

RAIL TARIFF ENQUIRY COMMITTEE

INTERIM REPORT



**MINISTRY OF RAILWAYS
GOVERNMENT OF INDIA
NOVEMBER, 1978**

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CHAPTER I

INTRODUCTION

Setting up of the Rail Tariff Enquiry Committee

1.01 The structure of rates for transport of goods by rail was last reviewed in 1955—57 by the Freight Structure Enquiry Committee (1955—57). Moreover, no special enquiry has ever been made by an independent body in respect of passenger fares or the rates for other coaching traffic. In view of the far reaching changes that have taken place in the country's economy in the past, and also the changes that are expected in the years to come, there was public demand for a fresh examination of fare and freight rates structure for carriage of traffic by rail. The Public Accounts Committee as well as the Railway Convention Committee had emphasised the need for rationalising the fare and freight structure having due regard to the cost of service. In view of these circumstances, the Government of India set up a Rail Tariff Enquiry Committee (RTEC) under Resolution No. ERB-I/77/21/70 dated 19-9-1977 (copy attached as Annexure I—I). It consisted of the following :—

Dr. H. K. Paranjape	Chairman
Shri K. T. Mirchandani	Member
Shri V. K. Sthanunathan	Member

Shri Vinod Pal was appointed as the Secretary of the Committee.

Terms of Reference

1.02 The terms of reference of the Committee laid down in the Government Resolutions are given below :—

- (a) To examine the structure of fares, rates and other charges for public traffic carried by passenger trains and/or goods trains, in all its aspects, and ancillary and incidental matters such as packing conditions and booking and delivery of, and payment for, traffic ;
- (b) To examine the structure of fares, rates and other charges for post office mails and military traffic carried by passenger trains and/or goods trains, as also ancillary and incidental matters ;
- (c) To examine any other cognate matters that may be referred to the Committee by the Ministry of Railways ; and
- (d) To recommend the modifications which should be made bearing in mind, among other relevant considerations the interests of the common man, the requirements of developing economy, and the importance of making the Railways financially viable and the possibility of increased efficiency ; and
- (e) Any other matters connected with the rationalisation and simplification of the

freight and fare structure on the Indian Railways and any other incidental matters relating thereto.

Staffing

1.03 The Chairman, the two Members and the Secretary joined the Committee on 19-9-1977, 16-1-1978, 1-1-1978 and 17-9-1977 respectively. Details regarding the sanctioning of other posts and the dates when officials joined the RTEC are given in Annexure I.2.

Office Accommodation

1.04 To start with, some accommodation was temporarily provided to the Committee in Rail Bhawan. However, as adequate accommodation was not available in Rail Bhawan, the Prime Minister's Office allotted office accommodation for the RTEC in Vigyan Bhawan Annexe. This accommodation consisted of two halls. The work of partitioning and furnishing was completed by 31st March, 1978, and the office of the RTEC started functioning from its own office from 1-4-1978.

1.05 The Prime Minister's Office has, however, recently informed the Committee that the office accommodation in Vigyan Bhawan Annexe has to be vacated before the end of 1978 as this accommodation is needed for hosting a UNIDO Conference in 1980. Alternative office accommodation has been allotted to the Committee in the new NDMC building in the Khan Market Commercial Complex. Arrangements are being made by the Committee in coordination with the Railway Board, Northern Railway and the Directorate of Estates for shifting the office of the Committee to this location after suitable partitioning is provided.

Delegation of Powers

1.06 The Chairman, RTEC, was delegated the powers of General Manager of a Zonal Railway in respect of matters relevant to the functioning of the Committee. Powers relating to assigning contracts for consultancy work was, however, not delegated, the Committee being assured that the matter can be dealt with expeditiously, with understanding and cooperation. The Committee did not, therefore, press the matter further.

Notification in Press and issue of letters

1.07 A notification was given in all leading newspapers in the country during October, 1977, calling for suggestions on the terms of reference of the Committee from individuals, as well as various trade interests. In addition more than 4,000 letters were addressed to the following :—

1. Members of Parliament ;
2. Chambers of Commerce ;
3. Passenger Associations ;

4. Public Sector Undertakings ;
5. Major Private Sector Undertakings ;
6. Central Ministries ;
7. State Governments ;
8. Universities ; and
9. Members of the National/Zonal Railway Users' Consultative Committees.

1.08 610 replies have been received so far, which have been scrutinised by the Committee. A copy of the press notification and copies of the letters addressed to various groups as indicated above are given in Annexure I.3.

Questionnaires to the General Managers and the Railway Board

1.09 A questionnaire on passenger fares with particular reference to the aspects to be covered in the Interim Report was sent to the Zonal Railways on 9th June, 1978. A copy of the questionnaire is at Annexure I.4. A questionnaire on freight traffic was sent to the General Managers on 28th June, 1978. A copy of this questionnaire is given at Annexure I.5.

1.10 In addition to above, a questionnaire on siding was sent to about 2,000 siding owners through the respective Divisional Superintendents in July, 1978. A copy of the questionnaire is attached at Annexure I.6.

Discussions with Government Officials and Rail Users

1.11 The Chairman and Members have held preliminary discussions with the following :—

- (i) General Managers and Heads of concerned Departments of all the Zonal Railways.
- (ii) Chief Secretary and other Secretaries concerned of Maharashtra, Gujarat, Rajasthan, West Bengal, Tamil Nadu, Andhra Pradesh, Karnataka and Jammu and Kashmir.
- (iii) Important Chambers of Commerce and Passenger Associations at Bombay, Ahmedabad, Baroda, Pune, Hyderabad, Madras, Bangalore, Mysore, Cochin, Erode, Coimbatore, Salem, Madurai, Sivakasi, Tiruchirapalli, Teni, Virudhunagar, Calcutta, Lucknow, Kanpur, Jaipur, Amritsar and Jullundar.

Collection of Relevant Literature

1.12 A special attempt has been made to bring together as much of the relevant literature including various reports as possible.

1.13 Letters were written to various Indian Embassies/High Commissions requesting them to procure relevant literature. Letters were also written to the Railways of a number of countries for procuring relevant information and literature. Useful litera-

ture has since been received about the following countries :—

1. Canada
2. United States of America
3. West Germany
4. France
5. Japan
6. Australia
7. Sweden
8. Kenya
9. United Kingdom.

In addition, we have also received useful literature from Union Internationale Des Chemins De FER (UIC), Paris. Arrangements have been made to get the relevant portions of the literature in French, German and Japanese translated into English. Efforts to secure further information about railways in other countries are continuing.

Surveys and Studies

1.14 There are several areas where detailed surveys and studies have to be carried out by the Committee. For example, it is necessary that reliable data are available to indicate the socio-economic profile of the passengers, their travel habits at present and in the past, their likely reaction to possible changes in fares and facilities, the purpose for which they undertake journeys by rail, etc. Similarly, it is necessary to know similar particulars in respect of passengers who are travelling on railway concessions so that an examination of these concessions can be made.

1.15 In the Resolution setting up the Committee, the statement of the Railway Convention Committee about the need for rationalising freight and fare structures on the basis of traffic costing studies and bringing charges in closer alignment with costs has been emphasised. The existing costing system on the railways is based on fully distributed zonewise average costs. Information regarding variation in costs due to factors such as density of traffic on a particular section, gradients, speeds etc. is not available. Also particulars of variation in costs for traffic carried in train loads, wagon loads or smalls, or according to the nature of the commodity, are not available. The Committee finds that suitable studies and surveys are necessary to supplement the studies and data already available so as to have reliable information on these and other related aspects.

1.16 Having regard to what is mentioned above, the Committee proposes to organise surveys and studies either with its own resources, or through suitable Consultants. Particulars of such surveys and studies are briefly given below :—

(a) Survey of Season Ticket Holders

A survey of Season Ticket Holders, both suburban and non-suburban, was organised by the Committee during August, 1978. Details of this survey will be given in a separate report. However, the main

results of this survey are given in Chapter VII. More than 32,000 passengers at about 2,310 stations were interviewed during this survey mainly with a view to determining the socio-economic profile of the passengers purchasing Season Tickets, and their travel habits.

(b) *Survey of passengers travelling on Single Journey Tickets on Suburban Sections*

During September, 1978, another survey was organised to find out particulars in respect of passengers travelling on Single Journey Tickets on the Suburban Sections. Details in regard to this have also been given in Chapter VII.

(c) *Survey of Non-suburban passengers*

The Committee is proposing to organise a sample survey of non-suburban passengers travelling by various types of passenger trains. This survey will have to be on a much bigger scale than the two surveys mentioned earlier.

(d) *Survey of passengers travelling on concessions*

The Committee also proposes to conduct a survey of passengers travelling on concessions to study the usefulness and desirability of such concessions.

(e) *Commodity Studies*

Commodity studies in respect of major commodities, such as Coal, Iron ore, Foodgrains, Iron and Steel, Cement, Sugar, Fertilisers, POL are being conducted by the Committee with a view to finding out their transportation characteristics, the costs of transportation, and the possible effects of freight variation on the economy.

(f) *Other Studies*

In addition, the Committee's staff is undertaking a number of studies using available data about India and other countries including data about the expected

future role of the Railways, and various types of detailed cost analyses.

Main contents of the interim report

1.17 In para 8 of the Government Resolution setting up the Committee, it has been mentioned that the Committee may submit interim reports as may be considered necessary and as desired by the Government. It was suggested by the Ministry of Railways that the Committee may submit an interim report relating to the problems about passenger services. The background of the interim report and the particulars of the aspects covered in the same have been given in Chapter III, namely, "Approach to the Interim Report". Briefly, the subjects covered in this Report are :—

- (a) The financial situation of the Railways.
- (b) The approach to the Interim Report.
- (c) Proposals relating to Freight Traffic.
- (d) History of Passenger Fares.
- (e) Emerging Metropolitan Transport situation.
- (f) Passenger Profile—an Interim View.
- (g) Proposal relating to Passenger Fares.
- (h) Proposals for Other Coaching Traffic.

Acknowledgements

1.18 The Committee is thankful to the Ministry of Railways for making various facilities and staff available to the Committee for its work. The Committee is also thankful to the General Managers and other officers of the various Zonal Railways for helping the Committee in their work. The State Governments and various Public Sector Undertakings have also extended necessary co-operation. We are grateful to the various Chambers of Commerce, Passenger Associations and other individuals representing various trade interests for giving their suggestions to the Committee through written memoranda and discussions. We hope that these and other organisations will continue to extend their co-operation to the Committee in the remaining part of the Committee's work.

CHAPTER II

THE FINANCIAL POSITION OF INDIAN RAILWAYS—AN INTERIM REVIEW

Return Expected on Capital-at-charge upto 1924

2.01 Most of the Railways built in India were originally constructed and operated by private Sterling companies. The Government, however, was actively associated with Railway construction. As the first two companies formed in the U.K. in 1845 and 1846 could not collect sufficient capital on their own, the Government decided to give guarantee of 5% return on the capital. The Government also decided to make land available free of charge. This system of guarantee resulted in extravagance by the Railway companies;* therefore, the Government decided to change this policy.

2.02 While the bulk of the Railway system in the country came to be the property of the Government after 1907, the purchase was only formal and fresh arrangements were arrived at with the companies to run the Railways on behalf of the State. The Acworth Committee (1920-21) recommended that the State should take over the Railways for direct State management as and when the contracts fell due. The ownership and management of the major private companies was gradually taken over by the Government during the period 1925—1944.

2.03 In the initial development of the Railways in India, a guaranteed return of between 4.5% to 5% on capital investment was considered necessary to attract sufficient capital for this purpose.

Return Expected After 1924

2.04 Initially the Railway Finances formed part of the General Finances of the Government. These Finances were separated from the General Finances from 1924-25, mainly "to relieve the General budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues, on the money expended by the State on railways. . . ."^{***} The objectives of separation were explained by the then Commerce Member as follows :

" we want to introduce a system of finance which, while maintaining unimpaired the control of this House and while ensuring to general revenues a fair return from their

Railway property, will be more suited to the needs of a vast commercial undertaking. Finally, and most important of all, we want to establish a principle. It is right and proper that the tax-payer, the State, should get a fair and stable return from the money it has spent on its Railways; but if you go further, if you take from the Railways more than that fair return, then you are indulging in a concealed way in one of the most vicious forms of taxation, namely a tax on transportation. One of the objects we have most at heart in putting these proposals before this House is to establish that principle"^{****}

2.05 The return on the capital to be paid by the Railways and other ancillary matters were to be decided by the Legislature on the recommendations of what came to be known as the Railway Convention Committee to be appointed by the Legislature from time to time. The returns expected from the Railways have been fixed in this manner, starting from 1924.

2.06 The Separation Convention of 1924 laid down that the contribution by the Railways to the General Finances should be based on the Capital-at-charge and the working results of commercial lines. The Railway Convention Committee recommended this contribution at one per cent on the Capital-at-charge of commercial lines plus 1/5th of any surplus profits of commercial lines remaining after payment of this fixed return, subject to certain conditions. This contribution was over and above the interest charges on the loan capital obtained by the Railways. During the period 1924-25 to 1942-43, total contributions accordingly paid by the Railways inclusive of interest charges ranged from 4.3 per cent to 4.9 per cent of the capital-at-charge, the average for the period being 4.6 per cent per annum.

2.07 During the war, the 1924 convention was suspended with effect from 1st April, 1943 and the Railways' surplus was allocated to the General Revenues on an *ad hoc* basis each year. This continued till 1949-50. The Railways could earn substantial profits during the years 1943-44 to 1945-46 and contributed between 7.4 per cent to

* See "Official Report submitted to the House of Commons in 1872-73" quoted in "Indian Railways—100 years" (New Delhi) 1953, Page 21.

** Resolution on the separation of railway from general finances, "Railway Convention Committee, 1943", Railway Department, Government of India, P. 22.

*** Indian Railway Administration and Finance, An Introduction, 1976, Ministry of Railways, Government of India, Para 702.

8.5 per cent of the capital-at-charge to the General Revenues, including interest charges. For the remaining years,* the total contributions paid by the Railways ranged from 4.1 per cent to 4.9 per cent of the capital-at-charge.

2.08 The next Railway Convention Committee appointed in 1949 recommended a fixed dividend of four per cent per annum on the capital-at-charge excluding capital invested in unremunerative strategic lines. The contribution was inclusive of interest charges which had been indicated separately upto 1949-50. The rate of dividend of four per cent was decided on the basis of the average rate of Government borrowings, which was estimated at 3.20% at that time. The surplus after payment of dividend was to be allocated to different Railway Funds.

2.09 The fixed rate of dividend and the base on which this rate was to be calculated changed from time to time. The rate of dividend was changed to 4.25 per cent with effect from 1961-62, and to 4.50 per cent from 1963-64. From 1964-65, the rate of dividend was fixed at 4.5 per cent on the capital invested upto the year 1963-64 and 6 per cent on the capital invested in subsequent years. From 1966-67 the rate of dividend on the capital invested upto 1963-64 was enhanced to 5.5 per cent.** This rate has continued to date. However, the amount of capital on which no dividend or dividend at a lower rate had to be paid changed from time to time. The capital qualifying for exemption from payments of dividend increased from a little over 4 per cent of the total capital-at-charge in 1960-61 to about 20% of the capital-at-charge in 1976-77. At present such capital includes capital expenditure on (a) unremunerative branch lines (b) North-East Frontier Railway (c) element of over-capitalisation (d) 50% of capital outlay on work in progress (e) capital outlay on new lines and certain other miscellaneous items.

2.10 Thus, since 1950-51, the contributions to be paid by Railways to the General Revenues were determined at a fixed rate on the capital-at-charge after adjustments intended to give certain concessions to the Railways. The fixed rate was generally determined on the basis of the average interest rate on Government borrowings, but was kept a little higher than the average rate.

2.11 The possible alternatives to a fixed dividend, viz; (a) reimbursement of bare interest plus a fixed per cent on the capital-at-charge plus a share in excess surplus, or (b) payment of bare interest plus income tax on the profits, were considered but rejected by successive Convention Committees.

Expected Return from New Projects

2.12 In the early years of the development of the Railways, it was expected that a project, after meeting the cost of operation, repairs and maintenance, depreciation and interest charges should generate a 'fair' margin of profit. In 1937, the Wedgewood Committee made a critical comment that the capital expenditure on the Railways had been on too lavish a scale. Following this, a net return of at least 10% was prescribed.† The Railway Convention Committee of 1949 recommended a return of 4.25 per cent on the basis of a dividend rate of 4% at that time. This was reviewed by the Railway Convention Committee (1954), which raised it to 5%. Currently a net return of 6.75% on investment is considered appropriate. Alternatively, a return of 10% by Discounted Cash Flow method is taken as adequate to justify a new Project.

The Performance of Central Government Public Sector Enterprises

2.13 It may be of interest to look at the performance of the public sector enterprises in the recent past. As at the end of 1976-77, there were 145 public sector undertakings‡ under the control of the Central Government with an investment amounting to Rs. 11,097 crores. Information on performance of the operating enterprises for the last five years is presented in Annexure II-1. The profitability ratios of these enterprises are shown below:—

Profitability ratio	1972-73	1973-74	1974-75	1975-76	1976-77
1. Gross profits (before interest and tax) as % of capital employed	5.1	5.2	8.4	7.6	9.7
2. Net profits after tax as % of paid-up capital	0.6	1.9	4.9	2.9	4.6

2.14 Taken together, these undertakings earned a return of 9.7% on the total capital employed before payment of interest during 1976-77. The return earned by enterprises producing goods amounted to 9% on capital employed, and that by enterprises rendering services amounted to 10.8%. The rate of return on capital employed earned by different groups of enterprises varied from 1% to 26% in the case of those producing goods and ranged from 5% to 13% in the case of enterprises producing services (See Table II-1).

* Excluding 1947-48.

** The increase of one per cent was in lieu of the tax on passenger fares.

† See "Memoranda for the Railway Convention Committee, 1954" by Financial Commissioner for Railways, P. 65.

‡‡ Data relate to corporate enterprises under the Bureau of Public Enterprises and exclude banking and insurance companies as well as departmentally run commercial enterprises.

TABLE II-1

Rate of return earned by Central Government Public Enterprise in the 1976-77

I. Enterprises producing goods	Gross profit to capital employed 1976-77%
Steel	5.9
Minerals & Metals other than coal	4.1
Coal	1.0
Petroleum	26.1
Chemicals & Pharmaceuticals	1.1
Heavy Engineering	14.5
Medium & Light Engineering	15.0
Transportation Equipment	8.6
Consumer goods	7.1
Agro-based products	1.0
TOTAL	9.0
II. Enterprises rendering services	
Trading & Marketing Services	13.0
Transportation Services	8.3
Contracts & Construction	10.3
Industrial Development & Technical Consultancy Services	6.3
Small Industries Development	5.4
Tourist Services	8.5
Financial Services	5.2
TOTAL	10.8
III. All Enterprises	9.7

Source: Performance of Central Government Public Enterprises, Highlights, 1976-77, Bureau of Public Enterprises, New Delhi.

Return expected from State Electricity Boards

2.15 The return which is considered reasonable and justified for ordinary commercial enterprises may not be considered relevant for a public utility concern, especially one like the Railways where the capital to output ratio is very high. The financial objectives set for State Electricity Boards (SEBs) may be considered more relevant in this respect. The Electricity (Supply) Act, 1948, which provided for the constitution of SEBs, indicates in a general way the financial returns expected from the SEBs. Under the Act, SEBs are expected to earn a reasonable surplus after meeting all the expenses. The level of surplus to be generated has however been left to be determined by the individual State Governments. A Working Group on Price Policy set up by the Planning Commission in 1962 suggested a return of 12% on the capital employed in the SEBs. In 1964, the Venkataraman Committee appointed to review the working of the SEBs suggested a return of 11%, consisting of 6% by way of interest, 1.5% as electricity duty, 0.5% for contribution to general reserves and a net surplus of 3%. For purposes of granting loans to SEBs, the World Bank had stipulated a return of 9.5% on average capital employed.

2.16 It may be interesting to note that the financial performance of the SEBs has not been satisfactory. As at the end of 1974-75, the unpaid interest accrued over the years amounted to Rs. 338 crores. The analysis of the financial results of the SEBs for the year 1975-76 revealed that, after meeting the interest liability amounting to Rs. 297 crores, the net deficit from the working of the 18 SEBs amounted to Rs. 122 crores (surplus of Rs. 7 crores by three SEBs and deficit of Rs. 129 crores by the others). After allowing for interest on other loans, the net surplus of all the 18 SEBs amounted to Rs. 56 crores, giving a return of 1.3% on the total Government loans of Rs. 4179 crores.

Financial Performance of Major Foreign Railways

2.17 The differing accounting practices, the fact that foreign railways undertake a number of activities besides railway transport, and other such factors make a comparison of financial performance of different railways rather difficult. It may be useful nevertheless to have some idea about the financial working of major foreign railways. Information regarding the net surplus (deficit) of the major foreign railway systems during the year 1975, before provision for national income taxes but after interest payments, is given in Table II-2.

TABLE II-2

Financial Performance of Major Foreign Railways
(Figures in million U.S. \$)

	Net income* (loss) as reported	Subsidies included in income	Net income* (loss) excluding subsidies
I. Privately owned systems:			
1. U.S. Class I Railroads:			
Excluding Amtrak	317	152	165
Including Amtrak	(36)	157	(193)
2. Canadian Pacific Ltd.	333	70	263
II. Government owned systems:			
3. South African Railways	(141)	30	(171)
4. Canadian National Rlys	(168)	269	(437)
5. British Railways	11	829	(818)
6. Italian State Railways	(1,188)	1,252	(2,440)
7. French National Railways	(265)	3,111	(3,376)
8. Japanese National Rlys	(3,027)	649	(3,676)
9. German Federal Railways	(1,665)	2,386	(4,051)

* Net Surplus

Source: "A Survey of Railroads of selected industrial countries", prepared by Union Pacific Railroad Company, September 1977, Page ix.

2.18 It will be observed that even after taking into account government subsidies, only two railway systems were able to earn net surplus, while a third system earned only a nominal surplus during 1975. All other systems incurred losses ranging from \$ 36 million to over \$ 3,000 million. After excluding government subsidies, only two rail road systems have generated net surpluses while the deficit suffered by other systems varied from \$ 171 million to more than \$ 4 billion. Apart from subsidies directly included in income, certain systems received grants. Inclusive of all such subsidies, it is interesting to note that subsidies ranged from around 3% of the total revenue to over 60%.

2.19 Compared to the financial performance of these foreign rail systems, performance of the Indian railways cannot be considered unsatisfactory. However, certain important points may have to be kept in mind in attempting such a comparison. All of these foreign rail systems are in advanced developed countries.* In view of the important developments of road transport, and especially personalised automobile transport, railways have ceased in these countries to be the major carriers of people and freight.

2.20 The situation is different in a country like India where, due to its vast size, the stage of development and resource constraints, railways continue to be the most important means of transport and will probably so continue for quite some time. The losses suffered by most of the foreign railway systems are mainly due to considerable under-utilisation of the assets created in the past. In India, the position is quite different. The problems here relate to shortage of transport facilities resulting in over-crowding in passenger trains and inadequate availability of wagons for goods traffic. Therefore, it may not be inappropriate to expect reasonable profits from railway operations here. It is therefore not unreasonable to expect that the railways should be in a position to generate a surplus to provide funds for further expansion.

Expected Rate of Return from Railways

2.21 The Government of India (Ministry of Finance) has issued 'Guidelines for price fixation' in September, 1976. The Guidelines recommended that "the rate of return in general should be calculated on net worth of a company (e.g. Share capital plus free reserves) rather than total capital employed". The guidelines recommended that the rate of return should consist of two components :—

- (a) basic minimum which would be uniform as between industries, and
- (b) an additional variable component which may be varied from industry to industry depending on differences with respect to factors such as risk, priority, growth prospects, need for internal generation of funds, degree of obsolescence of capital stocks and capital structure including reserves. The guidelines recommended that "the basic minimum component of the rate of return may be equal to the going rate on bank deposits of five years' duration."

The Draft Sixth Plan has suggested that the "return from investments in Central and State Enterprises..... should.....be raised by economies and price adjustments to a post-tax level of about 10%***. The Railways do not pay any taxes. It may therefore be assumed that they may be expected at least to aim at a net return of 10% on capital, before payment of dividend.

* Some data about a few railway systems in developing countries are given in Annexure—II-2. But most of these are small, mainly new, and cannot be compared to Indian Rlys. The systems more comparable in terms of magnitude and continuing growth are the Soviet & Chinese ones. We have not yet succeeded in obtaining really comparable data about the working of these.

** Draft Five Year Plan, 1978-83, Planning Commission, Govt. of India, para 1.53, page 8.

Financial Performance of the Indian Railways in the past

2.22 The financial performance of a commercial enterprises can be looked at from many angles and a number of ratios have been devised to focus attention on particular aspects of the working of an enterprise. But for an over-all assessment of a commercial unit, the commonly used indicator is gross profits (before interest and taxes) in relation to total capital employed.

2.23 Capital employed comprises of shareholders' capital, accumulated reserves and loans. In the case of Railways however, there are certain difficulties in precisely working out this indicator. While the capital-at-charge of the Railways represent loans advanced by the General Revenues towards Railways' capital expenditure, no precise estimate of the Railways' own contribution towards such expenditure can be prepared in view of the accounting practices followed. Alternatively, capital employed equals net fixed assets plus working capital. The value of fixed assets in the Railways however is not shown either at historical cost or at replacement cost; their values represent the original cost of asset plus any improvements when subsequently replaced. The inflationary element in the case of replacements is charged against D.R.F. and does not become reflected in the fixed asset values. The amount of Government capital-at-charge approximately corresponds to what would normally be regarded as the value of net fixed assets. Estimates of working capital cannot, however, be prepared in the case of Railways. These limitations have to be kept in view in assessing the Railways' financial performance.

2.24 The data relating to the financial performance of the Railways for the period 1950-51 to 1976-77 are presented in Annexure II-3. It will be observed from this annexure that the gross surplus earned by the Railways before providing for dividend to General Revenues, (i.e., the "net revenue receipts" in the terminology used in the Railway Accounts) as a proportion of the capital-at-charge varied between 4.2 per cent to 7.3 per cent during the period 1950-51 to 1965-66 and between 1.4 per cent to 4.8 per cent during the period 1966-67 to 1975-76. During 1976-77, this ratio improved to 6.5 per cent. Related to investment, i.e., the value of assets in the Railways' Block Account, the gross surplus earned ranged between 1.2 per cent to 6.9 per cent during the period 1950-51 to 1976-77. This rate was less than 3% for three years, between 3 to 4 per cent for nine years, between 4 and 5 per cent for nine years and between 5 and 6 per cent for five years. In 1951-52, the highest rate at 6.9 per cent was achieved.

2.25 After meeting the dividend liability, the Railways were able to earn a surplus in all the years during the period 1950-51 to 1965-66. The position changed from the year 1966-67 wherefrom, except for three years, the Railways incurred losses for all the years upto 1976-77. The cumulative position of the surpluses

earned by the Railways during the period 1950-51 to 1976-77 is indicated below :—

	Surplus (Rs. in crores)
1950-51 to 1965-66	324.57
1966-67 to 1976-77	(—) 269.78 (deficit)
Net surplus	54.79

2.26 Due to the unsatisfactory position of their finances, the Railways had to resort to temporary loans from the General Revenues from time to time to pay for their dividend liability. These are indicated below :—

	(Rs. in crores)
1969-70	9
1970-71	25
1973-74	100
1974-75	183
1975-76	152
1976-77	147

As at the end of 31st March, 1977, the outstanding loans on this account amounted to Rs. 309 crores.

2.27 The Railways are expected to meet the expenditure (of a capital nature) on specified items like passenger amenities, staff welfare and unremunerative operating improvements out of a specially constituted Development Fund. The contributions to the Fund are made by the Railways from their retained surplus after meeting the dividend liability. In view of the unsatisfactory financial position, the Railways have had to obtain temporary loans from the General Revenues to meet this obligation also. The outstanding liability of such loans as at the end of 31st March, 1977, amounted to Rs. 153 crores.

2.28 The financial performance of the Railways thus does not show a very satisfactory picture. The return on investment (before payment of dividend) has never exceeded 7% in the past (except in 1977-78), and in most years it was lower. Even this performance has to be judged in the context of inadequate provisions on account of depreciation and pensionary liabilities.

Depreciation Reserve Fund

2.29 Upto 1924, the expenditure on renewals and replacements was charged directly to revenue. A regular depreciation reserve fund (DRF) was constituted from 1st April, 1924. This was one of the proposals relating to the separation of Railway Finances from General Revenues. However, no provision was then made for arrears of depreciation in respect of the assets then in existence.*

2.30 The method of determining annual contributions to the DRF and also the procedure for charging replacement expenditure changed from time to time. The contribution to DRF is recommended by the Railway Convention Committee on the basis of expected renewals and replacements falling due, the financial position of the Railways and other relevant considerations. The full cost of replacement including

inflationary and improvement elements is charged to DRF since 1950-51. However, the improvement element in the replaced assets is added to the value of assets as given in the Railways' Block Accounts but not to the Capital-at-charge. The position relating to the evolution of the DRF and the manner of allocation of replacement expenditure as it exists from time to time is presented in a tabular form in Annexure II-4. The DRF of the Railways cannot be considered as a depreciation fund in the full sense of the term, especially since 1950-51. In effect, from 1950-51 the DRF is only a renewal reserve fund, the annual contribution to it being decided on the basis of renewal requirements and the availability of funds, etc., and not on the basis of the depreciation accrued on wasting assets over their expected service lives.

2.31 The position relating to contributions to and withdrawals from the DRF since 1950-51 is indicated below :—

TABLE II-3
Contributions to and withdrawals from DRF, 1951-77
(Rs. crores)

Year	Contribution to DRF		Withdrawals from DRF	
	Total	Annual average	Total	Annual average
1950-51	33.59	—	26.63	—
1951-56	184.57	36.89	206.49	41.30
1956-61	241.28	48.26	320.42	64.08
1961-66	393.40	78.68	360.30	72.06
1966-69	306.03	102.01	253.90	84.63
1969-74	571.79	114.36	494.07	98.81
1974-77	403.61	134.54	362.31	120.77
Total (1951-77)	2100.68	80.80	1997.49	76.83

It will be observed from the above that the contribution more or less matched the withdrawals during the period from 1951-52 onwards.

Adequacy of provision for depreciation

2.32 The question regarding the appropriate method of providing for depreciation was looked at by a Working Group on Depreciation (1975) appointed by the Ministry of Railways. This Group provided three optional methods. Government's decision was to adopt a system which provides for calculation of depreciation based on replacement costs, calculated on the basis of original asset cost; plus a factor for inflation and technological improvements.

2.33 During the Fifth Five Year Plan, an amount of Rs. 650 crores was credited to the DRF. According to the projections made by the Ministry of Railways (Railway Board), the requirements of funds for replacements during the Sixth Plan period would be as under :—

	(Rs. in crores)
(i) For meeting the current replacements	1030
(ii) For meeting the current replacements as also overtaking the arrears in replacements during the Sixth Plan period itself	1630

* As the Financial Commissioner of Railways in his Memorandum to the Railway Convention Committee, 1943, had put it, "it is very difficult to calculate with any tolerable accuracy the amount of arrear depreciation on 1st April, 1924 on account of the assets which were then in existence". He has made rough estimates on various bases which may be examined later. Report of the Railway Convention Committee (1943), Government of India, 1947, pp. 148-149.

The provision for DRF made in the Sixth Plan amounts to Rs. 1050 crores as mentioned in (i) above. This compares favourably with the previous five years when appropriation to DRF was placed at Rs. 650 crores. It is clear however that in spite of the higher provision made in the Sixth Plan, there would still be arrears of about Rs. 600 crores in providing for depreciation at the end of the Sixth Plan. The provision for depreciation in the Seventh Plan will therefore have to be considerably stepped up, over and above the allocation proposed to be made in the Sixth Plan. The Expert Group on Capital Structure on Indian Railways, which reported recently (October, 1978) has also laid stress on the imperative need for stepping up the allocation to DRF to enable the Railways to overtake arrears in replacements as mentioned above.*

Overaged Assets

2.34 The arrears of contribution to the Depreciation Fund is bound to be one of the constraints in replacement of physical assets as and when due. The result of such delayed replacement would be that overaged assets would continue to be in service. Some estimates by various official groups in respect of different types of assets are indicated in the following paragraphs so as to give a more vivid picture of the results of inadequate provision for depreciation.

Rolling Stock

2.35 As at the end of March 31, 1977, about 11% of the steam locomotives and 2% of electric locomotives were overaged, in relation to the stock in service. About 7% of coaches, 1 per cent of EMUs and 8% of wagons (in vehicle units) were also reported to be overaged in relation to those in service.

2.36 The draft report of the Working Group on Railways' Five Year Plan for 1978—83 shows the need-based requirement of the Rolling Stock, taking into account backlog of arrears :—

Asset	Need-based replacement(Nos.)
Coaches	5875
EMUs	302
Wagons (in terms of 4 wheelers)	64025
Power packs of locomotives	671

2.37 The Railways' draft plan suggested a total outlay of Rs. 1864 crores for the Rolling Stock, Rs. 1192 crores for additions and Rs. 672 crores for replacements, and this was on a modified scale taking into account capacity constraints as well as paucity of funds. The Planning Commission has, however, approved an outlay only of a smaller amount. Thus the arrears of overaged rolling stock are likely to be carried forward to the next plan.

Track Renewal

2.38 The Report of the Working Group on Railways' Five Year Plan, 1978—83, observes that

a backlog of around 5500 Kms. of primary track renewals has accumulated so far. On account of limited availability of funds, the work on track renewal has been progressively declining as indicated below :—
(In Kilometres)

Plan	Annual Average length renewed in terms of complete renewals	
	Primary	Secondary
Second Five Year Plan (1956—61)	1900	530
Third Five Year Plan (1961—66)	2600	620
Inter Plan Period (1966—69)	1700	500
Fourth Five Year Plan (1969—74)	1300	316
Fifth Five Year Plan (1974—79)	950	290

Source: Draft Report of the Working Group on Railways Five Year Plan, P. 113.

2.39 On the basis of a track length of a little over one lakh Kms., and taking into account the safety aspect, the growth of traffic, age-cum-condition and economic service life of various components, the Working Group has assessed that the required level of average primary track renewals should be 1900 Kms. per annum and of secondary renewals 900 Kms. per annum during the next five years. For the plan, the Working Group suggested a programme of primary renewals of 12,100 Kms. and secondary renewals of 6100 Kms. It estimated the fund requirements for this programme at Rs. 560 crores after taking into account the value of released materials. As against this, the Planning Commission has approved only a smaller outlay for track renewals during the next Plan.

Workshop equipment and machinery

2.40 Most of the workshops attending to the repairs and maintenance of the rolling stock of the Indian Railways, inherited from individual State Company railways in the distant past, are equipped with obsolete and overaged machinery and tools. The Working Group on "Workshop modernisation project, phase I 1978—81," in its report prepared in December 1977, observed that manufacturing and maintenance capability of the workshops and sheds has been seriously undermined due to a backlog in the replacement of overaged and obsolete equipment. It is observed from the Report that the percentage of overaged machinery and plant in the repair workshops increased from 46.7% in 1952 to 57.8% in 1973. On the basis of a detailed machinewise census, it has been estimated that 77% of such machinery and plant in Mechanical workshops, 53% in production Units and 46% in Loco Sheds and sicklines would be due for replacement by 1978-79. The Study has assessed that the funds required to meet the arrears in replacement as well as replacement falling due in the next five years, at 1976-77 Prices, are Rs. 300 crores. In the next Five Year Plan, as against a total provision of Rs. 429 crores for Workshops & Sheds and Machinery & Plant as suggested by the Railways, the Planning Commission has only agreed to a smaller outlay.

* "Report of the Expert Group on the Capital Structure of Indian Railways—October 1976", Ministry of Railways, pp. 31-32.

Method of Providing for Depreciation

2.41 It is also necessary to examine whether the basis of providing for depreciation in the past—on original cost and life of assets initially and on estimated renewal requirements subsequently—is appropriate, apart from the shortfalls even on the basis adopted in the past. Commercial organisations generally follow the straight line method on original cost of assets. The Income Tax Act in the country, however, allows depreciation only on the basis of written down value. But the allowances are liberal. Further, additional provisions are allowed under the concessions such as the development rebate earlier and the investment allowance at present. These provisions, as also the building up of free reserves to the extent possible, are attempted to be used by business organisations to enable them to replace their ageing assets without too much reliance on outside funds. This is even more important in an age of rapid obsolescence on the one hand and continuous inflation on the other.

2.42 The Railways, as a commercial organisation, possess certain peculiar characteristics. Railway is a more or less permanent entity and is an important infra-structure in the economic life of the country. The physical life of the major railway assets is much longer compared to the life of the assets of most other commercial organisations. It appears that of the total assets of the Indian Railways in 1976-77, excluding land, some 42% represented track (including about 10% as formation which is non-wasting), 11% other structural engineering works, 42% rolling stock, and 5% other equipment. Obsolescence is likely to affect these different categories, in this descending order, 'other equipment' being more liable to it than all the other categories. In view of this, obsolescence is less important in thinking of depreciation on the railways than in other commercial organisations though whether it should be treated as of really little importance in an age of rapid changes in prices of basic inputs such as labour and fuel is a matter which requires further thought. In any case, it is specially necessary to allow for price inflation*. The physical life of most railway assets is assumed at 40/45 years for the purpose of depreciation. The rate of inflation in India in the last forty years has been approximately over 7 per cent per annum@. In view of these special points, it may perhaps be appropriate for the Railways to follow depreciation on replacement cost basis. It may perhaps also be necessary to calculate depreciation liability on accrual basis rather than on the basis of renewal requirements. On sound accounting principles, it may be claimed that it is necessary to charge to the working expenses a reasonably accurate estimate of the wear and tear of the assets in existence. While this principle was not found unacceptable by the Railway Convention Committee of 1949 and also the subsequent Committees, it was thought that the

heavy accumulations for the past may require contributions on this basis at such a high level as to strain the Railway finances considerably. It was also felt that due to changes made in the allocation of capital expenditure from time to time, inclusion of intangible assets at the time of acquisition of company-owned railway, and such other reasons, the capital account as it has grown historically cannot be taken as a base for assessing the realistic requirements of depreciation. It was, therefore, decided to determine the contributions to the DRF on the basis of expected renewals over a period of five years. The Railways were required to pay only a fixed dividend to the General Revenues and it was expected that the Railways could strengthen the balances in the DRF by the surplus left with them after meeting the dividend liability. The earlier analysis suggests that this has not happened, especially in the last decade or more. We shall have to examine these questions in greater detail in our Final Report.

Contribution to Pension Fund

2.43 The pension scheme was introduced in the Railways in 1957 and all the staff appointed subsequently are compulsorily pensionable. The staff who were in service on that date have been given the option to come over to pensionary scheme, and many have done so. At the end of 1976-77, over 10 lakhs employees were pensionable.

2.44 Upto 1964, pension payments were currently charged in the year in which the payments were made as in the case of other Government Departments. However, the coming over of a large number of existing staff belonging to various age groups to the pension scheme was expected to give rise to widely fluctuating expenditure from year to year. Therefore, in 1964, a pension fund was set up to reflect not only the amount actually paid as pension each year but also the potential cumulative liability for the pension benefits earned by each year of service so as to avoid the inconvenience of a fluctuating burden. On the basis of actuarial calculations taking the number of staff into account, it was calculated that sum of Rs. 30 crores paid each year to the fund from then on would just suffice to finance and fully cover the pension of 10 lakhs railway employees, taking this number as opting for pension. Against this, the actual contributions upto 1976-77 amounted to an average of only about Rs. 15 crores. (Even if the interest earned on the balance in the fund is taken into account, the total average annual accretion to the fund was only about Rs. 23 crores). Thus, the amount contributed to the fund has been less than originally anticipated. Besides, the emoluments qualifying for pension have gradually increased due to improvements in the scales of pay of employees and with the pension scheme having also been liberalised. In view of this, the annual contribution to the fund should obviously have been larger than

*It is interesting to note in this context that the Bombay Electric Supply and Transport Undertaking, one of our well-managed public utilities, makes a provision for depreciation on the basis of historical costs of its fleet and related assets plus 50% for taking care of the inflationary factor.

@Based on Index Numbers of wholesale Prices.

that originally anticipated. We have no precise data as to the amount of arrears in contribution. But in the light of the foregoing, this is likely to be a goodly amount. We have asked the Railway Board to give us an estimate as these arrears would have to be taken into account when examining the question of what the Railways should earn in the future.

2.45 While judging the true financial position of the Railways, it has been found necessary to take account of short-falls in the provisions on account of depreciation, pensionary benefits etc. It may also be necessary to consider certain other aspects of the Railways' working in this respect. The Railways have to incur considerable expenses or forego certain revenues on account of certain "social burdens" imposed on them due to the fact that it is a public enterprise, departmentally administered. A private commercial organisation, even if it is a public utility concern, will not undertake such expenditure or forego such revenues. Any examination of the Railways' financial position, therefore, has to take into account the impact of these social burdens on the Railways' finances. In pursuance of the recommendations of the Railway Convention Committees of 1973, the Railway Board has appointed a "High Level Committee on Social Burdens". The report of this Committee is awaited.

Internal generation of funds

2.46 A commercial organisation is expected to generate sufficient surplus not merely to provide a reasonable return on the capital but also to provide funds for a reasonable part of its expansion. Due to the vast size of the country, the low level of income, and various other factors, railways will continue to be the main carriers in the country for a long time to come. With the increase in population and standards of living, the demand for railway services is likely to increase. In view of the shortage of resources to meet the development needs of the country, it is necessary that the Railways should generate sufficient surplus to contribute to a reasonable extent to their expansion programmes as the general exchequer may not be in a position to bear a very large burden. This is especially so as the Railways are not only the oldest but also the single largest enterprise in the public sector; and, if it does not generate a surplus for financing at least a significant part of its development, it may be difficult to finance such development in an adequate measure.

2.47 Information on the contributions made by the Railways from internal generation of funds in relation

to their plan expenditure in the past are presented in Table II-4 below :—

TABLE II-4

Actual contributions made by Railways during different Plans (Rs. in crores)

Period	Total Capital Expenditure	Total internal cash generation by Railways	Percent
First Plan (1955—56)	422	284	67.3
Second Plan (1956—61)	1044	397	38.0
Third Plan (1961-66)	1686	635	37.7
Inter Plan (1966—69)	763	317	41.5
Fourth Plan (1969—74)	1421	555	39.1
Fifth Plan (1974-77)	1073	386	36.0

Source: Explanatory Memorandum on the Railway Budget, 1978-79, Appendix X, PP. 62, 63.

2.48 We also understand that, as is not uncommon in such cases, there is a large gap between what the Working Group on the Draft Plan for the Railways (1978—83) suggested as desirable outlay, what the Ministry of Railways thought would be appropriate, and what was finally allocated by the Planning Commission in the Draft Sixth Plan. In the Planning process, such gaps are to be found in all sectors. It is not, however, improbable that, even where the Railways consider certain outlays as essential for meeting the targets which they are expected to fulfil, resource constraint might have compelled the Planning Commission to agree only to smaller outlays. Of course, with the Railway finances being treated as a part of the overall governmental finances for planning purposes, even if Railways had been able to generate more surpluses, whether the Planning Commission would have permitted larger outlay is a matter which remains uncertain. However, the possibility that the Railways would be able to secure a larger part of what they consider necessary would be much improved if the Railways' financial position were better and they were in a position to finance a larger outlay from their internal resources than they have been able to do in the recent past*. We shall have to examine this whole question further when we look at the future economic viability of the Railways and the rating policy with a view to ensuring future development of the Railways.

Operational Efficiency

2.49 The Railways have detailed statistical data giving indices of performance and efficiency indicators

*In this connection, it is interesting to note that the Minister for Railways has recently pointed out that the allocation for new lines had been declining from Plan to Plan. "Expenditure on laying new lines in the different Five Year Plans was in First Plan—Rs. 17.54 crores (new lines laid, 629 kilometres). Second Plan—Rs. 77.02 crores (1252 Kms.), Third Plan—Rs. 211.21 crores (1802 Kms.), Interim Plan—1966-69 Rs. 56.20 crores (763 Km.) Fourth Plan—1969-74 Rs. 66.69 crores (601 Km.) and Fifth Plan—97.20 crores (660 Km.) For the Sixth Plan (1979-84), the Railways had asked for an allotment of Rs. 308 crores for construction of new lines. The Planning Commission, however, agreed to allot only Rs. 120 crores, he said—Finance Express November 2, 1978.

to reflect utilisation and productivity aspects of the developed capacity in major areas of operation. We have not yet studied these aspects in detail. Some of the accepted statistical indices for judging operating efficiency are given in Annexure II-5 for the period from 1950-51 to 1976-77. It will be seen from this that, *prima facie*, there has been an improving trend in the utilisation of the resources such as track, wagons and locomotives. Some of this improvement can, no doubt, be ascribed to measures of modernisation such as introduction of high capacity wagons and dieselisation and electrification. However, some indices like, for example, wagon turnaround show an adverse trend. There may also be areas in which operational efficiency can be further improved. These will have to be examined further before any conclusions can be reached.

Level of fares and freight rates

2.50 The reasons for the unsatisfactory financial performance of the Railways may be either that the fares and freight rates were not increased in the past in line with the increase in the operating expenses of the Railways, or that the costs have increased disproportionately, or both.

2.51 The analytical study brought out by the Economic Unit of the Railways in October, 1975 on "Productivity Trends in the Indian Railways" covering the period 1960-61 to 1972-73 highlights the fact that the profitability of the Railways deteriorated to a considerable extent, especially after 1965-66, in spite of improved operational efficiency mainly because increases in the fares and freight rates lagged considerably behind the increases in the price level of major inputs required by the Railways. It has been estimated in the Study that the operating surplus at constant prices (1972-73) would have increased by 360 per cent during 1960-61 to 1972-73, as against an increase of only 161 per cent at current prices, which highlights the deterioration in the profitability due to fares and freight rates not keeping pace with rise in prices between 1960-61 and 1972-73. The profitability position of the Railways would have improved considerably, if fares and freight rates would have increased in line with price increases.

2.52 Extending the study further, the Corporate Plan of the Railways estimates that fares and freight rates in 1975-76 were only about 67% of what they were in 1960-61, when adjusted for price changes, *i.e.*, registering an annual reduction of 2.5 per cent as against an estimated annual average increase in productivity of the order of 2%.**This has resulted in a massive transfer of real income from the Railways to the users, and consequently in considerable deterioration in the Railways' financial position.

2.53 Annexure II-6 gives data on charges in average earnings per passenger kilometre and per tonne kilometre for specified years during 1950-51 to 1976-77 in relation to increases in the prices of major inputs of Railways and other relevant commodities.

2.54 During the period 1950-51 to 1976-77, the average earnings by the Railways per passenger kilometre increased by about 134%. The average earning per tonne km. showed an increase of 180% during this period. As against this, the prices of major inputs showed a substantial increase. The average cost per Railway employee increased by 400%, the index number of wholesale prices of coal by 370% and that for mineral oils by 443%. The index number of wholesale prices for iron and steel and ferro-alloys showed an increase of 479%, that for transport equipment registered an increase of 243% and that for machinery and machine tools of 280% during this period. Even the prices of food-grains showed an increase of 197% which is higher than the increase in the Railway fares and freight rates. The general index number of wholesale prices for all commodities registered an increase of 272% and the cost of living index number (working class) increased by 262% during this period. It will thus be seen that in relation to the increases observed in the prices of the major inputs of the Railways as well as certain other important commodities, the increase in Railway fares and freight rates were at a considerably lower level. It is interesting to note that the gap between increases in the general price level and the Railway fares and freights started widening rapidly since 1965-66, and it is since then that the Railways started showing deficits.

*A study of Productivity Trends in the Indian Railways, 1960-61 to 1972-73. Economic Unit, October, 1975 P.V. 9 (Mimeographed).

