

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 1988
TO BE ANSWERED ON 11.02.2026**

CRITERIA FOR REVISION OF PASSENGER FARES

1988. MS SAYANI GHOSH:

Will the Minister of RAILWAYS be pleased to state:

- (a) the criteria and methodology adopted by Indian Railways while deciding to increase passenger fares, including the parameters used to assess the need for fare revision;**
- (b) whether factors such as operational costs, fuel prices, inflation, passenger demand, service quality and affordability are considered while proposing fare hikes and if so, the details thereof;**
- (c) whether any committee, expert body or internal review mechanism exists to examine and recommend changes in railway fares and if so, the details thereof;**
- (d) whether any consultation with passengers, stakeholders or consumer bodies is undertaken before revising fares and if so, the details thereof;**
- (e) the details of the frequency and extent of fare revisions undertaken since 2014, category- wise; and**
- (f) the details of the steps taken to ensure that fare increases do not disproportionately burden low-income and daily passengers?**

ANSWER

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

(SHRI ASHWINI VAISHNAW)

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

Indian Railway fixes the fares with due consideration of the cost of service, value of service, affordability, competition from other competing

modes, socio-economic considerations etc. Fares of different train services are determined also by the type of services/facilities offered.

Evaluation of various alternatives for rationalization of passenger fare is a continuous and ongoing process. Feedback regarding various passenger related policies including passenger fare are being received continuously through various forums such as passenger associations, consultative committees at station, division, zonal levels etc.

Indian Railways has undertaken two rationalizations of passenger fares during the financial year 2025–26 after a gap of 5 years. These revisions have been carried out uniformly and in a calibrated manner across applicable classes. The first rationalization was implemented with effect from 01.07.2025, in which there was no increase in fare of Second Class Ordinary up to 500 km and thereafter increase of half paise per passenger per kilometer (PKM). There was a marginal increase in fares of Ordinary (Sleeper Class and First-Class) by half paise per PKM, in Mail Express Non-AC Classes by one paise per PKM and in AC Classes by 02 paise per PKM.

The second rationalisation was implemented with effect from 26.12.2025, in which there was no increase in fares of Second Class Ordinary up to 215 km and thereafter increase of one paise per PKM. There was a marginal increase in fares in Ordinary (Sleeper Class and First-Class) by one paise per PKM and in Mail Express Non-AC Class & AC Classes by two paise per PKM.

The increase in fares has been low, ranging from half paise per km to two paise per km of travel. Keeping the affordability concerns of low and middle income passengers, there has been no increase in fare in the last ten years for Suburban service and season ticket holders. It is estimated that less than half the trips will have a marginal increase in fare.

The total amount of subsidy given in FY 2023-24 on passenger travel is provisionally estimated at ₹60,466 Crore. This amounts to a 45% subsidy on the cost of passenger travel. In other words, if the cost of providing services is ₹100 then the price of ticket is ₹55 only. Besides this subsidy which is common to all passengers, concessions are also given to Divyangjans, 11 categories of Patients and 8 categories of Students.
