

BOX II

FARE AND FREIGHT HIKE PROPOSALS

(A) Passenger Fares

- (i) The Budget has proposed to increase the fares of Second Class (ordinary) by Re.1 for distances up to 50 Kilometres (km.), Rs.2 from 51 km to 100 km, Rs.3 from 101 km to 300 km and Rs.5 from 301 km onwards.
- (ii) Fares of both First Class (ordinary) and Sleeper Class (ordinary), increased by Rs.5 for distances up to 750 km, Rs.10 for distances from 751 km to 1,500 km and by Rs.20 for distances beyond.
- (iii) Monthly season ticket fares for metro commuters hiked by Rs.5 for journeys up to 50 km, by Rs.10 for distances between 51 km and 100 km and by Rs.15 for distances beyond.
- (iv) Fares of Mail/Express trains increased marginally. The increases in Second Class will be Rs.5 for distances up to 500 km, rising in steps to Rs.25 for 2,501 km onwards. For Sleeper Class the increase will be from Rs.10 to Rs.45. The fares of higher Classes are increased by higher amounts - Rs.20 to Rs.60 for First Class Mail/Express and Air-conditioned (AC) Chair Car, Rs.40 to Rs.120 for AC 3-Tier, by Rs.60 to Rs.180 for AC 2-Tier and by Rs.180 to Rs.540 for AC First Class.
- (v) Fares for Rajdhani and Shatabdi Express trains are revised upwards by 20 per cent for all Classes.
- (vi) Fares for Metro Rail, Calcutta are also proposed to increase by Re.1 for 1 km to 5 km distances, Rs.2 for 6 km to 10 km distances and Rs.3 for distances beyond 10 km. In case of MRTS Chennai, it is proposed to revise the rate of existing surcharge of 50 paise to Re.1 for Second Class per passenger. However, surcharge will be Rs.2 per passenger for First Class.
- (vii) Computerised reservation charges are proposed to be increased by Rs.5 for all Classes.
- (viii) Supplementary charge for Super Fast Trains revised from the existing Rs.5-25 to Rs.10-50.
- (ix) Price of Platform ticket is hiked from Rs.2 to Rs.3.

(B) Freight Rates

The Budget has not proposed any general increase in freight rates, but only a few marginal adjustments in freight rates.

- (i) The freight rates for coal for shorter distances are proposed to be adjusted marginally - the increase being in the range of about 2 per cent at different distances up to 500 km, no increase beyond 500 km up to 1500 km and a reduction of 1 per cent beyond 1,500 km.
- (ii) Commodities of mass consumption like foodgrains, edible salt, urea, edible oils, kerosene, liquid petroleum gas etc. are exempted from freight increase.
- (iii) Parcel freight rates for magazines proposed to be increased by 20 per cent, but Newspapers remain unaffected. Parcel and luggage rates of all other commodities are proposed to be revised upwards by 5 per cent.

The above Budget proposals, effective June 20, 1998, are estimated to yield an additional revenue of Rs.450 crore during the remaining part of the financial year 1998-99.