**Indian Railways Corporate Plan, 1976, p. 55.

CHAPTER III

THE APPROACH TO THE INTERIM REPORT

3.01 It was obvious to the Committee at its very inception that the work entrusted to it was such that it was difficult to complete it satisfactorily even within the period of two years prescribed in the Government Resolution appointing the Committee. With all the difficulties regarding the joining time of Members, sanctioning of staff and their actual posting, and the other delays which have become almost unavoidable in the functioning of governmental organisations, it was even more difficult to think of completing a substantive part of the studies and submitting an interim report on the basis of such studies in a short time. The Committee in effect started functioning only from about March, 1978. The Government (Ministry of Railways) Resolution (No. ERB-I/77/21/70 dated 19th September, 1977) suggests that the Committee may think in terms of an interim report. It was specially suggested to the Committee* that an Interim Report may be submitted by October, 1978 relating to the problems about passenger services. On examination of the problem, it was observed that to deal with the overall question of passenger fares, a number of studies had to be undertaken and completed. No data about railway passengers of different types, travelling by different trains, in different classes, in different parts of the country and at different seasons of the year have ever been collected. We have therefore no information about the socio-economic profile of the passenger, or of the price and income elasticities. Moreover, data about the costing of passenger services, as at present available from the Railway Board, are inadequate to answer some important questions which the Committee thinks relevant. With the large element of joint costs involved in the provision of passenger and goods services, any isolated examination of passenger fares would also have been inappropriate. It was therefore, decided by the Committee that it would not be possible to deal with the whole question of passenger fares in the interim report.

3.02 At the same time, it was apparent that a number of urgent issues which the Committee had to examine could not be kept pending till the whole work which the Committee was undertaking was completed. The budgetary position of the Railways has worsened during the current year and some changes in the tariff structure and rates would be unavoidable even to meet the expected deficits. While it is not the responsibility of the Committee to examine the possible deficits for the current year and to suggest ways and means to meet such deficits, the Committee cannot overlook the fact that changes in the tariff rates would be unavoidable to meet the worsening financial position of the Railways and that, as far as possible,

these changes should be such as would not go against the overall approach to the rationalisation of tariff structure which the Committee would be recommending. For this reason, it was thought necessary that the Committee should submit an interim report giving some recommendations which would enable Railways to meet their current ways and means difficulties.

3.03 The other and even more important consideration which weighed with the Committee was that its examination of the tariff structure, even on the basis of the inadequate data that it has upto now been able to collect, suggested the existence of certain obvious anomalies which, in any case, needed to be corrected. A systematic examination of these anomalies showed that removal of such anomalies would not only be rational but that it would also be in keeping with the overall approach which the Committee would be recommending finally to the Government. It was therefore thought appropriate that the Committee should concentrate on a few such anomalies and make recommendations for their removal through an interim report.

3.04 The main criterion which the Committee has adopted in deciding on the items to be included in the Interim Reports that these items should be such as show an obvious and patent anomaly as compared to the overall structure of railway tariff rates and the price trends in the country as a whole. Moreover, they should also be found to be such that the interim recommendations should not have to be reversed when the Committee makes its final recommendations on the basis of more detailed studies. To the extent possible, they should also have some significant impact on the revenues of Railways. It will be observed that the selection of items included in this Report, by and large, satisfied this criteria.

3.05 While we expect in our final Report to go into the whole question of the future of the Railways and the role that they would be expected to play, some brief comments on this point are necessary as an introduction to the Interim Report. Though the Railways were initially set up in this country as early as the fifties of the nineteenth century, and a very substantial part of the country was covered by railways by the time of Independence, the railway development in India has been far less intensive as compared to the different countries in Europe and America. The data given in Table III-1 would show that, in terms of a comparison between the length of railway track and the land area, India compares poorly with developed countries like the U.K., the U.S.A., Sweden, France, Germany, and Japan. Its position

*D.O. Letter No. ERB—177/15/3 dated 10-5-78 from the Railway Board.

is better than that of the U.S.S.R., and also China; but in the former, there is a large proportion of sparsely populated landmass. In terms of railway track kilometrage per million of population, India comes out poorly in comparison not only with developed countries but even with developing countries like Mexico, Malaysia, Algeria, Zambia; and Egypt. (See Table III-1 at page 14). Even a more significant point in this connection is that the addition to railway track has been quite small as a proportion of the total railway track in the thirty years since Independence*. Even such development as has taken place has been mostly connected with particular projects such as steel plants.

3.06 Railway had practically a monopoly for modern transport, clearly upto the twenties of this century and to a comparatively lesser degree even upto the time of the Second World War. Compared to this, road transport has come to play an increasing role in the period since Independence. The data given in Table III-2 (page 14) would indicate how the proportion of total traffic carried has been changing in favour of roads in recent years.

TABLE III-1
Railway development in selected countries

Country	Per capital income in US dollars (1976)	Railway Route-Kms-1975	
		Per million of population. (1976)	Per 10,000 sq. Km. of land areas. (1976)
(1)	(2)	(3)	(4)
U.K.	3530	324	749
U.S.A.	6995	2506	591
Sweden	8044	1473	295
Canada	7340	3076	77
France	5860	658	638
Germany, FR(W)	6451	468	1180
Germany DR(E)	N.A.	849	1345
Japan	4478	187	569
U.S.S.R.	2380	539	62
Mexico	1130	399	126
Malaysia	718	148	55
Algeria	291	228	17
Zambia	391	228	16
Ghana	394	92	41
Egypt	263	118	45
China	300	41	38
Pakistan	179	76	70
India	136	99	204
Sri Lanka	214	116	246
Burma	74	100	47

*Since 1948-49, only about six thousand Kms. were added to the total route kilometres of about 55 thousand.

TABLE III-2

Estimated Relative Share of Rail and Road in Goods and Passenger Traffic

Year	Railways	Road Transport	Percentage Share	
			Railways	Road Transport
Goods Traffic (Billion Tonne Kms.)				
1950-51	44	6	88	12
1960-61	88	35	72	28
1965-66	117	55	68	32
1968-69	125	64	66	34
1973-74	122	67	65	35
1976-77	157	76	67	33
Passenger Traffic (Billion Pass. Kms.)				
1950-51	67	23	74	26
1960-61	78	57	58	42
1965-66	96	62	61	39
1968-69	107	153	41	59
1973-74	136	211	39	61
1976-77	164	261	39	61

Source : Draft Five Year Plan 1978-83, Vol. III, Page 202. (Government of India, Planning Commission)

It may be noted that data about road transport, as they are normally collected, are very approximate. It appears likely that the published data underestimate the traffic carried by road.

3.07 The role that the Railways would be expected to play in the coming years in meeting the overall transport requirements of the national economy is a subject which is being dealt with by the Committee specially appointed by the Planning Commission to go into this question and we expect to benefit from their recommendations before finalising our recommendations. It is, however, clear that the Railways will be called upon to provide far more total traffic in the coming years and it will have to carry this additional traffic more efficiently. The Railways will be expected to concentrate more on long distance, medium distance and bulk traffic leaving short distance and smalls traffic mainly for road transport, and with the increasing emphasis on rural and decentralised development, road transport will have a larger share of the increasing traffic in the coming years. Even then there is no doubt that considerable additions to track as well as rolling stock and other facilities will be necessary if the Railways are to carry their proper share and play their proper role in the economic development of the country.

3.08 A look at the railway map of the country would show that there are substantial areas where there are few railway lines and where there is no rail-head available even within a distance of 150 or

200 kilometres. The Railways continue to receive many demands, especially from the less developed areas and regions of the country, for the setting up of railway lines as it is rightly thought that, unless rail transport is available, a region is bound to suffer because of the heavy cost of transporting bulk commodities which are essential for economic growth or industrial development, such as coal, iron and steel, cement, POL products and chemicals. The lack of railway facilities is bound to affect the supply and prices even of essential consumer articles such as foodgrains and salt.

3.09 The lack of a railhead within a reasonable distance in any region cannot but adversely affect the marketing of the produce of the region, especially if it is of bulk commodities, and this is bound to affect adversely the exploitation of local resources, the creation of employment opportunities and the general economic growth of the region. Inadequate rolling stock, signalling and other facilities can also—through slow movement of goods traffic—have a very adverse impact on the national economy because, without such essential infrastructure, the efficient operation of other sectors is adversely affected. Either their operations will be held up, or they will have to pay high rates for carrying essential traffic by trucks. A high inventory build-up also becomes necessary in conditions of unreliable or inadequate transport. All this leads to the conclusion that considerable investment for the purpose of improving the existing railway facilities is necessary; the exact nature and priorities of such works will of course be dependent upon the whole plan of economic development and its nature, and the rate of growth in the country as a whole and for different regions.

3.10 Another area in which the demand for extra railway facilities is being acutely felt is that of mass transport of commuters in most of the rapidly growing urban agglomerates, including industrial clusters, in the country. We already have suburban transport systems in the three metropolitan areas of Bombay, Calcutta and Madras. It is well known that the services provided by the Railways in these three areas, even though they have already expanded considerably as compared to the situation at the time of Independence, have proved to be grossly inadequate to meet the rapidly increasing number of commuters. The result has been that the problem, especially in peak hours, has assumed gigantic proportions, and many times this leads to outbursts of dissatisfaction, frequently creating law and order problems, and also situations which lead to destruction of railway property resulting from the anger of commuters. As we point out later, there are other areas of the country which have also shown increases in population and where clusters are gradually getting formed around a central township, with growth of commuter traffic. Even here the facilities provided, though there has been an attempt to increase them in the last decade or so, have proved in many cases to be grossly inadequate.

3.11 Realising the difficulties which were developing, the Government undertook studies especially to examine how best planned action could be taken to

meet the evolving transport situation in these areas. One of the principal factors which made it difficult for Government and the Planning Commission to sanction the carrying out of the recommendations in these studies has been the inadequacy of finance. As pointed out in the previous Chapter, the Railway plan outlays have not only been smaller than what the Railways considered desirable, but they have also been declining in relation to other sectors. While the relative priorities as decided by the Planning Commission must have had something to do with this, the fact that the Railway showed poor financial results and they were unable to provide any significant proportion of the resources required for further development, would certainly have influenced these declining allocations. The peculiarities of fare structure especially in the metropolitan areas, which we shall discuss in detail later in this Report implied that investments for expanding the facilities in these areas were not expected to be economically worthwhile in the sense of providing an appropriate net return. Such unremunerative developments had to be financed from the Development Fund of the Railways which itself has been depleted due to railway revenues not keeping up with costs. The inadequacy of Railway revenues or the Railways inability to earn adequate surpluses, has resulted not only in inadequate development but also, as indicated in the previous Chapter, in inadequate maintenance, the continued use of over-aged stock and facilities and therefore poor service and frequent breakdowns and difficulties. It is apparent that the vicious circle of a tariff structure resulting in inadequate financial provision for maintenance, replacement and development which in turn makes rationalisation of tariffs difficult of public acceptance, needs to be broken as early as possible if the situation especially in the growing metropolitan areas, is not to go out of control. We also feel that the fact that the Railways have not been able to make certain essential replacements is not a sign of healthy financial management. It is well known that even the renewal of railway track is in arrears to the extent of five years and this is mainly because of the inadequacy of financial resources. We do not think that such a situation should be permitted to continue. It is therefore essential that the financial position of the Railways should be improved as early as possible.

3.12 It is true that the improvement of the financial position on the railways need not necessarily mean an increase in fares, freights and other charges. Under our terms of reference, we have been asked to look at these bearing in mind "among other relevant considerations, the interests of the common man, the requirements of developing economy", "and the possibility of increased operating efficiency" as well as "the importance of making the railways financially viable". It has also been made clear that the Committee should bear in mind the necessity for enforcing measures to improve operational efficiency of the railways since the "cost plus" approach alone may lead to the economy being over-burdened with an excessively high freight and fare structure. It is thus obvious that the Committee cannot take a simplistic view and suggest an increase in fares and freights merely with a view to improving the financial

position of the railways. The Committee is certainly giving attention to these various aspects and is examining the questions whether there is much scope for cost-reduction and improving the operational efficiency; but there is obviously a limit to the Committee's examination of this vast subject. There are other aspects which also have to be kept in view such as, capital restructuring if this is necessary, and also the question whether the railways should be subsidised to the extent that they carry what have come to be called "social burdens" of various types. Both these questions are of great importance in terms of the financial and economic viability of the railways and we shall have to give attention to them before we finalise our recommendations. The question whether transport facilities as an infrastructure input of the national economy should necessarily carry the whole burden of the costs or they should be subsidised in general or in particular segments, in view of the total social benefit that their operation may result in, is also a question to which the Committee will have to give attention. There are a number of examples in the world where railway operations have been subsidised in various ways. Capital has been restructured, a significant proportion of the capital burden has been reduced through write-off, and subsidies have been provided for the whole system and also for particular parts of the system, the most notable being metropolitan transport.

3.13 We are collecting data on these various matters and also carrying out studies. The Government have also appointed special Working Groups to go into these matters. An Expert Group appointed by the Ministry of Railways on the "Capital Structure on the Indian Railways" has recently submitted its report. A number of important aspects of railway finances have been examined by this Group and recommendations made which can have a far-reaching impact. We do not know what view the Government will take about some of these recommendations and it will be useful for us to wait for the Government's decisions on these recommendations so as to understand the Government's approach to these matters. This will enable us to make our recommendations on a firmer basis. The Group on the "Social Burdens" is still to complete its work. As mentioned earlier, the Transport Policy Committee appointed by the Planning Commission is also expected to finalise its report in the next few months. The analysis prepared by these Committees and the recommendations made by them as well as the Government's decisions on these will be of great use to us in making our final recommendations. It should therefore be made clear that, in this Interim Report, we cannot but take only a restricted and limited view of the overall problem of railway finance.

3.14 It seems to us, however, that we can safely make certain assumptions. The most important of these is that it is highly unlikely that the Government or the Planning Commission will be willing to provide for large outlays for railway development from the general exchequer, leave alone large subsidies to meet the current expenditure of the railways, especially when railways constitute one of the largest investments

of the Government of India. While there may be a good case for particular segments of railway systems being subsidised, and while there may even be a better case for a substantial part of new investments for railway development being financed from non-railway sources, it appears to us *prima facie* clear that large-scale investments in projects which would not be economically viable for a long time are unlikely to be favoured by the Planning Commission or by the Government of India as a whole. This would be even more so if such investments are largely to be made for improving commuter facilities in metropolitan areas mainly confined to some regions of the country. The increasing emphasis on rural development and the growing feeling that rural areas have been neglected, is likely to strengthen this tendency. The implication is that, if certain essential developments in the railway system are to take place, and at least adequate provision made to maintain the system and its operating efficiency intact, an early improvement in the financial position of the railways is unavoidable.

3.15 In the immediate future, this involves a hard look at such elements in the tariff structure as are anomalous in character. Our examination of the tariff structure has suggested to us that there are such pockets of obvious anomaly and it is only on these that we have mainly concentrated our attention in this Interim Report. It should, therefore, be clear that what we are suggesting in this report is what we think to be the very minimum that must be done if at least the very essential development and proper maintenance of the railway system are not to be jeopardised. Regarding certain other aspects of coaching tariff such as parcels and related matters, we have made a few recommendations not because they will have any major financial impact but because our study of these shows that these are changes which obviously need to be carried out, and our recommendations, therefore, would be in keeping with our overall approach to these matters.

3.16 We are aware that some of our recommendations are likely to arouse protests from the concerned sections of people. Our recommendations about season ticket fares are one of the most important parts of our Interim Report and these are likely to create some dissatisfaction among the commuters in the metropolitan areas. We would like to stress the point that the position has been allowed to drift for too long a period and it is time to bring this drift to an end. As we shall show further, some of the concessions that are being provided by the Indian Railways are such as are not to be found anywhere else in the world. While it is true that we are a poor country, and a large number of the commuters belong to low income groups, we shall show that the burden we propose to put on them is not likely in most cases to be intolerably high. What is even more important, we do not see how, unless such rationalisation of the fare structure is carried out, the essential investments for improvements of the services can be carried out. It is our view that investments of short gestation which will provide speedy relief to the metropolitan commuters have urgently to be taken up and carried out. The servicing of such

investments, however, essentially requires a certain rationalisation of the fare structure. We strongly urge on the Government to treat our recommendations in this respect as a package. It would be highly unfair if only the rationalisation of the fare structure is carried out without simultaneous and vigorous action for carrying out important projects of short gestation period which will give relief by way of improved services within the next two to three years. Leaving aside the wider question of whether metropolitan transport should be subsidised, and if so by whom and to what extent, we assume that the creation of a surplus in the metropolitan transport system should enable an investment of at least ten times that amount being undertaken annually. If projects of this magnitude are taken up and carried out speedily, the railway organisation will have to be geared up to the task. Fortunately, there is enough technical competence available with the Railways to undertake and carry out such projects; all that would have to be ensured is that the organisation and procedures are streamlined to speed up the implementation. The country also does not at present face the two critical shortages which have made it difficult in the past to undertake large-scale investments at short notice, *viz.* those in food and foreign exchange. It should not, therefore, be difficult to undertake and rapidly execute major schemes which will involve civil works and also the use of critical materials such as iron and steel, cement and various types of rolling stock and electrical items. If there are short-term inadequacies from the supply sources that have been developed in the country, it should be possible to arrange for imports of the shortage items, care being taken to see, especially about rolling stock or electrical items, that they do not create future problems of multiplicity of types and resultant difficulties about maintenance and spare parts. With the present foreign exchange situation, it should not be difficult to secure permission to import where necessary. Such short term imports need not be taken to be against the long term policy of developing indigenous sources of supply. The favourable foreign exchange position provides us with a very useful degree of flexibility in this matter. If necessary, with the rationalisation in fare structure which we are suggesting as an interim measure, the development progress on the suburban railway systems and other short gestation railway programmes can also be shown as viable projects for support by international financial institutions.

3.17 The other recommendations which we are making regarding passenger fares and freight rates are mainly with a view to removing what we think are unnecessary exemptions or anomalies in the changes in these rates which have been made from time to time. It is our view, as would be explained in the later Chapters, that the impact of the proposed changes would be minor as far as the ordinary people are concerned. At the same time, the implementation

of these recommendations would make a significant difference to the economic viability of the railway systems. They would also make railway passenger fares comparable to the bus fares. As a matter of fact, even after such rationalisation, in most parts of the country, the second class railway passenger fares, even for short distances, would continue to be somewhat lower than the fares charged by bus transport corporations run by State Governments or local authorities. It is universally accepted that short distance transport is best carried by automobile vehicles. In some of the discussions that we had with the State Governments, we have even received complaints that the Railways are attracting traffic from bus transport by charging unduly low fares for short distances. We do not think that this is proper. While leaving the examination of the overall fare structure for a later date, we have thought it appropriate that some obvious anomalies in this respect should be removed. The same holds true about the recommendations made about the freight structure. Certain commodities were exempted from certain supplementary charges levied from time to time. Our examination shows that in most such cases the exemptions are not justified and their removal will not have any significant and adverse impact on the well-being of the common man. We cannot also lose sight of the proposition that hidden subsidies should be avoided as far as possible, and further that undue subsidies can create distortions in locational and residential patterns which are both unhealthy and a permanent burden on the economy.

3.18 Our recommendations have been made keeping the welfare of the poorest section of the community in view. It is well known that in the income and wealth structure that exists in India today, there is a very large section, about 40% (some people even put it as high as 60%) of the population which is below the poverty line. All our efforts have to be aimed at improving, however, slightly, the position of this section. This requires that certain essential developments in the national economy are carried out. The railways have to play their own role in this overall development. This is likely to involve some extension of the railway system so as to facilitate the development of economically backward regions and attending to the needs of the common railway traveller. Ensuring rapid and guaranteed transport of bulk commodities is also essential for the smooth functioning of the national economy on which depend the well being of the common man, and the possibilities of his securing steady employment. Therefore, providing at least a minimum basis for financing essential railway development is in our view a matter of high priority. This is an important reason why we have thought it fit to make some recommendations in this Interim Report which will improve the overall financial position of the Railways and thus make it possible for such railway developments to be undertaken in the near future.

CHAPTER IV

PROPOSALS RELATING TO FREIGHT TRAFFIC

4.01 We will need some more time to complete the studies we have initiated and to examine in depth the various issues covered in our terms of reference. We would, however, like to make some interim proposals which, in our opinion, will not require to be reversed on account of anything we may say in the final report.

4.02 We find that in 1974 Government imposed additional levies by way of supplementary charges on all traffic with the exception of grains and pulses, salt NOC, gur, jaggery, shakkar and certain edible oils. In 1975 rates for grains and pulses were revised incorporating the supplementary charges also. In 1976, however, when further supplementary charges were levied, grains and pulses, salt NOC, gur, jaggery, shakkar and certain edible oils and, in addition, oil seeds and chemical manures were exempted from this levy.

4.03 When Railways must now raise additional revenues, the first thing to which attention should be given is the exemption from the levy of supplementary charges in respect of these commodities. From the information published by the Ministry of Railways (Indian Railways Year Book 1976-77, pp. 82-83), it appears that the estimated loss on the carriage of these exempted commodities in 1976-77 was as follows :—

	(Rs. Corres)
Foodgrains	22.43
Salt for edible use	6.91
Gur, shakkar & jaggery	2.23
Edible Oils	0.81
Oil seeds	0.85

We have also seen certain profitability studies conducted by the Railways. Without going into the details which we shall do later, these studies also indicate that the Railways are carrying these commodities at a significant loss. In respect of chemical manures, the position appears to be somewhat mixed. On certain sections and for certain leads, the present, calculation shows that the Railways make losses while elsewhere they make a profit. On a review of the whole situation, we think that the exemptions granted in 1974 and 1976 can be removed.

4.04 We are making this suggestion, because the conditions obtaining in the country now with regard to availability of commodities like foodgrains is different from what it was at the time these exemptions were given. While, previously, there was scarcity of food-

grains and there were a number of restrictions in the movement of foodgrains between zones, States etc., the position has changed for the better now. The production of foodgrains has improved considerably and in 1977-78 it has reached an all-time record level of 125 million tonnes. During the current year also, the progress of rainfall has been satisfactory. It has also been estimated that the recent floods may not seriously affect food production and the current year may also achieve the targeted level of 126 million tonnes. As a result, the procurement of foodgrains has considerably improved and the position of stocks of foodgrains with the Central and State Governments is satisfactory. The stocks increased from a level of 18 million tonnes in 1975-76 to around 21 million tonnes by the end of 1976-77. Foodgrains are now easily available all over the country.

4.05 In statements IV-1(a) and IV-1(b), we have given some data regarding the wholesale and retail prices of these commodities and the possible incidence of the removal of the exemption from the supplementary charge as compared to these prices. The data about wholesale prices of the commodities are not quite satisfactory. The situation about data regarding the retail prices is even worse. Therefore, the figures given in these tables have to be treated mainly as indicating the orders of magnitude rather than the precise incidence that would result. Whatever these limitations, the data show that, as compared to the price per kg., whether at the wholesale or the retail level, the increase in freight charges which will result from the removal of exemption would be negligible. The only exception to this statement would be salt NOC where the freight increase, especially regarding the cheapest variety of salt, would be quite large as compared to the wholesale price of salt per kg. The data given in the statement IV-2 however, show that the price changes in respect of most of these commodities in the period between 1974 when the exemptions were given and now have hardly any relationship to the incidence which the removal of exemptions can have. It is quite clear that the factors responsible for major changes in the prices of these commodities are quite different from the changes in freight charges. The increases in most cases in the wholesale prices are much larger than the percentage increase that would take place as a result of the exemption being removed. Even in respect of salt, the increase in the wholesale prices has been of the order of about 37% and in retail prices in rural areas of the order of 34% even without any change in the freight charges. There appears, therefore, to be little relationship between the freight exemptions granted and the price changes which the consumers have to face. A summary given in Table IV-1 will indicate how small the freight increase will be as compared to the total price per kg. at the wholesale and retail level.

TABLE NO. IV-1

Commodity	Freight increase per Kg. for average lead	Wholesale price per kg.	Rural Retail price per kg. (March, 1978)
	Paise	Paise	Paise
1. Foodgrains			
Rice . . .	0.5	140 to 250	168 to 243
Wheat . . .	0.5	106 to 185	152
Jowar . . .	0.5	85 to 156	117
2. Pulses			
Moong Dhall	0.7	353 to 370	376
Gram Dhall .	0.7	220 to 322	292
3. Gur/Jaggery .			
	2.4	82 to 190	154
4. Salt . . .			
	2.4	8 to 25	35
5. Oil seeds			
	1.0	130 to 460	—
6. Edible Oils			
Groundnut Oil	3.9	660 to 778	821
Mustard Oil .	3.9	500 to 1000	1008*
Hydrogenated Oil	5.4	850 to 940	1006*
7. Chemical Manures			
Urea/Ammonium Phosphate	0.8	144 to 234	155**
Ammonium Sulphate	0.6	42 to 85	—

* Feb. '78

** Urea (controlled price)

4.06 In regard to the common man's consumption of the items coming under foodgrain, oilseeds, edible oils, salt, jaggery etc., it is seen from the National Sample Survey data (1973-74) that out of a total consumer expenditure per capita per month (in rural areas) of Rs. 53.01, the total expenditure on these items is Rs. 29.37. The freight element in the above, based on the average lead of traffic, is Rs. 1.29 at present rates which works out to 4.4%. If the supplementary charges are imposed, the increase in freight element will be only of the order of 2 paise, equivalent to 0.1%. The incidence in respect of consumer expenditure in urban areas is also similar. Two statements IV-3(a) and IV-3(b) are enclosed giving details of per capita consumer expenditure (Rural and Urban), the quantity of consumption and the incidence of freight element on the present basis, and on the basis of the freight with supplementary charges. It will be seen that the increase is very small and the common man's budget will hardly be affected by the increase in the freight charges.

4.07 At present, prices of the three nitrogenous fertilizers, ammonium sulphate, urea and calcium ammonium nitrate, are statutorily controlled. The prices include equated freight element also. On potassic fertilizers, a scheme of subsidy is in operation to compensate the producers for increases in the cost of production, under certain conditions. It is, therefore, felt that any increase in transport charges may not directly affect the retail prices of chemical fertilizers but may add to either the distribution costs of producers or subsidy by the Government. The increase in the freight for the average lead of fertilizers on account of the supplementary charge will be only Rs. 8.48 per tonne for those coming under Division 'A' and Rs. 6.00 per tonne for those coming under Division 'B' [Statement IV-1 (a)]. The increase in freight incidence will vary only from 0.4% to 1.4%.

4.08 In a situation of scarcity, even a marginal rise in prices may be taken advantage of by traders to put an unreasonable additional burden on the consumers. In such a situation, the effective increase in prices at the consumer level is likely to get considerably accentuated in relation to the initial increase. However, in view of the comfortable stock position of foodgrains and their easy availability, a marginal increase in the transport costs is not likely to result in more than proportionate increase in the consumer prices. It will not, therefore, be unreasonable to expect that the effect of increase in transport charges may not be exploited by the traders to pass on an unjustified burden to the consumers.

4.09 It is no doubt true that between 10 and 11 million tonnes of foodgrains are distributed through the public distribution system and this is subsidised by the Government. The subsidy for the year 1978-79 was placed at about Rs. 456 crores in the 1978-79 budget. With the recent increase in the retention prices of cereals, the annual subsidy may increase by Rs. 52 crores, the total subsidy being about Rs. 500 crores. Though the increase in transport cost on the quantities distributed by the public distribution system will get added to the Government subsidy, the increased freight burden for 11 million tonnes of foodgrains will be only of the order of Rs. 5.75 crores, constituting only a small proportion of the total.

4.10 The proposal to remove these exemptions may bring to the Railways additional revenue of the order of Rs. 25.54 crores at the level of traffic in 1976-77. This is a substantial amount and can be obtained without any real hardship to the common man. Hence we recommend that the exemptions in the levy of supplementary charges given in 1974 and 1976 may be withdrawn.

STATEMENT IV-1(a)

DETAILS OF FREIGHT INCREASE PER KG AND THE INCIDENCE OF FREIGHT ON WHOLESALE PRICES OF COMMODITIES IN THE EVENT OF WITHDRAWAL OF EXEMPTION FROM THE LEVY OF SUPPLEMENTARY CHARGES

S. No.	Commodity	Average lead KMs.	Freight per tonne for the average lead		Increase in freight per KG for the Av. lead	Wholesale Price range per tonne	Incidence of freight on the price of commodity		Percentage increase in incidence	Remarks
			At the existing rate (i.e. excluding Supp. charge)	At the proposed rate (i.e. including Supp. charge)			At the existing rate	At the proposed rate		
1	2	3	4	5	6	7	8	9	10	11
			Rs. P.	Rs. P.	Paise	Rs.	%	%	%	
Grain & Pulses Divn. A.										
1.	Moong dhal	1340	75 90	82 49	0.7	3525—3700	2.2 to 2.1	2.3 to 2.2	0.1	As per "Wholesale prices in India" for March, 1978.
2.	Mussoor dhal	"	"	"	"	2900—3300	2.6 to 2.3	2.8 to 2.5	0.2	
3.	Toor dhal	"	"	"	"	3400—4360	2.2 to 1.7	2.4 to 1.9	0.2	
4.	Gram dhal	"	"	"	"	2200—3215	3.5 to 2.4	3.7 to 2.6	0.2	
5.	Oorid dhal	"	"	"	"	2850—3550	2.7 to 2.1	2.9 to 2.3	0.2	
Grain & Pulses Divn. B.										
6.	Rice (Fine)	877	52 30	57 53	0.5	1850—2500	2.8 to 2.1	3.1 to 2.3	0.3 to 0.2	As per "Bulletin of Agricultural Prices" dated 8-9-78.
7.	Rice (Medium)	"	"	"	"	1542	3.4	3.7	0.3	
8.	Rice (Coarse)	"	"	"	"	1400—2060	3.7 to 2.5	4.1 to 2.8	0.4 to 0.3	As per "Agricultural situation in India" for July, 1978.
9.	Wheat (Mexican)	"	"	"	"	1070—1320	4.9 to 4.0	5.4 to 4.4	0.5 to 0.4	
10.	Wheat (Traditional)	"	"	"	"	1060—1850	4.9 to 2.8	5.4 to 3.1	0.5 to 0.3	
11.	Jowar	877	52 30	57 53	0.5	850—1560	6.2 to 3.4	6.8 to 3.7	0.6 to 0.3	As per "Agricultural situation in India" for July, 1978.
12.	Bajra	"	"	"	"	900—1290	5.8 to 4.0	6.4 to 4.5	0.6 to 0.4	
13.	Maize	"	"	"	"	1050—1400	5.0 to 3.7	5.5 to 4.1	0.5 to 0.4	
14.	Gur/Jaggery	1192	71 60	96 09	2.4	820—1900	8.7 to 3.8	11.7 to 5.1	3.0 to 1.3	As per "Wholesale Prices in India" for March 1978.
15.	Shakkar	"	"	"	"	900—1200	8.0 to 6.0	10.7 to 8.0	2.7 to 2.0	As per "Business Standard" of 15-9-78.
16.	Salt (Common)	1421	68 90	92 46	2.4	77.50— 253.40	88.9 to 27.2	119.3 to 36.5	30.4 to 9.3	As per "Wholesale Prices in India" for March 1978.
Oilseeds										
17.	Groundnut seed	1238	99 10	109 01	1.0	2050—3600	4.8 to 2.8	5.3 to 3.1	0.5 to 0.3	"
18.	Mustard seed	"	"	"	"	2050—3700	4.8 to 2.7	5.3 to 2.9	0.5 to 0.2	"
19.	Gingelly seed	"	"	"	"	3700—4600	2.7 to 2.2	2.9 to 2.4	0.2	"
20.	Cotton seed	"	"	"	"	1300—1800	7.6 to 5.5	8.4 to 6.1	0.8 to 0.6	"
21.	Cocoonut Kernel	"	"	"	"	6975—7200	1.4	1.6 to 1.5	0.2 to 0.1	"
Edible Oils										
22.	Hydrogenated Oil	1552	159 00	213 40	5.4	8500—9400	1.9 to 1.7	2.5 to 2.3	0.6	As per "Wholesale Prices in India" for March 1978.
23.	Groundnut Oil	1473	113 00	151 65	3.9	6600—7785	1.7 to 1.5	2.3 to 1.9	0.5 to 0.4	
24.	Mustard Oil	"	"	"	"	5000—10000	2.3 to 1.1	3.0 to 1.5	0.7 to 0.4	
25.	Gingelly Oil	"	"	"	"	7700—10700	1.5 to 1.1	2.0 to 1.4	0.5 to 0.3	
26.	Cottonseed Oil	"	"	"	"	6200—6800	1.8 to 1.7	2.4 to 2.2	0.6 to 0.5	
27.	Cocoonut Oil	"	"	"	"	7700—10500	1.5 to 1.1	2.1 to 1.4	0.6 to 0.3	
Chemical Manures Divn. A.										
28.	Ammonium Phosphate	1013	84 80	93 28	0.8	1625—2340	5.2 to 3.6	5.7 to 4.0	0.5 to 0.4	"
29.	Urea	"	"	"	"	1435	5.9	6.5	0.6	"
30.	Calcium Ammonium Nitrate	"	"	"	"	945	9.0	9.9	0.9	"
Chemical Manures Divn. B.										
31.	Ammonium Sulphate	787	60 00	66 00	0.6	850	7.0	7.8	0.8	"
32.	Muriate of Potash	"	"	"	"	715	8.4	9.2	0.8	"
33.	Single Super Phosphate	"	"	"	"	422	14.2	15.6	1.4	"

STATEMENT IV-1(b)

DETAILS OF FREIGHT INCREASE PER KG AND THE INCIDENCE OF FREIGHT ON RETAIL PRICES OF COMMODITIES IN THE EVENT OF WITHDRAWAL OF EXEMPTION FROM THE LEVY OF SUPPLEMENTARY CHARGE

S. No.	Commodity	Average lead KMs.	Freight per tonne for the average lead		Increase in freight per KG for the average lead	Retail prices per tonne	Incidence of freight on the prices of commodity		Percentage increase in incidence
			At the existing rate (i.e. excl. supplementary charge)	At the proposed rate (i.e., incl. supplementary charge)			At the existing rate	At the proposed rate	
1	2	3	4	5	6	7	8	9	10
			Rs. P.	R. P.	Paise	Rs.	%	%	%
<i>Grain & Pulses Divn. A.</i>									
1.	Moong dhall	1340	75.90	82.49	0.7	3760	2.0	2.2	0.2
2.	Musoor dhall	"	"	"	"	4230	1.8	2.0	0.2
3.	Toor dhall	"	"	"	"	4590	1.7	1.8	0.1
4.	Gram dhall	"	"	"	"	2920	2.6	2.8	0.2
5.	Oorid dhall	"	"	"	"	3740	2.0	2.2	0.2
<i>Grain & Pulses Div. B.</i>									
6.	Rice (Fine)	877	52.30	57.53	0.5	2430	2.2	2.4	0.2
7.	Rice (Medium)	"	"	"	"	1890	2.8	3.0	0.2
8.	Rice (Coarse)	"	"	"	"	1680	3.1	3.4	0.3
9.	Wheat (Coarse)	"	"	"	"	1520	3.4	3.8	0.4
10.	Jowar (Coarse)	"	"	"	"	1170	4.5	4.9	0.4
11.	Bajra (Coarse)	"	"	"	"	1270	4.1	4.5	0.4
12.	Maize (Coarse)	"	"	"	"	1290	4.1	4.5	0.4
13.	Gur/Jaggery	1192	71.60	96.09	2.4	1540	4.6	6.2	1.6
14.	Salt (Common)	1421	68.90	92.46	2.4	350	19.7	26.4	6.7
<i>Edible Oils</i>									
15.	Hydrogenated Oil	1552	159.00	213.40	5.4	10060	1.6	2.1	0.5
16.	Groundnut Oil	1473	113.00	151.65	3.9	8210	1.4	1.8	0.4
17.	Mustard Oil	"	"	"	"	10080	1.1	1.5	0.4
18.	Gingelly Oil	"	"	"	"	10120	1.1	1.5	0.4
19.	Cocoanut Oil	"	"	"	"	14490	0.8	1.0	0.2

NOTE:— Retail Prices given in Column 7 are as per Monthly Abstract of Statistics Vol. 31—No. 7 for the month of July, 1978.

STATEMENT IV-2

WHOLESALE & RETAIL PRICE CHANGES BETWEEN 1974 & 1978

1. Index Nos. of Wholesale Prices, base 1970-71 = 100

Item	1973-74	1977-78	% increase over 1973-74
1. Rice	140.2	162.0	15.6
2. Wheat	108.2	156.5	44.6
3. Jowar	151.2	157.4	4.1
4. Bajra	165.5	169.1	2.2
5. Total cereals	134.8	161.3	19.7
6. Pulses	176.9	215.2	21.7
7. Gur	206.4	197.8	-4.2
8. Edible Oils	147.9	175.9	18.9
9. Oil Seeds	157.6	183.5	16.4
10. Salt	110.8	151.4	36.6
11. Fertilisers (Nitrogenous, Phosphatic & Potassic)	113.9	177.4	55.8

STATEMENT IV-3(a)

ALL INDIA RURAL

CONSUMER EXPENDITURE PER PERSON FOR A PERIOD OF 30 DAYS BY BROAD GROUPS OF ITEMS AND THE ELEMENT OF RAILWAY FREIGHT CHARGE INVOLVED

S. No.	Commodity	Per Capita Consumer Expenditure (all classes) Rs. P.	Element of Freight charge (with percentage in brackets) for average lead			
			At the present level		At the proposed level	
			Rs. P.	(%)	Rs. P.	(%)
1	2	3	4	5	6	7
1.	Rice and products	12 46	0 46	(3.7)	0 46	(3.7)
2.	Wheat and products	4 90	0 24	(4.9)	0 24	(4.9)
3.	Jowar and products	2 06	0 13	(6.3)	0 13	(6.3)
4.	Bajra and products	1 34	0 08	(5.9)	0 08	(5.9)
5.	Maize and products	1 10	0 06	(5.4)	0 06	(5.4)
6.	Ragi and products	0 62	0-08	(5.3)	0 08	(5.3)
7.	Barley and products	0 32				
8.	Small Millets & Products	0 20				
9.	Cereal substitutes	0 38				
10.	Gram and products	0 25	001	(4.0)	0 01	(4.0)
11.	Pulses and products	1 99	0 05	(2.5)	0 05	(2.5)
12.	Edible Oils	1 99	0 05	(2.5)	0 05	(2.5)
13.	Salt	0 09	0 08	(88.8)	0 10	(111.1)
14.	Sugar	1 67	0 05	(3.0)	0 05	(3.0)
	TOTAL	29 37	1 29	(4.4)	1 31	(4.5)
	TOTAL CONSUMER EXPENDITURE	53 01				

NOTE :—Figures of Per Capita Expenditure given above pertain to a Sample Survey conducted by the National Sample Survey Organisation, for the period October 173—June 174.

STATEMENT IV-3 (b)

ALL INDIA URBAN

CONSUMER EXPENDITURE PER PERSON FOR A PERIOD OF 30 DAYS BY BROAD GROUPS OF ITEMS AND THE ELEMENT OF RAILWAY FREIGHT CHARGE INVOLVED

S. No.	Commodity	Per Capita Consumer Expenditure (all classes)	Element of Freight charge (with percentage in brackets) for average lead			
			At the present level		At the proposed level	
		Rs. P.	Rs. P.	(%)	Rs. P.	(%)
1	2	3	4	5	6	7
1.	Rice and products	10 56	0 39	(3.7)	0 39	(3.7)
2.	Wheat and products	6 30	0 31	(4.9)	0 31	(4.9)
3.	Jowar and products	1 18	0 07	(5.9)	0 07	(5.9)
4.	Bajra and products	0 57	0 03	(5.3)	0 03	(5.3)
5.	Maize and products	0 19	0 01	(5.3)	0 01	(5.3)
6.	Ragi and products	0 16	0 02	(5.9)	0 02	(5.9)
7.	Barley and products	0 07				
8.	Small Millets & products	0 00				
9.	Cereal substitutes	0 11				
10.	Gram and products	0 12	0 08	(3.2)	0 08	(3.2)
11.	Pulses and products	2 36				
12.	Edible Oils	3 70	0 09	(2.4)	0 09	(2.7)
13.	Salt	0 08	0 07	(87.5)	0 09	(112.5)
14.	Sugar	2 23	0 07	(3.0)	0 07	(3.0)
	TOTAL	27 72	1 14	(4.1)	1 16	(4.2)
	TOTAL CONSUMER EXPENDITURE	70 77				

NOTE :—Figures of Per Capita Expenditure given above pertain to a Sample Survey conducted by the National Sample Survey Organisation, for the period October '73—June '74.

CHAPTER V
HISTORY OF PASSENGER TICKET FARES
1948-1978—SOME ASPECTS

Basis of Single Journey Passenger Fares

5.01 After Independence, the passenger fares on the Indian Railways were standardised with effect from 1st April, 1948 as indicated below. The subsequent changes which were brought about with effect from 1st January, 1949, 1st December, 1949 and 1st April, 1951 have also been indicated.

Class	Pies per mile per passenger			
	from 1-4-48	from 1-1-49	from 1-12-49	from 1-4-51
Air-conditioned	36	36	30	30
First Class	30	24	24	27
Second Class	16	16	14	16
Inter Class (Mail)	9	9	9	10½
Inter Class (Ordy)	7½	7½	7½	9
Third Class (M/Exp)	5	5	5	6
Third Class (Ordy)	4	4	4	5

It will be seen that the rates increased in proportion to the distance. There was no taper in the rates, i.e. the rate per kilometre did not decline with the increase in the distance.

5.02 On 1st April, 1955, the original First class was abolished and the former Second and Inter classes were redesignated as First and Second classes respectively. On 1st April, 1974, the then Second class was also abolished and the former Third class designated as Second class. At present we have Air-conditioned class, First class, A.C. Chair Car and Second class (Mail/Express and Ordinary). The existing First class is, basically similar to what was known as Second class up to 1955, and the existing Second class is what was known as Third class till 1974. In the Interim Report we are dealing mainly with the existing First and Second classes. The historical background of single journey passenger fares discussed in the paragraphs below will therefore refer only to these classes.

5.03 With effect from 1st April, 1955, the bases of fares were made telescopic by slightly raising the fares upto 150 miles and lowering them beyond 300 miles. The fare basis for journeys in Third class (ordinary) upto 50 miles (80 Kms.) was, however, left untouched. The new fare bases were as under :—

1st April, 1955

	Pies per mile per passenger		
	1—150 miles	151—300 miles	Over 300 miles
Ist Class	18	16	15
III Class (Mail/Express)	6½	6	5
III (Ordy)	5½	5	4½
III (Ordy) upto 50 miles	5	—	—

5.04 Subsequent Changes

15th September, 1957 :

A tax on passenger fares was levied under the Railway Passenger Fares Tax Act with effect from 15th September, 1957. The proceeds of this tax are payable to the States. Journeys upto 15 miles were exempted from the tax ; from 16 miles to 30 miles the tax was 5% of the fare ; from 31 miles to 500 miles, it was 15% of the fare, and beyond that it was 10% of the fare.

Ist April, 1960 :

5.05 With the adoption of the metric system, the basis of passenger fares were converted into metric units. The result was as indicated below :—

Class of accommodation	Paise per Km per Passenger		
	1 to 250 Kms.	+251—500 Kms	+500 and above
Ist Class	5.86	5.18	4.84
III(Mail/Express)	2.04	1.95	1.62
III (Ordy.) Class	1.71	1.62	1.4
III (Ordy.) Class (upto 80 Kms)	1.64	—	—

The passenger fare tax introduced from 15th September, 1957 was to be charged in addition.

Ist April, 1961 :

5.06 The passenger fare tax was merged in the passenger fares. However, after merger, the payment of Rs. 12.50 crores per annum was to be made to the general revenues for disbursement to State Governments. This was subsequently raised to the present level of 16.25 crores per annum.

1st July, 1962 :

5.07 The bases of passenger fares were revised effecting an increase of about 15% in First Class and 10% in Third class. Revised bases were as under :—

Class	Paise per kilometre per passenger			
	1—250 kms.	+251—500 kms.	+501—800 kms.	+800 kms. and above
First Class	7.7	7.0	6.3	5.9
Third Class Mail/Exp.	2.60	2.45	2.10	1.85
Third Class (Ordy.)	2.15	2.05	1.80	1.70
Third Class (Ordy.) upto 50 kms.	1.90	—	—	—

1st April, 1965 :

5.08 The fares were again increased. The increase was 10% upto 1000 kms. in the First class, and upto 800 kms. in Third class. Beyond these distances the increase in fares, per ticket, was Rs. 6.75 for the First class and Rs. 1.90 for III Class (Mail/Express) and Rs. 1.60 for Third class (Ordinary). However, the increase in Third Class (Ordinary) upto 50 kms. was very small—1 to 5 paise per ticket.

15th June, 1967 :

5.09 The following increases were again made from 15th June 1967 :

Class	Distance	Increase over the earlier fare
First Class	1—1500 Kms. Beyond 1500 Kms.	15% A flat increase of Rs. 15.50 per ticket. Minimum fare for travel by Mail/Express Rs. 5.
Third (Mail/Exp.)	1—1500 Kms. 1501 Kms. and beyond.	12½% A flat increase of Rs. 4.20 per ticket.
Third (Ord.)	Upto 500 Kms. Over 500 Kms.	7½% A flat increase of Rs. 0.85 paise per ticket.
Third (Ord.)	1—50 Kms.	Minimum fair raised to 15 paise. No change in fare for 8, 9 and 12 Kms. For other distances between 6 to 47 Kms. the increase varied from 2 to 5 paise and for 48 to 50 Kms. it was 10 paise.

1st April, 1968 :

5.10 Fares for 1st class, IIIrd class (Mail/Exp) and IIIrd class (Ordinary) were increased by 5 paise where the fare earlier chargeable was upto Rs. 5, by 10 paise where it was between Rs. 5 and Rs. 15, and by 25 paise where it was more than Rs. 15.

1st April, 1970 :

5.11 The bases of passenger fares for all classes except the Third class were revised afresh. The revision in the First Class was as follows :—

Basis for charge (in paise)

Class	1—100 kms. per km.	Plus 101 to 600 kms. per 5 km.	Plus 601 to 1600 kms. per 5 km.	Plus 1601 kms. & above per 10 km.	Minimum fare	Rounding off rule
First	12	48	38	60	Rs. 6 for Mail/Express Re. 1 for Ordinary trains.	Next higher multiple of 50 paise

There was no change in Third Class fares.

1st July, 1971 :

5.12 Increase in fares per ticket from 1st July 1971 are indicated below :—

Class	1-15 kms	16-30 kms	31-50 kms	51-100 kms	101-200 kms	201-500 kms	501-1000 kms	Above 1000 kms
First	No change	Rs. 0.50	Rs. 0.50	Rs. 4.00	Rs. 1.00	Rs. 2.00	Rs. 2.50	Rs. 3.50
Third (Mail/Exp.)	-do-	0.15	0.20	0.25	0.25	0.50	0.75	1.00
Third (Ord.)	-do-	0.05	0.10	0.15	0.20	0.25	0.25	0.25

15th November, 1971 :

5.13 With effect from this date, a tax on passenger fares was levied at the rate of 5 per cent of the fare on all tickets costing Re. 1 or more. The proceeds from this tax were to be credited to the State Governments.

15th April, 1972 :

5.14 There was no increase in fares for Third class. However, the basic fares for other classes were increased. The increase in the First class fare per ticket was as follows :—

Class	1-19 kms	20-50 kms	51-100 kms	101-200 kms	201-500 kms	501-1000 kms	1001-1500 kms	Beyond 1500 kms
First	Rs. 0.50	Rs. 1.00	Rs. 1.00	Rs. 1.50	Rs. 2.00	Rs. 3.00	Rs. 4.00	Rs. 5.00

The passenger tax of 5% levied from 15th November, 1971 was to be charged in addition.

