

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS

RAJYA SABHA
UNSTARRED QUESTION NO.750
ANSWERED ON 25.07.2025

INCREASE IN PASSENGER FARE

750. DR. ASHOK KUMAR MITTAL:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether it is a fact that Government plans to increase passenger fares for various classes from July 1, 2025, if so, the reasons for such a hike;
- (b) whether any public consultation or impact assessment was conducted before proposing the fare hike;
- (c) the expected impact of the fare hike on lower-income and long-distance passengers; and
- (d) the steps being taken to ensure transparency and safeguard affordability in essential public transport?

ANSWER

MINISTER OF RAILWAYS, INFORMATION & BROADCASTING AND
ELECTRONICS & INFORMATION TECHNOLOGY

(SHRI ASHWINI VAISHNAW)

(a) to (d) Indian Railways provide affordable transportation service to more than 720 crore passengers. The fare of Indian Railways are among the lowest in the world, even when compared with the neighbouring countries.

Subsidy: The total amount of subsidy given in FY 2023-24 on passenger travel is provisionally estimated at Rs. 60,466 Crore. This amounts to 45 % subsidy on the cost of passenger travel.

Fares have been rationalized w.e.f. 01 July 2025 after a gap of more than 5 years. The increase in fares is very low, ranging from half paise per km to two paise per km for premium classes.

The details of the fare revision are as follows:

- i) No increase in Second Class Ordinary up to 500 km and thereafter Half paisa increase in fare per passenger per kilometer.
- ii) Half paisa increase in fare per passenger per kilometer in Sleeper Class Ordinary and First-Class Ordinary.
- iii) 01 Paisa increase per passenger per kilometer in Non-AC Classes in Mail Express.
- iv) 02 paisa increase per passenger per kilometer in reserved AC-Classes.

To maintain affordability for low and middle income families, the fares for MST and Suburban travel have not been revised.

Further, the fare revision is likely to have insignificant impact on the total amount of subsidy because the revision ranges from half paise to 2 paise only per kilometer of travel.

It is estimated that less than half the trips will have a marginal increase in fare. For example, for a low-income traveller in general coach, there is no fare increase for 500 km travel.
