

**Press Information Bureau  
Government of India  
Ministry of Railways**

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**Railway Minister Announces increase in Rail Passenger Fares**

Ministry of Railways has decided to increase the passenger fares with effective from the midnight of 21<sup>st</sup> January 2013 and 22<sup>nd</sup> January 2013 (i.e. w.e.f. 0000 hours of 22-1-2013). This decision was announced today i.e. on 9th January 2013, by Minister of Railways Shri Pawan Kumar Bansal at a Press Conference held in Rail Bhawan. Minister of State for Railways Shri. Kotla Jaya Surya Prakash Reddy and Railway Board Members were also present.

The fare increase, class-wise, is as per the following table:

S No.	Class of Travel	Proposed <i>per km</i> increase in fares
i.	Second Class Ordinary (Suburban)	2 Paise
ii.	Second Class Ordinary (Non-Suburban)	3 Paise
iii.	Second Class (Mail / Express)	4 Paise
iv.	Sleeper Class	6 Paise
v.	AC Chair Car	10 Paise
vi.	AC 3-Tier	10 Paise
vii.	First Class	03 Paise*
viii.	AC2-Tier	06 Paise*
ix.	AC First Class	10 Paise*

*\* In addition to increase of 10 paise per km in case of First Class, 15 paise per km in case of AC 2Tier and 30 paise per km in case of AC First / Executive Class already implemented w.e.f. 01-04-12.*

Moreover, it has also been decided

- (i) do away with the present practice of levying *Development Charge* on passenger tickets, and
- (ii) have all chargeable fares in multiples of Rs. 5/-.

Elaborating the rational for fare hike, the Railway Minister, Shri Pawan Kumar Bansal said that basic fares had not been revised upwards in the last ten years (except for the increase implemented w.e.f. 01-04-12 in respect of only First Class @ 10 paise per km, AC 2Tier @ 15 paise per km and AC First / Executive Class @ 30 paise per km). He pointed out that Losses in passenger segment which were Rs.6159 Cr in 2004-05 had risen to Rs.19964 Cr in 2010-11 (18% per annum) and is expected to increase to Rs.25000 Cr in 2012-13.

Shri Bansal informed that Railway's Input costs have increased by 10.6% per annum between 2004-05 and 2010-11, whereas fares stagnated or were reduced in Lower Classes aggravating passenger losses. He emphasized that cross subsidy through freight business is no more viable in view of fast evolving competition from other modes. Referring to the 2012-13 Railway Budget, Shri Bansal said that across-the-board fare hike proposal placed

in 2012-13 Railway Budget in Parliament was finally approved only for First, 2nd AC and First AC/Executive Classes, which together constitute only about 0.3 % of total passengers and about 10% of total earnings from passenger segment. The Railway Minister pointed out that as a consequence Internal resource generation was seriously impacted, resulting in scaling down of Annual Plan size, which has now been limited to Rs. 51,000 crore in 2012-13 as against Rs. 61,000 crore that was originally targeted. Similarly, Fund balances became negative in 2011-12, adversely affecting essential replacement /renewal of assets, operation and maintenance activities and critical safety & passenger amenity works. The Railway Minister emphasized that it was in view of these factors, that increasing passenger fares had become unavoidable. It was also necessary to do so in the overall interests of this critical infrastructure as well as its users on a sustainable basis.