1st April, 1973 :

5.15 With effect from this date, the 5% tax on passenger fares was withdrawn and basic fares for classes other than the Third class were increased by 10%. In respect of the Third class, there was no increase for the first 20 kms; beyond 20 kms., Third class fares (inclusive of passenger tax) were marginally increased subject to a maximum increase of 25 paise per ticket for Third class (Ordinary) and 95 paise per ticket for Third class (Mail/Express). For the first time, a system of levying supplementary charge in respect of reserved accommodation on trains classified as "Superfast" was introduced. This charge was fixed at Rs. 5 for I class, and Rs. 1.50 for III class. It was introduced initially on 8 pairs of trains. The list has been increased subsequently from time to time.

1st April, 1974 :

5.16 As mentioned earlier, the former Second class was abolished from this date and the former Third class redesignated as Second class. The fares for all classes were increased. The particulars of increases for First class and Second class are given below :—

First Class :

Distance (Kms.)	Increase per ticket (Rs.)
1-25	1.50
26-49	2.50
50-80	3.50
81-250	4.50
251-500	5.50
501-800	6.50
801-1000	8.50
1001-1500	10.50
1501-2000	12.50
Beyond 2000	15.50

Second Class (Mail/Express)

Distance (Kms.)	Increase per ticket (Rs.)
1-18	0.25
19-20	0.30
21-23	0.35
24-27	0.40
28-49	0.45
50-80	0.50
81-100	0.65
101-250	0.90
251-500	1.25
501-800	2.00
801-1000	3.00
1001-1500	4.00
1501-2000	5.00
2001-2500	6.00
2501-3000	7.00
Beyond 3000	8.00

Second Class Ordinary :

Distance (kms.)	Increase per ticket (Rs.)
1-25	0.05
26-49	0.10
50-80	0.25
81-100	0.35
101-250	0.50
251-500	0.60
501-800	0.70
801-1000	0.80
1001-1500	0.90
Beyond 1500	1.00

15th September, 1974 :

5.17 The passenger fares were again increased with effect from this date. The increase in respect of First class and Second class was as follows :—

Class	Distance	Increase
First	All distances	33½%
Second (Mail/Exp.)	1—250 kms.	25%
	Beyond 250 kms.	20%
Second (Ord.)	1—25	No change
	26—250 kms.	25%
	Beyond 250 kms.	20%

1st April, 1978 :

5.18 With effect from 1st April 1978, the supplementary charge for superfast trains was reduced from Rs. 1.50 to Re. 1.00 in case of II class. Statement V-1 gives a comparative position of single journey fares as on 1st April, 1951 and at present for certain representative distances.

Suburban Season Ticket Fares :

5.19 Suburban season ticket fares on Indian Railways are applicable to suburban services run in the cities and suburbs of Bombay, Calcutta and Madras. Prior to 1948, the season ticket fares varied not only between these cities but also within the cities of Bombay and Calcutta, each Railway having its own fares. Even after standardisation of the single journey fares from 1st January 1948, the differences in suburban season ticket fares in these areas were allowed to continue. Only an overall increase of 50 per cent in First class, 25 per cent in the II Class and 12½% in the III Class was brought about in all the season ticket fares. This was done because it was felt that, with the large differences in the suburban season ticket rates as among the three areas, any attempt at standardisation would not be possible without raising the fares in some areas substantially and thus causing undue hardship to the city workers.

1st January 1949 :

5.20 With the introduction of three classes of passenger accommodation generally on all Indian Railways from 1st January 1949, it was decided to have only two classes of accommodation on suburban trains, viz., First class and Third class. A uniform scale of First class season ticket fares was introduced for all the three suburban areas of Calcutta, Bombay and Madras as under :—

1-2 miles	16 pies per mife × 24
Plus 3-4 miles	—do— × 21
Plus 5-6 miles	—do— × 18
Plus 7-9 miles	—do— × 15
Plus 10-12 miles	—do— × 12
Plus 13 miles and over	—do— × 9

5.21 As can be seen from the above, the number of single journeys were related to 16 pies per mile—a fare basis which was applicable to the Second class—rather than 24 pies per mile applicable to the First class.

5.22 It was subsequently decided that General Managers at their discretion may provide up to a maximum of three classes of accommodation on suburban trains to suit local requirements in each area. Charges for Second class (Special)—later on designated as Second class—and Second class (Ordy)—later on designated as Inter-class—wherever introduced, were also standardised on all the railways from 1st April 1950. They were to be calculated in the same manner as the First class but on the following basis :—

Second class	12 pies per mile
Inter-class	9 pies per mile

5.23 It should be noted that the actual single journey fares for these classes as they stood on 1st January 1949 and on 1st April 1950 were as follows :—

Class	Single Journey fare (Pies per mile)	
	1-1-1949	1-4-1950
Second	16	14
Inter (Mail/Express)	9	9
Inter (Ordy.)	7½	7½

5.24 In response to the Railway Board's decision to have upto three classes of accommodation on suburban trains according to local conditions, the railways introduced the following classes :—

Calcutta	First, Inter, Third
Bombay	First, Third
Madras	Second, Inter, Third

5.25 The season ticket fares as applicable to the then First and Second classes and the equated number of single journeys as per the actual single journey fares as on 1st April, 1950 are given in Table No. V-1 for selected distances :—

Table No. V-1

Mile	FIRST CLASS :	
	M.S.T. fare Rs.-As-Ps	No. of Single Jour- neys covered by MST (Single Jour- ney fare @ 24 pies per mile)
5	9-0-0	14.4
10	15-4-0	12.2
15	17-0-0	10.4
20	23-4-0	9.3
25	27-0-0	8.6
30	30-12-0	8.2
35	33-7-4	7.9
40	38-4-0	7.7
45	42-0-0	7.5
50	45-12-0	7.3

SECOND CLASS :

Mile	M.S.T. fare		No. of Single Jour- neys covered by M.S.T. (Single Journey fare @ 14 pies per mile)
	Rs.-As-Pies		
5	6-12-0		18.5
10	11-7-0		15.7
15	14-10-0		13.4
20	17-7-0		12.0
25	20-4-0		11.1
30	23-1-0		10.5
35	25-14-0		10.1
40	28-11-0		9.8
45	31-8-0		9.6
50	34-5-0		9.4

NOTE.—MST fares above have been worked out on the bases indicated in para 5.20 and 5.22.

5.26 Thus, in fixing the fares for First and Second classes, a double concession was given—a low rate per mile and a tapering number of single journeys as compared to 50 single journeys which a season ticket holder was normally expected to undertake. In the case of the Inter-class, however, the single journey fare applicable to Inter-class (Mail/Express) was retained as the single journey basis and a concession was given only by way of tapering the number of single journeys with increasing distance.

5.27 The question of introducing uniform fares for Third class suburban season tickets was also considered on different occasions, but the decision was deferred on account of the fact that any attempt at standardisation might have involved considerable enhancement of fares in certain areas—although it continued to be felt that, as a matter of policy, the Third class suburban season ticket fares should also, in the long run, be uniform on all the railways. What was actually done during 1952 and 1953 was that uniform fares were introduced for Railways in particular suburban areas as follows :—

1-11-1952 :

Third Class	Calcutta Area (from 1-11-1952)
1—3 miles	4.5 pies per mile x 30
Plus 4—8 miles	3.0 pies —do—
Plus 9—20 miles	2.5 pies —do—
Plus 21—60 miles	1.75 pies —do—
Plus 61—90 miles.	1.5 pies —dc—
Minimum Fare Rs. 1-10-0	

1st March, 1953 :

Third Class		Bombay Area (from 1-3-1953)	
1-2 miles	4.5 pies per mile x 30		
Plus 3-4 miles	4.0 pies	—do—	
Plus 5-6 miles	3.5 pies	—do—	
Plus 7-8 miles	3.0 pies	—do—	
Plus 9-10 miles	2.5 pies	—do—	
Plus 11-12 miles	2.0 pies	—do—	
Plus 13 miles & over	1.5 pies	—do—	
Minimum Fare Rs. 1-8-0			
Third Class		Madras Area (from 1-7-1953)	
1-3 miles	4.75 pies per mile x 30		
Plus 4-6 miles	4.25 pies	—do—	
Plus 7-10 miles	2.50 pies	—do—	
Plus 11 miles & Beyond	2.25 pies	—do—	
Minimum Fare Rs. 1-10-0			

5.28 The basis of the single journey fare was 5 pies per mile for Third class (Ordinary) from 1st April, 1951 irrespective of the distance. However, for reducing the incidence on commuters coming from longer distances, a taper was provided in the fare basis for calculating the season ticket fares while keeping the multiple of 30 constant. The fare bases for season tickets were kept different for the three cities because the objective was merely to simplify the basis for calculating the season ticket fares without either substantially raising the general level of fares in any city, or permitting reductions in the existing revenues. The season ticket fares which emerged as a result of these changes, and the equivalent number of single journeys as per the actual single journey fares then prevalent are given in Table No. V-2 for some selected distances :—

TABLE No. V-2

Mile	Bombay		Calcutta		Madras	
	MST fare Rs-As-Ps	No. of Single Journeys covered by MST fare	MST fare Rs-As-Ps	No. of Single Journeys covered by MST fare	MST fare Rs-As-Ps	No. of Single Journeys covered by MST fare
5	3-4-0	24.6	3-1-0	23.4	3-9-0	27.3
10	5-8-0	21.0	5-4-0	20.1	5-13-0	22.2
15	6-13-0	17.4	7-3-0	18.4	7-9-0	19.3
20	8-0-0	15.3	9-2-0	17.6	9-5-0	17.8
25	9-2-0	14.0	10-8-0	16.1	11-1-0	16.9
30	10-5-0	13.0	11-14-0	15.2	12-13-0	16.4
35	11-8-0	12.6	13-4-0	14.5	14-9-0	15.9
40	12-11-0	12.1	14-10-0	14.0		
45	13-13-0	11.8	16-0-0	13.6		
50	15-0-0	11.5	17-6-0	13.3		

NOTE.—MST fares above have been worked out on the basis indicated in para 5.27.

5.29 No increase in the cost of suburban season tickets was effected when the bases of passenger fares were revised from 1st April 1951, and again from 1st April 1955. The season tickets were also exempted when a passenger fare tax was levied from 15th September 1957.

5.30 The former First class was abolished on 1st April 1955, and the former Second class and Inter-class were redesignated as First and Second classes respectively. However, the prevalent First class season ticket fares were continued for the First class in Bombay and Calcutta. In Madras, where former First class accommodation was not provided on suburban trains, the Second class fares were allowed to be charged for the redesignated First class. Thus, after 1st April 1955, a higher season ticket fare for the redesignated First class prevailed in Bombay and Calcutta as compared to Madras. This anomaly was rectified only in October 1969, when First class season ticket fares were brought on par in all the three cities.

1st April, 1960 :

5.31 From 1st April, 1960, the fares were converted into metric units with slight adjustments to ensure that the Railway Revenues remained more or less at the same level.

1st July, 1962 :

5.32 Consequent on the revision of passenger fares with effect from 1st July 1962, it was decided that an *ad hoc* increase of 5 per cent should be made in the then existing fares for season tickets, with rounding off to the next higher five paise.

1st April, 1965 :

5.33 With effect from 1st April 1965, small adjustments were made in the season ticket fares at Bombay, Calcutta and Madras, with a view to reducing the discrepancy that existed then between the season ticket fares in the different areas :—

1. Third class

An increase of 10%, subject to a maximum increase of 50 paise per monthly season ticket was made in the suburban areas of Bombay and Calcutta, so as to bring them closer to the fares in the Madras area.

2. First class

An increase of 10% was made in the season ticket fares in the Madras area, the maximum increase being Rs. 2.90 per ticket.

3. The minimum charge for a monthly season ticket was fixed at Rs. 4.50 in the case of the First class and Rs. 2.00 in the case of the Third class.

15th June, 1967 :

5.34 With effect from 15th June 1967, the season ticket fares for the First and Second classes in the suburban areas were enhanced by 10% on an *ad hoc*

basis, subject to a maximum increase of Re. 1 per season ticket in the case of the Third class. Fares of season tickets issued to students at concessional rates were not increased.

1st April, 1968 :

5.35 With effect from 1st April, 1968, fares for monthly season tickets were increased by 25 paise in the case of the Third class and Re. 1 in the case of the First class.

1st October, 1969 :

5.36 The bases of fares were revised from 1st October, 1969 for the First Class, and made uniformly applicable to all the three cities, thus removing the anomaly introduced in 1955. The revised basis was as under :—

Distance range in Kms	Fare rate per Km. Rs. P
1—10	1.50
Plus 11—20	0.90
Plus 21—50	0.70
Plus over 50	0.55

Minimum fare Rs. 8 per season ticket.

This basis was adopted only for the First class. No change was made in the fares of Third class season tickets which continued to remain on the earlier basis.

1st April, 1970 :

5.37 The fares for First class season tickets were again revised from 1st April, 1970 as under :—

Distance range in Kms	Basis per Km. in (Rs.)
1—10	1.60
Plus 11—20	0.90
Plus 21—50	0.70
Plus over 50	0.55

Minimum fare Rs. 9/-

The rounding off was done to the next higher multiple of 50 paise for tickets below Rs. 10 and to the next higher rupee for tickets above Rs. 10.

There was no change in the Third class Season Ticket fare. A proposal for revision was made in the budget; but it was withdrawn after discussion in Parliament. However, minimum fares were fixed for student season tickets for the first time as follows :—

Class	Monthly	Quarterly
I	Rs. 4	Rs. 10
III	Rs. 2	Rs. 5

15th November, 1971 :

5.38 With effect from 15th November, 1971, a tax on passenger fares at the rate of 5% of the fare on all tickets costing Re. 1 or more was levied. This applied also to season tickets; but where the single journey ticket fare for the pair of stations to which the season ticket applied was less than Re. 1 the 5% tax was not levied. As the single journey fare upto 36 Kms. was less than Re. 1, travel upto this distance—both on card tickets as well as season tickets—was thus exempted from the levy of the tax.

15th April, 1972 :

5.39 With a view to introducing some measure of uniformity as between the Bombay and Calcutta areas, and the Madras area, the Third class season ticket fares in the Bombay and Calcutta areas were increased, subject to a maximum increase of Rs. 2.15 per ticket for the Bombay area and Rs. 1.15 per ticket for the Calcutta area.

5.40 Besides, an *ad hoc* increase was made in the First class season ticket fares from 15th April, 1972 as indicated below :—

Existing season ticket fare (excluding tax)	Increase per Season Ticket Rs. P.
1. Upto Rs. 10	1.00
2. More than Rs. 10 but upto Rs. 20	1.50
3. More than Rs. 20 but upto Rs. 30	2.00
4. More than Rs. 30 but upto Rs. 40	2.50
5. More than Rs. 40	4.00

However, in the case of III class season tickets, no such increase was made.

1st April, 1973 :

5.41 With effect from 1st April, 1973, another *ad hoc* increase in the season ticket fares for the First class was made ranging from Re. 1 to Rs. 9 depending on the fare. The increase was as under :—

Existing fare excluding tax	Increase per season ticket Rs. P
Upto Rs. 10	1.00
More than Rs. 10 but upto Rs. 15	1.50
More than Rs. 15	2.00
More than Rs. 20	3.00
More than Rs. 30	4.00
More than Rs. 40	5.00
More than Rs. 50	6.00
More than Rs. 60	7.00
More than Rs. 70	8.00
More than Rs. 80	9.00

In the case of III Class season ticket fares, a flat increase of 50 paise for tickets costing above Rs. 5 (inclusive of tax) was made. The passenger tax of 5%, introduced from 15th November 1971, was withdrawn from 1st April, 1973.

1st January, 1974 :

5.42 An accident compensation surcharge was introduced from 1st January, 1974 at the rate of Rs. 1.50 for First class and 25 paise for Second class monthly season tickets. The extra charge on quarterly season tickets was three times that on monthly season tickets.

15th September, 1974 :

5.43 With effect from 15th September, 1974 the First class season ticket fares were increased by 33½%. However, no increase was made in (what was now called) the Second class season ticket fares.
Present Position :

5.44 The maximum distance upto which season tickets are issued on the suburban sections are as follows :—

Bombay area	Central Railway	121 Kms.
	Western Railway	60 Kms.
Calcutt area	Eástern Railway	144 Kms.
	S. E. Ráilway	92 Kms.
Madras area	Southern Railway	64 Kms.

5.45 The existing Monthly Season Ticket Fares for selected distances in Bombay, Calcutta and Madras areas are given in Table No. V-3(a) and (b).

TABLE No. V-3(a)
First Class M.S.T. Fares — Suburban

Kms	M.S.T. Fare (Applicable uniformly to Bombay, Calcutta and Madras)
1	
2	
3	
4	
5	
10	28.00
15	37.00
20	42.00
25	49.00
30	53.50
35	59.00
40	64.00
45	70.00
50	74.00
60	83.50
70	90.00
80	99.50
90	107.50
100	115.50
110	123.50
120	131.50
130	138.00
140	146.00
144	149.00

TABLE No. V-3(b)

Second Class M.S.T. Fares—Suburban

Kms	Bombay	Calcutta	Madras
1	2.70	2.70	
2	2.70	2.70	2.70
3	2.70	2.70	2.70
4	3.15	3.15	3.15
5	3.90	3.90	3.90
10	6.40	6.40	6.40
15	7.75	7.75	7.75
20	9.00	9.00	9.00
25	10.20	10.20	10.65
30	11.40	11.40	11.95
35	12.50	12.50	13.10
40	14.30	14.30	14.30
45	15.45	15.45	15.45
50	16.80	17.05	17.05
60	18.30	19.35	19.35
70	19.90	21.15	
80	21.40	22.95	
90	23.00	24.75	
100	24.55	26.50	
110	26.10	28.15	
120	27.90	29.90	
130		31.35	
140		33.00	
144		33.60	

A statement showing the relationship between the charges for season tickets and single journey fares in respect of Bombay is given in Table Nos. V-4(a) and (b) :—

TABLE No. V-4(a)

First Class

Km	Single journey fare	M.S.T. fare	No. of single journey fares	Paise per Km for single journey ticket	Paise per Km M.S.T. (assuming 50 single journeys a month)	Paise per Km QST (assuming 150 single journeys a quarter)
5	5.50	17.00	3.1	110.0	6.8	5.7
10	7.00	28.00	4.0	70.0	5.6	4.7
15	7.00	37.00	5.3	46.6	4.9	4.1
20	9.50	42.00	4.4	47.5	4.2	3.5
25	9.50	49.00	5.2	38.0	3.9	3.3
30	13.50	53.50	4.0	45.0	3.6	3.0
35	13.50	59.00	4.4	38.5	3.4	2.8
40	15.00	64.00	4.3	37.5	3.2	2.7
45	15.00	70.00	4.7	33.3	3.1	2.6
50	17.50	74.00	4.2	35.0	3.0	2.5
60	20.00	83.50	4.2	33.3	2.8	2.3
70	21.50	90.00	4.2	30.7	2.6	2.1
80	24.00	99.50	4.1	30.0	2.5	2.1
90	27.00	107.50	4.0	30.0	2.4	2.0
100	28.00	115.50	4.1	28.0	2.3	1.9

TABLE No. V-4 (b)

SECOND CLASS

Km.	Single journey fare	M.S.T. fare	No. of single journey fares covered by MST.	Fare per Km. for single journey (in paise)	Fare per Km. for MST (assuming 50 single journeys a month) (in paise)	Fare per Km. for QST (assuming 150 single journeys a month)
	Rs. P.	Rs. P.				
5	0.30	3.90	13.0	6.0	1.5	1.3
10	0.40	6.40	16.0	4.0	1.3	1.1
15	0.50	7.75	15.5	3.3	1.0	0.9
20	0.65	9.00	13.8	3.2	0.9	0.8
25	0.85	10.20	12.0	3.4	0.8	0.6
30	1.25	11.40	9.1	4.1	0.7	0.6
35	1.45	12.50	8.6	4.1	0.7	0.6
40	1.65	14.30	8.6	4.1	0.7	0.6
45	1.75	15.45	8.8	3.8	0.7	0.6
50	2.00	16.80	8.4	4.0	0.7	0.6
60	2.75	18.30	6.7	4.5	0.6	0.5
70	3.15	19.90	6.3	4.5	0.6	0.5
80	3.45	21.40	6.2	4.3	0.5	0.4
90	3.80	23.00	6.1	4.2	0.5	0.4
100	4.05	24.55	6.1	4.0	0.5	0.4

The position in Calcutta and Madras is not very different.

Non-Suburban Season Ticket Fares :

1st January, 1948 :

5.46 The practice of issuing season tickets (and, sometimes, other kinds of concession tickets) prevailed on various Indian railways even before Independence. But the basis and conditions varied as among different railway systems, and the distances varied from 30 to 100 miles. With effect from 1st January 1948, the basis of Season Ticket Fares for all classes over the non-suburban sections were fixed as equivalent to 24 single journey mail fares.

5.47 However, when the passenger fares were revised in 1951 and 1955, no change was made in Season ticket fares. This in effect reduced the number of equivalent single journeys below the originally stipulated number of 24. Again when a passenger fare tax was levied in 1957, season tickets were exempted.

1st April, 1960 :

5.48 From 1st April 1960, the fares were converted into metric units with slight adjustments to ensure that the Railway Revenues remained more or less at the same level. The fares calculated on the basis of fares in force were merely converted and notified in terms of decimal coinage. As already discussed

earlier, after 1955 there were only three classes of accommodation on non-suburban sections viz. I, II and III. Second class was abolished in 1974 and III class redesignated as II Class which is the position obtaining at present. Subsequent discussion of non-suburban season ticket fares is confined to First and Third class (Second class from 1st April, 1974 onwards).

1st July, 1962 :

5.49 With effect from 1st July, 1962, season ticket fares were increased by 5% and rounded off to the next higher 5 paise in the case of I, II and III classes.

5.50 Although passenger fares were revised with effect from 1st April, 1965, no change was made in the season ticket fares.

1st April, 1966 :

5.51 With effect from 1st April, 1966, a downward adjustment was made in the season ticket fares in non-suburban areas as indicated below :—

1. *First Class Monthly Season Ticket Fares*

- (a) No change in the then existing fares upto 20 Kms.
- (b) The fare for the block of 21 and 22 Kms. was fixed at Rs. 26. The fares for subsequent distances were calculated by adding Rs. 1.50 for every block of additional 2 Kms. The decrease in fares ranged between Rs. 4.25 at 30 Kms. and Rs. 12.10 at 50 Kms.

2. *Third Class Monthly Season Ticket Fares*

- (a) No change upto 20 Kms.
- (b) The fare for the block of 21 and 22 Kms. was fixed at Rs. 9.00. The fares for subsequent distances were calculated by adding 60 paise for every block of additional 2 Kms. The decrease in fares ranged between Rs. 1.20 at 30 Kms. and Rs. 3.90 at 50 Kms.

15th June, 1967 :

5.52 With effect from 15th June, 1967, the Season Ticket fares were increased by 10% for distances upto 14 Kms., subject to the condition that the revised season ticket fares at no distance exceeded the season ticket fares in the Madras Suburban area as revised from 15th June, 1967. No change, however, was made in the Student Season Ticket fares.

1st April, 1968 :

5.53 With effect from 1st April, 1968, I Class and III Class monthly season ticket fares were increased by Rs. 11 and 25 paise respectively. The increase was also effected in the case of season tickets issued to students.

1st October, 1969 :

5.54 As a result of a detailed study on the subject by an Officer on Special Duty (Freight Structure), the

basis of the charge for First Class Season Tickets was revised from 1st October, 1969 as under :—

Kms.	Per Km. Rs. P.
1—10	1.50
+ 11—20	1.10
+ 21—50	0.80
+ over 50	0.75

The minimum charge was Rs. 8/- per adult season ticket.
Rs. 4/- per child season ticket.

The following rounding off was introduced.

Fares below Rs. 10/- To the nearest 50 Paise.

Fares above Rs. 10/- To the nearest rupee.

No change was made in the III class Season Ticket Fares.

1st April, 1970 :

5.55 With effect from 1st April, 1970, the basis of charge for I class season tickets was further revised as under :—

Kms.	I Class per Km. Rs. P.
1—10	1.60
Plus 11—20	1.10
Plus 21—50	0.80
Plus over 50	0.75

The minimum charge was : Rs. 9.00 per adult season ticket.
Rs. 4.50 per child season ticket.

The following rounding off rule was introduced :

Fares below Rs. 10/- To the next higher 50 Paise.

Fares above Rs. 10/- To the next higher rupee.

5.56 A proposal for a revision in the III class fare had been made in the budget ; but it was later withdrawn after discussion in the Parliament. No change was therefore made in the III Class Season ticket fares. However, season tickets issued to students at concessional rates were now subjected to the following minimum charges :—

I Class—Rs. 4/- monthly, Rs. 10/- quarterly,

III Class—Rs. 2/- monthly, Rs. 5/- quarterly.

15th November, 1971 :

5.57 With effect from 15th November, 1971, a passenger tax on I and III Class Season ticket fares was levied as under :—

	Rate of tax
(i) Where value of the season ticket was less than Re. 1/-	Nil
(ii) Where the value of the season ticket was one rupee or more	5% of the value.

When the season ticket for travel by any class was for a journey between two places in respect of which the fare for a single journey ticket of the same class was less than one rupee, no tax was payable.

15th April, 1972 :

5.58 With effect from 15th April, 1972, I and III Class season ticket fares were increased as under :—

First Class		III Class	
Existing Fare (excluding tax)	Increase per Season Ticket	Existing fare (excluding tax)	Increase per season ticket
	Rs. P.		Rs. P.
1. Upto Rs. 10/-	1.00	1. Upto Rs. 5/-	0.25
2. More than Rs. 10/- but upto Rs. 20/-	1.50	2. More than Rs. 5/- but upto Rs. 10/-	0.50
3. More than Rs. 20/- but upto Rs. 30/-	2.00	3. More than Rs. 10/- but upto Rs. 15/-	0.75
4. More than Rs. 30/- but upto Rs. 40/-	2.50	4. More than Rs. 15/-	1.00
5. More than Rs. 40/-	3.00		

A 5% Passenger Tax was levied in addition.

1st April, 1973 :

5.59 With effect from 1st April, 1973, the season ticket fares were further increased as under :—

I Class Season ticket fares (excluding tax)	Increase per season ticket. Rs. P.
Upto Rs. 10/-	1.00
More than Rs. 10/- but upto Rs. 15/-	1.50
„ Rs. 15/- „ Rs. 20/-	2.00
„ Rs. 20/- „ Rs. 30/-	3.00
„ Rs. 30/- „ Rs. 40/-	4.00
„ Rs. 40/- „ Rs. 50/-	5.00
„ Rs. 50/- „ Rs. 60/-	6.00
„ Rs. 60/- „ Rs. 70/-	7.00
„ Rs. 70/- „ Rs. 80/-	8.00
„ Rs. 80/- „	9.00

III Class Season Ticket Fares

The Third class monthly season ticket fares inclusive of the 5% passenger tax levied from 15th November, 1971 were increased by 50 paise per ticket where the fare was more than Rs. 5.

The 5% passenger tax levied from 15th November, 1971 was withdrawn from 1st April, 1973 for both classes.

1st January, 1974 :

5.60 With effect from 1st January, 1974, an accident compensation surcharge as under was levied on season ticket fares :—

Monthly Season Ticket	Rate of extra charge
III Class	25 paise.
I Class	Rs. 1.50 paise.

On quarterly season tickets, the extra charge was three times that of on Monthly Season Tickets.

1st April, 1974 :

5.61 With effect from 1st April, 1974, the nomenclature of the then Third class was changed to 'Second Class'. However, no changes were made in the fares.

15th September, 1974 :

5.62 With effect from 15th September, 1974, the First Class season ticket fares, including compensation surcharge of Rs. 1.50, were increased by 33½%. The rounding-off was done to the next 50 paise. There was no change in the season ticket fares for II Class.

Maximum Distance for Issue of Season Tickets

5.63 With effect from 1st April, 1951, the issue of non-suburban Season Tickets was restricted to only 80 Kms. except in sections where this facility was already available for longer distances. The same position holds good today. A list of such sections, where non-suburban season tickets are available for distances beyond 80 Kms., is given in Annexure V-1.

5.64 The present monthly season ticket fares for First and Second class on non-suburban sections, the equivalent number of single journeys for selected distances and other relevant information are given in Table Nos. V-5(a) and (b).

TABLE No. V—5(a)
FIRST CLASS—NON-SUBURBAN

Km.	Single Journey Fare	M.S.T. Fare	No. of Single Journeys covered by MST fare	Fare per Km. for Single Journey ticket	Fare per Km. for M.S.T. (assuming 50 single journeys a month)	Fare per Km. for Q.S.T. (assuming 150 single journeys a quart)
	Rs. P.	Rs. P.		(In Paise)	(In Paise)	
5	5.50	17.00	3.1	110.0	6.8	5.7
10	7.00	28.00	4.0	70.0	5.6	4.7
15	7.00	38.00	5.4	46.7	5.1	4.2
20	9.50	45.00	4.7	47.5	4.5	3.8
25	9.50	52.00	5.5	38.0	4.2	3.5
30	13.50	57.50	4.3	45.0	3.8	3.2
35	13.50	64.00	4.7	38.6	3.7	3.0
40	15.00	70.00	4.7	37.5	3.5	2.9
45	15.00	75.50	5.3	33.3	3.4	2.8
50	17.50	82.00	4.7	35.0	3.3	2.7
60	20.00	94.00	4.7	33.3	3.1	2.6
70	21.50	103.50	4.8	30.7	3.0	2.5
80	24.00	115.50	4.8	30.0	2.9	2.4

TABLE No. V—5(b)

SECOND CLASS—NON-SUBURBAN

M.Km.	Single journey fare	M.S.T. fare	No. of single journey fares covered by M.S.T.	Fare per Km. for single journey ticket	Fare per Km. for M.S.T. (assuming 50 single journeys a month)	Fare per Km. for Q.S.T. (assuming 150 single journeys a quarter.)
	Rs. P.	Rs. P.		In Paise	In Paise	In Paise
5	0.30	3.90	13.0	6.0	1.7	1.3
10	0.45	6.45	14.3	4.5	1.3	1.1
15	0.55	8.60	15.6	3.7	1.1	1.0
20	0.75	10.20	13.6	3.8	1.0	0.9
25	0.90	11.95	13.2	3.6	0.9	0.8
30	1.30	13.15	10.1	4.3	0.9	0.7
35	1.65	14.95	9.0	4.7	0.8	0.7
40	1.80	16.90	9.4	4.5	0.8	0.7
45	1.95	19.05	9.8	4.3	0.8	0.7
50	2.25	20.35	9.0	4.5	0.8	0.7
60	2.75	23.60	8.6	4.6	0.8	0.7
70	3.15	26.65	8.5	4.5	0.8	0.6
80	3.45	29.80	8.6	4.3	0.7	0.6

Concessional Season Tickets for Students

5.65 *Extent of concession* : At the time of Independence, on suburban sections, student MSTs were being issued by charging half the adult season ticket fare applicable to the general public for season tickets in Bombay and Madras, and 2/3rd the public rate in Calcutta. On non-suburban sections, most of the Railways were giving this facility with 50% concession while Assam Railway, Bengal-Nagpur Railway and East Indian Railway were giving a concession of 33% (charging 2/3rd the public season ticket fare). A few Railways like Oudh-Tirhut Railway did not extend this facility at all. No further concession was being given to students who were under 12 years of age except in case of Nizam State Railway which was charging 1/4th the public rate for students under 12.

No change has been made in the extent of concession on student season tickets in any of the suburban areas, and the position today is the same as was prevalent in 1947. Regarding non-suburban sections, from 1st April, 1954, the student season tickets were made chargeable at half the normal season ticket fare. Also, students under 12 years of age were to be charged only 1/4th the normal season ticket fare. However, from 1st August, 1972, the extra concession to students under 12 years of age was discontinued. The position as it stands at present is that on non-suburban sections throughout Indian Railways students of recognised educational institutions are issued monthly season tickets at half the rates applicable to the general public.

Age Limit : At the time of Independence, different upper age limits were in vogue for eligibility for students' concessional season ticket. For example, on South Indian and Bengal-Nagpur Railways, the age limit was 24; in Mysore State Railway it was 21; in the G.I.P. and B.B. and C.I. Railways, it was 18 years. There was no age limit on the East Indian Railway and the Nizam State Railway.

In 1949, an upper age limit of 24 years was fixed for issue of student season tickets on both suburban and non-suburban sections throughout Indian Railways. This age limit was raised to 25 years in 1958.

The position at present is that concessional season tickets to students can be availed by students of recognised educational institutions upto the age of 25 years except in the case of the following categories where no age limit is applicable :—

- (1) Lady students ;
- (2) Students of—
 - (a) Engineering Institutes/Colleges.
 - (b) Medical Colleges.
 - (c) Law Colleges.
 - (d) Dental Colleges.
 - (e) Tata Institute of Social Sciences, Bombay.
 - (f) Bombay Labour Institute (Government of Maharashtra).
 - (g) Veterinary Colleges.
- (3) Articled Clerks attached to practising Chartered Accountant for obtaining practical education.

Quarterly Season Tickets

5.66 At the time of Independence, Quarterly Season Tickets at 2½ times the Monthly Season Tickets were being issued on most of the Railways. When the position was assessed by the Railway Board in 1956, it was noticed that this facility existed on all the railways except Eastern, Northern, North Eastern (Muzaffarpur and Lucknow regions) and South Eastern Railways. The issue of Quarterly Season Tickets was made uniform on all Indian Railways at 2½ times the Monthly Season Ticket rate from 1st April, 1956. The same position continues at present.

SOME SPECIAL FEATURES

5.67 The history of the passenger ticket fares in some of its aspects as narrated in the earlier pages brings out a few points which are of significance from the point of view of the examination we are making of the fare structure and rates in the Interim Report. Some features to which attention may be specially drawn are as follows :—

5.68 (i) A number of increases in single journey fares have taken place from time to time, probably according to revenue requirements, with some attention

to socio-economic objectives, and Parliamentary and public opinion. Changes have been made in classes of accommodation from time to time with a view to reducing the number of classes. However, starting from five classes of accommodation in 1948, viz., Air-conditioned, First class, Second class, Inter class and Third class, we today have four classes, viz., A.C. I class, First class, AC Chair Car, and Second class. It is true that not all classes of accommodation are available on all the trains. The AC Chair Car is confined to a few trains. On the other hand, we have AC (two-tier) sleepers on some trains, the fare for them being equal to the First class fare. One cannot therefore say that the position regarding classes of accommodation is very different now as compared to what it was in 1948 with one exception. Second class (what used to be called Third class earlier) accommodation at present in some trains is much better, with better facilities such as cushioned seats and berths, sleeping accommodation, and other amenities as compared to the position in 1948. We shall deal with these developments and their implications in the Final Report.

5.69 The changes in fares made from time to time, almost from year to year, show no clear pattern. However, two trends appear somewhat clearly in the changes made. Firstly, while in 1948, the fares for each class of accommodation increased in proportion to the distance travelled by a passenger, tapering according to distance was introduced in 1955, and this tapering has become a permanent and important feature of passenger fares. Secondly, while passenger fares have increased, the increase has not been uniform for different classes and at different distances. This is partly the result of varying degrees of tapering, and partly the result of increases in fares made from time to time, which varied from class to class. Not only is there a specially low fare table maintained for Second class (Ordinary) accommodation up to the first 50 kilometres—and these fares have been exempted from some of the increases that have been effected from time to time—but the other increases have also many times been of a progressive character in that the net result is that the fare increases have been larger for the higher classes of accommodation. Table No. V-6 brings out this point clearly.

TABLE NO. V-6
COMPARISON OF BASIC FARES FOR DIFFERENT CLASSES
1948 AND 1978

Distance in Kms.	FARE IN 1978									
	SECOND CLASS				AIR CONDITIONED CHAIR-CAR		FIRST CLASS		AIR CONDITIONED CLASS	
	Ordinary		Mail/Exp.							
	Fare	Index	Fare	Index	Fare	Index	Fare	Index	Fare	Index
50	Rs. P.		Rs. P.		Rs. P.		Rs. P.		Rs. P.	
100	2.25	100	3.25	144	11.00	488	17.50	777	36.00	1600
200	4.05	100	5.65	139	17.00	419	28.00	691	53.00	1309
300	7.75	100	10.25	132	24.50	316	43.00	555	76.00	981
500	16.75	100	22.50	134	48.00	287	88.00	525	160.00	955
1000	29.00	100	40.45	139	78.50	271	153.50	529	300.00	1034
1500	39.55	100	55.25	139	105.50	267	215.00	544	452.00	1143
2000	49.80	100	68.15	137	128.00	257	265.50	533	563.00	1131
3000	70.20	100	93.00	132	171.00	243	357.50	509	728.00	1037
4000	90.60	100	116.40	128	210.50	232	445.50	491	893.00	965
5000	111.00	100	138.60	124	250.00	225	533.00	480	1058.00	953

FARE BASIS IN 1948

Class	Fare Basis (Pies per mile)	Index
III (Ordinary)	4	100
III (Mail/Express)	5	125
Inter (Ordinary)	7½	188
Inter (Mail/Express)	9	225
Second	16	400
First	30	750
Air-conditioned	36	900

5.70 (ii) As regards suburban season ticket fares, a degree of uniformity has been brought about in the three suburban sections of Bombay, Calcutta and Madras, in that only two classes of accommodation are now provided, viz., First and Second classes, and the differences in the Second class season ticket fares among the three areas, which were considerable at the time of Independence, have been narrowed down. The First class season ticket fares are the same for all the three suburban areas. There is also uniformity regarding the basis of the charges for quarterly season tickets, which are at the rate of 2½ times the monthly season ticket fares, and also regarding the concession given to students which is at the rate of 50%. (As a result of an increase effected in 1967 not being imposed on students' season fares, the effective concession is a little higher).

5.71 The main change which is noticeable in the suburban season ticket fares in these thirty years is that, while the single journey fares at various distances and, in the case of the Second class, at distances beyond 50 kilometres have significantly increased, the increases in season ticket fares have not kept pace with these increases. The result is that the effective concession granted to season ticket holders has increased considerably as compared to the position as it existed in 1950 for the then Second class (present First class) and in 1953 for the then Third class (present Second class). The comparative position is brought out in Statement V-2. Thus, for a monthly season ticket, while the First class ticket holder paid a fare equivalent

to between seven and fourteen single journeys—varying according to distances—and the Second class season ticket holder between eight and sixteen single journeys, at present he pays at a fare equivalent to between three and five single journeys in the case of the First class and between six to thirteen single journeys in the case of the Second class monthly season ticket. The effective fare paid per kilometre by a season ticket holder is therefore very much lower than that paid by an ordinary card ticket holder. The difference in the fare per kilometre is as high as ten to fifteen times as between a card ticket holder and a season ticket holder, a passenger holding a quarterly season ticket obtaining a still larger concession as compared to a person holding a monthly season ticket.

5.72 (iii) A comparison between the non-suburban season ticket fares in 1948 as compared to 1978 shows a similar disparity except that the difference becomes more striking in view of the fact that in 1948 the basis of season ticket fares for all classes in non-suburban sections was 24 single journey Mail fares. In 1978, a Second class season ticket holder pays for a monthly season ticket a fare equal to that for eight to fifteen single journeys, and a First class season ticket holder pays a fare equal to between three and five single journeys. The difference between the fare per kilometre as between card ticket holders and season ticket holder is similarly very large, varying between five to nine or ten times depending on the class and also whether the season ticket holder buys a monthly ticket or a quarterly ticket.

STATEMENT V-I
A STATEMENT SHOWING COMPARATIVE SINGLE JOURNEY FARES FOR SELECTED DISTANCES IN
1951 AND 1978

1	2	3	4	5	6	7	8	9	10
Distance in Kms.	Existing I Class fares as on 1-11-1978	Old IInd class fares as on 1-4-1951	% increase in col. 2 over col. 3	Existing IInd class fares Mail/ Exp. as on 1-11-1978	Old IIIrd class fares (Mail/Exp.) as on 1-4-1951	% increase in col. 5 over col. 6	Existing IInd class ordinary fares as on 1-11-1978	Old IIIrd class (ordinary) fares as on 1-4-1951	% increase in col. 8 over col. 9
	Rs. P.	Rs. P.		Rs. P.	Rs. P.		Rs. P.	Rs. P.	
5	5.50	0.26	2115	0.65	0.10	650	0.30	0.08	375
10	7.00	0.52	1346	0.90	0.20	450	0.40	0.16	250
15	7.00	0.78	897	1.05	0.29	362	0.50	0.24	208
20	9.50	1.04	913	1.45	0.39	372	0.65	0.33	197
30	13.50	1.56	865	2.30	0.59	390	1.25	0.49	255
40	15.00	2.08	721	2.75	0.78	353	1.65	0.65	254
50	17.50	2.60	673	3.25	0.98	332	2.00	0.81	247
80	24.00	4.15	577	4.70	1.56	301	3.45	1.30	265
100	28.00	5.20	538	5.65	1.95	290	4.05	1.63	248
200	43.00	10.40	413	10.25	3.90	263	7.75	3.25	238
500	88.00	26.00	388	22.50	9.75	231	16.75	8.13	206
1000	153.50	52.00	295	40.45	19.50	207	29.00	16.25	178
2000	265.50	104.00	255	68.15	39.00	175	49.80	32.50	153
3000	357.50	156.00	229	93.00	58.50	159	70.20	48.75	144

STATEMENT V—2(a)

COMPARATIVE STATEMENT OF CONCESSION IN MST FARES
FIRST CLASS SUBURBAN

Miles (Kms.)	1951		1978	
	MST Fare	Equivalent number of single journeys	MST Fare	Equivalent number of single journeys
	Rs. A. P.		Rs. P.	
5 (8)	6 — 12—0	18.5	23.50	4.3
10 (16)	11 — 7—0	15.7	38.00	4.8
15 (24)	14 — 10—0	13.4	46.00	4.8
20 (32)	17 — 7—0	12.0	56.00	4.2
25 (40)	20 — 4—0	11.1	64.00	4.3
30 (48)	23 — 1—0	10.5	73.00	4.6
40 (64)	28 — 11—0	9.8	86.00	4.3
50 (80)	34 — 5—0	9.4	99.50	4.2

NOTE : The present First Class was known as Second Class in 1951. Hence MST fares shown above for 1951 were those which were applicable to the then Second Class.

STATEMENT V—2(b)

SECOND CLASS SUBURBAN

Miles (Kms)	BOMBAY			CALCUTTA				
	1953	1978		1953	1978			
	MST Fare	No. of single journeys covered by MST fare	MST Fare	No. of single journeys covered by MST fare	MST Fare	No. of single journeys covered by MST fare		
	Rs. A. P.		Rs. P.	Rs. A.P.	Rs. P.			
5 (8)	3—4—0	24.6	4.65	13.3	3—1—0	23.4	4.65	13.3
10 (16)	5—8—0	21.0	7.75	12.9	5—4—0	20.1	7.75	12.9
15 (24)	6—13—0	17.4	9.75	12.2	7—3—0	18.4	9.75	12.2
20 (32)	8—0—0	15.3	11.80	8.4	9—2—0	17.6	11.80	8.4
25 (40)	9—2—0	14.0	14.30	8.7	10—8—0	16.1	14.30	8.7
30 (48)	10—5—0	13.0	16.25	9.0	11—14—0	15.2	16.25	9.0
35 (56)	11—8—0	12.6	17.55	6.5	13—4—0	14.5	18.25	6.8
40 (64)	12—11—0	12.1	18.85	6.4	14—10—0	14.0	19.95	6.8
50 (80)	15—0—0	11.5	21.40	6.2	17—6—0	13.3	22.95	6.7

MADRAS

Miles (Kms.)	1953		1978	
	MST Fare	No. of single journeys covered by MST Fare	MST Fare	No. of single journeys covered by MST Fare
	Rs. A. P.		Rs. P.	
5 (8)	3 — 9 — 0	27.3	4.65	13.3
10 (16)	5 — 13 — 0	22.2	7.75	12.9
15 (24)	7 — 9 — 0	19.3	9.75	12.2
20 (32)	9 — 5 — 0	17.8	12.35	8.8
25 (40)	11 — 1 — 0	16.9	14.30	8.7
30 (48)	12 — 13 — 0	16.4	16.25	9.0
35 (56)	14 — 9 — 0	15.9	18.25	6.8

NOTE : The present Second Class was known as Third Class in 1953. Hence, 1953 MST fares shown above were those which were applicable to the then Third Class.

CHAPTER VI

EMERGING METROPOLITAN TRANSPORT SITUATION

6.01 Even though it is generally assumed that railways are more suited for long distance rather than short distance transport, it is well-known that the provision of suitable facilities for mass transit in large urban conglomeration is far more effectively done through railway systems—either above ground or underground—than through other means of transport which usually operate as complementary to the railway systems.

6.02 With the growth of urbanisation in India, a demand for suburban railway facilities arose, and such facilities began to be provided by the Railways in Calcutta, Bombay and Madras even before the Second World War. The two railway systems located in Bombay, viz., the GIP (now called Central) and the BCCI (now called Western) Railways, organised suburban electric trains from 1925 and 1928 respectively. Similar facilities were provided in Madras from 1931. In the Calcutta area, while suburban train services were provided by the railway systems working there, these were run with conventional stock and steam traction. It was only in 1957 that electric multiple units began to be run on the suburban sections in Calcutta.

6.03 Urbanisation obtained a further impetus in the period of the Second World War and even a greater impetus in the period since Independence. Urban population as a proportion of the total population increased from 17% in 1951 to 18% in 1961 and to almost 20% in 1971; and this increasing proportion was out of a total population which grew from 361 millions in 1951 to 548 millions in 1971. Moreover, just as there was a degree of unevenness in the growth of industrialisation in different regions of the country, there was also an unevenness in the growth of urbanisation. Thus, the urban population constituted a much larger proportion of the total in States like Maharashtra, West Bengal, Gujarat and Tamil Nadu as compared to other States. A further peculiarity of the growth of urbanisation in India has been that the largest urban conglomeration have grown much faster as compared to other urban areas. Large population centres have grown very fast as compared to others. To mention a few examples, the Greater Bombay area has had a population growth of 40% between 1951 and 1961 and almost 44% between 1961 and 1971. Some other areas which have undergone marked increase in the same period have had decennial rates of growth as follows :—

	1951-61	1961-71
	(percent increase)	
Ahmedabad	37	38
Anansol	78	43
Bangalore	48	43
Bhopal	118	76
Calcutta	25	22

Delhi	64	54
Dhanbad	173	116
Indore	27	45
Jaipur	39	52
Kanpur	37	31
Madras	22	43
Pune	24	43
Surat	29	64
Trivandrum	28	71
Vadodara (Baroda)	43	57
Vijayawada	43	47
Vishkapatnam	68	71

6.04 Moreover, the growth of some of these areas as centres of industry, trade, education and administration has resulted in a considerable growth of commuter traffic to and from these urban centres, and there has been an increasing demand on the railway system to provide facilities for carrying such commuter traffic at suitable hours. The growth in the number of commuters; as well as the number of persons who hold season tickets in the suburban as well as non-suburban sections which we would refer to later, provide some idea of the increasing demand which the Railways are called upon to meet for carrying such traffic. The demand outside the cities where proper commuter suburban services have already been provided might have been even greater if the railway system and facilities could have been developed to meet the increasing traffic requirements. A prominent example of such a situation is Delhi. The railways have been hard put to meet this demand. In-sufficient line capacity and rolling stock have been the main constraints; but in some cases terminal facilities have also been the limiting factor.

