complaints

No reduction in the number of complaints over the years

Tourism - Track record of IRCTC

Extracts from 18th report of standing committee

IRCTC is not able to utilize whole fund allotted for tourism promotion

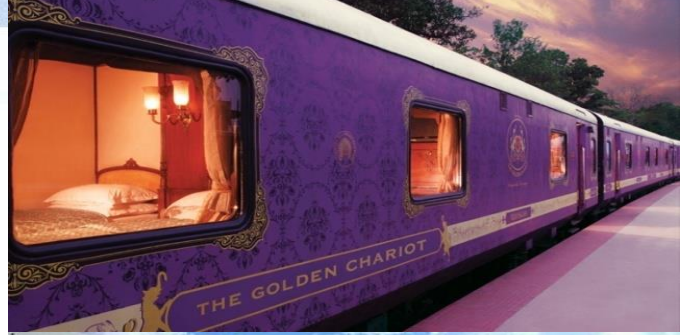
Year	Budget	Actual utilization
	Rs. In Cr	
2013-14	6.00	Ranged from
2014-15	4.17	54.8% to 90.48%
2015-16	4.00	
2016-17	3.65	

Occupancy on the luxury trains operated by IRCTC

% of Occupancy 2012 to 2017

Luxury trains	% of occupancy
Maharaja Express	32.70%
Golden Chariot	38.93%
Royal Rajasthan on Wheels	42.21%
Deccan Odyssey	54.54%
Palace on Wheels	54.19%

IRCTC is not able to improve the occupancy of luxury trains over the years



Poor performance of Deccan Odyssey

Negative earning by Deccan Odyssey

Year	Haulage charges Rs. in Cr	Revenue earned Rs. in cr
2014-15	7.71	5.25
2015-16	10.25	5.26
2016-17	13.15	9.51



Deccan Odyssey is not able to earn even the haulage charges for three years continuously

Poor performance of Maharaja Express

% of Occupancy Maharaja Express

Year	% of occupancy
2012-13	29.86%
2013-14	32.22%
2014-15	41.80%
2015-16	41.58%
2016-17	36.03%



Complementary travel in Maharaja Express

Year	No of free travel
2012-13	30
2013-14	97
2014-15	53
2015-16	71

Despite of poor performance complimentary travel allowed



Operation of trains by IRCTC. Is not a right decision

IRCTC has not performed well in catering & tourism.

In catering & linen management it earned bad name for Railways.

CAG report & standing committee report strongly criticized the performance of IRCTC.

IRCTC has to travel a long way to improve its performance in catering & tourism.

As a Government owned PSE under Ministry of Railways it has become a classical example of failed Corporatization.

Govt. may reconsider the decision on operation of trains by IRCTC.

Thank you
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