6.05 In the terminology used in the railways 'suburban' traffic includes only the passenger traffic in and around the metropolitan areas of Bombay, Calcutta and Madras. Some idea of the present position regarding commuter services provided by the railways in these areas can be had from the statistics given in Statement VI-1 at the end of this chapter. The local trains run in and around certain other large cities, as for example Delhi, to carry the commuters to and from the nearby satellite towns are treated as non-suburban. Separate statistics of such local services are not readily available. All the suburban traffic in Bombay area is carried by electric multiple unit trains, but a small proportion of traffic in Calcutta (about 6%), and in Madras (about 20%) is carried by loco-hauled trains. The data in Statement VI-1 indicate how, even in the traditional suburban service areas of Bombay, Madras and Calcutta, the availability of railway facilities has fallen short of the increasing traffic. Thus, in the Bombay area, while the passenger kilometres on the

suburban section show more than a three-fold increase between 1960-61 and 1976-77, the vehicle kilometres show only about a 100% increase, though the carrying capacity has probably increased somewhat more as a result of the use of wider coaches. In the Calcutta area, the passenger kilometres on the EMU trains show an eight-fold increase while the EMU vehicle kilometres show a less than seven-fold increase. It has been stated that in Bombay, during the peak period, a nine-car electric multiple unit train, with a marked carrying capacity of 1750, actually carries over 3500 passengers. The result is extreme discomfort for the commuters and a number of accidents as a result of travelling on foot-boards. The situation on the Southern Railway appears to be less unsatisfactory. Thus the facilities for commuter services for Bombay, Calcutta and Madras seem to be inadequate and there is also room for improvement in the existing services.

Importance of sanctioning additional schemes

6.06 We are aware that the Railway Board are conscious of the situation and are taking steps to augment the capacity besides improving the existing services. The following paragraphs give an idea of the schemes investigated to increase the capacity in the long term (Paras 6.16—6.20) and short term (Paras 6.21 to 6.41) as advised to us by the zonal railways. Most of the latter, that is schemes with relatively short gestation periods, have already been sanctioned and are in progress. Some more such schemes are apparently, however, still under consideration.

6.07 It is outside the scope of our investigation to comment on the need or desirability of any particular scheme. In any case we are in no position to judge whether any of the suggested schemes is possible and desirable, whether it can be undertaken and completed in the period of two to three years and, in case of necessity of choice, which should be preferred over others. However, we should like to emphasise the need for early improvement in the suburban services in Bombay, Calcutta and Madras, in the context of our proposals for substantial increase in the commuter fares, and to point out that the zonal railways concerned appear to think that execution of the short-term schemes mentioned earlier would give considerable relief to their commuters.

6.08 Increase in the suburban fares directly increases the cost of living for those who use the railways to get to their place of work. In view of this, and human nature being what it is, users expect immediate value for money. There is, therefore, some opinion that at least large increase in fares should be made only at the same time as services are improved. We cannot however delay adjustment in fares till the services are actually improved as these services are already incurring huge losses. The immediate increase in fares suggested by us is really in the nature of 'catching up' with the inflation in the past when the fares were not increased in line with the rise in costs. The proposed increase will therefore really only recover the ground lost in the earlier years when fares were artificially held down

against the trend in costs. However, we do think that urgent steps should be taken to improve the services as early as possible so as to improve the railways' image.

6.09 The improvements in the cash flow resulting from the implementation of the recommendations made by us in this interim report should make it possible for the Planning Commission and the Ministry of Finance to give the railways adequate funds to undertake schemes of the type and magnitude of the short-term schemes mentioned earlier. It would be ideal if the funds required for such schemes are provided to the railways outside their plan, so that they can execute the schemes without having to give up, or curtail the scope of, any other scheme required for improvement of rail transport which are already a part of the Railway Plan. It may be mentioned here that the amounts required for construction of underground railways are already treated as outside the Railway Plan although the work is carried out by the railways. What is required is an extension of this principle to the improvement of the existing suburban services. Moreover, improvement in the profitability of the suburban services may even make it possible to make available much larger investment funds for their growth if necessary by resorting to borrowing from sources like the World Bank.

Planning for Commuter Transport in Metropolitan Areas

6.10 Taking into account the increasing growth of metropolitan areas and their transport requirements, a number of studies were undertaken by the Railways as well as other concerned public authorities to examine how best to meet the growing needs of commuters. Later, this work was specially looked after by the Planning Commission which constituted Metropolitan Transport Teams to report on the prospects for meeting the developing transport requirements of Bombay, Calcutta, Madras and Delhi. Subsequently, special Teams for such studies were set up by the Ministry of Railways which finally took the form of Metropolitan Transport Projects (MTPs) at Bombay, Calcutta, Madras and Delhi for the planning and execution of projects for these areas. The question whether the projects for mass transit would be organised under special Mass Transit Authorities, or in some other way, has remained undecided. The Railways have been handling the actual work, but this is treated as outside the Railway budget and Railway finance. While it was initially thought that considerable addition to transport facilities will be made through these projects and a provision of Rs. 200 crores was made in the Draft Fifth Five Year Plan for the MTPs, this allocation was reduced to Rs. 50 crores when the Plan was finalised in 1976. For the Sixth Five Year Plan, the Ministry of Railways had asked for an outlay of Rs. 348 crores for the MTPs, but the Planning Commission has upto now decided to allot only Rs. 125 crores for these Projects. Some information about the existing situation and future proposals for each of the major areas is given in the following paragraphs.

6.11 Existing Situation

Bombay

At present commuter traffic in Bombay and its suburbs is served by the under-mentioned five suburban railway corridors of the Western and Central Railways :—

Western Railway

- (i) A pair of lines from Borivli to Churchgate designated as Local lines.
- (ii) A pair of lines between Virar and Churchgate designated as Through lines.

Central Railway

- (iii) A pair of lines between Bombay VT and Kalyan designated as Local line.
- (iv) A pair of lines between Bombay VT and Kalyan designated as Through lines (Suburban sections extend upto Kasara on the North-east ghat section and upto Karjat on South-east ghat section).
- (v) A pair of lines known as Harbour Branch between Bombay VT and Chembur with a chord line from Raoli Junction to Bandra and a single line from Chembur to Mankhurd.

Calcutta

6.12 Most of the suburban traffic in Calcutta area is carried on the Eastern Railway on the following Sections :

Name of the Section	Distance in Kms.
Sealdah-Bagula (Electrified upto Ranaghat)	93
Ranaghat-Krishnager City (Electrified)	26
Ranaghat-Bongaon (non-electrified)	34
Bongaon-Barasat Jn. (Electrified)	54
Barasat-Hasanabad (non-electrified)	52
Barasat-Dum Dum (Electrified)	16
Dum Dum-Dankuni (Electrified)	15
Kalinarayanpur-Shantipur (Electrified)	16
Sealdah-Diamond Harbour (Electrified)	60
Ballygunje-Budge Budge (Electrified)	20
Sonarpur-Canning (Electrified)	29
Baruipur-Lakshmikanthpur (Electrified)	37
Howrah-Katwa (Electrified upto Bandel)	144
Bandel-Burdwan (Electrified)	55
Burdwan-Bally (Electrified)	86
Tarakeswar-Sheoraphuli (Electrified)	35
Bandel-Naihati (Electrified)	9

On the South Eastern Railway the suburban section extends from Howrah to Balichak, a distance of 92 kms.

6.13 Unlike the suburban systems of the Central and Western Railways which go right upto the Central Business District of Bombay, the Railway systems in Calcutta terminate at Howrah on the one side and Sealdah on the other, both of which lie on the periphery of the Central Business District. In view of this, the distances within the city area have to be covered by the commuters by other modes of transport or on foot.

Madras

6.14 The suburban traffic on the Southern Railway is carried on the following sections :—

1. Madras Central to Trivellore . —BG 42 Kms.
2. Madras Beach to Tambaram and Chengalpattu —MG 60 Kms.
3. Madras Beach-Royapuram to Gummidipundi —BG —47 Kms.

The Madras Beach to Tambaram section carries the bulk of the commuter traffic. This section is electrified and the trains are run with EMU stock. Conventional stock is used on other sections.

Delhi

6.15 Railway services catering to the requirements of commuters coming to Delhi are treated as non-suburban services and they are operated with conventional stock. However, a large number of commuters come to Delhi not only by shuttle services provided for their use but also by many other inter-city trains including long distance trains. The sections which carry such commuter traffic are :

1. Meerut-Ghaziabad-Delhi/New Delhi.
2. Sonapat-Delhi/New Delhi.
3. Palwal-Ballabgarh-Faridabad-New Delhi/Delhi.
4. Rohtak-Delhi/New Delhi.
5. Rewari-Gurgaon-Delhi (MG).

In addition to the above, a Parikrama Rail Service was introduced in 1975 on the Ring Railway starting from Nizam-ud-din, covering Safdarjang-Patel Nagar-Dayabasti-New Delhi, and back to Nizam-ud-din, the total distance covered being 36 Kms. There are four pairs of trains operating on this service.

Proposals and Studies for the Future

Bombay

6.16 The following two project reports have been submitted by the MTP (Railways), Bombay :—

(a) 6th Corridor

This envisages additional lines from Raoli Junction to Fort Market (10.2 Kms.), Bandra to Goregaon (12.24 Kms.), and Kurla to Bhandup (11.72 Kms.). The cost of the project at 1974 price level was estimated at about Rs. 160 crores and the construction period is estimated to be about five years.

(b) 7th Corridor

The proposed 7th Corridor comprises the following :—

- (i) Kolaba to Bandra (underground) . 17.38 Kms.
- (ii) Bandra to Kurla (elevated) . . 4.90 Kms.
- (iii) A spur to Air Port (elevated) . . 4.11 Kms.

This corridor was estimated to cost about Rs. 450 crores at the 1974 price level and the period of construction at about 12 years.

Apart from these additional corridors, Central and Western Railways have worked out 'Optimisation Schemes' for their existing suburban systems. Three phases of the Central Railway's Optimisation Schemes envisaging 5, 4 and 3 minutes services are estimated to cost (including rolling stock) about Rs. 28, 50 and 76 crores respectively. According to the Western Railway, the two phases of their Optimisation Scheme are likely to cost Rs. 37 and 50 crores respectively. First phases of these optimisation schemes are already under execution both on the Central and Western Railways. (See also paras 6.24 to 6.28).

Calcutta

6.17 The MTP (Railways), Calcutta, has submitted proposals for providing a Rapid Transit System in Calcutta in the following phases :

- | | | |
|-----------------|-------------------------------------|-----------|
| (i) Phase I | Dum Dum to Tollygunge | 16.4 Kms. |
| (ii) Phase II | Extension of Dum Dum—
Tollygunge | 8.1 Kms. |
| (iii) Phase III | Salt Lake City to Ramrajtala | 17.1 Kms. |

Phase I has been sanctioned at an estimated cost of about Rs. 250 crores and the work is in progress. It is doubtful whether Phase I can be completed within the next five years.

Madras

6.18 The following three projects for Madras have been mentioned in the draft Sixth Five Year Plan of the Railway—

- | | Estimated Cost
(Apprx.) |
|--|----------------------------|
| (i) Optimisation of Metre Gauge Sub-urban system | Rs. 12 crores. |
| (ii) Optimisation of Board Gauge Sub-urban system | Rs. 84 crores. |
| (iii) Rapid Transit System Line along the North-South Eastern Corridor | Rs. 155 crores. |

Delhi

6.19 Initial reports of MTP (Railways), Delhi, submitted in 1975, envisaged a Mass Rapid Transit System (MRTS) costing about Rs. 870 crores in five phases to be complete in 25 years. It consisted of 97 Kms. of surface corridors and 36 Kms. of two underground transversals intersecting each other at the Central Secretariat. This scheme was very ambitious and, in view of the growing problems of commuter traffic in Delhi, the Ministry of Works and Housing set up a Working Group in 1976 in consultation with the Planning Commission to prepare a short term package programme for developing integrated road and rail commuter services. In pursuance of the recommendations of this Group, the MTP(R), Delhi has prepared project reports for electrified commuter services as follows :—

(Figures in Crores of Rs.)

	Cost of project (including Rolling stock).	Cost of Rolling stock.
(i) Delhi Urban Area	22.65	7.37
(ii) Delhi/New Delhi-Sonipat Section	18.67	5.79
(iii) Delhi/New Delhi-Ghaziabad Section	22.07	5.26
(iv) New Delhi-Ballabhgarh Section	13.00	5.00
	76.39	23.42

6.20 The above information will indicate that the projects studied and worked out have been such as involve heavy capital costs, long gestation periods and a number of operational difficulties. The result has been that, even though thinking about this development began in the early sixties, little progress has been achieved up-to-now in sanctioning and carrying out the suggested projects.

Early improvement in Suburban Services

6.21 As has been indicated above, there is intolerable overcrowding in the suburban services at Bombay, Calcutta and Madras. So far as Delhi is concerned, the Railways have not developed EMU services here like in other metropolitan areas and the commuters are seriously over-crowding not only the meagre shuttle services but also other long distance trains. Frequent complaints are made by rail users in all such areas, ventilating their hardships either individually or through Passenger Associations. The utilisation of suburban services has already reached a saturation level and any further pressure on them is likely to cause serious repercussions. Improvement in services in the near future will be all the more necessary in view of the rationalisation of suburban fares envisaged by the Committee.

6.22 The Committee had, therefore, in its questionnaire to the General Managers of various Zonal Railways asked them to indicate as to what inputs are required to improve train services to commuters in metropolitan areas as also in and around big towns where suburban like situations are developing. The Committee also held discussions in this connection with the General Managers of Eastern, South Eastern, Central, Western and Southern Railways and also with the Chief Administrative Officers of MTP/Delhi and Bombay and G.M./MTP, Calcutta and Chief Engineer/MTP, Madras. A brief description of the requirements of improving suburban services in the near future based on this information is given below :—

Bombay

Metropolitan Transport Project (Railways) Bombay

6.23 As the prospects for availability of funds for the execution of the 6th Corridor (Cost Rs. 160 crores at 1974 price level) appeared bleak, the Chief

Administrative Officer, MTP (Railways)/Bombay has submitted a smaller scheme costing about Rs. 25 crores to the Railway Board and this is under consideration. This scheme includes the following works which will ultimately fit in the 6th corridor plan—

	Estimated cost in Crores of Rs.
(a) An additional pair of lines between Bandra and Andheri	17.57
(b) A rail flyover at Raoli Junction	4.30
(c) Certain ancillary facilities on the Harbour Branch of the Central Railway to increase its capacity to 16 trains per hour	3.37

6.24 A rail flyover at Bandra is already under construction as a part of the 6th Corridor. The MTP has calculated that, with the implementation of the above scheme, it will be possible to run additional trains per hour during peak periods as follows :—

(a) Between Andheri and Bombay	8
(b) Between Bandra and Bombay VT	2
(c) Between Mankhurd and Bombay VT	2

It has been estimated by the MTP that these works could be carried out in a period of four years subject to the availability of funds.

Central Railway

6.25 The Central Railway has suggested the following schemes to be taken up and completed urgently to relieve overcrowding.

6.26 Completion of the first phase of Central Railway's Optimisation Scheme referred to earlier, for providing a 5 minute service during the peak hour—this phase has already been sanctioned by the Ministry of Railways. Works pertaining to this phase are in hand and funds totalling Rs. 4.70 crores have been made available to the Railway upto 1978-79 out of a total requirement of Rs. 10.20 crores for this phase. The Railway has suggested that funds to the extent of Rs. 5.50 crores to complete this phase should be made available during 1979-80. When works for this phase are completed (in about two years) and additional EMU stock for this phase is available, the Railway would be able to increase the peak hour trains from the present level of 72 trains in the morning peak and 81 trains in the evening peak to 102 trains in each of the peak periods.

6.27 The Central Railway has emphasised that one of the pre-requisites for bringing 102 trains into Bombay VT station in the morning is the provision of double discharge platforms and some other improvements at VT suburban station to avoid congestion at that station and on the adjoining roads. This work has been approved by the Ministry of Railways at a cost of Rs. 3.56 crores, but the Railway is not able to execute it under the intense traffic conditions obtaining at VT. This work can

be taken in hand only by shifting some of the local trains to VT main line platforms during the period of construction. The Railway has, therefore, inter-linked this work with their scheme for providing a new terminal for long distance passenger trains at Carnac Bridge Goods Depot by shifting the freight traffic of this depot to BPT Railway. This arrangement has apparently already been agreed upon by all concerned. The cost of the first phase works at Carnac Bridge comprising minimum facilities necessary for undertaking the work of double discharge platforms at VT may be in the region of Rs. 5 crores.

6.28 The doubling of track between Chembur and Mankhurd at an estimated cost of Rs. 52 lakhs has already been sanctioned but the Railway is not able to execute this scheme due to encroachments on railway land by hutment dwellers. The Railway is pursuing this with the State Government and the Bombay Municipal Corporation so as to get the encroachments removed without further delay. Once the double track is available between Chembur and Mankhurd it will be possible to extend to Mankhurd some trains at present terminating at Chembur.

6.29 It will be seen that the requirement of funds for schemes indicated in the preceding paragraphs adds upto Rs. 14.58 crores as under :—

	Rs. in Crores
Balance of works of first phase Optimisation Scheme	5.50
Double discharge Platforms at VT	3.56
Minimum facilities necessary at Carnac Bridge to start the work shown above.	5.00
Doubling of track between Chembur and Mankhurd	0.52
TOTAL	14.58

The Central Railway have calculated that the holding of EMU rakes for providing 5 minute service after completion of the above works will have to be increased to 85 as against 71 rakes at present.

Western Railway

6.30 The Western Railway has indicated that the first phase of their optimisation scheme (already referred to) of suburban services so as to provide a headway of about four minutes on each of the two Corridors into Churchgate is in hand. This scheme envisages the running of 87 trains during the peak period against the present 80. Most of the civil engineering works in connection with this scheme have been completed and the remaining (signalling and electrical) works can also be completed by 1981 if funds are made available as follows :—

1979-80	Rs. 6 crores.
1980-81	Rs. 9 crores.
	Rs.15 crores.

The above amounts include Rs. 14.5 lakhs in foreign exchange for signalling works.

Calcutta Area

Eastern Railway

6.31 The following works for improving suburban services have already been approved and some are in progress.

	Estimated cost in lakhs of Rs.	Tentative target date of completion.
(i) Provision of 3rd line between Dankuni & Chandanpur under Phase I. (It will be extended upto Shaktigarh under Phase II)	506.27	31-3-1981
(ii) Additional facilities at Burdwan Yard	45.26	31-3-1981
(iii) Rasulpur—Provision of up & Dn. Loops	29.01	31-12-1981
(iv) Provision of tokenless block working between Sheoraphuli and Tarakeshwar	15.01	31-12-1981
(v) Seldah—Raising of platform No. 8 (extended portion) and signalling facilities for all movements of P.F. No. 8	1.62	31-12-1978
(vi) Budge Budge—Extension of platform and line	4.25	30-6-1979
(vii) Diamond Harbour—Extension of Dock of platform and addl. platform to deal with 3 coach rakes	2.98	30-6-1979
(viii) Kalyani township—Provision of rail link between Kalyani and Kaiyani township	76.00	31-12-1978
TOTAL	680.04	

The following works are also stated by the Railway to be necessary to improve the suburban services and are therefore being planned :

	Estimated cost in Lakhs of Rs.
(i) Doubling of Dum Dum Jn.—Barasat	777
(ii) Opening of crossing stations at Bagrapara, Agradwip, Behula, Bhandertikuri, Belarbat, Mathurapur Road, Dhap Dhapi & Bahirkhand	177
(iii) Provision of 3 additional platform and extension of platform No. 1 at Howrah	100
TOTAL	1054

6.32 At present eight car, six car and four car EMU rakes are being worked on the Eastern Railway. It has been suggested by the Railway that early improvement in the suburban services could be achieved by augmenting the load of rakes to eight cars each. With the availability of requisite EMU stock, 12 car rakes could be subsequently introduced

to clear peak hour traffic provided that the necessary facilities by way of extension of platforms etc. are provided where necessary.

6.33 To deal with the 1978-79 level of traffic with nine car rakes, the Railway has estimated its requirements at 952 EMU coaches (328 MC plus 624 TC) against its present holding of 794 coaches (292 MC plus 592 TC). So it is claimed to be already short of 158 EMU coaches. For running 12 car rakes, the Railway has estimated its additional requirements at 740 EMU coaches (191 MC plus 549 TC). Lengths of platforms would have to be extended at 142 stations at a cost of about Rs. 250 lakhs. Besides this, expansion of car sheds and provision of stabling-cum-maintenance facilities would have to be made, the cost of which has not been worked out by the Railway so far. No strengthening of overhead equipment will be necessary but the transformer capacity will have to be enhanced at some points. It has been advocated by the Railway that as the augmentation of rakes to eight or nine cars each can be implemented within a reasonably short period, it should be done on priority. Introduction of 12 car rakes can follow later.

Circular Railway for Calcutta

6.34 The Government of West Bengal has been suggesting to the Ministry of Railways that a circular railway should be provided around Calcutta. Though the Ministry of Railways has clarified that, after a lot of study and consultations with the Soviet Consultants, the construction of an underground railway from Dum Dum to Tollygunge passing through the Central Business District was sanctioned and taken up for construction and it was, therefore, desirable to concentrate on completing this sanctioned project so that it could be opened for public use as soon as possible, the Government of West Bengal continues to support the case for a circular railway. It is argued by the State Government that the circular railway is all the more necessary during the construction period of the underground railway. The stand of the Ministry of Railways is, however, that the already sanctioned MTP project for the Calcutta Tube Railway must be progressed as fast as possible and that, if other projects like the Circular Railway are taken up at this stage, they are likely to result in diversion of available funds from the MTP project thereby resulting in retardation of its progress. It is thus apparently the resource constraint which stands in the way of this project being taken up.

South Eastern Railway

6.35 The quantum of suburban traffic on the South Eastern Railway is comparatively smaller. The following measures are stated to be necessary to augment suburban services on the South Eastern Railway :

- Additional Terminal facility at Howrah.
- Additional EMU stock.
- A new car shed at Panskura or Macheda.

South Eastern Railway is planning to increase the load per rake to nine coaches as against eight at present by adding one trailer to each rake. We have received no estimate of the additional funds required for this purpose, except that the new car shed may cost about Rs. 4 crores.

Southern Railway

6.36 The Southern Railway has stated in the discussions with the Committee that the following works are required to meet the commuter requirements of Madras for a period of five years or so.

(i) Optimisation of metre gauge system between Madras Beach and Tambaram to be taken up in two stages, the first stage from Madras Beach to Guindy by 1981 at a cost of Rs. 9.25 crores increasing the train density during the peak hour to 12 from the present ten and the total number of services from the present 256 to 316 per day to cater to a total of 5.26 lakh commuter trips by 1981 as against 3.17 lakhs in 1975-76.

(ii) On the broad gauge system, suburban locals which are run between Madras Central/Madras Beach and Trivellore on the south west line and Madras Central/Madras Beach and Gummidipundi on the north east line with conventional coaches and are hauled by steam locos/diesel shunters, are able to cater for only 90,000 commuter trips (1977-78). With the proposed electrification of these lines by September, 1979, and introduction of EMU trains (42 four-car Units by 1980), the situation would improve considerably. Though the electrification is a sanctioned work, certain additional works are necessary to cater to the running of the suburban trains to cater to the traffic projections for 1981 as under :—

- (a) provision of a third line between Villivakkam and Trivellore costing Rs. 19.7 crores;
- (b) to bring EMU suburban trains into Madras Beach station to provide easy interchange between Broad Gauge and Metre Gauge, the existing metre gauge line between Madras Beach and Royapuram will have to be converted into a mixed gauge including electrification and remodelling of Royapuram yard at a cost of Rs. 49 lakhs;
- (c) provision of a third line between Korukkupet and Ennore at a cost of Rs. 15.8 crores;
- (d) with the electrification of the suburban sections on the broad gauge, the present terminal facilities at Madras Central have to be enlarged to deal with the EMU suburban traffic. For this purpose, a new suburban terminal is being planned on the west of Buckingham Canal in the Moore Market area. Land acquisition to the extent of Rs. 2.7 crores has already been approved by the Railway Board and terminal facilities at a cost of Rs. 1.4 crores are

approved for inclusion in the Final Works Programme of 1979-80. This will facilitate isolation of the suburban EMU traffic from the main line trains which will be dealt with in the existing Madras Central terminal. The acquisition is already in progress and it is expected that these works will be completed in stages in two years' time.

6.37 These proposals are likely to cost Rs. 45.24 crores including cost of rolling stock as under :

	(Rs. in lakhs)		
	Cost of Civil, Signalling & General Electrical works	Cost of Rolling stock	Total
Optimisation of M.G. system from Madras Beach to Guindy	575	350	925
Provision of third line between Villivakkam and Trivellore	960	1010	1970
Provision of third line between Korukkupet and Ennore	440	1140	1580
Conversion of Metre Gauge into mixed gauge between Madras Beach and Royapuram and remodelling of Royapuram yard	49	—	49
	2024	2500	4524

Delhi Area

6.38 The growth of the Delhi Urban Area has been much faster than that of other cities. Its population has increased from about seven lakhs in 1941 to over 50 lakhs at present. However, no proper intra urban mass rapid transport system has been developed for the Delhi Area so far. The bus services are grossly inadequate. Large number of commuters come from nearby towns and villages to work in Delhi by an inadequate number of buses and trains. Although a few shuttle train services have been provided for these commuters, they also use practically all the long distance trains having convenient timings, thus causing serious inconvenience to long distance passengers. Not only this, extra halts have also had to be provided on a number of long distance trains for the benefit of such commuters. Provision of a proper Rapid Transit system for the Delhi Area is thus said to be long overdue and action in this respect has to be taken urgently.

6.39 As it will be difficult at present to muster resources for the original and ambitious project of Mass Rapid Transit system now probably costing over a thousand crores of rupees, the MTP (Railways), Delhi, has submitted the following projects to the Government involving comparatively modest outlays.

- (i) *Electrified Rail Commuter Services (Surface) in Delhi Urban Area.*

6.40 This will cover the present circular route with extension to Shakurbasti and Tughlakabad. A ten minute service could be provided during peak periods

either with six-car or nine-car EMU rakes (AC). The cost of the project is estimated at Rs. 22.65 crores with six-car rakes.

(ii) *Electrified Rail Commuter Services between Delhi/New Delhi and ring towns.*

6.41 The development of ring towns to relieve population pressure on Delhi has not had much success so far due to the absence of proper rapid transit facilities. The working group set up by the Ministry of Works and Housing in consultation with the Planning Commission recommended the provision of electrified rail commuter services on the sections given below. MTP (Railways) has estimated the costs of these projects as follows :—

	Length in Km.	Estimated cost including Rolling stock in crores of Rs.
(i) New Delhi/Delhi-Ghaziabad	41	22.07
(ii) New Delhi/Delhi-Sonipat	43	18.67
(iii) New Delhi-Faridabad-Ballabgarh	36	13.00

Requirements of EMU stock

6.42 It may be mentioned that an important constraint in improving the suburban services is inadequacy of EMU stock. For early improvement of these services, it will be necessary to go in for procurement of additional EMU stock on priority basis. The requirements of such stock as have been roughly assessed by the various railways concerned as brought out during discussions with the Committee are given below :—

6.43 *1500 Volts Dc EMU stock (Broad Gauge)*

	Motor Coaches	Trailer Coaches	Total
Central Railway	99	198	297
Western Railway	26	65	91
TOTAL	125	263	388

The Railway Board submitted a proposal for procurement of 404 DC EMU coaches for the 6th Plan. However, as against this, only 342 coaches have been approved by the Planning Commission of which 114 are motor and 228 trailer coaches. Orders for 239 DC EMU coaches (81 motor and 158) trailer have already been placed on Messrs. Jessops. The supply is to be completed by March, 1982. 52 electric sets for these units including traction motors and other ancillaries are to be supplied by the BHEL and 29 sets are being imported through global tenders. Keeping in view the requirements given by the Railways, provision of more additional DC EMU stock would appear to be necessary.

6.44 *25 KV AC EMU stock (Broad Gauge)*

AC EMU stock (BG) is at present being used in Calcutta area on the Eastern and South Eastern Railways. The Eastern Railway have during discussion

with the Committee indicated that 158 additional coaches are required early to improve the existing services. If, however, the Eastern Railway's proposal to introduce 12 car rakes for reducing overcrowding is to be implemented then their additional requirements would be 740 coaches of which 191 would be motor and 549 trailer coaches.

The South Eastern Railway would also be requiring additional coaches to improve their services but they have not indicated to the Committee their actual additional requirements.

On the Southern Railway 42-four car units of EMU coaches would be required by 1980 in connection with electrification of BG suburban sections. It was understood during the discussions with the Southern Railway that sanction has already been accorded for 42-four car units and arrangements are being made for procuring the same by 1980.

If suburban services with EMU stock are to be introduced in Delhi area and the ring towns, then 11-six car and 15-nine car rakes will be required for running these services as indicated by the MTP/Delhi.

6.45 It is understood that for the 6th Plan only 448 AC EMU (BG) coaches including 160 motor and 288 trailer coaches have been approved by the Planning Commission. It would appear from the requirements given by the Railways as indicated above, that this provision may not be adequate.

6.46 AC coaches are being manufactured at the Integral Coach Factory, Madras, and the average capacity is 120 coaches per year. Probably, this could be increased by adjusting other programmes. If there are difficulties in increasing the production and if there are any constraints in indigenous procurement of components such as traction motors from the BHEL, then imports may be necessary to meet the immediate additional requirements.

25 KV A.C. EMU stock—Metre Gauge

6.47 Metre Gauge EMU stock is being used on the Metre Gauge suburban section of the Southern Railway between Madras Beach and Tambaram. From the discussions which the Committee had with the Southern Railway it would appear that the position with regard to metre gauge EMU stock, both in regard to replacement of the existing stock as well as additional requirements in connection with the optimisation proposals, is somewhat difficult. The Southern Railway, at present has 43 EMU four-car units manufactured in 1966-67 by I.C.F., but provided with electric traction motors, transformers, switchgear and other electrical equipment of Nichimen, imported from Japan. From 1970 onwards, attempts have been made to manufacture metre gauge motor coaches by procuring traction motors and other equipment from Nichimen. Due to tight foreign exchange position at that time, this was not possible and hence there is a backlog of motor coach requirements. Additional metre gauge EMUs sanctioned since 1971-72 in the Annual Rolling Stock Programmes have not been procured. The main difficulty has been with regard to the manufacture of traction motors and other electrical equipment. In view of the small quantities required for metre gauge,

there has not been sufficient response from the various indigenous production units and manufacturers. To relieve the overcrowding on the metre gauge suburban section, it is considered necessary by the Railways that the 14 four-car units already sanctioned are procured urgently, if necessary, by resorting to import of the equipments. There will be the same problem in the case of the 18 additional metre gauge EMU four-car units contemplated during the Sixth Plan period including the requirements for optimisation in the first stage. It is understood that in the Sixth Plan, only 20 four-car units have been approved by the Planning Commission.

Requirement of Funds

6.48 To summarise the requirements of funds (exclusive of cost of EMU stock required) for works to be carried out for early improvement of suburban services as indicated by the Railways and the MTPs during the discussions with the Committee are as follows :—

M.T.P., Bombay	Rs. 25 crores
Central Railway	Rs. 15 crores
Western Railway	Rs. 15 crores
Eastern Railway	Rs. 17 crores
South Eastern Railway	Rs. 4 crores
Southern Railway	Rs. 21 crores
TOTAL	<u>Rs. 97 crores</u>

In addition to the above, if the proposals submitted by the MTP, Delhi, for introducing EMU services in Delhi area and the ring towns are accepted, then additional Rs. 53 crores would be required for the same.

6.49 Besides, funds will be required for providing additional EMU stock to the extent necessary as indicated earlier. Also the railways concerned will have to develop proper holding and maintenance facilities for the additional EMU stock on priority basis.

Development of facilities on "Non-suburban" sections

6.50 As mentioned earlier, the demands for commuter train facilities are increasingly developing in a number of other areas. Some idea about where such demands are increasing is provided by the data about increase in urbanisation, especially the growth in the population of some major cities and also by the data about the growth in the issue of non-suburban season tickets which are found to be concentrated in large numbers of particular sections. The section which appears to have the largest number of such tickets is that between Bombay and Pune. Some other clusters where an increasing number of such tickets are being issued are as follows :—

1. Ahmedabad-Surat-Baroda-Anand-Navsari.
2. Ajmer and surroundings.
3. Amritsar-Jullundur-Ludhiana.
4. Delhi and surroundings.
5. Hyderabad-Secunderabad.
6. Indore and surroundings.

7. Kanpur-Lucknow.
8. Madurai and surroundings.
9. Ernakulam.

6.51 To cater to the increasing traffic of commuters between Pune and Lonavla, already one EMU rake has been provided. To cater to the needs of the large number of commuters between Pune and Bombay, facilities are provided by reserving 1½ coaches of the Second class and one coach of the First class in the Deccan Queen which runs at suitable timings between Pune and Bombay. In addition, there is the recently introduced double-decker all second class Sinhagad Express which goes from Pune to Bombay at timings suitable for office-goers in the morning. The return timing of this train is however not suitable for office-goers. Between Bombay and Surat, there is a similar train with suitable timings, viz. the Flying Rance. In the Calcutta area, there are trains such as the Coalfield Express, the Black Diamond Express, the Asansol-Howrah Express, the Ispat Express, and the Rourkela Express, which cater to the increasing number of commuters coming from medium distances on the non-suburban sections in this region. Similarly 16 pairs of daily shuttle trains are being run to cater to the needs of commuters coming to Delhi from nearby towns. In the Secunderabad and Hyderabad area, 24 pairs of daily local trains are worked on the metre gauge sections between Medchal and Secunderabad and Umda Nagar and Secunderabad for the use of commuters. Three pairs of shuttle trains cater to the needs of the commuters between Kanpur and Lucknow on the Broad Gauge section. There are two pairs of similar trains on the metre gauge section between these two places. Shuttle services are similarly running between Madurai and Dindigul, Virudhunagar and Manmadurai and between Ernakulam and Kottayam, Alwaye and Cochin. Increasing demand for similar facilities is growing in other areas and sections.

6.52 The demand for commuter train facilities is, to some extent, related to the very low season ticket fares which have prevailed for a long period. This is actually resulting in diversion of short distance traffic to the railways which can be more economically catered to by bus transport. To the extent that some rationalisation of fares will distribute traffic as between these two modes of transport on a more economical basis, this should be welcome. However, where the number of commuters wanting to reach a central business area is large, rail service—either through EMUs or through diesel multiple units— may provide far better facilities. It is necessary that areas where such facilities need to be provided are located early and steps taken in anticipation to cater to such growing needs. The lack of such anticipation and pre-planning is already resulting in the insistence on the use of long distance trains by commuters who also demand halts at suitable points, and this disturbs the punctuality and requirements of long distance trains. If the halts are denied or the commuters are not permitted to travel by these trains, this leads to public dissatisfaction and difficult law and order problems, with potential difficulties for the security of railway property and personnel. It is therefore obvious that programmes for reviewing such requirements and planning for them in advance need to be taken in hand urgently and works for meeting

such requirements sanctioned and taken up in good time. A major difficulty in doing this upto now has been the comparatively poor financial situation of the Railways due to which it has not been possible to think of bold programmes of this kind in anticipation of demand and requirements. This further indicates the importance of bringing about some rationalisation of the fare structure, especially regarding season tickets, both to ensure a more rational allocation of passengers

between road and rail, and also to make such railway projects financially viable. Unless the fare structure is rationalised, not only would it be difficult for Railways to demand necessary funds from the General Exchequer for the development of such projects, but it may even be said that further development of services—without rationalisation of fares—would increase the losses that are already being sustained on such services.

STATEMENT NO. VI—1
GROWTH OF SUBURBAN TRAFFIC AND TRAFFIC FACILITIES
(Electric Multiple Unit Trains)

(Figures in million)

Particulars	1960-61	1965-66	1970-71	1975-76	1976-77
I. 1 Population (In '000)					
Bombay	4152*		5971@		7867£
Index No. (1960-61=100)	100		144		189
Calcutta	5737*		7031@		8191£
Index No. (1960-61=100)	100		123		143
Madras	1729*		2469@		3236£
Index No. (1960-61=100)	100		143		187
II. Number of Passengers carried					
Central Railway	221.81	369.26	482.98	651.18&	687.00&
Western Railway	236.15	356.32	432.64	584.98&	651.57&
TOTAL BOMBAY	457.96	725.58	915.62	1236.16&	1338.57&
Index No. (1960-61=100)	100	158	200	270	292
Eastern Railway	54.79	69.60	152.80	305.50&	347.82&
S.E. Railway	—	—	25.39	53.34&	62.27&
TOTAL CALCUTTA	54.79	69.60	178.19	358.84&	410.09&
Index No. (1960-61=100)	100	127	325	655	748
Southern Railway TOTAL—Madras	45.80	61.87	79.42	108.19&	121.90&
Index No. (1960-61=100)	100	135	173	236	266
III. Passenger Kms.					
Central Railway	3048.58	5345.64	8252.24	11644.59	12902.50
Western Railway	3370.48	4830.22	6871.14	9787.38	10979.77
TOTAL BOMBAY	6419.06	10175.86	15123.38	21431.97	23882.27
Index No. (1960-61=100)	100	159	236	334	372
Eastern Railway	1251.13	1660.03	3408.21	7393.32	8410.61
S.E. Railway	—	—	670.34	1328.44	1630.93
TOTAL CALCUTTA	1251.13	1660.03	4078.55	8721.76	10041.54
Index No. (1960-61=100)	100	133	326	697	803
Southern Railway TOTAL—MADRAS	484.34	710.08	1045.21	1533.08	1724.10
Index No. (1960-61=100)	100	147	216	317	356
IV. Vehicle Kms.					
Central Railway	80.30	126.96	123.33	155.48	164.98
Western Railway	70.69	88.66	97.02	119.32	136.09
TOTAL BOMBAY	150.99	215.62	220.35	274.80	301.07
Index No. (1960-61=100)	100	143	146	182	199
Eastern Railway	28.56	28.47	91.81	162.78	161.22
S.E. Railway	—	—	25.63	33.04	35.53
TOTAL CALCUTTA	28.56	28.47	117.44	195.82	196.75
Index No. (1960-61=100)	100	99.7	411	686	689
Southern Railway TOTAL—MADRAS	17.95	21.16	33.35	36.10	37.54
Index No. (1960-61=100)	100	118	186	201	209

* 1951 census figure relating to urban agglomeration only.

@ 1961 census figure relating to urban agglomeration only.

£ Relate to midyear annual estimate for 1978.

& Passengers travelling over two or more Railways are considered as having made two or more journeys.

CHAPTER VII

PASSENGER PROFILE—AN INTERIM VIEW

7.01 As indicated earlier, the Committee found that the only data about the Socio-economic conditions and preferences of the railway passenger available with the Railways was based on an survey commissioned on suburban passengers (*see para below*). Data about numbers travelling by different classes etc., are available but no information about the profile of passengers travelling on different sections and on different types of trains, in different classes, their problems etc. is available. The Committee considered it necessary to fill up this gap through specially organized surveys. As it was decided to concentrate attention on certain types of passenger fares in the Interim Report, certain passenger surveys were organised in August and September 1978 for the purpose of obtaining data about the season ticket holder both on suburban and non-suburban sections and the card ticket holder on the suburban sections. A more detailed report on these surveys will be submitted separately. For the purpose of this Report, only some salient features of the survey and the immediately available conclusions arising therefrom are included in this chapter. It is possible that in some cases the statistical trends highlighted by our survey may not be in full conformity with those shown by the statistics published by the Railways, as the latter are based on a much wider coverage and, as presently available, relate to earlier years. However, this aspect has been kept in view by us while arriving at conclusions and making our recommendations.

Profile of the Season Ticket holder

7.02 The Railways had got a survey made of the Suburban commuters with the cooperation of the Indian Institute of Management, Ahmedabad in 1975-76. The Committee studied the report of this survey which was assigned to them with a view to answering the following questions :

- (i) Which categories of persons/companies enjoy the benefits of low rated freight traffic and suburban services ?
- (ii) What is the quantum of the benefits enjoyed by them ?
- (iii) To what extent do these subsidized rates contribute to the economic benefits of the country ?
- (iv) Is the present subsidy desirable ?
- (v) Can the fulfilment of this social obligation be shared by some other agency ?
- (vi) Can such intangible social benefits from low rated suburban season tickets as relief from air pollution, housing, and milk distribution problem be evaluated ?

For the purpose of developing a socio-economic profile of the season ticket holders commuting in suburban trains, the Institute conducted a survey in 1975 in Bombay, Calcutta and Madras. The results of the survey were made available in the form of a report to the Government submitted in 1976. We have examined the results of this survey and have made such use of it as we found appropriate.

7.03 In view of the fact that the Committee decided to deal with the whole question of season ticket fares in this Interim Report, and not merely that of season ticket fares in the suburban areas, it was decided that our survey should bring within its scope all season ticket holders, suburban as well as non-suburban. It was also necessary to have an all-India coverage for this purpose so as to ensure that the picture emerging from the survey should be such as would enable the Committee to draw conclusions and make recommendations for the country as a whole. It was also thought that the sample should be so drawn as to be as representative of the entire survey population as possible. The method of sampling was worked out in consultation with the Central Statistical Organisation.

7.04 Data were initially collected about the issue of season tickets as compared to the total number of passengers in the suburban and non-suburban sections of the Railways. The figures for the last 10 years are given in Table No. VII-1.

TABLE NO. VII-1
NUMBER OF SEASON TICKET HOLDERS IN
RELATION TO TOTAL TRAFFIC
(Figures in millions)

A. Suburban	1968-69	1976-77	1977-78 (Provisional)
I. Total Passengers originating*			
Bombay	720 (100)	1217 (169)	1322 (194)
Calcutta	275 (100)	435 (158)	451 (164)
Madras	82 (100)	150 (183)	155 (189)
TOTAL	1077 (100)	1802 (167)	1928 (179)
II. Passengers originating* Season Ticket Holders			
Bombay	525 (100)	914 (174)	879 (183)
Calcutta	176 (100)	303 (172)	316 (180)
Madras	54 (100)	106 (196)	108 (200)
TOTAL	755 (100)	1323 (175)	1411 (187)

III. Season ticket holders as
% of Total Suburban
Originating Passengers

(A. II as percentage of A.I.)	1968-69	1976-77	1977-78
Bombay	72.9	75.1	74.7
Calcutta	64.0	69.7	70.1
Madras	65.8	70.7	69.7
TOTAL	70.1	73.4	73.2

B. Non-Suburban

	1968-69	1976-77	1977-78
I. Total Passengers originat- ing	1129 (100)	1498 (133)	1575 (140)
II. Passengers originating on Season Tickets	125 (100)	365 (292)	380 (304)
III. B. II as % of B.I.	11.1	24.2	24.1

NOTE : Figures in brackets give index with 1968-69=100.

SOURCE : Supplements to Indian Railways Annual Report
on Accounts, Statistical Statements.

These data show that the proportion of season ticket holders among the railway passengers as a whole has been increasing both in the suburban and the non-suburban areas. The recent increase in the non-suburban areas is specially marked, indicating that a new pattern of commuting is developing. This fact supported the approach that the survey should also bring within its scope the growing population of non-suburban season ticket holders.

7.05 Data obtained from different Railways about the issue of season tickets in July 1977 and January 1978 showed that, in all, there were 355 suburban stations and about 3,150 non-suburban stations from where season tickets were being issued. Thus, season tickets were being issued from practically half the total number of railway stations in the country. It was, however, found that the number of stations from where the issue of non-suburban season tickets was substantial, i.e., more than 150 per month, was only 656. The remaining stations issued a much smaller number of season tickets. In working out the sample design, these characteristics of the different stations were taken into account. It was decided that the survey would cover all suburban stations, i.e., all stations in the Bombay, Calcutta and Madras areas served by the suburban trains. All the stations on non-suburban sections where the issue of season tickets exceeded 150 per month were also covered. From the remaining stations numbering 2,494 a random sample of 1,299 was chosen. The coverage of the stations is indicated by Table No. VII-2.

TABLE VII-2

NUMBER OF STATIONS COVERED BY THE SURVEY

Railway	Suburban	Non-Suburban		Total
		Where issue of season tickets was less than or equal to 150 per month.	Where issue of season tickets was more than 150 per month	
Central	52	82	64	198
Eastern	200	123	58	381
Northern	—	245	162	407
North Eastern	—	105	30	135
Northeast Frontier	—	47	3	50
Southern	50	232	118	400
South Central	—	121	68	189
South Eastern	25	54	13	92
Western	28	290	140	458
TOTAL	355	1299	656	2310

7.06 In selecting the sample it was decided that on each day when the Survey was to be conducted, one person out of five purchasing season tickets on non-suburban stations, and one out of ten on suburban stations, should be interviewed. The Survey was conducted in the month of August 1978 and three dates were randomly chosen for the conduct of the Survey, making sure that one of the days falls within the first ten days of the month, another in the second ten days and the third in the third ten days. The survey was conducted through a questionnaire which was to be filled in by investigators through interviewing the selected season ticket holders. A copy of the form used for the Survey will be found in Annexure VII-1. The investigating staff were selected from among railway employees made available by different Zonal Railways. These staff were given special written instructions about the purposes and methodology for conducting the Survey. The Committee's own staff also visited different zones to educate the investigating staff and also to keep watch on the progress of the survey. The forms were processed by the Committee's office and the analysis conducted with the help of the Computer Centre of the Northern Railway.

7.07- The results of the Survey are given in the various Statements (Nos. VII-1 to 9) which are included at the end of this chapter. Some of the

*Each monthly season ticket is equated to 50 single journeys.

salient features which are indicated by the Survey and which are important from the point of view of the Terms of Reference of the Committee are explained hereafter.

The Suburban Season Ticket holder

7.08 It was observed (See Statement VII-1A) that of the total number of season ticket holders only about 7% held first class season tickets, the remainder holding second class season tickets. Of the first class season ticket holders, an overwhelming majority (93%) was accounted for in the Bombay area, the number of such ticket holders in Calcutta and Madras being negligible. In the Calcutta area at least, this may be due to the fact that, as the Committee observed, there was hardly any difference in the facilities available to the first class passenger as compared to one in the second class, the cushions etc. in most cases having been removed. It was also understood that preventing passengers not holding first class tickets from travelling in first class cannot always be ensured especially in the Calcutta area. This may account for the fact that only a small number of persons buy first class season tickets in that area. The small proportion of first class season ticket-holders in the Madras area is likely to be related more to the general economic conditions in Madras and also to the fact that there is less overcrowding in the suburban train sections in Madras as compared to Bombay and Calcutta.

7.09 Of the total population of suburban season ticket-holders, the overwhelming proportion comes from persons engaged in Industrial and Commercial Establishments, workers in such establishments constituting 28% of the second class season ticket-holders, clerks over 9%, and officers and supervisors about 6%. There is a certain difference among the three areas in this respect, workers constituting over 34% and clerks over 9% of the second class season ticket-holders in the Bombay area, as compared to only about 14% workers and somewhat over 8% clerks in the Calcutta area, and about 18% workers and slightly above 10% clerks in the Madras area.

7.10 Government employees constitute about one quarter of the total second class season ticket-holders in the suburban sections, but the proportion of these to the total is much smaller in the Bombay area (about 18%) as compared to the Calcutta area (37%) and Madras area (34%). Thus, Government personnel constitute a much larger proportion of the suburban Second Class season ticket holders in Calcutta and Madras as compared to Bombay where the proportion of those in industrial and commercial establishments is much larger. This is probably related to both the residential distribution of population in the three areas and also the nature of the suburban services. As has already been mentioned, while the suburban services in Bombay operate both in the industrial and business areas, their termini bringing commuters right to the heart of the central business district, this is not so in

Calcutta where the termini bring the commuters to the periphery of the Central business area.

7.11 The "self-employed" taken together constitute about 17% of the total second class season ticket holders, and about 22% of the first class season ticket holders. The overwhelming majority of these consist of persons who described themselves as engaged in business, the second largest category being that of professionals. Hawkers constitute a small proportion (2.68%) of second class season ticket-holders, the remaining categories like artisans and farmers constituting a negligible proportion. The distribution of the self-employed among the three areas shows that their proportion is much larger in Calcutta (almost 20%) out of which over 13% described themselves as engaged in business, though they travel by second class. Among the second class season ticket holders, the proportion of so-called businessmen is much smaller in Bombay and Madras. It is interesting to note that out of the few first class season ticket holders in Calcutta, over 28% are those who described themselves as businessmen.

7.12 Students constitute a significant category of the season ticket holders, accounting for almost 7% of the second class, and (interestingly) over 13% of the first class season ticket holders. Their proportion varies somewhat from area to area but the predominance of first class season ticket holders in the student category is even more pronounced in Bombay, with 14% of the first class season ticket holders belonging to the student category as compared to 6% among the second class. There is no such predominance in Calcutta, while in Madras the students' proportion is about the same when compared to the totals of first class and second class season ticket holders.

7.13 Among the small number of first class season ticket holders, apart from students, the main elements consist of employees in industrial/commercial establishments (about 42%), and businessmen (over 15%). Among those employed in industrial/commercial establishments, officers and supervisors constitute the largest numbers. In the Bombay area, the proportion is even more heavily weighted among this class of season ticket holders in favour of those employed in industrial and commercial establishments, the number of those engaged in business being about the same, while the proportion of Government employees is smaller. In the Calcutta area, of the small number of first class season ticket holders, the vast majority consist of Government officials, businessmen and those employed in industrial and commercial establishments.

7.14 To summarise, the Survey shows that in the three suburban areas, the largest proportion of second class season ticket holders comes from those employed in industrial and commercial establishments (about 43%); Government employees constitute the next largest category (24%) while self-employed constitute only some 17%, teachers who might be divided between Government and private establishments account for about 2.4% and student for about 7%.*

*In this connection, the following table from the survey conducted by IIM would be interesting.

DISTRIBUTION OF PASSENGERS IN SUBURBAN RAILWAYS

Railways	Percentage of Suburban Passengers				Total
	Students	Self employed	Govt. employees	Employees of private companies & others	
Bombay					
Central Railway	8.25	22.50	23.73	45.52	100.00
Western Railway	8.91	19.49	18.14	53.46	100.00
TOTAL	8.56	21.06	21.06	49.53	100.00
Calcutta					
Eastern Railway	12.19	19.46	33.31	35.04	100.00
South Eastern Railway	11.15	25.58	34.31	28.96	100.00
TOTAL	12.05	20.34	33.46	34.15	100.00
Madras					
Southern Railway	7.63	11.40	38.48	42.49	100.00
TOTAL	10.08	18.71	30.74	40.47	100.00

SOURCE : A Study of Commuter Profile and Subsidised Rate of Season Tickets in Suburban Railways, Indian Institute of Management, Ahmedabad, 1976, Page 16.

7.15 Data were also collected about the age distribution of season ticket holders (see statement VII-2). For the purpose of the Interim Report, the age-wise distribution of various season ticket holders is not of much relevance. It is, however, interesting to note that of the student season ticket holders the largest proportion is in the age group of 12 and 21, as children below the age of 12 in any case obtain in their season ticket fares a concession equivalent to that obtained by students. It is somewhat important to note, however, that almost 1/5th of those who obtain student season tickets, which carry over 50% concession in the fare belong to the age-group of above 21. The proportion varies from 24% in the Calcutta area to between 17 and 18% in the Bombay and Madras areas. The information collected by us does not permit a further age-distribution to ascertain how many of these student season ticket holders above the age of 21 are in the age-group below 25. With the very large element of concession, however, it is not unlikely that quite a large number of senior adults, registered as part-time students, earning an income and belonging to another professional category might be enjoying this concession.

7.16 While an attempt was made to obtain information about the income of the season ticket holders by putting a question to them about it, as is well known, the reliability of information given by respondents to questions regarding income is always somewhat doubtful. We had taken care to ask questions only in terms of broad categories and the maximum category was put at over Rs. 1,000, thus indicating that we were not interested in knowing the exact income specially of the higher income groups. Even then, the reliability of these data remains somewhat doubtful. Thus, we find from the Survey (see statement VII-3A) that somewhat over 3% of the first class season ticket holders show their income to be

below Rs. 250 per month and another 10% season ticket holders show their income to be between Rs. 251 and Rs. 500. While it is not impossible that people with low incomes would buy first class season tickets, specially for short distances, and also because the season tickets are priced low, there can be reasonable doubt whether at least some of these cases do not reveal that the data given about incomes are understated. Even then, about 39% of the first class season ticket holders have incomes between Rs. 501 and Rs. 1,000 and about 32% above Rs. 1,000. It may be mentioned that about 14% of the first class season ticket holders show their incomes to be nil; these probably represent students, who, as shown earlier, constitutes a significant percentage of the first class season ticket holders.

7.17 Among the second class season ticket holders, leaving aside the 8% with no incomes who probably represent students and also the unemployed, about 20% give their incomes as below Rs. 250 per month, and about 46% as between Rs. 251 and Rs. 500. It is interesting that these proportions are about equal in the Bombay and Calcutta areas, while in the Madras area, the proportion of those with incomes below Rs. 250 per month is almost 30%, while the proportion of those with incomes between Rs. 251 and Rs. 500 is only about 33%. The proportion who show their incomes to be between Rs. 501 and Rs. 1,000 is about 22% and variation as among the three areas is not very large, that in Bombay being less than 21% while that in both Calcutta and Madras being about 24%. The proportion of those who show their incomes as being over Rs. 1,000 is small with not much variation among the different areas, it being around 3%.* As is well known, at the present level of fares, a quarterly season ticket costing only 2½ times the monthly season ticket is very much cheaper. One finds that, (see Statement VII-4) in spite of this, the proportion of those who buy quarterly tickets is much

*In this connection, data obtained in the earlier Survey conducted by the II-M, Ahmedabad, is interesting as a basis of comparison. It is found that the results are not very dissimilar.

smaller as compared to those who buy monthly tickets. Taking all the first class season ticket holders, only about 25% in the non-student category buy quarterly season tickets while 65% buy monthly season tickets. Among the second class season ticket holders, only about 6% buy quarterly season tickets while almost 88% buy monthly season tickets. It is only in the

student community that one finds a preponderance of those who buy quarterly season tickets as compared to those who buy monthly season tickets (6% of quarterly as against about 2% monthly among the first class season ticket holders and over 1% and 0.3% among the second class season ticket holders respectively).

**INCOME-WISE DISTRIBUTION OF SEASON TICKET HOLDING
SUBURBAN PASSENGERS (I.I.M. SURVEY)**

Income Range Rs.	Percentage of total suburban passengers					
	Bombay		Calcutta		Madras	
	First Class % to total	Second Class % to total	First Class % to total	Second Class % to total	First Class % to total	Second Class % to total
Upto 250	—	—	5.7	27.1	1.9	31.3
251—500	17.1	60.4	22.9	42.4	12.9	39.0
501—1000	38.5	26.4	17.1	15.2	23.9	19.6
Over 1000	32.2	5.5	45.7	3.3	48.4	2.6
Students	12.2	7.7	8.6	12.0	12.9	7.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE : A study of Commuters Profile and Subsidised Rate of Season Tickets in Suburban Railways, Indian Institute of Management Ahmedabad, 1976.

That it is only those who can afford to spare the amount required for quarterly season ticket who benefit from the concession given in the quarterly fare is indicated by the fact (see Statement VII-4B) that, among the first class season ticket holders, apart from the students whose family income we did not ascertain, it is the top two income groups who account for about 86% of the total quarterly season ticket holders. Among the second class season ticket holders, on a similar basis after excluding students, the proportion of those whose incomes exceed Rs. 500 constitute almost half of the total quarterly season ticket holders. This is also confirmed by the data (see Statement VII-4B) which show that, among the first class season ticket holder, those whose income exceeds Rs. 1,000 constitute 1/3rd while those with income below that limit constitute 66% of the monthly season ticket holders, of whom some 46% have incomes between Rs. 500 and Rs. 1,000 p.m. Among the second class season ticket holders, those who purchase monthly season tickets show an absolute preponderance (about 75%) of those with incomes less than Rs. 500. In any case, the proportion of those who buy quarterly season tickets is very small as compared to the total number of season ticket holders.

7.18 It is curious to note (see Statement VII-5) that 85% of the suburban season ticket holders are males and only about 13% females; the variation among the three areas shows that the proportion of females is somewhat lower in Calcutta and higher in Madras.

7.19 A very interesting point that comes out from the Survey results is (see Statement VII-6) that, in all the suburban areas, there is a morning peak hour with the bulk of the traffic moving between 6.00 hours and 10.00 hours; and the evening peak hours traffic is spread between 17.00 hours and 20.00 hours. The traffic in all the three areas is predominantly in one direction in the morning peak hours and in the opposite direction in the evening peak hours. Thus, the impression that this pattern is changing, and that the traffic is increasingly moving equally in both the directions, is not substantiated by the Survey. The distribution of passengers at different hours also indicates why there is much over-crowding in the suburban trains at certain hours though the overall relationship between passenger capacity and the number of passengers does not reflect such a crushed and over-crowded situation.*

7.20 One of the most important points which we learnt from the Survey (see Statement VII-7A) is that an overwhelming proportion of season ticket holders use their season tickets for making six or more trips per week. Among the first class season ticket holders, about 64% make six trips a week and about 21% make seven or more trips. Among the second class season ticket holders, almost 59% make 6 trips a week and almost 25% make seven or more trips. The proportion who make only 2 to 5 trips is between 9 and 10%, both among the first and second class season ticket holders. Thus, the overwhelming majority of the season ticket holders perform over 50 single journeys per month with the use of the season ticket.

*For the Committee's studies on costs on suburban sections, estimates of average occupancy of the suburban trains were prepared on the basis of vehicle kilometres of traffic trains and the average capacities (including standing capacity) of motor coaches and trailer coaches on the different Zones for the year 1976-77. The average occupancy in the Bombay area works out to about 84%, in the Calcutta area to about 50% and in the Madras area to about 42%.

7.21 An analysis of the reasons (see Statement VII-8) why the season ticket holders prefer railways over other modes of transport shows that about 1/3rd prefer railways because no alternative mode is available, except in Madras where other reasons such as the railways being the cheaper mode and helping to reach in time appear to have a greater weight. When it comes to suggestions for the improvement in train services' (see Statement VII-9), the main improvement desired appears to be an increase in the frequency of trains. Other improvements such as fast trains and reduced over-crowding appear to receive equal but lesser importance, while it appears that the number of those who find that the timings of the trains are inconvenient is not very large.

Non-Suburban Season Ticket Holders

7.22 It may be noted that among the non-suburban season ticket holders (see Statement VII-1B) the total proportion of those who buy first class season tickets is very much smaller than that among the suburban season ticket holders. Among the first class season ticket holders, the largest proportion is that of businessmen, about 29% ; Government employees constitute about 23%, employees from commercial and industrial establishments about 21% and self-employed professionals about 11%. Among the second class season ticket holders, Government servants specially of the class III category constitute the single largest proportion (21%) and all categories of Government employees together account for about 33%. Employees of commercial and industrial establishments account for 23% and self-employed persons for 22%. The single largest category among the self-employed consists of those who describe themselves as businessmen (13%). It is interesting to note that, unlike in the suburban sections, a very small proportion of students buy first class season tickets, their proportion constituting about 5% of the first class season ticket holders. It is also interesting that as compared to the suburban sections, students constitute a much larger proportion (about 12%) of the second class season ticket holders on the non-suburban sections.

7.23 In the non-suburban sections, the number of student season ticket holders in the age group above 21 (See Statement VII-2) constitutes over 1/5th of the total student season ticket holders. It is not clear how many of these would be full time students and how many would be part time students, engaged in some other income-earning occupation, but also registered as students in educational institutions.

7.24 Among the non-suburban season ticket holders, the income categories (see Statement VII-3B) show that, among the first class season ticket holders, over 41% have incomes exceeding Rs. 1,000 per month, over 28% between Rs. 500 and Rs. 1,000 per month, about 16% between Rs. 251 and Rs. 500 per month, while almost 7%, though they have first class season tickets, have stated that their incomes are below Rs. 250 per month. Among the second class season ticket holders, about 22% have stated their income as being below Rs. 250 per month, about 43% between Rs. 251 and Rs. 500 per month, and about 19% between Rs. 501 and Rs. 1,000 per month, less than 3% stating their incomes to be above Rs. 1,000. Over

6% of the first class season ticket holders and about 13% of the second class season ticket holders have stated that they have no income ; these probably represent mainly the students and perhaps the unemployed.

7.25 In the case of the non-suburban sections, the proportion of those who buy quarterly season tickets (see Statement VII-4A) is not very different from that on the suburban sections. The difference is mainly in the student categories where, unlike in the suburban sections, the proportion of those who buy quarterly season tickets and those who buy monthly season tickets is about the same in their respective categories.

7.26 It is curious that, among the season ticket holders on the non-suburban sections, the proportion of male passengers is even higher (91% of the total) than that on the suburban sections where it is 85%.

7.27 As regards the timings when the season ticket holders commence their journeys (see Statement VII-6A), the data indicate that most of these are commuters so that a very large proportion commence their journeys between 6.00 hrs.—8.00 hrs., and practically an overwhelming number have commenced their journeys before 9.00 hrs. in the morning. The traffic is more spread out over the remaining hours, the only other peak being between 17.00 to 19.00 hrs. This perhaps indicates the longer distances that the non-suburban season ticket holders have to travel. It is also likely that the trains used, not being EMUs, are slower. Moreover, these data combine information about a large number of sections spread all over the country and, therefore, are not likely to indicate a specific pattern, as are shown by data regarding particular areas like Bombay, Calcutta and Madras.

7.28 It is interesting to note (see Statement VII-7B) that the proportion of those who make six or more trips is somewhat less among the non-suburban season ticket holders as compared to those on the suburban sections. The reason probably is that the non-suburban season ticket holders constitute a very mixed bag, some of them traversing much longer distances and by slower trains, thus making it difficult for them to make daily trips. Partial analysis of the Survey data shows that the average lead of a suburban season ticket holder in the first class is 21 Kms. while that in the II class is 75 Kms. Among the second class season ticket holders, the difference in average lead is less, the lead being 23 Kms. in suburban and 38 Kms. in non-suburban sections. Even then, as many as 43% of the first class season ticket holders and 51% of the second class season ticket holders make six trips in a week and about 12% of the first class and about 17% of the second class season ticket holders make 7 or more trips per week. Thus, over 2/3rd of the second class season ticket holders make more than 50 single journeys per month. Of the first class season ticket holders about 55% perform over 50 single journeys. It is also interesting that about 34% of the first class season ticket holders and 17% of the second class season ticket holders make between 2 and 5 trips. This proportion is much larger than the comparable proportions on the suburban sections. This also confirms the hypothesis mentioned earlier that, in this category, we have probably persons

who are travelling longer distances and by slower trains. It is also possible that the cheapness of the season ticket enables persons to buy season tickets even though they are not daily commuters as they find it cheaper to buy the season ticket than to pay single fares every time they perform a journey.

7.29 The reasons for preferring railways over other modes of transport (See statement VII-8) are more important in the case of non-suburban sections. Here it is quite clear that, as compared to suburban sections the cheapness of railways is far more important than any other single factor. That no alternative transport is available is a reason given only by 20% of the respondents as compared to 33% on the suburban sections.

7.30 Regarding the improvement in train services (See statement VII-9), the single most important emphasis is on more convenient train timings. The next emphasis is on increase in the frequency of trains. The speed of trains and reduced overcrowding appear to bother the non-suburban season ticket holders least.

Card Ticket Holders on Suburban Sections

7.31 In order to understand the overall situation on the suburban sections, a survey was also conducted on the three suburban sections of Bombay, Calcutta and Madras among the card ticket holders who travel on the suburban trains. The attempt was to bring within the scope of the survey approximately 10% of those who purchase card tickets for suburban journeys. Two days in September, 1978, on each suburban section were chosen, one of them being a Sunday. The survey was confined mainly to two aspects—

- (a) the reason why the person was travelling with the use of a card ticket instead of buying a season ticket ; and
- (b) the profession of the passenger in broad categories.

The other arrangements for the Survey were largely similar to those for the Survey conducted for season ticket holders, except that the Card Ticket Holder's Survey was confined to the three metropolitan areas.

7.32 The response to this Survey was not as satisfactory as the earlier one. The data available however show (see Statement VII-10) that in the overwhelming majority of cases, both on a week day and on Sunday, the reason for making a journey with the use of a card

ticket—instead of a season ticket—is that the particular journey is not a regular journey performed by the individual. The other most important reason is that the intending passenger was a visitor to the city and therefore the question of his buying a season ticket did not arise. The third most important reason was that the intending passenger normally uses some other means of transport. An important reason why we wanted to examine this point was whether the failure to buy a season ticket was in a large number of cases due to the poverty of the individual—his inability to invest the amount required for buying a season ticket, however cheap the season ticket may be. It appears that this reason was responsible only for about 10% among those who were undertaking journeys on card tickets. The proportion of those who indicated this reason is somewhat higher in Calcutta and somewhat lower in Bombay and Madras.

7.33 Among those who perform journeys on the basis of card tickets (See Statement VII-11), the largest proportion came from those who were employed in either private or Government service. The next largest category was that of self-employed persons. It is significant that their proportion among the card ticket passengers is larger than that among season ticket holders. This may indicate that their place of work is less certain and therefore they buy card tickets for performing the journey. The proportion of unemployed among the card ticket holders is significant (about 18%). This suggests that the more important reason for their travelling on a card ticket is that their place of potential employment being uncertain, there was no basis on which they could buy season tickets, as the direction and destination of their journeys was uncertain.

7.34 One of the surprising features of the data received through this Survey is that as large a proportion as around 10% (around 13-14% in Calcutta) of those travelling on card tickets consist of students. The reason why they travel on card tickets rather than on season tickets is not clear. The possibility is that these represent casual journeys and not journeys from home to educational institutions.

7.35 Another interesting feature of the data provided by this Survey is that there is not much difference between the week day and Sunday travelling. The number of card tickets issued also does not appear to vary very significantly. The reasons for buying card tickets and the distribution of passengers among different professions also does not appear to vary significantly.

STATEMENT VII—1(A)

DISTRIBUTION OF SEASON TICKET HOLDERS BY PROFESSION—SUBURBAN

Profession	Bombay		Calcutta		Madras		Total Suburban	
	First	Second	First	Second	First	Second	First	Second
	(Per cent)		(Per cent)		(Per cent)		(Per cent)	
A. Govt. Employees								
(i) Class I & II	10.24	2.46	22.86	3.73	20.83	4.09	11.01	2.94
(ii) Class III	5.84	9.74	14.29	27.76	8.33	21.86	6.15	15.24
(iii) Class IV	0.62	5.52	—	5.93	1.39	7.96	0.64	5.84
B. Ind./Com. Estt.								
(i) Officers	17.25	2.07	11.42	1.22	22.22	2.45	17.35	1.89
(ii) Supervisors	13.40	4.04	5.71	3.33	6.95	4.42	12.93	3.9
(iii) Clerks	7.70	9.64	2.86	8.63	9.72	10.47	7.68	9.46
(iv) Workers	4.67	34.64	2.86	13.97	1.39	17.78	4.48	28.05
C. Self-Employed								
(i) Professionals	4.88	3.36	2.86	2.31	5.56	2.45	4.87	3.02
(ii) Businessmen	15.53	7.57	28.57	13.33	8.33	6.82	15.49	8.91
(iii) Hawker	1.03	2.91	—	2.57	—	1.25	0.96	2.68
(iv) Farmers	0.07	0.29	—	0.84	—	0.44	0.06	1.86
(v) Artisans	0.21	2.15	—	0.84	1.39	2.45	0.26	0.44
D. Teachers	1.65	1.61	5.71	4.47	1.39	2.56	1.73	2.39
E. Students	14.02	6.49	2.86	7.01	8.33	8.78	13.51	6.83
F. Others	2.89	7.51	—	4.07	4.17	6.22	2.88	6.55
G. Total	100= 1455	100= 13653	100= 35	100= 5011	100= 72	100= 1834	100= 1562	100= 20535
H. Classwise percent of total	9.63	90.37	0.69	99.31	3.78	96.22	7.07	92.93

STATEMENT VII—1(B)
PASSENGER PROFILE SURVEY—SEASON TICKET HOLDERS
TOTAL—NON-SUBURBAN

Profession	First Class	Second Class
	(Percentage)	
A. Govt. Employees		
(i) <i>Class I & II</i>	10.21	4.44
(ii) <i>Class III</i>	8.84	21.54
(iii) <i>Class IV</i>	4.08	6.68
B. Ind./Com. Estt.		
(i) <i>Officers</i>	8.84	1.02
(ii) <i>Supervisors</i>	4.08	1.89
(iii) <i>Clerks</i>	2.72	5.93
(iv) <i>Workers</i>	5.44	13.93
C. Self-Employed		
(i) <i>Professionals</i>	10.89	2.90
(ii) <i>Businessmen</i>	28.57	13.46
(iii) <i>Hawker</i>	1.36	2.73
(iv) <i>Farmer</i>	1.36	1.54
(v) <i>Artisan</i>	—	1.47
D. Teachers	2.72	4.01
E. Students	4.76	12.20
F. Others	6.13	6.26
G. Total	100=147	100=9887
H. Classwise percent of total	1.46	98.54

STATEMENT VII—2

AGE-WISE DISTRIBUTION OF STUDENT SEASON TICKET HOLDERS

Age Group	BOMBAY (Suburban) %age	CALCUTTA (Suburban) %age	MADRAS (Suburban) %age	TOTAL (Suburban) %age	TOTAL (Non-Suburban) %age
Below 12	1.74	1.35	7.69	2.20	1.33
Bet. 12—15	8.41	6.08	13.46	8.26	7.97
Bet. 15—21	72.17	68.24	61.54	70.09	68.11
Bet. 21—60	17.68	23.65	17.31	19.27	22.42
Age not given	—	0.68	—	0.18	0.17
TOTAL	100=345	100=148	100=52	100=545	100=602

STATEMENT VII—3A

INCOME-WISE DISTRIBUTION OF SEASON TICKET HOLDERS—SUBURBAN

Income Group	BOMBAY SUBURBAN		CALCUTTA SUBURBAN		MADRAS SUBURBAN		TOTAL SUBURBAN	
	First	Second	First	Second	First	Second	First	Second
	(Percent)		(Percent)		(Percent)		(Percent)	
1. Nil	14.57	8.84	2.86	7.29	8.33	9.82	14.02	8.55
2. Upto 250	3.30	19.83	—	16.86	8.33	29.33	3.46	19.95
3. 251—500	10.45	46.68	17.14	48.91	6.94	33.48	10.44	46.05
4. 501—1000	39.59	20.79	54.29	23.97	23.62	23.88	39.18	21.84
5. Over 1000	31.34	3.46	25.71	2.35	52.78	2.89	32.20	3.14
6. Not shown	0.75	0.40	—	0.62	—	0.60	0.70	0.47
TOTAL	100= 1455	100= 13653	100= 35	100= 5011	100= 72	100= 1834	100= 1562	100= 20498

STATEMENT VII—3B
 INCOME-WISE DISTRIBUTION OF SEASON TICKET HOLDERS
 NON-SUBURBAN

Income Group	First (Per cent)	Second
1. Nil	6.12	12.90
2. Upto 250	6.80	21.78
3. 251—500	16.33	43.07
4. 501—1000	27.89	18.95
5. Over 1000	41.50	2.82
6. Not shown	1.36	0.48
TOTAL	100=147	100=9887

STATEMENT VII—4

CLASSWISE DISTRIBUTION OF THE TYPE OF SEASON TICKET

Type of Season Ticket	Bombay Suburban		Calcutta Suburban		Madras Suburban		Total Suburban	
	First	Second	First	Second	First	Second	First	Second
1. Non-Student Monthly Season Ticket	64.26	88.51	85.71	85.61	83.33	88.71	65.63	87.81
2. Non-Student Quarterly Season Ticket	26.32	6.56	14.29	3.71	15.28	6.98	25.54	5.90
3. Student Monthly Season Ticket	1.86	0.34	—	2.80	1.39	0.33	1.79	0.94
4. Student Quarterly Season Ticket	6.46	1.30	—	0.16	—	2.45	6.02	1.13
5. Non-Student Vendors	1.10	3.29	—	7.72	—	1.53	1.02	4.22
6. TOTAL	100	100	100	100	100	100	100	100
	=1455	=13653	=35	=5011	=72	=1834	=1562	=20498

STATEMENT VII—4A

CLASSWISE DISTRIBUTION OF THE TYPE OF SEASON TICKET

Type of Season Ticket	Total Non-Suburban First	Second
1. Non Student Monthly Season Ticket	67.35	83.55
2. Non-Student Quarterly Season Ticket	27.21	6.57
3. Student Monthly Season Ticket	2.04	2.82
4. Student Quarterly Season Ticket	2.04	3.21
5. Non-Student Vendors	1.36	3.8
6. TOTAL	100 =147	100 =9887

STATEMENT VII—4B
CLASSWISE, INCOMEWISE DISTRIBUTION OF THE TYPE OF SEASON TICKET

	Monthly Season Ticket Income Group				Quarterly Season Ticket Income group			
	First Class		Second Class		First Class		Second Class	
	Student	Non-Student	Student	Non-Student	Student	Non-Student	Student	Non-Student
Nil	91.38	1.39	90.66	2.53	94.77	2.05	90.55	2.64
Upto 250	3.45	4.56	3.78	21.85	—	1.75	2.04	9.61
251—500	—	13.18	1.49	49.89	1.31	8.19	2.30	39.21
501—1000	1.72	46.48	0.89	22.41	1.96	40.64	0.51	39.96
Over 1000	—	33.99	—	3.08	0.65	46.49	0.26	8.11
Not shown	3.45	0.40	3.18	0.24	1.31	0.88	4.34	0.47
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	=58	=1009	=1006	=18039	=153	=342	=392	=1061

NOTE.—Students are those who have called themselves as students under the professional category.

STATEMENT VII--5

SEXWISE DISTRIBUTION OF SEASON TICKET HOLDERS.

	Bombay Suburban	Calcutta Suburban	Madras Suburban	Total Suburban	Total non- Suburban
	%age	%age	%age	%age	%age
1. Male Passengers	83.92	88.96	84.00	85.07	91.10
2. Female Passengers	13.91	10.01	14.00	13.07	7.67
3. Sex not given	2.17	1.03	2.00	1.86	1.23
4. TOTAL	100.00	100.00	100.00	100.00	100.00
	=15108	=5046	=1906	=22060	=10034

STATEMENT VII—6

PERIODS WHEN TRAINS ARE USED—PERCENTAGE TO TOTAL NUMBER OF PASSENGERS IN 24 HRS. IN EACH DIRECTION—CLASSWISE—DIRECTIONWISE—SUBURBAN

Time (Hours)	Bombay				Calcutta			
	UP		DN		UP		DN	
	I	II	I	II	I	II	I	II
6—8	17.96	25.71	5.87	10.59	2.08	10.70	14.58	21.11
8—9	25.32	19.42	6.08	7.13	8.33	9.22	20.83	19.72
9—10	23.02	14.18	3.71	4.01	12.50	6.71	22.92	16.84
10—11	8.78	6.57	2.23	2.53	2.08	3.27	12.50	5.61
11—16	5.67	18.49	7.29	8.47	2.08	5.03	4.17	6.41
16—17	3.11	4.67	7.97	9.87	—	7.19	6.25	4.27
17—18	4.59	5.82	19.18	15.53	18.75	18.14	6.25	7.96
18—19	5.20	5.46	18.77	16.32	20.84	16.86	2.08	7.48
19—20	2.63	3.71	15.87	11.76	14.59	10.08	4.17	4.93
20—22	1.89	3.22	10.26	9.08	16.67	9.68	4.17	3.99
22—06	1.08	2.56	2.43	4.29	2.08	2.54	2.08	1.16
Not given	0.74	0.64	0.34	0.43	—	0.58	—	0.52
TOTAL	100=	100=	100=	100=	100=	100=	100=	100=
	1481	13653	1481	13653	48	5011	48	5011

STATEMENT VII—6

PERIODS WHEN TRAINS ARE USED—PERCENTAGE TO TOTAL NUMBER OF PASSENGERS IN 24 HRS. IN EACH DIRECTION—CLASSWISE—DIRECTIONWISE—SUBURBAN

Time (Hours)	Madras				Total—Suburban			
	UP		DN		UP		DN	
	I	II	I	II	I	II	I	II
6—8	17.11	25.46	3.95	11.67	17.45	22.02	6.04	13.31
8—9	25.00	22.85	6.58	8.51	24.80	17.21	6.54	10.34
9—10	32.89	17.39	3.95	5.07	23.18	12.64	4.30	7.23
10—11	9.21	3.22	—	1.47	8.60	5.45	2.43	3.19
11—16	1.32	3.00	1.32	5.34	5.36	6.86	6.92	7.67
16—17	—	4.03	5.26	6.82	2.87	5.22	7.79	8.22
17—18	7.89	8.94	32.89	17.39	5.17	9.13	19.43	13.8
18—19	2.63	6.38	23.69	19.52	5.55	8.36	18.51	14.44
19—20	2.63	3.33	7.89	13.58	2.98	5.23	15.14	10.24
20—22	—	2.89	11.84	8.62	2.24	4.76	10.16	7.7
22—06	1.32	2.13	2.63	1.74	1.12	2.52	2.43	3.29
Not given	—	0.38	—	0.27	0.68	0.60	0.31	0.44
TOTAL	100=	100=	100=	100=	100=	100=	100=	100=
	76	1834	76	1834	1605	20535	1605	20535

STATEMENT VII—6(A)

PERIODS WHEN TRAINS ARE USED—PERCENTAGE TO TOTAL NUMBER OF PASSENGERS IN 24 HRS. IN EACH DIRECTION—CLASSWISE—DIRECTIONWISE—NON-SUBURBAN

Time (Hours)	Total Non-Suburban			
	UP		DN	
	I	II	I	II
6—8	24.58	25.63	18.44	22.16
8—9	14.53	15.13	11.17	13.63
9—10	11.73	5.86	5.59	5.92
10—11	2.23	2.28	1.68	1.95
11—16	1.68	5.72	4.47	6.02
16—17	6.15	4.71	5.58	6.01
17—18	11.17	13.15	13.40	13.61
18—19	9.50	10.69	15.08	12.32
19—20	7.26	7.54	8.38	8.89
20—22	3.90	5.27	8.94	5.87
22—06	1.12	3.11	1.68	2.78
Not given	6.15	0.91	5.59	0.84
TOTAL	100=	100=	100=	100=
	179	9887	179	9887

STATEMENT VII—7A

DISTRIBUTION OF SEASON TICKET HOLDERS BY CLASSES AND NUMBER OF TRIPS MADE

Number of trips	Bombay Suburban %age		Calcutta Suburban %age		Madras Suburban %age		Total Suburban %age	
	Ist	2nd	Ist	2nd	Ist	2nd	Ist	2nd
One	5.87	6.52	14.71	12.47	2.78	1.26	5.92	7.53
Two to five	8.90	7.51	8.82	13.40	23.61	10.23	9.58	9.19
Six	64.94	60.20	58.82	57.71	45.83	51.56	63.92	58.79
Seven & more	20.29	25.77	17.65	16.42	27.78	36.95	20.58	24.49
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	=1449	=13568	=34	=4970	=72	=1827	=1555	=20402

STATEMENT VII—7B

DISTRIBUTION OF SEASON TICKET HOLDERS BY CLASSES AND NUMBER OF TRIPS MADE

Number of trips	Total Non-Suburban Percentage	
	First	Second
One	10.96	14.11
Two to five	34.25	17.29
Six	43.15	51.22
Seven and more	11.64	17.38
TOTAL	100.00=146	100.00=9816

STATEMENT VII—8

DISTRIBUTION OF SEASON TICKET HOLDERS BY REASONS FOR PREFERRING RAILWAYS OVER OTHER MODES OF TRANSPORT

Reasons for Preference	Bombay	Calcutta	Madras	Total	Total Non-
	Suburban	Suburban	Suburban	Suburban	Suburban
	Per cent	Per cent	Per cent	Per cent	Per cent
1. No alternative transport available	35.33	33.37	17.31	33.33	20.74
2. Railways are cheaper	23.74	20.06	28.80	23.33	35.46
3. Railways help to reach in time	16.18	13.46	20.99	15.97	12.09
4. Railways are cheaper and help to reach in time	23.05	32.36	32.43	25.99	31.22
5. Preference not disclosed	1.70	0.75	0.47	1.38	0.49
TOTAL	100= 15108	100= 5046	100= 1906	100= 22060	100= 10034

STATEMENT VII—9

DISTRIBUTION OF SEASON TICKET HOLDERS SHOWING PREFERENCE FOR IMPROVEMENT
IN TRAIN SERVICES

Preference	Bombay Suburban	Calcutta Suburban	Madras Suburban	Total Suburban	Total Non- Suburban
	Per cent	Per cent	Per cent	Per cent	Per cent
1. Frequency increase	36.08	45.40	58.00	40.12	29.76
2. Faster Trains	25.40	11.95	17.00	21.55	15.25
3. Less over-crowding	24.67	22.24	16.00	23.32	20.24
4. Convenient Timings	12.52	19.24	9.00	13.79	33.68
5. No Suggestion	1.33	1.17	—	1.22	1.07
TOTAL	100= 15108	100= 5046	100= 1906	100= 22060	100= 10034

STATEMENT VII—10

REASONS FOR PURCHASE OF SUBURBAN CARD TICKETS

(In Percentage)

	Bombay Area		Calcutta Area		Madras Area		Total Suburban	
	Working Day	Sunday	Working Day	Sunday	Working Day	Sunday	Working Day	Sunday
1. An outside visitor to city	16.24	15.46	21.52	26.05	20.83	20.77	18.04	18.87
2. Normally goes by some other transport	14.46	14.34	14.81	13.29	14.35	13.67	14.53	13.98
3. Today's visit is not a regular one	47.35	49.34	40.85	40.71	43.47	46.47	45.34	46.76
4. Cannot afford the month's fare at a time	9.59	8.71	12.65	10.52	7.42	7.79	10.06	9.04
5. Other reasons	12.36	12.15	10.17	9.43	13.92	11.29	12.03	11.35
6. Total	100 =46036	100 =48452	100 =17014	100 =20196	100 =8481	100 =10823	100 =71531	100 =79471

STATEMENT VII—11

PROFESSIONWISE DISTRIBUTION OF SUBURBAN CARD TICKET HOLDERS

(In Percentage)

	Bombay Area		Calcutta Area		Madras Area		Total Suburban	
	Working Day	Sunday	Working Day	Sunday	Working Day	Sunday	Working Day	Sunday
1. Service	43.86	44.46	33.54	36.64	41.32	42.49	41.10	42.20
2. Self-Employed	30.04	29.12	31.76	29.67	29.71	28.04	30.41	29.11
3. Unemployed	16.78	17.08	20.36	20.29	18.22	18.88	17.81	18.14
4. Student	9.32	9.35	14.34	13.40	10.75	10.58	10.68	10.55
5. Total	100	100	100	100	100	100	100	100
	=46036	=48452	=17014	=20196	=8481	=10823	=71531	=79471

CHAPTER VIII

PROPOSED CHANGES IN PASSENGER FARES

First Class concessions

8.01 As indicated earlier, the whole question of the structure of fares for different classes of accommodation on the Railways, their relative and absolute levels and other aspects are proposed to be examined only in our later Report. It appears to us however that a *prime facie* case for ensuring that the revenue position of Railways is improved has been established as a result of even our Interim Report studies. The Railways offer a number of concessions to passengers. We shall examine the rationale of these concessions and their impact on the Railway revenues in detail later. There are few sections on the Indian Railways where traffic has to be specially attracted through the grant of concessions. The only exception to this statement might be what have been called the uneconomic branch lines. The whole question relating to them will be examined later. Otherwise, for most part of the year, the situation especially on the main routes of the railway system is that passengers find it difficult to secure accommodation at short notice and without overcrowding. In the holiday seasons and even over weekends, people have to travel in discomfort because of overcrowded trains, even though Railways make serious effort to mitigate passenger hardships by running extra trains. It appears to us therefore that there is little reason for traffic to be attracted by Railways by grant of concessions. The justification for concessions will, therefore, have to be sought in other directions. This aspect we shall take up later. A simple conclusion however is possible even without any special study—no concession needs to be given to passengers who are in a position to travel by a class higher than the Second class. While there may be some justification for grant of concessions in the case of Second class passengers, there is no special reason for the Railways to grant a concession to anyone who is able to afford to pay a higher fare so as to travel more comfortably. In any case, the concession that is being granted at present is limited in the case of the First class to 15%, except that, in the case of hill concession tickets, it is 25%. No concession is given to persons who are travelling in AC I class or AC Chair-car. The concession available to the First class passenger is, however, also available in the newly introduced two-tier AC sleeper. It is our view that there is no reason for the Railways to grant this benefit to a class of persons who are able to afford to travel by a class higher than the Second class. We therefore recommend that, in future, no concessions of any kind in fares, including hill travel concessions, should be admissible to passengers travelling by a class other than the Second class.

Season ticket fares

8.02 We have already explained in Chapter V how the system of suburban and non-suburban season ticket

fares has evolved, and the changes that have occurred during the last thirty years. We have also indicated how, as a result of the changes made from time to time in single journey fares and the decision not to apply such changes in most cases to season ticket fares, there has been a gradual erosion in the basis on which season tickets are issued so that the degree of concession on them has steadily increased. It is also curious that the degree of concession is larger in the case of First class season ticket holders as compared to the Second class season ticket holders, partly of course because the single journey ticket fares in the case of the First class have increased even below 50 kilometres, while those for Second class for distances upto 50 kilometres have been largely exempted from increases effected from time to time.

8.03 The result of these concessions has been that there has been a steady increase in the losses suffered by suburban sections of the Railways over the years. The following table shows how the losses for the three suburban sections taken together have increased from a little less than Rs. 9 crores in 1966-67 to almost Rs. 25 crores in 1976-77.

TABLE NO. VIII-1
LOSSES ON SUBURBAN SERVICES

Year	(In crores of Rupees)			
	Bombay	Calcutta	Madras	Total
1966-67	0.79	6.83	0.95	8.57
1967-68	1.72	6.55	1.06	9.3
1968-69	2.06	4.82	1.37	8.25
1969-70	2.17	7.37	1.51	11.05
1970-71	1.01	9.35	1.19	11.55
1971-72	0.05	10.86	1.27	12.18
1972-73(+)	0.80	9.89	1.20	10.29
1973-74	1.18	12.00	1.29	14.47
1974-75	6.74	13.97	2.31	23.02
1975-76	5.78	15.48	2.62	23.88
1976-77	6.47	15.51	2.94	24.92

SOURCES : Figures as given by the Railway Board to the Committee on Social Burdens.

The losses have increased very rapidly in Bombay—from Rs. 79 lakhs to Rs. 6.47 crores. They have increased somewhat less rapidly in Madras—from Rs. 95 lakhs to Rs. 2.94 crores. They have also increased less rapidly in Calcutta—from Rs. 6.83 crores to Rs. 15.51 crores ; but the absolute loss on the Calcutta suburban section, which is also the longest suburban section among the three, is really large. The fact that these losses have been mounting is itself a reason why the fare basis on the suburban sections

needs to be revised. The season ticket fares are of special importance on the suburban sections because passengers who use season ticket fares constitute almost three quarters (73%) of the total suburban passengers. It is also worth noting that this proportion has been increasing—it was only 67% in 1965-66 (See Table No. VIII-2). The question of the basic passenger fares we are not dealing with in this Report. The only question relevant to the card ticket holder on the suburban sections which we are dealing with in this Report is that of the special fare table for short distance passengers travelling upto 50 kilometres. We discuss this subject later.

TABLE NO. VIII-2
TREND OF CARD SEASON TICKETS
(IN MILLIONS)

Year	SUBURBAN				
	No. of Passengers originating-All classes-Season tickets & card tickets	No. of passengers originating on season tickets only	%-age of Col. (2)	No. of passengers originating on card tickets only	%-age of Col. (2)
(1)	(2)	(3)	(4)	(5)	(6)
1965-66	1026 (100)	685 (100)	66.8	341 (100)	33.2
1970-71	1227 (120)	872 (127)	71.1	355 (104)	28.9
1971-72	1275 (124)	913 (133)	71.6	362 (106)	28.4
1972-73	1385 (135)	990 (145)	71.5	395 (116)	28.5
1973-74	1437 (140)	1037 (151)	72.2	400 (117)	27.8
1974-75	1373 (134)	1025 (150)	74.7	348 (102)	25.3
1975-76	1640 (160)	1219 (178)	74.3	421 (123)	25.7
1976-77	1802 (176)	1323 (193)	73.4	479 (140)	26.6
	NON-SUBURBAN				
1965-66	1072 (100)	103 (100)	9.6	969 (100)	90.4
1970-71	1204 (112)	156 (151)	13.0	1048 (108)	87.0
1971-72	1261 (118)	181 (176)	14.4	1080 (111)	85.6
1972-73	1268 (118)	187 (182)	14.7	1081 (112)	85.3
1973-74	1217 (114)	189 (184)	15.5	1028 (106)	84.5
1974-75	1056 (99)	206 (200)	19.5	850 (88)	80.5
1975-76	1307 (122)	305 (296)	23.3	1002 (103)	76.7
1976-77	1498 (140)	365 (354)	24.4	1133 (117)	75.6

Source : Supplements to the Reports by the Railway Board on Indian Railways (Statistical Statements) for the relevant years.

Concessions on Season Tickets in some Foreign countries

8.04 An important point that should be noted in this context is that in India, the Railways are providing a far larger concession on season tickets than what is offered in foreign countries. The British Railways are subsidised on their passenger transport and a special consideration is shown in relation to their suburban services. Even then we find that the monthly season ticket for the Second class varies on the British Railways from the equivalent of 31 single journeys for a distance of one mile to an equivalent of 14 single journeys for a distance of 100 miles. For quarterly season tickets, the variation is between 89 single journeys for a distance of one mile and 38 single journeys for a distance of 100 miles. It will thus be seen that the concession which the Indian Railways are now providing, whether on the suburban or on the non-suburban sections, is much larger in terms of both monthly season ticket fares and quarterly season ticket fares.

8.05 To put it in another way, on the British Railways, taking the single journey fare per mile as equal to 100, the effective rate per mile on a monthly season ticket varies from 100 upto the first five miles to 80 or 82 between 90 and 110 miles, the quantum of concession increasing from 20% at 5 miles to 72% at 150 miles. Even on this basis, the concession offered on the Indian Railways is much higher.

8.06 On the British Railways, the concession given on the First class is about the same as that given on the Second class. We have already pointed out that, on the Indian Railways, the concession given on the First Class is higher than the concession given on the Second class.

8.07 Another railway about which we have been able to obtain some information in respect of monthly season tickets is that in Sweden. Here also, we find that the concessional fare of a monthly season ticket varies from an equivalent of 31 single Journeys at a distance of $\frac{1}{2}$ kilometres to 11 single journeys at a distance of 146/150 kilometres. In the case of the First class, the concession given is similar. In other words, the concession increases with distance, from 22% at 6 kilometres to 70% at 130 kilometres and 72% at 210 kilometres.

8.08 It is also understood that in Japan, on the monthly season ticket, a concession of 40% is given as compared to the single ticket fares on an equivalent normal number of single journeys. For details of the British and Swedish Railways, see Annexure VIII-1 (a) and (b).

Cost of EMU Services

8.09 It has already been indicated that we have not as yet been able to examine costs of different types of railway services in detail. Such studies as we have upto now tentatively been able to make on the basis of the data for 1976-77 show that the average terminal cost per passenger on electric multiple units is likely to be between 4 and 5 paise per passenger, while the line-haul cost for a passenger kilometre would be nearly 2 paise. These costs would ordinarily have

already increased by now. Moreover, any addition to facilities is likely to lead to an increase in costs. We have already indicated earlier the very large capital investments that will be required if any additions have to be made to the traffic and other capital facilities to provide some relief to the present overcrowding which the suburban passengers face. The following data about rolling stock costs (EMU service) would give some indication of the additional costs involved in increasing the number of rakes on the existing services on the suburban sections :—

TABLE No. VIII-3
COST OF EMU ROLLING STOCK (PER COACH)
(in Rs. lakhs)

Year	BROAD GAUGE		DC	
	AC	DC	Motor Coach	Trailer Coach
1962-63	—	—	6.13	2.93
1963-64	6.13	2.93	6.40	3.06
1964-65	9.20	3.65	9.20	3.65
1966-67	6.13	2.93	9.20	3.65
1972-73	11.63	3.15	11.15	3.00
1978-79	23.10	15.60	20.00	6.00

SOURCE : Figures as shown in R.S.P. for New Acquisitions for that year for an individual unit.

Figures for M.G. not given as no fresh item of Motor Coaches and Trailer Coaches has figured in R.S.P. since 1966-67 and 1972-73 respectively.

8.10 We have already shown in our examination of season ticket fares that the equivalent fare per kilometre charged for a Second class monthly season ticket holder in Bombay (assuming that he performs 50 single journeys a month) varies from 1.5 paise at 5 kilometres to 0.4 paise at 100 kilometres. The charge for those who hold quarterly season tickets is slightly lower (1.3 paise to 0.4 paise). The fares in Calcutta and Madras are not very different from those in Bombay. It is thus clear that the present fares are inadequate to cover even the existing costs of suburban services, leave alone providing a surplus which would enable development of these services requiring large investments.

Breaking the Vicious Circle

8.11 A serious objection to charging higher fares to season ticket holders, and especially to commuters most of whom undertake journeys for the purpose of going to their places of work, would be that they cannot afford to pay higher fares and that, in any case, it would be unjust to make them pay more for journeys which they undertake not for pleasure but for earning their living. It is quite true that looking at the state of overcrowding especially in peak hours at least on the suburban sections of Calcutta, Bombay and Madras, one can fully appreciate the point that none will travel for pleasure in these trains especially at the peak hours. The only question that has to be posed is whether it is the Railways which should continue to suffer losses in providing these services.

What is many times overlooked in such arguments is that the burden of these mounting losses being put on the Railways merely results in the Railways finding it increasingly difficult to make the necessary investments to maintain and improve these services. In a situation where the fare structure is such that every addition to passenger trains adds to losses, the possibility of such additions being made is reduced. We have already examined the difficulties faced by Railway finances which have made it difficult for adequate investments to be made in the past for improving the suburban services. While the hesitation shown by Railway authorities in the past thirty years in increasing season ticket fares *pari passu* with increases in costs and increases in other fares is understandable on humanistic grounds and on grounds of the dissatisfaction that such increases are bound to create, in effect this policy has led to a situation which has made the proper maintenance and development of the suburban railway systems difficult. The development of commuter services in other areas may also not be found to be an economical proposition for the reason that the non-suburban season ticket fares also being low, the extra investment would not be economic. It is therefore high time that a way is found to break away from this vicious circle of stagnant and low fares making development and even maintenance difficult, and the resultant inadequate services making it difficult for fares to be rationalised.

Why Not the Employer Pay for Transport ?

8.12 One of the results indicated by the Survey we have conducted of suburban season ticket holders is that, among the Second class season ticket holders, the self employed constitute only 17%, all others except students (6.83%) being employed either by industrial and commercial establishments (43%) or by governmental authorities (24%). As already pointed out in Chapter VII the non-suburban season ticket holders constitute a somewhat mixed bag, some of them being regular commuters in the newly developed industrial, Commercial or administrative clusters, while a small number apparently represent those who are making a few trips for their professional or business work.

8.13 In the case of commuters who travel daily to and from their places of work, it may well be argued that the expenditure on the journey is in connection with their employment and therefore, except in the case of the self-employed, the employer should bear the whole or a substantial part of such expenditure. It can, of course, be argued that the wage rates in different areas, including those in Bombay, Calcutta and Madras, already take note of the fact that workers have to incur travel costs. In the case of Government establishments, special allowances such as the compensatory allowance are given taking into account the higher cost of living that is unavoidable in metropolitan areas and the calculation of this includes the cost of transport. What is important to note in this context is that the wage rates, compensatory allowances etc. given at present, even if it is assumed that they take into account the transport expenses, are based on these expenses at the present low and uneconomic fares. Any rationalisation of fares would immediately lead to demands from the organisations representing various sections of employees for additional

allowances to meet these extra costs. It would, therefore, be far better to make a specific provision by law for the reimbursement by employers of the extra costs incurred by employees for their transport to and from the place of work resulting from any rationalisation of fares. Such a legislative provision would avoid the difficulties that would otherwise arise with any rationalisation. A large part of the commuters would then find that the burden falling on them as a result of rationalisation would be insignificant. There would also be no necessity for their organisations to undertake protracted negotiations for the purpose of obtaining the agreement of the employers to reimburse the extra expenses. A legislative provision of this kind would, therefore, make it possible for rationalisation of fares to be undertaken smoothly, without creating much popular dissatisfaction, and, at the same time, enable the Railways to make necessary investments so as to carry out the much needed improvement for providing better service to the commuters.

8.14 We have had this matter examined legally. We have been advised that it will be within the legislative competence of the Parliament to enact legislation for this purpose for the objective of ensuring the welfare of 'workers' [Item 24 of List III (Concurrent List) : "Welfare of labour....."]. How exactly the provision should be made, and to what categories of workers it should be applied and in what manner are matters we need not go into. All that may be suggested for Government's consideration in this respect is that all categories of workers earning less than a specified amount, say Rs. 1000 if it is legally permissible, may be made entitled to such reimbursement. The reimbursement may be applicable only to journeys from the registered residential address to the place of work and back by the cheapest mode of public transport. In order to make sure that the concession is not misused, the reimbursement may be limited to a certain proportion, say 80% of the transport expenditure. Employers who provide housing to employees within a reasonable distance of the place of work, say two kilometres, or those who provide transport facilities themselves may be exempted from this obligation.

8.15 In this connection, it is important to note that a large number of employers, especially those in the public sector, already provide transport services to their employees without any charge. Such services are being provided, for example, by the public sector steel plants, by the public sector units located at Bangalore, Hyderabad and a number of other places. Some private sector employers are also providing such facilities. There is no reason why all employers should not accept this obligation. It is true that this obligation has not usually been accepted upto now by private employers in traditional industrial areas such as Bombay, Calcutta and Madras. It is also true that Government employees have also not usually received such a benefit upto now. There appears, however, no reason why they should not accept this obligation of meeting the extra burden that otherwise their employees will have to bear. There is also no reason why they should except the Railways to continue to subsidise the travel of their workers and in effect subsidise their operation.

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8.16 In the case of Government employees, an objection may be raised that such an approach would merely be like robbing Peter to pay Paul. We have given data resulting from our Passenger Survey which show that the proportion of those engaged in industrial and commercial establishments constitute in the suburban areas of Bombay, Calcutta and Madras a much larger proportion of second-class season ticket-holders than Government employees. Moreover, the Railways have always been treated as a commercial undertaking. Except Railway employees, all other Government personnel travelling on railways for official work have to pay for their journeys. Even goods carried on behalf of Government agencies have to pay freight at the appropriate rates. Thus, in principle, it has always been accepted that Railways have no obligation to subsidise other Government agencies as such. When it is found that, for the rationalisation and more economic operation of the railway system, fares have to be increased and the employers should share a substantial part of the burden, Government authorities cannot logically expect to be exempted.

Congested Metropolitan Areas

8.17 There is a further and more important angle to this problem. The necessity to prevent further concentration of population in metropolitan areas has been emphasised for many years. This has been the burden of the development approach taken by the Planning Commission. More balanced regional development, with development of new centres of industry and population in areas which are not already developed, has been repeatedly emphasised. In spite of this, as pointed out in this Report earlier, the development of urbanisation has continued in a lopsided manner with rapid increases in the populations of a few metropolitan areas with slower increases in the growth of small towns. The result is that areas like Bombay and Calcutta are bursting at their seams and the quality of life of the people living and working there has steadily deteriorated. What is more relevant for our purpose is that the problem of providing adequate transport facilities for the very large number of commuters who have to daily come to the central business district of these areas has been rapidly increasing, and this has strained the transport facilities of these areas. Our earlier Chapter on metropolitan development has given enough data to show how costly in terms of additional investment the development of further facilities for meeting the increasing transport requirements of these areas is. The country is hardly in a position to take up and continue such large investments in these areas in increasing quantities. Investment resources being limited, concentration of so much investment in these few areas is neither practicable nor desirable.

8.18 It is, however, essential that investments should be undertaken which would at least reduce the enormous strain to which the commuters who are already living and working in these areas are put at present. It would not be proper to leave them to suffer such hardship almost with a view to providing a disincentive to the further growth of population in these areas. That would not be a humane approach. It is therefore necessary to think of ways in which at least certain necessary investments for meeting the present transport difficulties in such areas in the near future can be

undertaken. A major reason why we have thought it proper to give priority to this matter in our work is that it is our view that the taking up of short gestation investments in these areas brooks of no delay. We are at the same time aware that it will be difficult for the Planning Commission to sanction and the general public exchequer to bear the burden of such extra investments unless the present uneconomic fare levels are somewhat rationalised so as to provide a basis for servicing further investments. This is the basis of our proposals.

Burden on Beneficiaries of Agglomeration

8.19 At the same time, it is only appropriate that the cost of employing large numbers of people in such concentrated areas—including the cost of providing various facilities including the transport facility to move them to their work—place and back home—should be borne essentially by those who employ them in these areas, and also by those who benefit directly or indirectly from the concentrated development in such areas. It is well-known that, in spite of Government's decision to ban the grant of further industrial licences in such areas which has been in existence for quite some time, industrial development through the expansion of existing units and for setting up of small units has continued to take place circumventing these bans. What is worse, in order to benefit from the advantages available in these metropolitan cities, an increasing number of commercial and business establishments have grown up in these areas. Even the Central and State Governments, while advocating deconcentration, have continued to expand the employment given by them in such areas. Public sector enterprises have also not lagged behind. This latter development *i.e.*, the growth of commercial and business offices, is more employment-intensive and thus puts a greater burden on various urban facilities including that for transport. It is well-known that a multi-storeyed office building can accommodate far more people per square metre of ground area than a factory. Little effort has yet been made to prevent such growth even though the concerned authorities have had studies made and sometimes have even prescribed regulations to avoid such developments. All this has been of little avail upto now.

8.20 In the Indian context, and with the Constitutional and administrative division of authority and responsibility as it exists at present, authorities which benefit from such development and sometimes even encourage it are not always the same as those which have to bear the burden for providing the facilities resulting from the developments. An example will make this position clear. The necessity to avoid any accretion to the living and working population in South Bombay has been stressed in a number of studies and by a number of authorities in the last twenty years. In spite of this, schemes such as the Reclamation Schemes at Nariman Point and Cuffe Parade have been taken up and multi-storey office buildings put up in such areas, overruling the objections raised by bodies like the Railways who find that the burden of commuters on their services rapidly increases as a result of such development. The authorities which encourage and to some extent benefit from such

developments are the State Governments and local authorities. If there was a transport authority for the area which was responsible for all modes of public transport, and this was under the control of the municipal corporation or the State Government, there would have been some possibility of the benefits accruing from these developments being used to subsidise the creation and operation of necessary facilities such as transport. But while the bus services run in these areas are the responsibility of the State Government or the local authority, the local railway services continue to be under the Central Government and hence they cannot obtain any benefit arising out of such land development projects which at the same time put burdens on them.

8.21 In view of all this, we do not think that it would be inappropriate to suggest that the Government should agree to the idea that a substantial part of the transport expenses of people who are commuting in such areas for earning their livelihood should be borne by their employers. We also do not see any reason why Governmental authorities should be exempted from such a provision though the matter will obviously have to be decided between the concerned Government and their employees; Parliament can legislate or decide only for Central Government employees or for employees of corporate undertakings, but not for employees of State Governments or local authorities. The exact extent and manner in which this burden should be put, what proportion of public transport costs the employer should be made to bear, upto what distance* such reimbursement should be admissible and what amount of transport expenses per month should be exempted so as to reduce unnecessary administrative work and expenditure, are details into which it is not necessary for us to enter. We may confine ourselves to point out that it appears to us eminently desirable that such a provision should be made because it would only be just to put at least some part of the burden on the employers, including Governmental authorities. This would also make it easier to rationalise the fare structure to some extent, a matter which has been neglected for too long.

Potential Burden on the Employer

8.22 An incidental advantage of such an arrangement would also be that, however, small, this addition of cost per employee will have some discouraging effect on the creation of further employment in these areas and may even provide a small incentive for shifting offices and establishments outside such concentrated areas. At the same time, whatever data are available suggest that the burden on the employer is not likely to be very large. The proposal we are making for increased suburban monthly season ticket fares for second-class passengers on the basis of reimbursement by the employer will involve a total monthly increase in the fare by Rs. 18 in Bombay, Rs. 20.80 in Calcutta and Rs. 14.25 in Madras for the average distance travelled by suburban passengers in these cities. This can be compared with the monthly wage earned by different categories of employees. The income data collected in our Passenger Survey, even though we are afraid they very much understate the income in a number of cases, show that only some 20% of the

*Obviously, such reimbursement cannot be made obligatory on the employer if an employee for his own convenience chooses to reside at a distant place.

second class season ticket-holders in Bombay have an income of less than Rs. 250, the corresponding proportions being about 17% in Calcutta and about 29% in Madras. The rest obtain incomes exceeding Rs. 250. In the latter cases, the proportionate burden on the employer may now exceed 5% if the employer bears only the increase in fares, or only a certain proportion of the total fare.

As shown in Table VIII-4, total emoluments based on minimum and mean pay earned by a Central Government employee in Bombay, Calcutta, Madras and Delhi are nearly Rs. 463 and Rs. 537 for Class III (lowest grade) and Rs. 351 and Rs. 379 for Class IV respectively.

TABLE VIII-4

TOTAL EMOLUMENTS OF CENTRAL GOVERNMENT OF CLASS IV & CLASS III (LOWEST GRADES) EMPLOYEES BASED ON MINIMUM OF THE SCALES OF PAY IN BOMBAY, CALCUTTA, MADRAS & DELHI

	Class III (260-350)	Class IV (196-230)
Pay (Minimum of scale)	260.00	196.00
DA	52.00	39.20
ADA	96.20	73.40
HRA	39.00	29.40
CCA	15.60	12.75
Other allowances	—	—
TOTAL :	462.82	350.75

EMOLUMENTS BASED ON MEAN PAY

	Class III Mean pay i.e. Rs. 260- 350 Rs. 305	Class IV Mean pay i.e. Rs. 196- 230 Rs. 213
Pay (Mean of scale)	305.00	213.00
DA	60.00	42.60
ADA	108.00	78.80
HRA	45.75	31.95
CCA	18.30	12.80
TOTAL :	537.05	379.15

It is understood that Public Sector enterprises located in Bombay, Calcutta and Madras pay minimum wages of Rs. 350, 370 and 454 respectively (See Annexure VIII-2). The lowest paid operative in the cotton textile industry in Bombay received a wage of Rs. 448 in April, 1978.* The average

*Indian Labour Journal, July 1978, p. 1173.

**Date called from Statistical outline of India, 1978 (Tata) p. 124. Figures relate to employees receiving Wage/Salary of less than Rs. 400 p.m.

monthly wage** in 1974 in a few industries was as follows :

	Rupees
Jute Textiles	332
Wool, silk and Synthetic textiles.	282
Electrical machinery etc.	268
Other machinery	268
All industries	261

8.23 If it is assumed that only the increases in fares or only a part of the total fare is to be borne by the employer, the extra burden on the Central Government is not likely to exceed 5% of their wage bill in such areas. We do not have more detailed data about the salaries and wages paid by State Governments, Local authorities and other employers, but it does not appear as if the burden on them would be very different in magnitude and thus too difficult for them to bear.

Self-Employed and Students

8.24 A question is bound to be raised regarding the self-employed and those who have no income of their own like students and also the unemployed. As regards the self-employed, they are expected to adjust the price of their services so as to cover the costs of their business. The professional classification indicated by our Passenger Survey does not show a very large number of what may be called hawkers or other such very low income categories of self-employed. In the case of other self-employed, it should not be difficult for them to absorb the additional transport charges by suitably adjusting the prices charged by them for their services. In this case also there is no reason why the Railways should be expected to subsidise their transport. As regards students, the Railways have always provided a concessional fare to them to the extent of 50%—except in Calcutta where the extent of concession is 33% and this will continue. As regards the unemployed and the destitute, in any case there is little that they can afford and there is little that can be done in the transport fare structure to accommodate their requirements. The solution to their problems has to be sought in other ways.

Monthly Season Ticket Fare Basis—Proposal I.

8.25 The exact basis on which season ticket fares should be established in future is a matter which will require various detailed studies in addition to those which we have already conducted. One of the important aspects that has to be examined in this connection is that of costs.

While some cost data about the running of electric multiple units have been available to us, it has not been possible for us to make a critical review of these data in order to arrive at definite conclusions. We have also yet to examine the question of what costs would be finally relevant for working out the fare

structure both on suburban and non-suburban sections. What kind of tapering according to distance should be adopted in the case of season ticket fares is another aspect which we have to examine especially taking into account data about terminal costs. The question of incremental costs arising out of the provision of additional services has also to be further examined. The implication of all this is that it is not possible for us at this stage of our work to come to any final conclusion about the exact basis on which

suburban season tickets should be priced. In the meanwhile, however, the matter cannot be permitted to rest where it is at present. We should raise the fare charges enough not only to wipe out existing losses but also to leave a surplus from these services which will enable the financing authorities to support adequate investment every year in the next few years. It is on this basis that we have put forward our suggestions for suburban season ticket fares as given in Proposal I in Table No. VIII-5(a) and (b).

Proposal No. I

TABLE No. VIII-5(a)

SECOND CLASS MONTHLY SEASON TICKET FARES
SUBURBAN AND NON-SUBURBAN
(To be borne by the employer)

Distance slab in Kms.	Proposed II Class M.S.T. fare.	Existing II Class M.S.T. Fare (Suburban)			Increase per II Class M.S.T. (Suburban)		
		Bombay	Calcutta	Madras	Bombay	Calcutta	Madras
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
1—5	12.00	3.90	3.90	3.90	8.10	8.10	8.10
6—10	17.00	6.40	6.40	6.40	10.60	10.60	10.60
11—15	22.00	7.75	7.75	7.75	14.25	14.25	14.25
16—20	27.00	9.00	9.00	9.00	18.00	18.00	18.00
21—25	31.00	10.20	10.20	10.65	20.80	20.80	20.35
26—30	35.00	11.40	11.40	11.95	23.60	23.60	23.05
31—35	39.00	12.50	12.50	13.10	26.50	26.50	25.90
36—40	43.00	14.30	14.30	14.30	28.70	28.70	28.70
41—45	47.00	15.45	15.45	15.45	31.55	31.55	31.55
46—50	51.00	16.50	17.05	17.05	34.50	33.95	33.95
51—60	56.00	18.30	19.35	19.35	37.70	36.65	36.65
61—70	61.00	19.90	21.15	—	41.10	39.85	—
71—80	66.00	21.25	22.95	—	44.75	43.05	—
81—90	71.00	22.50	24.75	—	48.50	46.25	—
91—100	76.00	24.55	26.50	—	51.45	49.50	—
101—110	81.00	26.10	28.15	—	54.90	52.85	—
111—120	86.00	27.65	29.90	—	58.35	56.10	—
121—130	91.00	—	31.35	—	—	59.65	—
131—140	96.00	—	33.00	—	—	63.00	—
141—150	101.00	—	33.60	—	—	67.40	—

TABLE No. VIII-5(a)—contd.

Distance slab in Kms.	Existing II Class M.S.T. Fare in Non-Suburban	Increase per II Class M.S.T. (Non-Suburban)
1	2	3
1—5	3.90	8.10
6—10	6.45	10.55
11—15	8.60	13.40
16—20	10.20	16.80
21—25	11.95	19.05
26—30	13.15	21.85
31—35	14.95	24.05
36—40	16.90	26.10

1	2	3
41—45	19.05	27.95
46—50	20.35	30.65
51—60	23.50	32.50
61—70	26.65	34.35
71—80	29.80	36.20

REMARKS :—

- (1) The existing fares shown in the relevant columns are those which are applicable to the highest kilometre of the slab. For example, the fare for 1—5 Kms. is the one applicable to M.S.T. for 5 Kms.
- (2) The proposed fares beyond 150 Kms. are to be computed by adding Rs. 5 for every subsequent slab of 10 Kms. For example, the fare for 192 Kms. will fall in the slab of 191—200 Kms. and the fare would be Rs. 101.00 + 25.00 = Rs. 126.00.

Proposal No. I

TABLE No. VIII-5(b)

FIRST CLASS MONTHLY SEASON TICKET FARE—
SUBURBAN AND NON-SUBURBAN

(To be borne by employer)

Distance slabs in Kms.	Pro- posed 1st Class M.S.T. Fares	Suburban		Non-suburban	
		Exist- ing 1st Class M.S.T. Fares	Increase per M.S.T.	Exist- ing 1st Class M.S.T. Fares	Increase per M.S.T.
	Rs.P.	Rs. P.	Rs.P.	Rs. P.	Rs. P.
1—5	48.00	17.00	31.00	17.00	31.00
6—10	68.00	28.00	40.00	28.00	40.00
11—15	88.00	37.00	51.00	38.00	50.00
16—20	108.00	42.00	66.00	45.00	63.00
21—25	124.00	49.00	75.00	52.00	72.00
26—30	140.00	53.50	86.50	57.50	82.50
31—35	156.00	59.00	97.00	64.00	92.00
36—40	172.00	64.00	108.00	70.00	102.00
41—45	188.00	70.00	118.00	75.50	112.50
46—50	204.00	74.00	130.00	82.00	122.00
51—60	224.00	83.50	140.50	94.00	130.00
61—70	244.00	90.00	154.00	103.50	140.50
71—80	264.00	99.50	164.50	115.50	148.50
81—90	284.00	107.50	176.50	—	—
91—100	304.00	115.50	188.50	—	—
101—110	324.00	123.50	200.50	—	—
111—120	344.00	131.50	212.50	—	—
121—130	364.00	138.50	225.50	—	—
131—140	384.00	146.00	238.00	—	—
141—150	404.00	149.00	255.00	—	—

REMARKS : (1) Remarks No. 1 of Table VIII-5(a) will also apply to this table.

(2) Fares for beyond 150 kms. will be 4 times the corresponding II class MST fares.

8.26 It will be seen from the proposal that it is proposed to have fixed monthly season ticket fares for slabs of distances, the slabs being of 5 kms. each for the first 50 kms. and 10 kms. thereafter. We think that this is only appropriate so as to reduce the clerical and other work involved in having a large number of denominations of fares. This will also be consistent with our recommendation (Para 8.38 and 8.39 below) about distance slabs for card tickets on suburban sections. It will be further seen that the minimum second class monthly season ticket fare proposed is Rs. 12 and it increases with a certain degree of taper so that for the highest slab in the suburban area, viz., 141 to 150 kms., it will be Rs. 101.

8.27 The First Class monthly season ticket fares at present vary from 412 to 480% of the second class fare at different distances. In Chapter V, we have already shown that First Class season ticket fares have been raised much more in the recent past than those in the Second class. We are therefore proposing that they should be uniformly put at four times the Second Class Season Ticket fare.

Suburban and Non-Suburban Distinction to Go

8.28 We are further proposing that the distinction between suburban and non-suburban season tickets regarding the fares to be charged should no longer exist. At present except for some sections on which season tickets were issued before 1951, the issue of season tickets is confined to distances not exceeding 80 kms. Practically all the zonal railways have indicated that this restriction leads to many problems. There is no ban on a person obtaining two season tickets for distances of 80 kms. or less, and thus in effect have a season ticket for a longer distance. It appears that this phenomenon is not unusual. Moreover, with the increasing speed of trains and as non-suburban season tickets are available for journeys on certain fast trains, it is not impossible for commuters to travel almost daily between points as far as 150 kms. apart. In fact, we have found that there is a large body of commuters which makes almost daily trips for distances just short of 200 kms. where season tickets are permissible on account of their being in existence before 1951. We have given thought to the question whether the distinction between routes where season tickets were permitted before 1951 and other routes should be abolished. This needs further examination. For the time being, we recommend that season tickets may be freely issued in future between any two stations situated at distances not exceeding 150 kms. For longer distances, the exception regarding certain routes where such season tickets existed before 1951 should continue for the time being.

Regarding the season ticket fare for distances beyond 150 kms., we recommend that for every slab of 10 kms. beyond 150 kms. an amount of Rs. 5 may be added (Rs. 4 in case of Proposal II discussed later in this Chapter). Some illustrative examples of the effect on the monthly season ticket fares of the present proposal on sections over 150 kms. which will continue to have season ticket facilities, are given in Annexure VIII-3.

8.29 As has already been indicated earlier, our passenger survey shows that the route between Pune and Bombay V.T. is responsible for a very substantial number of season ticket-holders among those who travel distances beyond 150 kms. In their case our proposal would lead to an increase over the existing second class monthly season ticket fare of Rs. 66.50 (almost a little over 100%). The specially low season ticket fare existing at present between Pune and Bombay is partly due to the fact that the present fare has been calculated for the Bombay-Karjat section on the suburban basis and the Karjat-Pune section on the non-suburban basis. As the suburban season ticket fares have generally been lower than the non-suburban season ticket fares, and we are now proposing a uniform fare basis for both, the increase is somewhat higher on the Pune-Bombay section as compared to other non-suburban sections, but this cannot be avoided.

8.30 When considering the effect of the proposed increase, the profile of the season ticket-holders as shown by our Passenger Survey should be taken into

account. It will be seen from the following Table No. VIII-6 regarding the second class season ticket-holders travelling between 150 and 200 kms. on the Pune-Bombay section, that a very large proportion consist of self-employed businessmen and professionals. Among the first class season ticket-holders, we find a similar situation. We also find that, with all the inadequacy of the income data which we have been able to obtain, a substantial proportion of the second class season ticket-holders between Pune and Bombay accept that their incomes exceed Rs. 500 p.m. A small number show their incomes to be below Rs. 250. On looking at their professional categories (businessmen) it is doubtful whether these statements are reliable.

TABLE NO. VIII-6 (a)

SOCIO ECONOMIC PROFILE OF NON-SUBURBAN SEASON TICKET HOLDERS TRAVELLING ON BOMBAY—PUNE SECTION

NOTE :—Total number of Bombay-Pune commuters covered by the Survey.

Ist Class 25
IInd Class 86

(Figures given below are in %)

S.No.	Profession	Ist Class	IInd Class
1	2	3	4
1.	Government Service Class Ist and IInd	—	3.4

1	2	3	4
2.	Class III	—	7.0
3.	Class IV	—	1.2
4.	Industrial and Commercial Undertakings Establishments Officers	20.0	4.7
5.	Supervisor	12.0	2.3
6.	Clerks	—	1.2
7.	Workers	—	4.7
8.	Self Employed proprietors	12.0	10.5
	„ Businessman	56.0	52.3
10.	„ Hawkers	—	1.2
11.	„ Farmers	—	—
12.	„ Artisans	—	—
13.	Teachers	—	4.7
14.	Students	—	2.3
15.	Others	—	4.7

S.No.	Monthly Income	Ist Class	IInd Class
Figures given below are in %			
1.	Nil	—	2.3
2.	Below Rs. 250	—	7.0
3.	Between Rs. 251—500	—	33.7
4.	Between Rs. 501—1000	28.0	43.0
5.	Over Rs. 1000	72.0	14.0

TABLE NO. VIII-6 (b)

SOCIO ECONOMIC PROFILE OF NON-SUBURBAN SEASON TICKET-HOLDERS COVERED BY THE SURVEY—TRAVELLING MORE THAN 150 KMS. OTHER THAN THOSE TRAVELLING ON BOMBAY-PUNE SECTION

NOTE :—Total number of commuters other than Bombay—Pune Section is—

Sl. No.	Profession	Ist Class		IInd Class			
		151—200 Kms.	201—300 Kms.	151—200 Kms.	201—300 Kms.		
	151—200 Kms.	—	5	62			
	201—300 „	—	2	40			
	Over 300 „	—	Nil	2			
Figures given below are in %							
Sl. No.	Profession	151—200 Kms.		201—300 Kms.		Over 300 Kms.	
		Ist Class	IInd Class	Ist Class	IInd Class	Ist Class	IInd Class
1.	Govt. Service :						
	Class I and III	—	9.7	—	3.0	—	—
2.	Class III	—	11.3	—	3.0	—	—
3.	Class IV	—	—	—	—	—	50.0
4.	Industrial/Commercial Establishment :						
	Officers	—	1.6	—	2.5	—	—
5.	Supervisors	—	1.6	—	2.5	—	—
6.	Clerks	—	3.2	—	2.5	—	—
7.	Workers	—	9.7	50.0	5.0	—	—
8.	Self-Employed Proprietors	60.0	3.2	—	7.5	—	—
9.	„ Businessmen	40.0	48.4	50.0	55.0	—	50.0
10.	„ Hawkers	—	3.2	—	7.5	—	—
11.	„ Farmers	—	1.6	—	—	—	—
12.	„ Artisans	—	—	—	—	—	—
13.	Teachers	—	—	—	—	—	—
14.	Students	—	—	—	—	—	—
15.	Others	—	6.4	—	2.5	—	—
<i>Monthly Income</i>							
	Nil	—	1.6	—	—	—	50.0
	Below Rs. 250	—	11.3	—	10.4	—	—
	Between Rs. 251—500	—	33.9	50.0	42.5	—	50.0
	Between Rs. 501—1000	—	41.9	50.0	40.0	—	—
	Over Rs. 1000	100.0	11.3	—	7.5	—	—

8.31 As regards the rest of the non-suburban season ticket-holders the following table shows that, out of the second-class season ticket-holders travelling distances between 150 and 200 kms., a substantial proportion belong to self-employed businessmen and professionals. Another substantial proportion belong to Class I and II Government services. Similar is the position of those who hold second-class season tickets for distances between 201 and 300 kms. The number going beyond 300 kms. is negligible, and even there, 50% characterise themselves as 'businessmen'. The income data as given in the table show that a substantial proportion admit to incomes exceeding Rs. 500 and some between Rs. 251—500. Only a very small number state that their incomes are below Rs. 250. This confirms that much hardship to the really poor sections is unlikely to be caused as a result of implementing our proposals.

PROPOSAL-II

8.32 We have made the above proposal on the assumption that Government will accept the reasoning that we have put forward earlier and take steps to pass necessary legislation for ensuring reimbursement of a substantial part of the commuters' transport expenses by his employer. We cannot however ignore the possibility that, for one reason or the other, the Government may not find it possible immediately to undertake such legislation. We should not overlook such eventuality. It is possible that the increase we have proposed may not be immediately practicable if the whole burden of the increase is to be borne by the commuter himself in the case of all categories of the population. To provide for this contingency, and to make sure that at least the expected losses are eliminated, we are making an alternative proposal which is given in proposal II in Table VIII 7(a) and (b).

Proposal No. 2

TABLE NO. VIII-7 (a)

SECOND CLASS MONTHLY SEASON TICKET FARES—SUBURBAN AND NON-SUBURBAN

Distance slabs in Kms.	Proposed II class M.S.T. fare	Existing II Class M.S.T. fare (Suburban)			Increase per II Class M.S.T. (Suburban)		
		Bombay	Calcutta	Madras	Bombay	Calcutta	Madras
	Rs. P.	Rs. P.	Rs. P.	Rs. Pl.	Rs. P.	Rs. P.	Rs. P.
1—5	10.00	3.90	3.90	3.90	6.10	6.10	6.10
6—10	13.00	6.40	6.40	6.40	6.60	6.60	6.60
11—15	16.00	7.75	7.75	7.75	8.25	8.25	8.25
16—20	19.00	9.00	9.00	9.00	10.00	10.00	10.00
21—25	21.00	10.20	10.20	10.65	10.80	10.80	10.35
26—30	23.00	11.40	11.40	11.95	11.60	11.60	11.05
31—35	25.00	12.50	12.50	13.10	12.50	12.50	11.90
36—40	27.00	14.30	14.30	14.30	12.70	12.70	12.70
41—45	29.00	15.45	15.45	15.45	13.55	13.55	13.55
46—50	31.00	16.50	17.05	17.05	14.50	13.95	13.95
51—60	34.00	18.30	19.35	19.35	15.70	14.65	14.65
61—70	37.00	19.90	21.15	—	17.10	15.85	—
71—80	40.00	21.25	22.95	—	18.75	17.05	—
81—90	43.00	22.50	24.75	—	20.50	18.25	—
91—100	46.00	24.55	26.50	—	21.45	19.50	—
101—110	49.00	26.10	28.15	—	22.90	20.85	—
111—120	52.00	27.65	22.90	—	24.35	22.10	—
121—130	55.00	—	31.35	—	—	23.65	—
131—140	58.00	—	33.00	—	—	23.00	—
141—150	61.00	—	33.60	—	—	24.40	—

TABLE VIII-7 (a)—contd.

Distance slabs in Kms.	Existing II Class	Increase per Class (Non-Suburban)	Increase per Class (Non-Suburban)
	M.S.T. Fare in Non-Suburban		
	Rs. P.		Rs. P.
1—5	3.90		6.10
6—10	6.45		6.55
11—15	8.60		7.40
16—20	10.20		8.80
21—25	11.95		9.05
26—30	13.15		9.85
31—35	14.95		10.05
36—40	16.90		10.10
41—45	19.05		9.95
46—50	20.35		10.65
51—60	23.50		10.50
61—70	26.65		10.35
71—80	29.80		10.20

REMARKS :

- The existing fare applicable to the highest kilometre of the slab is shown in the relevant column. For example the fare for 1—5 Km. slab is the one applicable to M.S.T. for 5 Kms. The proposed M.S.T. fares will be the same for all the distances within each slab.
- The fares proposed above will be subject to the condition that at no stage the increase exceeds Rs. 25.00 for a II class M.S.T. holder on Suburban Sections. Accordingly, fare for slab 131-140 Kms., will be Rs. 45.00 and for slab 141-150 Kms. it will be Rs. 58.00 by way of marginal adjustment.
- The fares beyond 150 Kms. will be computed by adding Rs. 4.00 for every subsequent slab of 10 Kms. For example the fare for 192 Kms. will fall in the slab of 191-200 Kms. and the fare would be Rs. 61.00+20.00=Rs. 81.00.

TABLE NO. VIII-7 (b)

Proposal No. 2

FIRST CLASS MONTHLY SEASON TICKET FARES—
SUBURBAN AND NON-SUBURBAN

Distance slabs in Kms.	Proposed 1st class MST Fares	Suburban		Non-Suburban	
		Exist- ing 1st class MST fares	Increase per MST	Exist- ing 1st class MST fares	Increase per MST
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
1—5	40.00	17.00	23.00	17.00	23.00
6—10	52.00	28.00	24.00	28.00	24.00
11—15	64.00	37.00	27.00	38.00	26.00
16—20	76.00	42.00	34.00	45.00	31.00
21—25	84.00	49.00	35.00	52.00	32.00
26—30	92.00	53.50	38.50	57.50	34.50
31—35	100.00	59.00	41.00	64.00	36.00
36—40	108.00	64.00	44.00	70.00	38.00
41—45	116.00	70.00	46.00	75.50	40.50
46—50	124.00	74.00	50.00	82.00	42.00
51—60	136.00	83.50	52.50	94.00	42.00
61—70	148.00	90.00	58.00	103.50	44.50
71—80	160.00	99.50	60.50	115.50	44.50
81—90	172.00	107.50	64.50	—	—
91—100	184.00	115.50	68.50	—	—
101—110	196.00	123.50	72.50	—	—
111—120	208.00	131.50	76.50	—	—
121—130	220.00	138.00	82.00	—	—
131—140	232.00	146.00	96.00	—	—
141—150	244.00	149.00	95.00	—	—

REMARKS :

- Remark No. 1 of proposal for II class will also apply here.
- Fare for I class beyond 150 Kms. will be 4 times the corresponding II class M.S.T. fare.

The only difference between the two Proposals is that the increases are smaller in Proposal II. It will be noticed that the maximum increase under this proposal for the longer distance on the suburban section, i.e., in Calcutta, would be less than Rs. 25. In view of the fact that our Season Ticket-holder Survey shows that only about 20% of the second-class season ticket-holders in Bombay, about 17% in Calcutta and about 30% in Madras have incomes below Rs. 250 while the rest have incomes have that limit, this increase even if it has to be borne by the individuals concerned should not be considered too high. However, the fact that 88% of the suburban season ticket-holders travel for distance of less than 35 kms. suggests that the increase which most of them will have to bear will not exceed Rs. 12.50. This suggests that the burden of the increase will not be intolerably high. In the case of non-suburban sections, about 70% passengers travel distances not exceeding 35 kms. The increase in their case will not exceed Rs. 10.05.

8.33 We are recommending a minimum fare of Rs. 10 in this Proposal. The adoption of a minimum fare has also to be related to the data which we have collected about the bus transport fares in some of the major urban areas. For example, in Bombay, the BEST does not issue any monthly season tickets. For the shortest distance (upto 5 kms.), the amount that a passenger will have to pay for 50 single journeys on the ordinary bus amounts to Rs. 12.50 and on an express bus Rs. 15. In Calcutta, the monthly season ticket fare for performing 52 single journeys on the local tramway is Rs. 10.40 for the second-class for a distance of upto 5 kms. On the Calcutta bus, the monthly season ticket for 50 single journeys is Rs. 10 for a similar distance. It may be noted that the monthly season ticket in Calcutta specifically mentions the number of journeys while the railway season ticket entitles the passenger to perform any number of journeys in the given period. The Pallavan Transport, Madras, provides a monthly season ticket for 40 single journeys at Rs. 12 for ordinary buses upto a distance of 5 Kms. In Delhi, a monthly season ticket at Rs. 12 is available for those going upto distances of 14 kms. and at Rs. 24 for those going for longer distances. The fare situation in other urban areas is more or less similar, some local bus organisations providing monthly season tickets while others do not do so. As regards inter-city transport, most State Road Transport Corporations do not provide season tickets. In view of all this, the fare structure for season tickets which we are proposing should not be considered unreasonable or unduly high.

8.34 Our argument regarding the total burden on the commuter not being too difficult to bear is further supported by the data available from the National Sample Survey about the expenditure on Railway fare in relation to total consumer expenditure and also from the data available from the Ministry of Labour (Table VIII-8).

TABLE No. VIII-8

EXPENDITURE ON RAILWAY FARE IN RELATION TO TOTAL CONSUMER EXPENDITURE

	(Per cent)							
	Bombay		Calcutta		Delhi		Madras	
	1973-74	1971	1973-74	1971	1973-74	1971	1973-74	1971
1. Proportion of Rail fare to total consumer expenditure	1.6	1.6	0.6	0.7	0.8	0.7	0.2	0.9
2. Proportion of Railfare to total conveyance expenditure	41.6	45.9	17.3	25.6	16.3	22.0	8.0	26.2
3. Proportion of expenditure on conveyance to total consumer expenditure	3.7	3.5	3.4	3.6	4.8	3.4	2.7	3.3

NOTE : (i) 1973-74 data relate to consumer expenditure survey carried out by the National Sample Survey, 28th round.

(ii) 1971 data relate to family income and expenditure survey for working classes.

SOURCE : (i) 'Sarvekshara', Vol. I, No. I, July 1977, Deptt. of Statistics, Government of India.

(ii) Ministry of Labour.

These data show that the expenditure on rail travel constitutes only a small part of the total consumer expenditure of an average family. The data further show that expenditure on rail travel constitutes a much larger proportion of conveyance expenditure in Bombay as compared to other big cities. Even these, it constitute only 1.6% of total per capita consumer expenditure in 1973-74. Thus, even a substantial increase in rail fares is unlikely to put an insufferably large burden on an average family. While keeping the limitations of such averages in view, these data do indicate that the hardship likely to be caused by our proposal is not likely to be too large.

Vendors' Tickets

8.35 Different types of vendors' tickets are prevalent in the three suburban areas, and a common type on all non-suburban sections. The bases of Vendors' season tickets are different in the different areas and sections. These practices will have to be examined in relation to various questions such as comparable rates for luggage, the availability of train accommodation etc. We have not been able to carry out such an examination upto now. We are therefore not recommending any change in the present practices except that, wherever the vendors' type of season ticket is related to the passenger season ticket fare, the revised passenger season ticket fare should apply.

Quarterly Season Ticket Fares

8.36 One major change that in our view should be immediately brought about is regarding quarterly season ticket fares. At present these are charged on the basis of 2½ times the monthly season ticket fares. Our survey of season ticket holders shows that the number of persons who purchase such tickets is very small and, leaving aside the category of students who find their season tickets to be very cheap, these are persons in the upper income group who can afford to invest in fares for the whole quarter at one time. The saving to the Railways arising out of issuing quarterly season tickets instead of monthly season tickets is negligible. On the other hand, for those who can

afford it, the quarterly season ticket is a major convenience as it avoids the necessity of spending time on buying a season ticket every month. We, therefore, recommend that the quarterly season ticket should be rated at three times the monthly season ticket, no special concession being given on such a ticket as compared to the monthly ticket. It may be mentioned in this connection that our study of foreign railways supports this approach that no special concession need be given for season tickets of a longer duration.

Identity Cards

8.37 One change of an administrative character which we would urge is that, as has already been done in the case of non-suburban season tickets, in the case of the suburban season tickets also, the holding of an identity card should be made obligatory on the season ticket-holder. We understand that when this proposal was being mooted for non-suburban season ticket holders, apprehensions had been expressed whether this would be practicable. Experience has shown that these apprehensions were unfounded. In the suburban areas, there is even less likelihood of the idea of identity cards being found impracticable. On the other hand, the possibility of misuse of the season tickets is greater in the case of suburban season tickets especially those for short distances. All that would be necessary for successfully implementing the proposal would be to give adequate notice of the change, and for the issue of identity cards in sufficiently large numbers in the initial stages.

Effective Ticket-checking

8.38 One further suggestion for administrative consideration should be made in this context. We find that, in the three metropolitan areas ticket checking on the suburban sections needs to be improved. Because of the large rush of the passengers in the peak hours, and the passengers being in a hurry, it has been felt that a physical check at the entry or

exit points is likely to impede the flow of passengers physically and thus create disaffection and may sometimes lead to law and order problems. Observations in most other suburban and metropolitan services in the World suggest that methods have been designed for checks either at entry or exit points on most systems. It should not be beyond the ingenuity of the concerned technical staff to think of methods by which more effective checking can be organised. Effectively barring movement of passengers along the track and random checks at least once every week at every station with proper organisation of ticket checking and police personnel should reduce the incidence of ticketless travel. We are afraid that ticketless travel is already quite substantial in some of the suburban sections. This tendency will be aggravated when fares are increased. Unless effective steps for checking ticketless travel are simultaneously organised, the purpose of fare rationalisation may not be fully served.

Card tickets on suburban Sections

8.39 At present, for journeys on the suburban sections by Second class, the special table prescribed for second class (Ordinary) fares upto 50 kilometres applies for distances upto that limit, while the normal second class fare table applies for longer distances. In order to reduce the number of denominations of tickets on the suburban sections so as to facilitate speedy sale of tickets, certain slabs have been already introduced on the suburban sections; but these are confined to distances upto 20 kilometres for which there are four slabs. For distances above 20 kilometres and upto 50 kilometres, the special fare table applies. Beyond that the normal fare table applies. Tickets are issued as per the fare for the actual distance between the two concerned stations. In view of the fact that passengers on the suburban sections are in a hurry, and also because their number is large—almost 25% of the total passengers travel on the basis of card tickets—it is necessary that steps should be taken to facilitate speedy sale of tickets. Long queues at ticket windows, especially at busy hours of the day, are not an uncommon sight on suburban sections and this leads to much passenger annoyance. Because passengers are in a hurry, if they find that the queue at the window is too long, there is also a greater temptation to take a chance and travel without ticket. While we have earlier suggested stricter checking for the purpose of reducing ticketless travel, it is obvious that steps should also be taken to reduce the length of queues and make it possible for law-abiding passengers to buy tickets without too much waiting. One of the methods that is already being attempted by the Railways is the introduction of machine-issued tickets which speeds up the sale of tickets considerably. One difficulty faced in the extended use of these machines is that the number of ticket denominations on individual suburban sections is very large. A slab system is the most practicable method of reducing the number of denominations of tickets and thus facilitating their speedy issue. We therefore recommend that a slab system on the following lines should be introduced on all the suburban sections.

8.40 The slabs should be of 5 kilometres each upto distances not exceeding 50 kilometres, and of 10 kilometres each beyond 50 kilometres. The fare charged should be as follows :—

0 to 5 Kms	As for 3 kilometres
6 to 10 Kms.	As for 8 kilometres.
11 to 15 Kms.	As for 13 Kilometres.
and soon	
51 to 60 Kms.	As for 56 kilometres.
61 to 70 Kms.	As for 66 kilometres.
and so on.	

The maximum distance on the suburban sections as of today being 144 kilometres, the maximum number of slabs on a suburban section would be 20. While even this number may be considered somewhat large, where the distances are very long as in Calcutta, any attempt to have a smaller number of slabs will mark too radical a change. We cannot recommend such a drastic change unless we have studied the whole matter in greater depth than we have been able to do upto now. If necessary, we shall revert to this subject in our Final Report.

Special Fare Table upto 50 Kilometres.

8.41 The brief history of passenger fares as they have evolved over the last thirty years given in Chapter V shows that not only have fares for Second class (Ordinary) passengers been raised at rates much lower than those for other classes of railway passengers, but also that there has been a policy of keeping the fares for Second class (Ordinary) passengers travelling upto distances of 50 Kilometres specially low. At various times, when passenger fares even for Second class passengers were raised because of increases in costs, this category of passengers were wholly or partially exempted from such increases. For example, in September 1974, all other Second class Mail/Express as well as ordinary fares were increased by 25% upto 250 kilometres and by 20% for longer distances, but no increase was made in the Second class (Ordinary) fares upto 25 kilometres. The result of this policy is that the average earning per kilometre from this category of passengers is very low as will be seen from the table below*.

Length of the journey (Km)	Average earnings per Km. (1976-77) (Paise)	
1—25	2.4	
26—49	3.03	2.74
50 onwards		3.20
Total		3.05

The main justification put forward for this policy has been that this class of passengers belongs to the poor sections of society and that therefore they should be subjected to a minimum increase in fares. The whole question of what kind of passengers travel by what trains and for different distances, and what it costs the Railways to carry different categories of passengers, is a matter to which we hope to devote proper attention later in the course of our work. The data that

*These data are about non-suburban passengers.

we collected from the quick Survey which we conducted of single journey card ticket holders travelling on the suburban sections, however, indicated that the professional profile of the such travellers was not markedly different from that of the season ticket holders and that it did not largely consist of the unemployed or the casually employed. Of course, this was a very limited survey, confined to the three metropolitan areas, and no conclusion about the other passengers in this category can be drawn from this Survey.

8.42 One other aspect of this question needs however also to be taken into account. As long as railways were the only modern form of transport available in the country, there might have been some justification for keeping the fares charged from short distance travellers specially low. This is however no longer so. With the growth of bus transport and the relative economics of bus and rail transport, it is generally accepted that bus transport is better suited for short distance movements, while rail transport is better suited for medium and long distance movements except in the case of urban mass transport.

8.43 We have been able to obtain data about the fares charged by some State Road Transport Corporations in the country. Table VIII—9 provides these data in a summary form.

TABLE VIII—9

Comparison of 2nd ordinary rail fares upto 50 Kms. with those charged by State Road Transport Corporation

	Fare (Rs.—Paise) 1—50 Kms.				
	(5 Kms.)	(15 Kms.)	(25 Kms.)	(35 Kms.)	(45 Kms.)
<i>2nd ordinary</i>					
Railways . . .	0—30	0—50	0—85	1—45	1—75
<i>State Road Transport Corporation</i>					
Andhra Pradesh . . .	0—40	0—85	1—40	1—80	2—40
Gujarat . . .	0—30	0—75	1—35	1—80	2—30
Karnataka . . .	0—35	1—05	1—40	2—10	2—45
Kerala . . .	0—30	0—75	1—25	1—75	2—25
Madhya Pradesh . . .	0—45	0—85	1—45	2—00	2—60
Maharashtra . . .	0—30	0—85	1—35	1—85	2—35
Orissa . . .	0—40	0—70	1—15	1—60	2—05
Punjab . . .	0—30	0—80	1—30	1—25	2—40
Tamil Nadu . . .	0—50	0—75	1—25	1—75	2—25
Uttar Pradesh . . .	0—30	0—80	1—35	1—85	2—40

It will be seen that at practically all distances upto 50 Kilometres, the present Second class (Ordinary) railway fares are much lower than those charged by State Road Transport Corporations. This results in not only an undue loss of revenue to the Railways, but also to an uneconomic transfer of passenger traffic from bus transport to rail transport which is not justified. As a matter of fact, our informal discussions with some of the State authorities have indicated that the very low fares charged by Railways (and also the low effective fares resulting from the very low season ticket fares) create difficulties for the State Road Transport Corporations.

8.44 While the overall question of the respective roles of railways and road transport organisations is a matter that is being examined by the Transport Policy Committee appointed by the Planning Commission, and we await their findings and also the findings arising out of our further studies before making our final recommendations, it is obvious that, in the present circumstances, there is no justification for continuing the special exemptions that have been granted from time to time to Second Class (Ordinary) passengers travelling distances upto 50 Kilometres. It has also been pointed out to us by various Zonal Railways that the special fare table upto 50 Kilometres gives rise to anomalous situations due to which it becomes economical for a passenger to buy two single journey tickets for different parts of a journey instead of a single ticket, saving some money in the process. Some of these anomalies, and the resultant loss of revenue as well inconvenience, can be avoided if the special fare table for Second Class (Ordinary) passengers is abolished.

8.45 There is already a regular fare table prescribed by the Railways for Second Class (Ordinary) passengers travelling these distances. Without going into the details of what the fare table should be in the long run, we recommend that the special fare table prescribed for Second Class (Ordinary) passengers upto 50 Kilometres should be abolished and the regular fare table for Second Class (Ordinary) passengers which is already in existence should be brought into effective use. Table VIII—10 shows the existing fares with the proposed fares for 50 Kms. It will be seen that the resultant increases are very small. There is no difference in the first nine kilometres, and the difference at other stages varies from 5 P. to 20 P., except in the last two Kilometres (49 and 50) where the difference is 25 P. Even with these increases, the fares would generally be lower than bus fares charged by most State Road Transport Corporations.

TABLE VIII—10

Second Class Ordinary Fares for Journeys 01 to 50 Kms. Concessional and Regular Fare Tables

Distance in Kms.	Fares as per concessional table		Fares as per regular table		Excess of regular fare over concessional fare
	Rs.	P.	Rs.	P.	
1	0.30		0.30		—
2	0.30		0.30		—
3	0.30		0.30		—
4	0.30		0.30		—
5	0.30		0.30		—
6	0.30		0.30		—
7	0.35		0.35		—
8	0.35		0.35		—
9	0.35		0.35		—
10	0.40		0.45		0.05
11	0.40		0.45		0.05
12	0.40		0.50		0.10

TABLE VIII—10 (contd.)

Second Class Ordinary Fares for Journeys 01 to 50 Kms.
Concessional and Regular Fare Tables

Distance in Kms.	Fares as per concessional table		Fares as per regular table		Excess of regular fare over concessional fare
	Rs.	P.	Rs.	P.	
13		0.45	0.50		0.05
14		0.50	0.55		0.05
15		0.50	0.55		0.05
16		0.60	0.60		—
17		0.60	0.65		0.05
18		0.60	0.65		0.05
19		0.65	0.75		0.10
20		0.65	0.75		0.10
21		0.70	0.85		0.15
22		0.75	0.85		0.10
23		0.80	0.85		0.05
24		0.80	0.90		0.10
25		0.85	0.90		0.05
26		1.15	1.25		0.10
27		1.20	1.25		0.05
28		1.20	1.30		0.10
29		1.25	1.30		0.05
30		1.25	1.30		0.05
31		1.30	1.45		0.15
32		1.40	1.45		0.05
33		1.40	1.55		0.15
34		1.40	1.55		0.15
35		1.45	1.65		0.20
36		1.45	1.65		0.20
37		1.55	1.70		0.15
38		1.55	1.75		0.20
39		1.55	1.75		0.20
40		1.65	1.80		0.15
41		1.65	1.80		0.15
42		1.65	1.90		0.25
43		1.70	1.90		0.20
44		1.70	1.90		0.20
45		1.75	1.95		0.20
46		1.75	1.95		0.20
47		1.75	2.00		0.25
48		1.80	2.00		0.20
49		1.80	2.05		0.25
50		2.00	2.25		0.25

Financial Implications

8.46 While the recommendations made by us about introducing slabs for the issue of card tickets on the suburban sections are not expected to make any significant change in the Railway revenues, our other recommendations are specifically meant to improve the Railway's revenue position. Our calculations indicate that the increases in revenue resulting from the various recommendations relating to passenger fares would be as follows :

(i) Increases in suburban ticket fares

Proposal No. I :

	(Figures in Rs. crores)	
First class	11.73	
Second class	48.04	
Total	59.77	

Or

Proposal No. II :

	(Figures in Rs. crores)	
First class	6.38	
Second class	25.85	
Total	32.23	

(ii) Non-Suburban season ticket fares

Proposal No. I :

	(Figures in Rs. crores)	
First class	0.1	
Second class	16.42	
Total	17.03	

Proposal No. II :

First class	0.14	
Second class	7.77	
Total	7.91	

(iii) Replacement of Second (Ordinary) Special table upto 50 Kilometres by regular fare table 8.39 crores

8.47 Anticipated additional revenues have been estimated on the basis of traffic levels of 1976-77 on the assumption that there will be no reduction or diversion of traffic as a result of the changes. In actual fact, it is not unlikely that there will be some diversion from the First Class to the Second Class as a result of the proposed increases in Season ticket fares. There may also be a certain diversion to road transport both as a result of these increases and also the proposed increase in Second (Ordinary) fares below 50 Kms. But there would also be a normal increase in traffic. Thus, on balance the additional revenues may amount to the figures given above.

CHAPTER IX

PROPOSALS FOR OTHER COACHING TRAFFIC

Profile of parcel and luggage traffic

9.01 In 1976-77, the Railways earned Rs. 59.64 crores from parcels (Rs. 51.59 crores) and luggage (Rs. 8.05 crores) traffic. Together, the earnings from parcels (7.86%) and luggage (1.23%) accounted for 9.08% of the earnings from traffic carried in passenger trains. The volume of parcels traffic (2.3 million tonnes) was substantially less than that of 'small' goods traffic (3.6 million tonnes), but the earnings therefrom (Rs. 51.59 crores) exceeded somewhat the revenue from 'small' goods traffic (Rs. 48.65 crores).

9.02 Parcels Traffic is divided into 11 classes and each class is charged at a separate scale. The Railways do not compile statistics of originating tonnage, tonne-kilometres, revenue per tonne-kilometre, etc., of parcels traffic scalewise, not to mention the numerous commodities charged at any one scale, the only figures available being the total tonnage of parcel traffic and the earnings therefrom. The Railway Board have, however, recently asked the Zonal Railways to make sample studies of the parcels traffic booked on three days in April and three days in October and, when completed, these would give some idea of the profile of the parcel traffic. The sample studies have not yet been completed by all the railways. An analysis of the results of the studies received so far from a few railways shows the following broad picture of the character of the parcel traffic.

TABLE IX—1
Profile for Parcel traffic

Scale	Description of goods and articles	Tonnes originating		Earnings		Average lead (kms)
		In lakhs	Per cent	Rs. crores	Per cent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Other than those mentioned below	6.74	29.30	21.92	42.48	741
2	Betel leaves, butter, cream and khoa	0.63	2.74	2.27	4.39	812
3	Expensive fruits (apples, Anar, Cherries and Grapes)	0.51	2.21	0.81	1.58	845
4A	Ice, eggs, bread, fish, meat etc. and handloom products	3.04	13.23	6.70	12.99	610

(1)	(2)	(3)	(4)	(5)	(6)	(7)
4B	Fresh fruits, except expensive fruit shown in 3	5.26	22.86	11.99	23.22	1031
4C	Amla, green chillies, garlic, ginger, onions, potatoes, etc.	1.10	4.81	1.29	2.50	445
5A	Books and Khadder	1.16	5.05	2.20	4.28	546
5B	Vegetables (incl. limes and tomatoes)	2.45	10.63	2.87	5.57	468
6	Milk	0.86	3.73	0.72	1.40	351
7	Newspapers	1.16	5.05	0.69	1.34	648
8	Seed for agricultural purposes, fish spawn etc.	0.09	0.39	0.13	0.25	735
		23.00	100.00	51.59	100.00	

A more complete picture of the nature and composition of the parcels traffic would emerge only when the results of sample studies on all the railways become available.

Objective of interim proposals

9.03 While a general idea of the nature of parcels traffic is thus now available, we still do not have any figures of the unit costs of parcel services. The Railway Board are now engaged in the traffic costing studies of coaching services and it is hoped that some idea of the cost of carriage of parcels and, hopefully, of the different varieties of parcels, would become available in the next few months. Development of revised parcel rates would necessarily have to await the information mentioned above as the nature of goods and articles carried and the cost of carriage are the main basis on which the rate structure is constructed. We are anxious that, in the meantime, at least the anomalies in the system which have crept in over the years should be removed and the other changes the need for which is self-evident should be made. The proposals which we make in the following paragraphs are designed to achieve these objectives.

Anomalies in existing parcel/luggage rates

9.04 The parcel/luggage rates were rationalised from 1st April, 1970 in line with the revised goods rate structure introduced on that date. The revised

rates for different varieties of parcels/luggage were fixed on the following basis :—

TABLE IX—2

Scale	Description	Basis of revised rate	
(1)	(2)	(3)	
A	Luggage	Equal to goods rate of class	320
1	Other than those mentioned below	—do—	300
2	Betel leaves, butter cream and khoa	—do—	240
3	Expensive fruits (apples, anars, cherries and grapes)	—do—	160
4	Other fruits, potatoes, onions, fish, meat etc. and handloom products	—do—	140
5	Books, Khadder and vegetables	—do—	120
6	Milk	—do—	100
7	Newspapers	—do—	80
8	Seeds for agricultural purposes, fish spawn etc.	—do—	70

9.05 In making these proposals, the Minister for Railways had stated that to avoid undue diversion from goods to parcel traffic, the relativity between goods and parcels rates has to be maintained. It was, therefore, to be expected that the correspondence between parcel/luggage rates and goods rates established on 1st April, 1970 would continue to be maintained and, accordingly, the parcel/luggage rates would be adjusted suitably whenever goods rates are raised in view of the rise in costs etc. Actually, however, the increase in parcel/luggage rates has not been consistent with the increase in goods rates.

9.06 The freight structure was again revised with effect from 1st April, 1974 and a new base scale with overall increase of 5% at a lead of 40 kms. and 11% at the lead of 3,000 kms. was introduced. The rates then introduced were subsequently increased by way of the following surcharges :

—With effect from 15-9-1974 :	16.2/3% upto 500 kms and 22% for distances beyond.
—With effect from 1-4-76 :	5% upto 500 kms and 10% for distances beyond.

There has been no basic revision in the parcel/luggage rates and only the following surcharges have been imposed on the rates introduced on 1st April, 1970, the surcharge applying at the same rate at all distances.

- A 5% supplementary charge was imposed from 15-4-72 and this was increased to 15% from 1-4-74.
- A further 15% surcharge (on the total inclusive of the previous surcharge) was imposed with effect from 15-9-74.

There was no increase in parcel/luggage rates from 1st April, 1976 when a further surcharge was imposed on goods rates.

In effect, therefore, both parcels and goods rates have been increased by about 31-32% for distances upto 500 kms. For longer distances, however, parcel rates have gone up by only about 32% while goods rates have been increased by 46%.

9.07 Besides, certain varieties of parcels have been exempted wholly or largely from the increase in the parcel rates. The effective increase on these has been only as shown in table IX-3 against about 32% increase on other varieties of parcels.

TABLE IX—3

Description	Scale	Effective increase	Remarks
Expensive fruit	3	20.75%	} Exempted from surcharge imposed on 1-4-74.
Other fruit	4-B	20.75%	
Potatoes, onions etc	4-C	5%	} Exempted from surcharges imposed on 1-4-74 and 15-9-74.
Fresh vegetables	5-B	5%	
Milk	6	5%	

Potatoes, onions, fresh vegetables and milk were exempted from the surcharge of 15% imposed on all parcel rates from 15th September, 1974 although the cost of living leap frogged by 27% in 1974-75. The rates for milk have remained unchanged since October 1958 except for a surcharge of 5% since imposed from 15th April, 1972.

9.08 In the circumstances, considerable divergence has taken place between the parcels/luggage rates and the goods rates to which they were equated on 1st April, 1970 particularly in the rates for scale 4-C, 5-B and 6 for distances beyond 500 kms. Table IX—4 shows the extent to which the existing parcel/luggage rates will have to be raised to restore the relativity with the goods rates established on 1st April, 1970.

TABLE IX—4

Scale	Description of goods/articles	Approximate increase reqd. over existing rates	
		Upto 500 kms.	Beyond 500 kms
A	Luggage	—	10%
1	Other than those mentioned below	—	10%
2	Betel leaves, butter cream and khoa	—	10%
3	Expensive fruits (Apples, Anar, cherries and grapes)	8%	20%
4-A*	Ice, eggs, bread, fish, meat and handloom products	—	10%
4-B*	Fresh fruits except expensive fruits	8%	20%
4-C*	Amla, green, chillies, garlic, ginger potatoes and onions	25%	40%
5-A*	Books and Khadder	—	10%
5-B*	Fresh vegetables (incl. lime and tomatoes)	25%	40%
6	Milk	25%	10%
7	Newspapers	—	10%
8	Seeds for agricultural purposes, fish spawn etc.	—	10%

*Scale 4 was subdivided into scales 4A, 4B and 4C and scale 5 was subdivided into scales 5A and 5B, subsequent to 1-4-70 consequent on exemption of fruit, potatoes, onions, vegetables etc. from certain supplementary charges.

We are of the view that pending revision of the parcel rate structure, the imbalance which has crept into the existing rates should be corrected by increasing the rates to the extent shown above so as to make them broadly equal to the goods rate to which they were equated on 1st April, 1970.

9.09 Both parcel/luggage rates and goods rates are tapered i.e. the rate per kg. declines as the distance increases. On 1st April, 1970 the taper in the parcel rates was more gradual than in the goods rates. The lower percentage of increase (32%) in parcel/luggage rates than in goods rates (46%) for distances beyond 500 kms. have reversed this position and, at present, the taper in the parcel rates is sharper than that in the goods rates. The position can be set right only by increasing the parcel rates for distances beyond 500 kms. by a suitably higher percentage than for shorter distances as proposed above.

9.10 Potatoes, onions etc. (Scale 4-C), fresh vegetables (Scale 5-B) and milk (Scale 6) were exempted from most of the supplementary charges imposed on the parcels traffic since 1st April, 1970 in order to avoid, to the extent possible, pressure on the family budget of the common man. However, prices of these articles have risen considerably since 1st April, 1970 in spite of the exemptions as shown in table IX-5 below.

TABLE IX—5

Scale	Description	Whole-scale price indices (1970-71 — 100) 1977-78
4-C	Potatoes	147
"	Onions	239
"	Ginger	166
5-B	Peas	235
"	Tomatoes	170
"	Cauliflower	122
6	Milk	157

9.11 The effect of the proposed increase in the parcel/luggage rates on the daily necessities mentioned above as also some other requirements of the common man has been examined and it has been found that, in most of the cases, it can lead only to a marginal increase in the retail prices. The table below shows the additional freight per kg. (or other relevant unit) at the average lead* which would be payable in relation to the retail prices for some of the commodities involved.

TABLE IX—6

Commodity	Scale unit	Increase in freight per unit	Retail price per unit	Percentage increase in retail price
1	2	3	4	5
		Rs.	Rs.	%
Leather shoes	1 One pair	0.04	40.00	0.10
Soap toilet	1 One cake	††	1.35	—

1	2	3	4	5
Betal leaves	2 One kg	0.03	15.00	0.20
Apple	3 „	0.04	4.50	0.89
Bread	4-A „	0.01	2.30	0.43
Eggs	4-A One dozen	—	5.10	—
Fish	4-A One kg	0.01	8.00	0.13
Banana†	4-B One dozen	0.03	1.50	2.00
Papita	4-B One kg	0.04	2.20	1.82
Potatoes	4-C „	0.02	1.00	2.00
Cauliflower	5-B „	0.02	1.00	2.00
Tomatoes	5-B „	0.02	2.40	0.83
Milk	6 „	0.01	2.60	0.38
Potato seed	8 „	0.01	2.00	0.50

††Less than one paisa.

*The average lead is based on the results of the sample surveys of parcel traffic which have become available so far.

†Figures are based on full rates. Bananas are however generally carried in wagon loads at special lower rates and the incidence of the proposed increase in rates would therefore be lower.

9.12 The data on average consumer expenditure in rural and urban areas, collected during the 28th round of the National Sample Survey (relating to period October 1973 to June 1974), also suggests that the proposed increase in the rates will be marginal in relation to average consumer expenditure. The per capita monthly expenditure on eggs, fish, meat, fruits & nuts, vegetables and milk & milk products comes to Rs. 7.80 (out of the total of Rs. 53.01) in the case of rural population and Rs. 13.47 (out of the total of Rs. 70.70) in the case of urban population. The element of freight charges on these will increase by Six paise (from 23 paise existing to 29 paise) in the case of rural population and Nine paise (from 41 paise existing to 50) in the case of urban population. Thus the proposed increase in rates would increase the per capita monthly expenditure on these food items by Six paise in the case of rural population and Nine paise in the case of urban population. It may be mentioned here that some of these food articles, as for example eggs and meat, have high income elasticity and are normally consumed only by the better off people.

Minimum charges for Parcels/Luggage traffic

9.13 The freight charges for parcels/luggage are subject to certain minimum charges per consignment irrespective of the weight and distance. The existing minimum charge is Rs. 3.50 for luggage, Rs. 3.00 for parcels charged at Scale 1, Rs. 2.50 for parcels charged at Scale 2, Rs. 1.50 for parcels charged at Scales 3 to

6 and 8 and 40 paise (upto 5 kg)/50 paise (over 5 kgs) for parcels chargeable at Scale 7. These minimum charges have been in force from 1968-69 in most of the cases.

9.14 In the past the minimum charges were generally increased whenever parcel/luggage rates were raised in the wake of rise in costs. No increase was, however, made when the parcel rates were increased on 1st April, 1970 as a result of rationalisation or when supplementary charges were levied from 15th April, 1972, 1st April, 1974 and 15th September, 1974 consequent on further rise in cost. The existing minimum charges are thus overdue revision. The revision would be all the more necessary after the existing parcel rates are increased in line with the proposals made in para 9.08.

9.15 It would be of interest to mention here that the existing minimum charges on Railways are in certain cases lower than the minimum charges for parcels carried by some of the State Road Transport Corporations. For instance, Andhra Pradesh Road Transport Corporation have prescribed a minimum increase of Rs. 4.50 against the highest minimum charge of Rs. 3.50 (for luggage) on the Railways.

9.16 In the light of the foregoing, we are of the view that the minimum charges for different varieties of parcels/luggage traffic may be increased to Rs. 5 in the case of luggage, Rs. 4.50 in the case of parcels charged at scale 1, Rs. 4 for parcels charged at scale 2, Rs. 2.50 for parcels charged at scales 3 to 6 and 8 and Re. 1 for parcels charged at scale 7.

Bulky articles fully occupying the vehicle

9.17 Bulky articles fully occupying a vehicle booked at parcel rates are subject to a minimum charge as for 45 qtls. BG/35 qtls. MG per four-wheeler vehicle. Such articles Booked at goods rates are, however, subject to a minimum charge as for 60 qtls. BG/40 qtls. MG.

9.18 Whether despatched by coaching trains or goods trains, such articles are normally carried in goods wagons (fit to run in passenger trains in the case of the former). The cost of the passenger operations is more than that of goods. The minimum weight for charge should, therefore, be so fixed that earnings from coaching traffic are more than from goods traffic. Scale 1 parcel rates is based on double the highest goods rate and, therefore, the freight charges on bulky goods booked on parcel rates should be equal to freight charges at goods rate class 300. In any case, they should obviously not be less than, say, double the actual earnings at the applicable goods rates. In fact, however, as shown in Table IX-7 earnings from bulky goods booked at parcel rates are not even double those at the applicable goods rates, leave alone double the highest goods rate as they may be expected to be. Figures show freight rates for 800 kms.

TABLE IX—7

	Coaching		Goods
	Actual	should be	Actual
Bulky goods		at equated rate	at double the actual goods earnings
	Rs.	Rs.	Rs.
Refrigerator	1747	3074 (class 300)	3074 (class 300) 1537 (class (150)*
Rubber foam	1747	3074 (class 300)	2470 (class 240) 1235 (class 120)*
Aluminium ware	1747	3074 (class 300)	1890 (class (220) 945 (class 110)*
Plastic goods	1747	3074 (class 300)	2226 (class 260) 1113 (class 130)**

*At smalls rate.

**At wagon load rate.

9.19 In the circumstances, we consider that the minimum weight for charge for bulky goods occupying the full vehicle booked at parcel rates should be increased to 60 qtls. BG/40 qtls. MG per 4-wheeler vehicle.

Rates for small parcels weighing not more than 2 kgs.

9.20 Parcels charged at Scale 1 (generally manufactured goods), 4-A (eggs, fish, meat etc.), 4-B (inexpensive fruits), 4-C (potatoes, onions etc.) and 8 (seeds for agricultural purposes etc.) weighing upto 2 kgs. are charged at special low rates. Other parcels i.e. parcels of the above varieties weighing more than 2 kgs., and all parcels chargeable at Scales 2, 3, 5-A, 5-B, 6 and 7 whether weighing upto 2 kgs. or more, are charged at the normal rates, the minimum rate for charge being 5 kgs.

9.21 The maximum charge for the small parcels weighing upto 2 kgs. mentioned above is lower than the minimum charge for other parcels, and the rail freight for these parcels is much lower than the postal charges for parcels of corresponding weight. Further, it has been observed that the small parcels booked at the special rates comprise mainly film shots/Indian news reels, publicity materials, etc., all of which can bear the normal freight charges. In the circumstances, the Committee consider that the existing rule on the subject may be deleted and these parcels charged at the normal rates.

Cloak Room charges

9.22 At certain stations, passengers may leave their luggage and parcels in the cloak room (with the Station Master if there is no separate cloak room) for safe custody for a period upto one month on payment of the following charges :

First 4 days	30 paise per package per day
Next 4 day	40 —do—
Next 4 day	50 —do—
Subsequent period 60	—do—

9.23 The cost of living has gone up considerably since the existing rates were fixed in January 1973. Moreover, certain studies conducted by the Committee suggest that the cost of providing cloak room facilities (where separate cloak rooms exist) is often more than the income from the left luggage at the existing rates. The existing rates need, therefore, to be increased.

9.24 The cloak room facility is provided for short-term storage. In some cases, however, passengers leave packages in cloak room for more than 10 days. This needs to be discouraged by relatively steeper increase in the charges for longer periods.

9.25 In the light of the above, we consider that the cloak room charges may be revised as follows :

Number of days	Paise per package per day		
	Large stations	Medium stations	Small stations
First 2 days	50	40	30
Next 4 days	60	50	40
Next 6 days	80	60	50
Subsequent days	100	80	60

Rates for extra heavy/extra large packages

9.26 Parcel and luggage are charged on the basis of weight/distance. No additional charge is made for extra heavy or extra large packages, even in the case of a package exceeding the maximum permissible weight (2 qtls.) or measurement (2.5m×1.5m×1.25m) which can be booked only by previous arrangement.

9.27 Extra heavy/extra large packages take up unduly large space and their carriage, therefore, does not allow the capacity of luggage/parcel van to be utilised adequately. Besides, a certain difficulty is experienced in loading/unloading consignments which exceed the maximum dimensions (about 1.96m×1.3m) of the luggage/parcel van doorway. We, therefore, recommend that parcels and luggage exceeding 1.5 qtls. in weight or 2m×1.5m×1.25m in outside measurement should be charged at 25% above the normal rates.

Rates for Motor Cars, Motor Boats, Aeroplanes etc.

9.28 Carriages, motor cars, boats, canoes, palanquins or dhoolies and howdahs, aeroplanes, etc. are charged at the rates notified in Coaching Tariff Part IV which have developed independently of the parcel rates. Significant traffic is only in motor cars; rates for howdahs and dhoolies continue to be quoted apparently only as a matter of tradition.

9.29 Motor cars are carried by the same trains as parcels. One would, therefore, expect that the rates for motor cars would be increased in line with the rates for parcels. Actually, however, since 1st April, 1960 the rates for motor cars have increased at a slower pace (59% at all distances) than parcel rates (72% to 103% depending on the distance). We have also suggested earlier (para 9.08) that the parcel rates should be increased further. Taking into account both of these aspects, the rates for motor cars need to be increased by, say, 15% for distances upto 500 kms. and, say, 25% for longer distances. Even

with these adjustments, the increase in the rates for motor cars since 1st April, 1960 would be much less than the increase in their price during the period.

9.30 The existing rates for carriage of motor cars by passenger trains are only 12% to 20% higher than the corresponding goods rates. This differential is inadequate considering the greater speed and safety associated with conveyance by passenger trains. After the proposed increase, the rates for conveyance of motor cars by passenger trains would be 40% to 50% higher which would seem to be more appropriate.

9.31 There is no need to fear diversion of traffic to road as a result of the proposed increase. Bulk of the traffic by passenger trains is long distance (average lead 975 km.) and is on account of transfer etc. which is paid for by the employer.

9.32 In view of the foregoing, the Committee recommend that, pending further consideration of the matter on the basis of cost of carriage, etc. rates for motor cars may be increased by 15% upto 500 kms. and 25% for longer distances, the minimum charge being enhanced to Rs. 250. An increase of similar magnitude could also be appropriately made in the rates for other vehicles, etc. in this group for the present.

9.33 An examination of rates for this group has brought to light certain anomalies in the existing system. These need to be removed by corrective action as suggested below :

- trucks are carried at the same rate as motor cars, although they cost 2.1/2 times as much. Trucks should be charged at the rates for motor boats.
- aeroplanes are charged at the same rate as for motor boats and motor trolleys and this is only 75% more than the rate for motor cars. Even the smallest aeroplane would cost much more than a motor boat or motor trolley and at least 10 times as much as a car. However, generally only old planes which are not capable of flying are despatched by train and, therefore, it would suffice to charge for aeroplanes at double the rate for motor cars.

Rates for Treasure and other Valuable goods and articles

9.34 Treasure is carried at special rates laid down, therefore instead of the normal parcel rates and there are separate rates for public and for government. For this purpose, Treasure includes specie (i.e. gold, silver, copper, bronze and nickel coins), bullion, currency notes, government stamps and postal orders. Treasure does not, however, include crushed and defaced coins and gold and silver ornaments, trinkets, plates, thread or lace; these are charged at Scale 1 parcel rates.

9.35 Specie, bullion, etc., classified as Treasure, are 'excepted' articles and have the same characteristics as other 'excepted' articles carried as parcels. Both are also governed by the same general rules. The rates for Treasure should, therefore, be comparable with, if not the same, as parcel (Scale 1) rates.

However, rates for Treasure have developed independently of parcel rates and there are significant differences between them.

- The rates for gold and silver for public are 65% to 99% of the parcel (Scale 1) rates upto 150 kms. but increase gradually thereafter to 179% of the parcel (Scale 1) rates at 2,500 kms. Similarly, the rates for currency, gold and silver for government, and copper, etc., coins on public account, are 49% to 94% of parcel (Scale 1) rates upto 300 kms. but thereafter increase progressively to 138% of the parcel (Scale 1) rates at 2,500 kms.
- The rates for copper etc., coins carried on government account are 38 to 85% of the parcel rates at different distances.

There is no apparent justification for rates for copper, etc., coins carried on government account being lower than parcel (Scale 1) rates at all distances, or the rates for other categories of Treasure being lower than parcel rates for short distances and higher at longer distances.

9.36 It has been observed that while consignors declare the value of specie, bullion, etc., as required by the rules, they generally do not elect to pay the percentage (insurance) charge, although the value in each case for excess Rs. 500. Nevertheless, in view of their extraordinary nature, the Railways take particular care of consignments of Treasure at the forwarding station, in transit, and at the destination station, and the precautions taken for their safe handling exceed even those taken for insured articles.

- Insured consignments awaiting despatch/delivery etc., are usually kept in a separate room. Specie, bullion, etc., are however, kept in yet another (more closely guarded) place.
- In the brakevan gold, silver, etc., are locked up in the bullion chest provided specially for the purpose. Further, while other 'excepted' articles valued at Rs. 5,000 or more are escorted only if they are insured, consignments of Treasure valued at Rs. 5,000 or more are escorted even if they are not insured

9.37 In principle (*vide* para 9.35), and in the interests of simplification, it is considered that Treasure should be charged at the regular parcel rates. In the circumstances of the case, however, it would not be reasonable to charge for Treasure at the ordinary Scale 1 parcel rates; it will only be logical to levy a surcharge on the freight charges calculated at Scale 1 parcel rates. There is no reason why the Treasure carried on government account should be charged at different rates than the Treasure carried on public account, specially when there is no significant difference in the nature/quantum of service rendered by the Railways for their carriage. It is, therefore, considered that the rate for Treasure on government account should also be the same as that on public account.

9.38 Besides Treasure as defined in the Coaching Tariff, there are many other goods and articles of high value conveyed as parcels. These include platinum/platinum alloys, precious stone, jewellery, opium, bank notes, lottery tickets, etc., arms and ammunitions, fur and fur clothings and ivory.

9.39 All the goods and articles mentioned in the preceding para, except lottery tickets and arms and ammunition, are included in our list of 'excepted' articles. As in the case of Treasure, the owners usually do not elect to insure them. Nevertheless, some of these articles and goods are handled by the Railways in the same way as Treasure :

- Narcotics : While awaiting despatch or delivery, opium is usually kept in the locked enclosure meant for gold and silver.
- Pearls, precious stones and jewellery : for the purpose of escort, these are treated on par with Treasure.

In the case of narcotics, as also arms and ammunition, the Railways are also required to take a number of precautions before booking and while the goods are in their custody.

In spite of the above, however, at present these are charged at ordinary scale 1 parcel rate. We are of the view, that, in future, such goods or articles of very high value, for which the Railways make special arrangements for safe handling, should be treated on a par with Treasure and charged accordingly.

9.40 In conclusion, we recommend that all the valuable goods and articles mentioned above, including Treasure (whether on government account or public account), should be charged on the following basis, the separate tariff for Treasure being abolished. Jewellery, utensils, etc., consisting of any of these articles, will be charged at the rate applicable to that article.

Gold, Bullion or Coin	Treble	scale 1 rate
Platinum/Platinum alloys	Treble	—do—
Precious Stones (diamonds) including diamonds for industrial use), Rubies, Emeralds, Sapphires, Pearls (including culture pearls) and opals	Treble	—do—
Opium	Treble	—do—
Bank notes, securities, shares, share coupons, travellers' cheques and lottery tickets	Double	—do—
Silver, bullion or coin	Double	—do—
Silver scrap	Double	—do—
Arms and ammunitions	Double	—do—
Cupro nickel, bullion or coin	Double	—do—
Gold plated articles	Double	—do—
Silver plated articles	1.1/2 times	—do—
Furs, fur clothing and fur-trimmed clothing	1.1/2 times	—do—
Ivory	1.1/2 times	—do—

Bronze and copper coins mentioned in our existing rules are no longer in use and, therefore, it is not necessary to provide rate for them.

Financial implications of the proposals

9.41 It is roughly estimated that the proposals made in the preceding paras will bring in an additional revenue of about Rs. 6.5 crores.

CHAPTER X.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

10.01 In the Interim Report, we have attempted to take a tentative view of the financial position and performance of the Railways. This leads to the conclusion that, among other factors, the fact that fares and freight rates have not kept pace with general increases in the price levels, have been responsible for the difficulties faced by Railways especially in undertaking larger development programmes. Our study of the history of passenger fares, and especially the season ticket fares, suggests that these fares have remained almost stagnant for a long time and this has created difficulties in the way of undertaking essential improvements in these services. We have also conducted a sample survey of season ticket holders—both suburban and non-suburban—and a survey of single journey card ticket holders on suburban sections. Analysis of the data collected in this survey helps us to draw various conclusions about the nature of the passenger traffic, the socio-economic profile of passengers travelling by the two classes on the suburban and non-suburban sections, and the nature of their journeys. We have taken all these data and information into account in arriving at our recommendations. These data indicate that the implementation of the various recommendations is not likely to put an impossible burden on the lower income groups among the concerned sections of the population, and it should not, therefore, be difficult to implement our recommendations.

Recommendations regarding Passenger Fares

10.02 Our main recommendations regarding passenger fares are as follows :—

- (1) No concession in fares, including hill ticket concessions, should be available to passengers travelling by a class other than the Second Class (Para 8.01).
- (2) An increase in season ticket fares—especially those in the suburban sections—is necessary for the purpose of reducing, if not eliminating, the existing losses and for supporting investments which are essential if the present difficulties faced by suburban passengers or other commuters are to be reduced in the near future. It is our expectation that, as a result of the reduced losses or surpluses resulting from the implementation of our recommendations, railways will be enabled to undertake important investments of short gestation types in the next two or three years which would give considerable relief to the commuters (Para 8.11).
- (3) We think that it would be appropriate for Government to recommend legislation by

Parliament which would make it obligatory on the employers to pay for a substantial part of the transport costs of commuters living in large metropolitan areas so as to make it possible for the fare structure for commuters to be rationalised. We also suggest that Central and State Governments and Local Authorities should voluntarily undertake to provide similar reimbursement of transport expenses of their employees on a similar basis (Paras 8.12 to 8.22).

- (4) Assuming that Government and Parliament would approve of the course suggested above, we suggest a revised table of season ticket fares *vide* Proposal I. The minimum monthly Second Class season ticket fare under this proposal would be Rs. 12 (Para 8.25).
- (5) If, for any reason, the Government and the Parliament cannot immediately approve of this recommendation and act upon it, we have suggested an alternative table of season ticket fares *vide* Proposal II. The minimum monthly Second class season ticket fare under this proposal would be Rs. 10 (Para 8.32).
- (6) We suggest that season tickets on the non-suburban sections should henceforth be available between stations situated at distances not exceeding 150 kilometres as against 80 Kms. at present (Para 8.28).
- (7) We tentatively suggest that sections which have enjoyed season ticket fares from before 1951 should continue to enjoy such a concession for the time-being, even if the distance between the concerned stations exceeds 150 Kilometres. In these cases, the Second class monthly season ticket fare should be calculated at the rate of Rs. 5 for every 10 kilometres beyond 150 kilometres under Proposal I, and Rs. 4 for every 10 kilometres beyond 150 kilometres under Proposal II (Para 8.28).
- (8) The distinction in the season ticket fares between suburban and non-suburban sections upto 150 kilometres should be abolished (Para 8.28).
- (9) The First Class monthly season ticket should be uniformly four times the Second Class monthly season ticket fare (Para 8.27).
- (10) Quarterly season ticket fares should in all cases be three times the monthly season ticket fares (Para 8.36).

- (11) On suburban sections, card tickets should be issued according to slabs. The maximum number of slabs according to the scheme suggested would be twenty. The same fare should be charged for all distances falling within a particular slab. The slabs and the fare bases have been specified in the concerned paragraphs (Para 8.39).
- (12) The special fare table for Second class (Ordinary) passengers valid for distances upto 50 kilometres should no longer apply. It should be replaced by the regular Second class (Ordinary) fare table (Para 8.41).

Recommendations regarding Freight Rates

10.03 The recommendations regarding freight rates are given below :—

- (1) On a review of the whole situation regarding exemptions given to grain & pulses, salt NOC, gur, jaggery & shakkar, certain items of edible oils & oil seeds and chemical manures from the levy of supplementary charges imposed in 1974 and 1976 and the estimated loss to railways on the carriage of these exempted commodities, we recommend that the exemptions can be removed (Paras 4.02 & 4.03).
- (2) As compared to the wholesale as well as retail prices of the commodities at present exempted from the levy of supplementary charges, the increase in freight charges which will result from the removal of exemptions, would be negligible (Para 4.05).
- (3) Increase in the incidence of freight element in the per capita consumer expenditure in rural and urban areas, as a result of withdrawal of the exemptions, will also be negligible and the common man's budget will hardly be affected by the increase in freight charges (Para 4.06).

Recommendations regarding other Coaching Traffic

10.04 Recommendations regarding other coaching traffic are as follows :—

- (1) The relativity between the parcel rates and goods rates established on 1st April, 1970 has got disturbed over the last few years due to varying basis of increase in the parcels and goods rates. Parcel and luggage rates may be increased suitably to re-establish that relativity (Para 9.08).

The proposed increase in the parcel/luggage rates would have only marginal impact on the cost of living of the common man (Paras 9.11 & 9.12).

- (2) The minimum charges for luggage and different varieties of parcels should be increased in the light of the increase in rates already made since the existing minima were fixed and the further increase in the parcel/luggage rates which is necessary (Para 9.16).
- (3) Bulky articles fully occupying a vehicle booked at parcel rates should be subject to minimum charge for 60 quintals BG/40 quintals MG per four-wheeler wagon (Para 9.19).
- (4) The special rates for small parcels weighing upto 2 Kgs. should be abolished and these parcels should also be charged at the normal rates (Para 9.21).
- (5) Cloak room charges may be revised as indicated (Para 9.25).
- (6) Freight charges on extra large/extra heavy parcels and luggage should be levied at 1½ times the normal rates (Para 9.27).
- (7) Rates for motor cars, motor boats, aeroplanes etc., may be increased as suggested (Paras 9.32 & 9.33).
- (8) Valuable goods and articles, including specie and 'treasure' should be charged at scale 1 parcel rates but be subject to surcharges as indicated (Para 9.40).

H. K. PARANJAPE

Chairman

K. T. MIRCHANDANI

Member

V. K. STHANUNATHAN

Member

VINOD PAL

Secretary

New Delhi, 27th November, 1978.

ANNEXURE

Copy of Government of India's Resolution No. ERB-1/77/21/70 Dated 19-9-77 setting up Rail Tariff Enquiry Committee 1977

RESOLUTION

The structure of rates for transport by goods trains was reviewed in all its aspects by a Committee in 1955—57. No thorough-going enquiry has ever been made by an independent body in respect of passenger fares or the rates for other coaching traffic (such as parcels and luggage) as also charges for post office mails and military traffic.

2. The existing structure of rates for transport by goods trains has evolved out of the recommendations of the Freight Structure Enquiry Committee (1955—57). Many far reaching changes have taken place in the country's economy in the two decades which have elapsed since and big changes are envisaged in the years to come and, therefore, there has been public demand for a fresh examination of the freight rate structure. It has also been suggested that packing conditions and the rules governing the booking, delivery of, and payment for, traffic should be modified suitably in the light of modern business practice. It is also necessary that in-depth study should be made of the structure of passenger fares, rates for other coaching traffic, as also charges made for post office mails and military traffic.

3. Over the years the railways have increasingly become bulk carriers of goods over longer distances and the proportion of passenger traffic carried at concessional fares has been progressively increasing. The rapid inflation of recent years has also particularly affected the railways because of their highly labour intensive operations and there has been sharp escalations in the cost of energy and other materials used. Costs have risen faster than revenues; the railways have an accumulated liability of Rs. 461.99 crores (as on 31-3-77) borrowed over the year to meet the cost of essential but unremunerative work which are required to be financed from revenue surplus after payment of dividend (interest on capital) and in some years even to discharge the obligatory dividend liability.

4. The Public Accounts Committee observed that "there is need for rationalisation of the tariff policy vis-a-vis the cost of services provided by the Railways", and recommended that "the question of restructuring of freights and fares on the basis of "cost plus" profit may be remitted to an Expert Committee for a thorough examination" adding that "unless this question is examined in detail and meaningful decisions are taken to rationalise the existing freight and fare structures on a scientific basis, the ills that be-set the Railways will continue to plague them. The Railway Convention Committee have also emphasised the need for rationalising the freight and fare structure on the basis of traffic costing studies bringing charges in closer alignment with costs over the years.

5. In view of the foregoing, as announced by the Railway Minister during the Budget discussions, the Government of India have decided to appoint a Rail Tariff Enquiry Committee

to make a comprehensive examination of the structure of fares, rates and other charges for public traffic as also for post offices and military traffic, and other ancillary and incidental matters, and to make recommendations for their modification. The Committee will bear in mind, among other relevant considerations, the necessity for enforcing measures to improve operational efficiency of the Railways since the "cost plus" approach alone may lead to the economy being over-burdened with an excessively high freight and fare structure. The interests concerned will be given an opportunity to represent their points of view to the Committee.

6. The Committee will consist of the following :—

Dr. H. K. Paranjape	Chairman
Shri K. T. Mirchandani	Member
Shri V. K. Sthanunathan	Member

7. The terms of reference of the Committee will be follows :—

- (a) To examine the structure of fares, rates and other charges for public traffic carried by passenger train and/or goods trains, in all its aspects, and ancillary and incidental matters such as packing conditions and booking and delivery of and payment for, traffic;
- (b) To examine the structure of fares, rates and other charges for post office mails and military traffic carried by passenger trains and/or goods trains, as also ancillary and incidental matters;
- (c) To examine any other cognate matters that may be referred to the Committee by the Ministry of Railways; and
- (d) (i) To recommend the modifications which should be made bearing in mind, among other relevant considerations, the interests of the common man, the requirements of developing economy, and the importance of making the Railways financially viable and the possibility of increased operating efficiency; and
- (e) Any other matters connected with the rationalisation and simplification of the freight and fare structure on the Indian Railways and any other incidental matters relating thereto.

8. The Committee will submit its report within a period of two years. It may also submit interim reports as may be considered necessary and as desired by the Government.

B. MOHANTY
Secretary, Railway Board and
Ex-officio Joint Secretary to the
Government of India

PARTICULARS OF SECTIONS OF POSTS FOR RAIL TARIFF ENQUIRY COMMITTEE

Railway Board's letters No. E(RB)I/77/21/70 of 23-9-77 & 29-10-77 E(RB)I/77/15/3 of 18-11-77 20-12-77, 15-2-78, 10-5-78, 14-7-78 and 10-8-78.

S. No.	Post	Number	Date of Sanctions	1	2	3	4
1	2	3	4	8. Inspectors/Tech. Asstts.		16	18-11-77 20-12-77 15-2-78
1.	Chairman	1	23-9-77	9. Assistants		4	18-11-77 15-2-78
2.	Members	2	29-10-77	10. Upper Divn. Clerk		1	18-11-77
3.	Secretary	1	29-10-77	11. Lower Divn. Clerks/Typists		7	18-11-77 20-12-77 15-2-78
4.	Joint Directors	3	18-11-77 10-5-78	12. Private Secretaries		4	18-11-77
5.	Dy. Director	1	10-5-78	13. Stenographers Gr. 'C' & 'D'		10	18-11-77 15-2-78 14-7-78
6.	Asstt. Director	1	10-8-78				
7.	Section Officers	3	18-11-77				

SUMMARY OF OFFICIAL JOINING RTEC MONTHWISE

	1977				1978												Total
	Sept.	Oct.	Nov.	Dec.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept				
Jt. Directors	—	—	—	—	1	—	1	—	—	1	—	—	—	—	3		
Dy. Directors	—	—	—	—	—	—	—	—	—	—	—	—	1	—	1		
Section Officers	—	—	—	—	1	1	1	—	—	—	—	—	—	—	3		
Inspectors/Tech. Asstt.	—	—	2	1	3	2	3	3	—	—	—	—	—	2	16		
PS/PAs	2	—	—	1	4	—	1	1	—	—	—	—	—	1	10		
Other Stenos.	—	—	—	—	—	—	—	—	—	—	—	—	—	4	4		
Office Asstts.	—	—	—	—	1	—	—	1	1	1	—	—	—	—	4		
Clerks/Typists	—	—	—	—	2	2	—	2	1	1	—	—	—	—	8		
TOTAL	2	—	2	2	12	5	6	7	2	3	—	1	7	49			

Copy of Press Notification

RAIL TARIFF ENQUIRY COMMITTEE

The Government of India have set up the 'Rail Tariff Enquiry Committee' to examine the structure of fares, rates and other charges for public traffic carried by passenger and goods trains, and to recommend modifications which should be made, bearing in mind among other relevant considerations the interests of the common man, the requirements of a developing economy, the importance of making the railways financially viable, and the possibility of increased operating efficiency. The Committee will also examine ancillary matters such as packing conditions, and rules regulating booking and delivery of traffic in the light of modern business practices.

Institutions, firms or persons interested in the matter are requested to send their memoranda to the Secretary, Rail Tariff Enquiry Committee, it would be helpful if the memoranda are submitted in quadruplicate and each of the following matters is dealt with under a distinctive heading:—

(1) Fares for suburban and non-suburban passenger traffic.

(2) Freight rates for goods traffic.

(3) Rates for other coaching traffic such as parcels and luggage.

(4) Other changes such as siding charges and crane charges.

(5) Ancillary matters such as packing conditions and the rules for booking and delivery of, and payment for, traffic.

A copy of the Government Resolution setting up the Committee and laying down its terms for reference can be obtained from the Secretary of the Committee.

(VINOD PAL)

Secretary,

Rail Tariff Enquiry Committee,

Rail Bhavan,

New Delhi-110 001.

Rail Tariff Enquiry Committee,
Government of India,
Rail Bhavan, New Delhi.
Dated, the _____ 197 .

Dear Sir,

You have probably seen the notification which was issued by the Rail Tariff Enquiry Committee in the leading newspapers of the country during October 1977. The contents of the Notification are reproduced below for ready reference :—

“The Government of India have set up the Rail Tariff Enquiry Committee to examine the structure of fares, rates and other charges for public traffic carried by passenger and goods trains, and to recommend modifications which should be made, bearing in mind, among other relevant considerations, the interests of the common man, the requirements of a developing economy, the importance of making the railways financially viable, and the possibility of increased operating efficiency. The Committee will also examine ancillary matters such as packing conditions, and rules regulating booking and delivery of traffic in the light of modern business practices.”

Institutions, firms or persons interested in the matter are requested to send their memoranda to the Secretary, Rail Tariff Enquiry Committee. It would be helpful if the memoranda are submitted in quadruplicate, and each of the following matters is dealt with under a distinctive heading:—

- (1) Fares for suburban and non-suburban passenger traffic.
- (2) Freight rates for goods traffic.

- (3) Rates for other coaching traffic such as parcels and luggage.
- (4) Other charges such as siding charges and crane charges.
- (5) Ancillary matters such as packing conditions and the rules for booking and delivery of and payment for traffic:

A copy of the Government Resolution setting up the Committee and laying down its terms of reference is also enclosed for your information.

You are welcome to send your suggestions and recommendations through a memorandum to the undersigned. These suggestions and recommendations will be duly taken into account by Committee during their deliberations. As has been indicated in the Notification above, it will be helpful if the memorandum is submitted in quadruplicate and each subject is dealt with under a distinctive heading. It will be useful if the memorandum reaches the undersigned by 28th February 1978.

Encl : As above

Yours faithfully,
(VINOD PAL)

QUESTIONNAIRE ON PASSENGER FARES

Part I — [Dealing with season tickets, concessions, 1 to 50 km table for II (O) class]

1. *Short Distance table for II (O) (1 to 50 kms)*
- 1.01 Name stations/sections on your Railway where the issue of II(O) tickets for a lead of 50 kms or less is more than 50% of the total number of tickets issued in the year 1976-77.
- 1.02 What additional revenue would have been realised on your railway during 1976-77, if a separate concessional fare table for II(O) upto a distance of 50 kms was not existing?
- 1.03 Are bus/mini bus/tempo etc. services available on sections mentioned in 1.01? If so, indicate comparative rail and road fares.
- 1.04 Give the frequency and timings of rail and road services on the sections indicated in 1.01.
- 1.05 Has it been your experience that on certain sections on your Railway passengers travelling for a distance of over 50 kms split up their journeys for distances of less than 50 kms each and thereby derive benefit of lesser total fare than they would have to pay if the journey was performed on one ticket? If so, please give examples and details.
- 1.06 Have any studies been carried out on your Railway regarding socio-economic condition of passengers who are deriving the benefit of the concessional table of II(O) fares upto 50 kms? If so, give a copy of the study report.
- 1.07 What in your view will be the impact (social, political and economic) in case the concessional table for II(O) upto 50 kms is abolished?
- 1.08 Have you conducted any cost studies relating to short distance stopping passenger trains on sections indicated in 1.01? If so, give details and send a copy of the study. Also give occupation ratios of such trains.
2. *Suburban Fares*
- 2.01 Is it your view that single journey fares for suburban trains should be the same as for non-suburban ordinary trains, as is the case at present? It has been urged that facilities on EMU trains are different from those provided on non-suburban ordinary trains. These differences may be kept in view while replying the above.
- 2.02 If your view is that fares for suburban travel should be different from non-suburban, what basis for suburban fares do you recommend?
- 2.03 Do you anticipate any practical difficulties in having differential fare structures for suburban and non-suburban trains?
- 2.04 It has been suggested that the number of distance slabs for suburban tickets should be reduced to ensure simplification in issue of tickets. What is your opinion?
- 2.05 Have you introduced a system of grouping stations in a certain distance slabs for simplifying the issue of suburban card tickets? If so, give details and the reasons why you have adopted the particular slab system?
- 2.06 What are your recommendations for a suitable slab system for your Railway for the future?
- 2.07 In case the total number of slabs is reduced, would it be possible to issue tickets by self printing machines only?
- 2.08 To what extent self printing machines are being used on your railway to issue suburban card tickets? Give details of number of such machines used station-wise.
- 2.09 Should the single journey fares (including taxes & other charges, if any) be in multiples of 5 P or 10 P or more for II class and 50 P or Re. 1.00 or more for I class?
- 2.10 Are any charges like pilgrim tax, municipal tax, etc. levied on suburban passengers on your railway which the railways have to recover? If so, give details.
- 2.11 Should the minimum fares for First and Second classes be revised? If so, what are your recommendations?
- 2.12 How do the Railway Suburban single journey fares on your Railway compare with bus fares on equivalent routes? Please give a comparative historical account of the changes in road and rail fares, preferably since 1948.
- 2.13 Should First class accommodation on suburban trains be abolished? If so, give reasons for your answer.
- 2.14 Are return tickets issued on your suburban sections? If so, what are the conditions for issue of such tickets?
- 2.15 Do you recommend concessional fares on suburban sections during Sundays and holidays? Is it likely to bring additional revenue to the railways? Have you any particular recommendations to make in this connection?
3. *Suburban Season Tickets*
- 3.01 Do you have any distance slabs for suburban season tickets? If so, give details. Are they the same as for single journey card tickets? Indicate reasons for adopting these slabs.
- 3.02 Should the number of distance slabs for suburban season tickets be reduced? Should they be same as for single journey tickets or different? Give reasons for your answer.
- 3.03 Should there be a specific relationship between season ticket fares and single journey fares, i.e. should the season ticket fares be pegged at a specified number of single journey fares so that changes in single journey fares automatically bring about changes in season ticket fares?
- 3.04 Should the number of single journeys be uniform for all distance slabs or should they taper, according to the distances? If so, what is your recommendation regarding the number of single journey fares per season ticket for the various distance slabs? Give reasons for your recommendations.
- 3.05 If the difference between the present basis and the basis recommended is very large, what care has to be taken and in how many stages the change should be brought about? Give your recommendations in as much details as possible.
- 3.06 What should be the nearest rounding off of season ticket fares for (a) First Class; and (b) Second Class.
- 3.07 On some foreign railways, suburban fares are higher during peak traffic hours than slack hours. Do you recommend a similar system for Indian Railways? Do you think that some of the present peak hour traffic could be diverted to non-peak hours by this measure?

3.08 Do you think that very low suburban fares have resulted in diversion of short distance commuter traffic from road to rail? Have any studies been made in this direction? If so, give copy of the study report.

3.09 Has any work study been done on the time taken for issuing:— (i) a manually issued card-ticket; (ii) a machine-issued card-ticket; (iii) a season ticket; (iv) a concessional ticket (different types); (v) a Blank Paper ticket? If not, can you have one conducted at different types of stations on your Railway—both suburban and non-suburban and convey the results?

On the above basis, and also taking into account the costs involved in stocking, accounting etc., can a cost estimate be made regarding the issue of the different types of tickets mentioned above?

3.10 In Bombay and Calcutta areas, there is overcrowding in fast trains during peak hours over suburban sections. Do you think that higher fares are to be levied for discouraging the short distance passengers to travel by fast trains and thereby reducing over-crowding in fast trains? If so, what higher charges are required to be levied by fast trains?

3.11 What types of Vendor season tickets are issued over your railway on suburban sections? What are the basis of charge for these tickets? Do you recommend any revision in their charge? If so, what are your recommendations?

3.12 Do road transport authorities issue Monthly/Quarterly season tickets for bus travel in the metropolitan cities falling on your railway? If so, indicate the basis of charge of such season tickets.

3.13 Has any assessment of over-crowding on suburban trains been done on your railway, particularly during peak hours? If so, please send a copy of the report.

4. *Non-Suburban Season Tickets*

4.01 What are your proposals for revision of non-suburban season ticket fares? Should they be fixed in terms of a specified number of single journey tickets so that their fares will automatically change with the revision of single journey fares? If so, what should be the number of single journeys at which the MST fares should be pegged. Should the number of single journeys be uniform for all distance slabs or should they paper according to the distance?

4.02 Considering the growth of satellite townships around big cities, do you feel that the existing restriction of issuing non-suburban season tickets only upto a distance of 80 kms should be liberalised. If so, upto what distance should it be increased.

4.03 Are there cases of splitting up of MSTs for gaining advantage of low fares? If so, indicate the sections/stations on your Railway where this misuse is occurring. What remedial measures do you suggest for discouraging this practice?

4.04 Which are the stations/sections on your Railway that have witnessed more than 50% increase in the sale of season tickets during the period 1970-71 to 1976-77?

4.05 Indicate the names of the city centres on your railway and the stations around them from where commuter traffic comes.

4.06 Are there demands from season tickets holders for stopping mail/express training at small stations so as to cater to this traffic? If so, what are the trains for which such demands are coming? Give particulars of additional stoppages provided to through trains on such demands during the last 3 years. Do unauthorised stoppages of through trains take place frequently on such sections? If so, give particulars.

4.07 In the cases of suburban like traffic situations which are a rising on your Railway, what methods have you tried uptill now to cope with such traffic? How far have they succeeded in meeting the problem adequately? To what extent you have not been able to fulfil this demand adequately? What proposals have you already made or would now like to make to meet the situation? Give detailed particulars with financial implications. Please divide the proposals in the following categories:

(Presuming that requisite funds are available):—

(i) Those which can be completed in about 1 year's time.

(ii) Those which can be completed in about 3 years' time.

(iii) Those which can be completed in about 5 years' time.

(iv) Those which will take more than 5 years.

Please give similar particulars for suburban sections also.

4.08 What are the non-suburban sections on your railway beyond 80 kms where Monthly/Quarterly season tickets are issued? What are the basis of charge? What are the comparative road and rail fares and whether any season tickets are issued by road transport authorities over these pair of points?

4.09 What are the Mail/Express/Super Fast Trains and the pair of points on your railway on which non-suburban Monthly/Quarterly Season Ticket holders are permitted to travel? Do the railways levy any extra charge for their travel by Mail/Express/Super Fast Trains?

4.10 What is the basis of charge of passenger fares levied by Road Transport Authorities of different States served by your railway? How do these bus fares compare with the rail fares on different pairs of points on your railway in distance zones 1-25 kms, 26-50 kms, 51-100 kms 101-250 kms, 251-500 kms and over 500 kms?

How do the charges of Express/Deluxe/Airconditioned buses differ from ordinary buses?

5. *Concessions*

5.01 Are there any concessions given on your Railway for passenger travel which are in addition to concessions available on all Indian Railways? If so, give particulars.

5.02 Are any concessions given by passenger bus services on regions served by your Railway? If so, give details.

5.03 What are the special concessions given on suburban sections to Railway staff? Please give the total number of such concessions issued during 1976-77.

5.04 Do you think that all concessions including students' concessions should be confined to Second Class travel?

6. *Costing of Passenger Services*

6.01 Have any special studies on costing of passenger services been carried out on your Railway? If so, please send copies of such studies.

6.02 Have any special studies on costing of suburban services been carried out on your Railway? If so, send copies of such studies.

7. *General*

7.01 Have you conducted any special study or survey of the extent of ticketless travel on suburban sections during the last 3 years? If so, send us copy of the report.

7.02 Have you conducted any costing study of running of special trains including Holiday Specials? If so, send copy of the report.

7.03 Have you made or examined any proposals for better utilization of real estate owned by your Railway, specially in Metropolitan areas? If so, send details.

ANNEXURE I-5

QUESTIONNAIRE FOR RAILWAYS ON FREIGHT TRAFFIC

A.—General

1. The present freight structure has been in existence from 1958. Would you suggest any general modification in the freight structure? Please also give your views with regard to the specific points mentioned below.

B.—Type of rates

1. At present, for most of the commodities, there are two rates—a higher rate for 'smalls' and a lower rate for 'wagon loads'. Would you suggest a rate, lower than wagon load rate, being provided for 'train loads' and, if so, (a) to which commodities should it apply, and (b) what should constitute a 'train load' for this purpose?

2. Would you suggest a lower classification than the present wagon load classification being provided for traffic offering in less than a train load but in block loads of, say, 10 or 15 wagons?

3. It has been suggested that, in view of the relative economics of road and rail transportation, wagon load rates should be applicable only for distances of, say, 150 kms., and above, the smalls rates being charged for shorter distances. What are your views on this suggestion?

4. The smalls rate now applies to all quantities upto the minimum weight prescribed for the application of wagon load rate (varying from 60 Qts. to carrying capacity of the wagon on the Broad Gauge, depending upon the commodity). Would you suggest a slab of rates for 'smalls' consignments and, if so, what should be the slabs? Specifically what are your views in regard to quotation of different classifications for 'smalls' consignments of the same commodity on the basis of quantity offered as indicated in the two alternatives below:—

(A) Quotation of different 'smalls' classifications for the same commodity linked to the minimum weight for the application of the wagon load rate as indicated below:—

- (i) One classification for 'smalls' consignments weighing less than half the prescribed minimum weight for the application of wagon load rate.
- (ii) A slightly lower classification for 'smalls' consignments weighing half or more than half the prescribed minimum weight for application of wagon load rate but less than 3/4 of the minimum weight.
- (iii) A still lower classification for 'smalls' consignments weighing 3/4th or more than 3/4th of the prescribed minimum weight for the application of wagon load rate but less than the minimum weight.

(B) Provision of different classifications for 'smalls' consignments of the same commodity depending upon the weight of the consignments, the rate declining as the weight of the consignments increases as indicated below:—

(These weights correspond to carrying capacity of the roadway trucks.)

- (i) One classification for 'smalls' consignments weighing upto 3 tonnes.
- (ii) A slightly lower classification for 'smalls' consignments weighing 3 tonnes or more but less than 5 tonnes.
- (iii) A still lower classification for 'smalls' consignments weighing 5 tonnes or more but less than 10 tonnes.

(iv) An even lower classification for 'smalls' consignments weighing 10 tonnes or more but less than the prescribed minimum weight notified for the commodity for application of wagon load rate.

5. In your opinion, what should be the relativity/differential between the rates for 'smalls', part wagon loads, wagon loads, block loads and train loads?

6. It has been suggested that the rate for 'smalls' traffic by goods train and parcels traffic chargeable at Scale 1 rate may be integrated and a common rate quoted for such traffic so that the Railways may have adequate flexibility in the movement of such goods either by fast goods trains or by parcel trains. What are your views on this suggestions, bearing in mind the volume/streams of smalls and parcels traffic and the commodities booked, as also the financial implications?

7. It has been suggested that, as in the case of road operators, Railways also should quote one rate per wagon irrespective of the commodity loaded. What are your views on this suggestion? In case this suggestion is acceptable, on what basis would you like the per wagon rate (applicable uniformly to all commodities) to be fixed?

8. In your opinion are any of the provisions of Indian Railways Act hampering the commercial freedom of Railways to quote special rates particularly in competition with other modes of transport. If so, what amendments would you suggest to the provisions of Indian Railways Act?

9. Would you like Railways to have powers to quote special rates or "agreed" rates for customers guaranteeing certain quantity of traffic? If so, please give examples of circumstances in which and traffic for which you would like such "agreed" rates to be quoted and indicate how the "agreed" rates should be determined?

C.—Classification

1. Would you suggest any change in the number of class rates (29) in force at present? Do you think that the number should be reduced to, say, one for each of the 10 to 12 principal commodities which comprise 80% of railways' traffic and 2 or 3 for all other commodities or, on the other hand, the number of classes should be increased to enable a proper application of the principles of cost of service and value of service? Please suggest the changes considered desirable.

2. Do you suggest any modifications to the present classification of goods by way of reclassification of commodities having regard to their transportation characteristics and other relevant considerations?

3. Please indicate the commodities in respect of which present rates are lower than the cost of service and whether it will be practicable and desirable to make any change in these cases based on the cost of service.

4. The empty return ratio, which has a direct impact on costs, varies from commodity to commodity. Does the present classification, specially of coal, foodgrains, cement ores, POL and like which comprise 80% of railways' traffic properly reflect the empty return ratios? If not, what changes in classification would you suggest on this account?

5. It has been suggested that the raw materials of low unit value, as also foodgrains, are carried at unduly low rates and do not therefore make the due contribution to railways' cost. What changes, if any, would you suggest the classification of such commodities bearing in mind the cost incurred on the one hand, and other relevant considerations, such as ability to bear freight charges and national interest, on the other.

6. It has been suggested that the classification of a number of commodities is too high bearing in mind the value of service. Can you identify the higher rated commodities which are *suitable for carriage by railways* and suggest whether any reduction in the classification of these commodities would be justified?

7. In the present classification are there any cases in which the classification of finished products is lower than that of intermediate products and/or classification for intermediate products is lower than that of the raw material. If so, please furnish the particulars of these commodities along with your views about changes, if any, which should be made in the classification of these commodities.

8. It has been suggested that freight structure should be so designed as to discourage the use of materials in short supply, avoid wasteful transport and encourage growth of industry and employment in rural areas. Do you think the present classification subserves these objective? If not, what changes in the classification would you suggest?

9. At present, there is generally only one classification for a commodity (as for example, coal other than hard coke and piece goods) even where it is produced in more than one grade/variety/quality, each grade/variety/quality being (substantially) costlier than the other(s). Please furnish particulars of such commodities and indicate whether in your view any change in the classification of some grade/varieties/qualities of these commodities is desirable/feasible.

10. It has been suggested that in the case of commodities with a wide range of prices but without distinctive grades/qualities etc. different classifications may be fixed on the basis of difference in value and that the consignors should be asked to declare the value of the goods in the Forwarding Note at the time of booking. (Incidentally, declaration of the value of the goods on the Forwarding Note may also help in disposal of claims as the claims could be limited to the declared value of the goods.) What are your views on this suggestion and, if you agree, what should be the revised classification of the commodities affected?

11. Railways are quoting station to station rates for a number of commodities at present. Do you think that reduction in the classification of any of these commodities is called for? If so, please give the necessary justification.

12. Trade and industry have been representing for concessional rates on exports. What are your views on this? If such concession is granted, to which commodities should it apply and what should be the extent of the concession?

13.(a) In the case of commodities with poor loadability for which a full wagon is required, freight charges are levied for minimum of 6 tonnes BG/4.5 tonnes MG at small rates even if the weight loaded in the wagon is less than that. The object is to earn a certain minimum per wagon. Do you consider any change in this rule is necessary bearing in mind, *inter alia*, the cost per wagon and the average earnings per wagon?

(b) It has been suggested that the objective of this rule can be achieved without having the cumbersome rule by suitably enhancing the classification of the commodities with poor loadability. Do you agree and, if so, what should be the revised classification of these commodities? (Incidentally, this may avoid the conflict between high rated but low yielding and low rated but high yielding commodities in the matter of allotment of wagons etc.)

14. Have you any suggestion to make in regard to rates for Livestock?

15. Have you received any representation from trade for revision in classification of commodities? If so, give details along with your comments.

D. Telescoping in the Freight Structure

1. (a) The existing telescopic structure of rates is as follows:

Distance (Kilometres)	Basic rate	
	(Paise per kilometre per quintal)	
	1—4	3.26
Plus	41—100	1.82
Plus	101—250	1.31
Plus	251—500	1.14
Plus	501—800	1.07
Plus	801—1200	1.01
Plus	1201—1800	0.90
Plus	1801—2400	0.68
Plus	2401—3000	0.45
Plus	3001 and over	0.28

(b) Tapering rate scales are justified by the economics inherent in the longer haul on the one hand and ultimate capacity of a commodity to bear freight charges on the other. An unduly sharp taper can, however, result in loss to railways and/or induce movement of traffic which would not otherwise be carried. In the light of this, do you think that the existing telescopic structure is rational? What change, if any, would you suggest in the different distance blocks and/or the basic rates for each block—

- (i) if separate terminal charge is introduced; and
- (ii) if separate terminal charge is not introduced.

(c) 80% of the railways' traffic comprises 10 to 12 bulk commodities and the transportation characteristics, lead, and the ultimate ability to bear freight charges vary from one commodity to another. In view of this, would you suggest that there should be a separate telescopic table for each of these commodities, and a general table for all other commodities?

E. Risk Rates

1. At present Owner's risk rates (in addition to railway risk rates) have been notified for the commodities listed in the enclosure. What are your views with regard to quotation of only Railway Risk Rates for these commodities also?

List of Commodities for which owner's risk rates have been quoted in the present classification of goods

1. Asbestos Crude (Inlumps).
2. Betal leaves.
3. Bone dust.
4. Bone meal.
5. Bones.
6. Bone sinews.
7. Charcoal fuel.
8. Clay china.
9. Coal (For Public and Non-Govt, Railways).
Includes
Coal Shale
Coke Soft
Lignite
Patent fuel.
10. Coal/Coke Briquettes.
11. Coke hard.
12. Crudes.
13. Eggs.
14. Fire Clay includes ground ganister.
15. Firewood.
16. Fish Fresh.
17. Fish spawn.
18. Fruit fresh.
19. Game.

20. Ice.
21. Leather Meal.
22. Laco.
23. Lorries, Steam.
24. Meat fresh.
25. Milk.
26. Motor Vehicles N.O.C. (when despatched in open trucks).
27. Motor Vehicles N.O.C. (when despatched in covered trucks)
28. Onions.
29. Plants.
30. Potatoes.
31. Potatoes Sweet.
32. Sinews meal.
33. Tiles flooring (earthen).
34. Tiles Common (Roofing).
35. Vegetables, N.O.C.
36. Water Melons.
37. Coal dust consisting of particles of less than 100 microns
i.e. 1/10th m.n.

F. Separate levy of additional charges

1. At present the freight rate is an integrated rate covering the terminal operations and haulage costs. Would you recommend separation of the terminal element from the freight rate and the levy of separate terminal charges as was in vogue prior to 1-10-1958? If so, what should be the quantum of terminal charge to be levied separately and should the terminal charges for metropolitan/urban/rural area be different? (Give reasons for your answer).

2. Should the following charges be levied separately, in addition to freight charges, as at present? What should be the revised basis quantum of the said charges:—

- (a) Charges for loading and unloading.
- (b) Transhipment charges.
- (c) Crane charge.
- (d) Crane haulage charge.
- (e) Charge for transport of over dimensional consignments.
- (f) Charge for guard for dummy wagons.
- (g) Re-weighment charge.

(Give reasons for your answer)

G. Minimum limits

1. Would you recommend any revision in the present (a) minimum distance for charge, (b) minimum weight for acceptance of consignments for despatch by goods train, (c) minimum weight for charge for 'smalls' consignments and (d) minimum charge per 'smalls' consignments? If so, please furnish the justifications.

2. It has been suggested that the minimum distance for charge should be raised to, say, 150 kilometres (roughly equal to the distance between two successive marshalling yards) especially if a separate terminal charge is not introduced. What are your views on this?

H. Traffic and Earnings

1. Please furnish leadwise traffic and earnings in respect of important commodities on your Railway in the attached proforma.

2. Do you envisage any change in the pattern of traffic, in the quantum, direction and range of movement of commodities in the immediate future and in the coming years? If so, please furnish details.

Statement showing leadwise traffic and earnings of important commodities during 1974-75, 1975-76 and 1976-77.

Sl. No.	Name of commodity	Year	Zonewise Traffic/Earnings								
			1-40 kms.	41-120 kms.	121-240 kms.	241-350 kms.	351-499 kms.	500-799 kms.	800-1299 Kms.	1300-1899 kms.	1900-2399 kms.
1	2	3	Traffic/Earnings								
			1974-75								
			1975-76								
			1976-77								
			4								
			4								

3. What are the commodities which are being carried below cost on your Railway? How much loss is being incurred on (a) fully distributed cost basis and (b) excluding expenses which would be incurred any how? Are these commodities carried on saturated sections? If they are carried on light sections (including branch lines) or in backward areas would it be worthwhile to continue to bear the loss (calculated on fully distributed cost basis) so long as out of pocket expenses are covered?

I. Rates by rail/road for short-distance traffic

1. How do freight rates by rail for short distance compare with the corresponding freight rates by road for (a) less than wagon loads (b) wagon loads?

2. What are your views on restricting short-distance traffic to be carried by Railway? What is the distance limit which you would recommend for such restrictions taking into account the operating conditions on your Railway and availability of Road Transport? Would you like the pricing of such short-distance traffic to be arranged in such a way that it will act as a disincentive to offering of consignments for transport by rail? What changes, if any, would implementation of this suggestion necessitate in the existing legislation?

J. Inflation of Distance

1. Which are the sections on your Railway where freight charges are levied on inflated distances? Since when are these being levied? Would you suggest any modification in the present level of inflation?

2. What are your views on the suggestion that the Railway should levy freight on charges on inflated distance on not only the sections referred to in Question No. 1 but also over sections which involve heavy capital investment due to construction of bridges or tunnels or over sections where operating costs are heavy due to the sections being on higher gradient?

3. It has been suggested that on gradient sections where banking arrangements have to be made, freight should be levied on inflated basis (It is understood that such a system was in vogue—e.g. on central Railway in regard to Coal some year ago). What are your views on this suggestions? If you are in agreement with this suggestion, in what form (inflation of mileage, a flat surcharge, etc.) should the extra charge be levied?

K. Operation

1.(a) Are you running any goods trains on a regular basis to a fixed time table? If so, please furnish the points between which such goods trains are run and the periodicity of these trains? Is there any scope for introducing similar trains between additional points and if so furnish the names of points between which you would like to introduce such services?

(b) Give data about the actual operation of such trains during 1974-75, 1975-76 and 1976-77, especially in respect of their punctuality. Where punctuality was low, have the factors responsible been examined? What are the results of such examination? What improvements (including operational pattern changes or extra investments) are necessary to ensure punctual operation of such trains?

2. It has been suggested that on routes where such scheduled goods trains are run to fixed time table, wayside stations at which appreciable goods traffic in wagon loads is not at present handled should be closed for goods bookings both in wagon loads and smalls and it should be left to freight forwarders to collect consignments and tender in full wagon loads at Junction points for clearance by scheduled goods trains? What are your views on this suggestion?

3. On saturate sections the Railways may be finding it difficult to clear 'smalls' consignments due to their inability to run road van trains or shunting trains regularly. It has been suggested that on such sections while the Railways may continue to permit booking of 'smalls' consignments, the consignments can be collected either by the Railway itself or by an agent and brought to nominated Depot stations by road for onward clearance by rail? Is such difficulty being experienced on your railway and if so what is your reaction on this suggestion?

4. Claims arise on account of pilferage taking place at marshalling yards and damage to goods due to shunting of wagons at marshalling yards and on account of defective wagons having been used. The claims on account of pilferage and damage could be minimised by properly organising through scheduled goods trains and by improvement in the design of wagons. Have you got any suggestions to make in regard to operational pattern of goods trains and about the design of wagons with a view to reducing the pilferage and damage to goods?

L. Siding

1. Please furnish a list of private sidings on your Railway, indicating the serving station, length of siding, traffic dealt with (inwards and outwards), volume of traffic dealt with in terms of tonnes and in terms of 4-wheeled wagons (inwards and outwards), siding charges collected at each siding during 1975-76, 1976-77 and 1977-78.

2. Please furnish a similar list of assisted sidings on your Railway indicating also the capital cost of assistance and interest recovered in respect of each of those sidings.

3. How are siding charges fixed on your Railway? Is it on trip basis or by adding length of the siding to the distance from or to the serving station and levying freight on the through distance?

4. Would you like any change in the system fixing siding charges.

5. What is the free time allowed at present on traffic (inward and outward) dealt with at the sidings? Have you received any request from the siding owners for the review of free time allowed and, if so, what are your recommendations regarding those requests?

6. It has been mentioned that the present rules and practices in regard to provision of sidings, collection of siding charges, fixation of free time and rates of demurrage, are acting as an irritant to the trade. What are your views regarding these? Have you any specific recommendations to make with regard to any change in regard to any of the above matters?

7. Are you satisfied that all the traffic from siding owners is being carried by the Railways? If not, what are your suggestions for retrieving the traffic for ensuring additional traffic to the Railways?

8. It has been suggested that for incremental traffic i.e. traffic in excess of the present level, a lower rate of siding charge should be levied with a view to inducing the siding owners to offer additional traffic to rail. What is your reaction to this suggestion?

9. To what extent are sidings at present being used by parties other than the siding owners? Have you got any suggestion to make to further improve the use of sidings by parties other than siding owners for mutual benefit?

10. Have you got any suggestion to make for modification in the existing siding agreement?

M. Demurrage and Wharfage

1. Have you any suggestion to make in regard to free time allowed for the purpose of levy of demurrage charge or in the rate of demurrage charge?

2. In respect of customers offering traffic in substantial quantities, would you like to give some concession by making changes in the method of computation of free time allowed for demurrage? If so, what are your suggestions in this regard?

3. What are your views regard to treating Sundays as *dies non* for the purpose of levy of demurrage?

4. Have you any suggestion to make in regard to free time at present allowed for the purpose of levy of wharfage or in the rate of wharfage?

N. Customer—Oriented Services

1. What are the points between which container service is at present available? Are there sufficient containers and flats for the existing services? Are there any plans for extending the container service between additional points?

2. At present under the 'Container Scheme' all the containers are owned by railways. Would you like Customers to own their own containers for the transport of their products under the Container Scheme? If so what terms and conditions would you like to prescribe to permit the parties to own their own containers?

3. What are the stations at which Freight Forwarder Scheme is at present in force? Would you like to extend this scheme to additional stations and if so mention the names of stations where you would like to have this scheme?

4. It is noticed that one of the reasons for the traders preferring road to rail is the railway's inability to supply adequate number of wagons in time and on regular basis. Would it be possible to overcome this difficulty by permitting large users, like Coal India Ltd., Fertilisers Corporation, Food Corporation and Oil Companies, to own their wagons? If so, on what terms such parties should be permitted to own their wagons and utilise them for transport of their goods?

O. Packing Conditions

1. Have you received any representation that the packing conditions at present prescribed for any commodity are not suitable for the particular products or are otherwise onerous and difficult to comply with? If so, please furnish the names of commodities in respect of which representations have been received, and your recommendations, if any, for modification of the existing packing condition for those commodities.

2. Would you recommend modification to the existing packing condition for any commodity with a view to making the packing more damage/pilfer-proof? If so, please furnish the names of commodities and the details of the modified packing condition proposed by you?

3. Having regard to the developments that have taken place in the Packaging Industry, would you like to suggest any modification in the existing packing condition of any commodity to bring them in line with modern business practice?

P. Cranes/Material Handling Facilities

1. Are the arrangements for cranes for heavy lift consignments and other material handling facilities adequate at important stations on your Railway?

2. What are the proposals for provision of additional crane and other handling facilities at stations on your Railway?

3. Would you like to have any change in the rules relating to supply of cranes, and free time for crane consignments?

Q. Minimum weight conditions and weighment

1. (a) Are the existing minimum weight conditions reasonable? If not, what changes, if any, would you suggest?

(b) Have you received any representations in this regard from the trade? If so, name the commodities and indicate your views on the revision sought for.

2. Are the arrangements for weighment of wagons at important loading points on your Railway adequate?

3. Are there any commodities (e.g. Timber) which are not generally weighed at the booking station due to lack of suitable weigh bridges and/or operating difficulties? If so, please give details of the commodity, quantity loaded and the extent of non-weighment and suggest how this problem may be overcome.

4. What are the proposals for provisions of additional weigh bridge facilities on your Railway?

5. Would you like to have any change in the present rules regarding weighment?

6. Would you like to extend the arrangement of levying freight charges on the basis of senders' weight? If so, what are the commodities to which you would like to extend this arrangement? Have you received any request from the trade for acceptance of senders' weight in respect of these commodities?

7. With reference to Rule 118 of the Goods Tariff, it has been suggested that re-weighment of wagons should be allowed as a matter of course when parties apply for re-weighment paying the prescribed fee. Is this suggestion acceptable and, if not, what are the factors that militate against this suggestion?

8. It has been suggested that per wagon rate should be quoted for commodities with a view to dispensing with minimum weight condition and weighment of wagons. What is your reaction to this suggestion? Will the dispensing weighment of wagons have any adverse effect on trade and industry due to the present trade practice of retiring of railway receipts through banks?

R. Payment Condition

1. What are your views with regard to making pre-payment of freight compulsory on more commodities? What additional commodities would you recommend for imposing pre-payment of freight condition?

2. What is the policy followed at present in regard to grant of credit note facilities to parties for payment of freight? Is it necessary to insist on security deposit from regular customers before agreeing to the credit note facilities?

3. Please furnish the number of firms to whom facility of payment of freight by credit note has been granted. What is the total amount of freight realised through credit notes on your railway during 1976-77 on 'Outwards paid' and 'Inwards to pay' basis?

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4. Please furnish the number of firms who have been allowed the facility of payment of freight through cheques. What is the total amount of freight realised through cheques on your railway during 1976-77 on 'Outwards paid' and 'Inwards to pay' basis?

5. It has been suggested that the Railways should accept cheques for payment of freight from all customers who are having dealings with Railways regularly. What are your views on this suggestion? If this suggestion is acceptable, what safeguards would you like to have to ensure that the cheques do not bounce back?

S. Booking and Delivery

1. Have you any suggestion to make regarding notified working hours of goods sheds?

2. What are your view regarding levy of wagon registration fees? Do you require any review of the present rules in this regard?

3. Would you like wagon registration fee to be dispensed with for all commodities or for any particular commodities on your Railway?

4. (a) In what circumstances are Railway receipts treated as negotiable document and under what provisions of law are they so treated? What benefits does the treating of the railway receipt as a negotiable document give to the consignor/consignee? On the other hand what problems, if any, does this create for the Railway and have you got any suggestion to overcome those problems? Would it be feasible to treat them as non-negotiable (as is apparently the position in the case of Railways abroad)?

(b) What is the position in this regard in respect of consignments booked by road, sea and air?

5. At present only one negotiable copy of Railway Receipt is issued. The parties generally prefer to release the Railway Receipts from Banks only on arrival of goods at destination (and there is also some delay on the part of the Banks in this). If through invoice is not received at the destination it becomes difficult to connect consignments. It has been suggested that if an additional non-negotiable copy of Railway Receipt is issued, it will be of great help in connecting the consignments. What is your reaction to this suggestion? Will issue of an extra non-negotiable copy of Railway Receipt create any difficulties for the Railway?

6. What are your views with regard to grant of delivery of consignments to regular customers when both Invoice and Railway Receipts have not been received?

7. A suggestion has been made that a system of effecting delivery of goods after the working hours of Goods Sheds by levying an extra charge to cover overtime expenses of the staff of Goods Shed, should be introduced. What are your views on this suggestion?

8. As per the extant rules, when the railway receipt is not received, delivery of consignments to named consignee is given on the consignee executing an Indemnity Note. In the case of consignments booked to self, however, Indemnity Notes are required to be executed both by the consignor and by the consignee. It has been represented that this procedure results in delay of several days in the delivery of self consignments and it has been suggested that in the absence of railway receipts these consignments may be delivered to approved clearing agents and reputed firms on production of proper bank guarantee. To enable the Railways to determine the value, parties may be asked to declare the value of the goods at the time of booking, which in turn may be shown on the Railway Receipt. The bank guarantee will automatically stand cancelled when Indemnity Note is executed or then the original railway receipt is produced. What are your views on this suggestion?

9. It has been suggested that the Railways should not issue 'said to contain' Railway Receipts. In what circumstances are 'said-to-contain' receipts issued? Are such receipts issued usually in the case of certain commodities only and if so which? What is the proportion of cases in which 'said-to-contain' receipts are issued? What are your views on the suggestion? How do road hauliers avoid this problem and cannot Railways follow the practice?

T. Routing of Traffic

1. At present, routing and charging of traffic is done as per Rule No. 125 of I.R.C.A. Goods Tariff. It has been represented that

- (a) in some cases, for operational reasons, traffic is being carried by other than the shortest routes while charges are retained only by the cheapest route; and
- (b) there have also been representations that while certain shortest routes are temporarily closed, charging is done by the longer route. Operationally, actual carriage is by the shortest route, but the trade is not getting benefit of the cheapest route in such cases.

What is the position with regard to various alternative routes available for carriage on your Railway? Do you suggest any changes in the rules for routing and charging of traffic?

2. Please give the details of rationalisation scheme for movement of traffic, if any, in force on your railway. What are your views on the rationalisation scheme?

U. Miscellaneous

1. Are the facilities available in the Goods Sheds at important stations adequate?

2. Have any work studies been conducted in respect of any goods shed on your Railway and, if so, what are the results of such studies? What are the proposals on hand for improving the working of Goods Sheds?

3. It is observed that one of the irritants to the trade availing rail transport is the delay in the settlement of claims cases and the cumbersome procedural formalities which the claimants have to go through. Have you got any suggestion for simplification of procedure for settlement of claims? Will it be feasible to further decentralise the powers for settlement of claims cases?

QUESTIONNAIRE FOR SIDING OWNERS

A. Cost of siding

1. When was the siding constructed ? What is the serving station of the siding and what is the length of the siding from the serving station ?

2. Is your siding, private siding or assisted siding ?

3. If private siding, what is the capital cost of the siding borne by you ?

4. If assisted siding, what is the capital cost borne by the Railway and what is the capital cost invested by Firm ?

5. If assisted siding, what are the interest charges paid to the Railways during 1975-76, 1976-77 and 1977-78 on the capital invested by them ?

6. Is the maintenance of the siding done by you ? If not what is the maintenance charges paid by you to the Railway during 1975-76, 1976-77 and 1977-78 for maintenance of the siding ?

7. Would you like any modification in the existing siding agreement ?

B. Use of siding

(Please give all figures of traffic by rail, commodity-wise and in terms of 4-wheeled wagon and tonnage.)

8. What are the raw materials used by the your factory ? Please name the raw materials you are getting by rail indicating the quantity transported during 1975-76, 1976-77 and 1977-78.

9. Please furnish the names of stations from which you are getting different raw materials by rail indicating the distance carried.

10. What are the raw materials which are transported by you by means other than by rail ? Please indicate the volume of such traffic transported in each commodity during 1975-76, 1976-77 and 1977-78. What is the mode of transport used and what are the reasons for preferring that mode of transport to rail transport ?

11. What are the various stations from where you are getting raw materials by means other than by rail ? What are the leads by rail for these movement ? If they are not connected by railway, what is the nearest railway station and the distance between that and the place of origin ?

12. What are the finished products manufactured by you ? Please furnish the volume of finished products despatched by you by rail during 1975-76, 1976-77 and 1977-78. The figures may please be furnished for each finished product separately.

13. What are the main destination stations to which different finished products are being despatched by you by rail ? Please indicate the leads for these movements.

14. In case you are not despatching all the finished products by rail, please indicate the quantity transported by other means of transport. What are the reasons for availing modes other than rail transport for despatch of these materials ?

15. What are the places to which you are despatching finished products by means other than by rail ? What are the leads for these movements by rail ?

C. Operations

16. Are you getting raw materials in train loads or in piece-meal wagon loads ? If latter is the case, what is the average number of loaded wagons received per day ?

17. Are you despatching finished products in train loads or in piece-meal wagon loads ? If the latter, what is the average number of loaded wagons despatched per day ?

18. Is the supply of wagons satisfactory ? Is the supply being made evenly according to fixed schedule ?

19. Are the pilots being run according to fixed schedule ?

20. Is the placement of wagons for unloading done according to fixed schedule ?

21. Does pilot which makes placement of loaded wagons also remove the empties from the siding ? If not, what is the system of placement and removal of wagons on your siding ?

22. Are you experiencing any difficulty in taking book delivery of wagons ? If so, what are the difficulties experienced and what your suggestions for over-coming those difficulties ?

D. Freight/Siding charges

23. What are the total of freight charges (excluding siding charges) paid by you during the years 1975-76, 1976-77 and 1977-78 ? Separate figures may be given for inward and outward traffic.

24. What are the total siding charges paid by you during the years 1975-76, 1976-77 and 1977-78 ? Please give separate figures for inward and outward traffic.

25. What is the basis of the siding charge at present in force ? Is it on trip basis or is the length of the siding added to the chargeable distance from or to the serving station and freight charge levied on the through distance ? From what date is the present basis for levy of siding charge in force and what was the basis prior to that date ?

26. What is the rate of siding charge at present in force ? When was it last revised and what was the rate of siding charge prior to that date ?

27. Would you like any revision in the existing method of levy of siding charges ? If so, what should be the revised rate of charge ?

28. Will you offer more than the present level of traffic if the Railways were to levy a lower rate of siding charge on the additional traffic offered ? If so, what in your opinion, should be the reduction in the siding charge for the incremental traffic and what additional traffic would you be able to offer.

E. Miscellaneous

29. Are there adequate lines inside the Factory premises for dealing with the volume of traffic without undue detention to wagons ?

30. Are there any proposals for increasing the capacity for your siding within the Factory premises ?

31. Would you like any revision in the free-time at present allowed ? If so, furnish the details with justification.

F. General

32. Is any other party permitted to use the siding ? If so, furnish the names of the parties permitted to use siding ? Is the using party required to bear any part of the interest/maintenance charges ? How is the siding charge shared when in the same trip wagons of different parties using the siding are placed or removed ? How can this arrangement be extended to mutual advantage ?

33. Are there any other suggestions you would like to make so as to enable the Railways to serve you better ?

OPERATING RESULTS OF RUNNING CENTRAL GOVERNMENT PUBLIC SECTOR UNDERTAKINGS

(Rs. in crores)

	1976-77	1975-76	1974-75	1973-74	1972-73
1. Gross Surplus	1503	1051	894	569	492
2. Depreciation & Amortisation	400	345	305	259	235
3. Write off of deferred revenue expenditure	49	38	30	38	12
4. Gross Profit before interest	1054	668	559	272	245
5. Interest	578	363	246	124	162
6. Net profit before tax	476	305	313	148	83
7. Tax	236	176	129	84	65
8. Net profit after tax	240	129	184	64	18
<i>Paid-up Capital and Capital employed :</i>					
Paid-up Capital	5186	4533	3770	3310	2954
Capital employed	10861	8824	6627	5256	4766
<i>Profitability Ratios :</i>					
Turnover as % on capital employed	133.9	132.4	154.2	128.9	111.6
Gross profit as % on capital employed	9.7	7.6	8.4	5.2	5.1
Net profit after tax as % on paid-up capital	4.6	2.9	4.9	1.9	0.6

SOURCE : "Performance of Central Government Public Enterprises, 1976-77, Highlights", Bureau of Public Enterprises, Government of India, Page 10.

PROFITABILITY OF SELECTED FOREIGN RAIL SYSTEM-1974

(Amounts in millions)

Railways	Currency & Units	Length of line (in Kms.)	Total Revenue	Of which Rlys' operating revenue
1. Portuguese Railway Company	Escudo	3588	2734	1677
2. National Office of the Moroccan Railways Tangiers-Fez Franco-Spanish Rly. Company }	Dirham	1756	230	228
3. Algerian National Railway Company	Algerian Dinar	3918	375	366
4. Tunisian National Railway Company	Tunisian Dinar	1936	16	14
5. Turkish Republic State Rlys.	Turkish Pound	8141	2933	1471
6. Djibouti-Addis Ababa Franco-Ethiopian Rly. Company.	Ethiopian Dollar	781	20	20
7. Senegalese Rly. Authority	CFA Franc	1034	2864	2672
8. Paulista Rly. Company.	Cruzeiro	5296	1039	662
9. Taiwan Railway	Taiwan Dollar	1000	5988	5929
10. India*	Rupees	60301	14152	14152

PROFITABILITY OF SELECTED FOREIGN RAIL SYSTEMS—1974

Railways	Total charges	Gross surplus (deficit) before depreciation, interest and taxes	Gross surplus (deficit) before interest and taxes but after depreciation	Net surplus (deficit) after interest and taxes
1. Portuguese Rly Company	3261	53	-21	-52
2. National office of the Moroccan Rlys. Tangiers-Fez Franco-Spanish Rly Company }	239	9	-6	-9
3. Algerian National Rly Company	373	109	45	2
4. Tunisian National Rly Company	18	1	-1	-2
5. Turkish Republic State Rlys	4161	-785	-1079	-1228
6. Djibouti-Addis Ababa Franco-Ethiopian Rly Company	22	2	—	-2
7. Senegalese Rly Authority	2966	332	53	-102
8. Paulista Rly Company	1216	-152	-152	-177
9. Taiwan Railway	5356	1295	930	632
10. India*	15290	1887**	737**	-1138

*1974-75

**If dividend is treated as interest.

SOURCE : International Railway Statistics, 1974.

FINANCIAL PERFORMANCE OF INDIAN RAILWAYS, 1950-51 to 1976-77

(Rs. in crores)

Sl. No.	1950-51	1951-52	1952-53	1953-54	1954-55
1. Capital-at-Charge	827.0	850.1	857.4	869.3	901.6
2. Total Investment	855.2	895.3	915.4	950.0	1006.7
3. Revenue Gross Receipts	263.30	291.16	270.88	274.60	286.81
4. Depreciation Provision	33.59	30.00	30.00	30.00	30.00
5. Working Expenses including Depreciation & Miscellaneous expenses	215.74	229.41	223.70	237.68	242.75
6. Net Revenue Receipts (3-5)	47.56	61.75	47.18	36.92	44.06
7. Dividend to General revenues	32.51	33.41	33.99	34.36	34.36
8. Payment to States in lieu of Tax on passenger fare	—	—	—	—	—
9. Surplus/deficit(—)	15.05	28.34	13.19	2.56	9.10
<i>Ratios:</i>					
10. Percentage of net Revenue Receipts to investment	5.6	6.9	5.2	3.9	4.4
11. Percentage of Net Revenue Receipts to Capital-at-Charge.	5.8	7.3	5.5	4.2	4.9
12. Percentage of dividends to Capital-at-Charge	3.9	3.9	4.0	4.0	3.9
13. Operating ratio* (percent)	80.0	77.1	80.6	84.5	82.3

FINANCIAL PERFORMANCE OF INDIAN RAILWAYS, 1950-51 to 1976-77

Sl. No.	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
1.	969.0	1071.7	1222.4	1356.6	1432.3	1520.9
2.	1102.1	1239.1	1434.2	1611.7	1732.7	1868.6
3.	316.33	347.94	379.98	393.90	423.60	460.42
4.	45.00	45.00	45.00	45.00	45.00	45.00
5.	265.99	289.56	322.20	334.58	349.04	372.55
6.	50.34	58.38	57.78	59.32	74.56	87.87
7.	36.12	38.16	44.40	50.39	54.43	55.86
8.	—	—	—	—	—	—
9.	14.22	20.22	13.38	8.93	20.13	32.01
10.	4.6	4.7	4.0	3.7	4.3	4.7
11.	5.2	5.4	4.7	4.4	5.2	5.8
12.	3.7	3.6	3.6	3.7	3.8	3.7
13.	81.6	80.4	81.5	82.4	79.2	78.4

FINANCIAL PERFORMANCE OF INDIAN RAILWAYS, 1950-51 to 1976-77

Sl. No.	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
1.	1683.0	1896.8	2159.6	2435.1	2680.3	2841.6
2.	2055.8	2318.6	2634.2	2960.0	3255.5	3463.6
3.	503.14	567.74	632.86	661.03	733.76	769.00
4.	65.00	67.00	80.00	83.00	85.00	100.00
5.	403.39	444.42	487.67	542.92	598.92	654.88
6.	99.75	123.32	145.19	118.11	134.84	114.12
7.	62.85	68.76	83.45	92.43	103.78	132.39
8.	12.50	12.50	12.50	12.50	12.50	—
9.	24.40	42.06	49.24	13.18	18.56	(—)18.27
10.	4.9	5.3	5.5	4.0	4.1	3.3
11.	5.9	6.5	6.7	4.9	5.0	4.0
12.	4.5	4.3	4.4	4.3	4.3	4.7
13.	78.0	75.8	74.7	79.9	79.5	83.2

FINANCIAL PERFORMANCE OF INDIAN RAILWAYS, 1950-51 to 1976-77

Sl.	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
1.	2978.0	3101.3	3195.5	3330.3	3519.4	3726.0
2.	3639.2	3797.2	3927.9	4099.4	4333.5	4581.7
3.	816.36	899.07	951.60	1006.95	1096.97	1162.77
4.	95.00	95.00	95.00	100.00	105.00	110.00
5.	708.36	756.26	805.04	862.22	927.89	998.34
6.	110.00	142.81	146.46	144.73	169.08	164.43
7.	141.55	150.67	156.38	164.57	151.24	161.51
8.	}					
9.						
10.	3.0	3.8	3.7	3.5	3.9	3.6
11.	3.7	4.6	4.6	4.4	4.8	4.4
12.	4.7	4.9	4.9	4.9	4.3	4.3
13.	84.7	82.5	83.0	84.2	83.1	84.5

FINANCIAL PERFORMANCE OF INDIAN RAILWAYS, 1950-51 to 1976-77

Sl. No.	1973-74	1974-75	1975-76	1976-77
1.	3893.4	4105.6	4354.8	4533.7
2.	4791.4	5050.3	5345.0	5572.4
3.	1138.19	1415.19	1775.51	2045.69
4.	115.00	115.00	115.00	135.0
5.	1082.78	1341.55	1638.48	1749.40
6.	55.41	73.64	137.03	296.29
7.	}			
8.				
8.	(-)-115.51	(-)-113.83	(-)-61.11	(+)-87.84
10.	1.2	1.5	2.6	5.3
11.	1.4	1.8	3.2	6.5
12.	4.4	4.6	4.6	4.6
13.	93.7	93.5	91.1	84.4

*The relation of working expenses to gross traffic receipts.

Source : Indian Railways Annual Report and Accounts, 1973-74 and 1976-77.

METHODS OF CALCULATING DEPRECIATION PROVISION AND ALLOCATION OF REPLACEMENT EXPENDITURE

1	Depreciation Reserve Fund instituted	Allocation of replacement expenditure			Assessment of provision for depreciation	Interest on depreciation fund balance	Credit from disposal of original asset
		Original cost	Increase over the original cost	Cost of improvement over original asset			
Upto 1923-24	Did not exist	—	Revenue	Capital	Did not arise in the absence of DRF	—	Revenue
1-4-1924 to 31-3-1935	DRF was instituted with effect from 1-4-1924	Depreciation Reserve Fund	Capital	Capital	Straight-line method based on life of each asset	Credited to Revenue	Revenue
1935-36	—do—	—do—	—do—	—do—	1/60th of capital-at-charge of all assets	—do—	—do—
1-4-1936 to 31-3-1950	—	Depreciation Reserve Fund	DRF	—do—	—do—	—do—	Credited to DRF
1-4-1950 to date	—	Fully to Depreciation Reserve Fund			On the basis of replacement programme	Credited to DRF	—do—

Source : Memoranda for The Railway Convention Committee 1973 By Financial Commissioner for Railways, P.54

INDICATORS OF PERFORMANCE OF THE INDIAN RAILWAYS

	1950-51	1955-56	1960-61	1965-66	1970-71	1975-76	1976-77
1.1 Engine-Kms. per engine day on line							
BG	122 (100.0)	135 (110.7)	137 (112.3)	142 (116.0)	155 (127.0)	165 (135.2)	172 (141.0)
MG	119 (100.0)	124 (104.2)	119 (100.0)	129 (108.4)	132 (110.9)	133 (111.8)	138 (116.0)
1.2 Engine-Kms. per day per engine in use (BG)							
Passenger	249 (100.0)	167 (107.2)	277 (111.2)	265 (106.4)	284 (114.1)	294 (118.1)	322 (129.3)
Goods	150 (100.0)	151 (100.1)	162 (108.0)	178 (118.7)	206 (137.7)	223 (148.7)	264 (176.0)
1.3 Net Tonne-Kms. per goods engine hour							
BG	3283 (100.0)	3473 (105.8)	4170 (127.0)	4446 (135.4)	4913 (149.6)	5568 (169.6)	6047 (184.2)
MG	1238 (100.0)	1496 (120.8)	1766 (142.6)	2194 (177.2)	2525 (204.0)	2839 (229.3)	3005 (242.7)
2.1 Wagon-Kms per wagon day (in terms of 4-wheeler)							
BG	62.3 (100.0)	74.5 (121.0)	76.9 (123.4)	73.2 (117.5)	73.4 (117.8)	76.8 (123.3)	81.2 (130.3)
MG	50.2 (100.0)	45.9 (91.4)	51.6 (102.8)	60.1 (119.7)	58.4 (116.3)	56.4 (112.4)	58.1 (115.7)
2.2 Percentage of loaded wagon-Kms. to total wagon Kms							
BG	69.2 (100.0)	72.0 (104.0)	69.6 (100.6)	68.6 (99.1)	71.2 (102.9)	67.7 (97.8)	66.2 (95.7)
MG	76.2 (100.0)	78.1 (102.5)	73.7 (96.7)	72.0 (94.5)	74.0 (97.1)	71.2 (93.4)	70.5 (92.5)
2.3 Wagon turn round (Days)							
BG	11.0 (100.0)	10.5 (95.5)	11.3 (101.8)	11.8 (107.3)	13.3 (120.9)	13.5 (122.7)	13.0 (118.2)
MG	7.1(N) 6.3(S)	7.6 6.7	8.8* 7.6* 7.2@	8.4	10.1	11.6	11.1
2.4 NTKs moved per annum per tonne of capacity							
BG	11833 (100.0)	14970 (126.5)	16558 (139.9)	15567 (131.6)	15117 (127.8)	16412 (138.7)	16754 (141.6)
MG	9021 (100.0)	8497 (94.2)	10125 (112.2)	12255 (135.8)	12583 (139.5)	12313 (136.5)	12843 (142.4)
2.5 NTKs per route Km. p.a. ('000)							
BG	1502 (100.0)	1942 (129.3)	2764 (184.0)	3404 (226.6)	3611 (240.4)	4168 (277.5)	4353 (289.8)
MG	245 (100.0)	359 (144.8)	543 (219.0)	758 (305.6)	806 (325.0)	778 (313.7)	872 (351.6)
2.6 Passenger-Kms. per route km. p.a. ('000)							
BG	1765 (100.0)	1619 (91.7)	2027 (114.8)	2377 (134.7)	2876 (162.9)	3674 (208.2)	4020 (227.8)
MG	853 (100.0)	778 (91.2)	887 (104.0)	1062 (124.5)	1249 (146.4)	1401 (164.2)	1515 (177.6)
3.1 No. of staff (in '000)	914	1025	1157	1352	1374	1457	1469
3.2 Total cost of staff (Rs. in crores)	113.8	148.2	205.2	310.4	459.9	878.8	922.8
3.3 Average cost per employee (in Rs.)	1263	1476	1799	2331	3398	6078	6320
3.4 Working Expenses	185.7	221.0	327.6	501.9	747.4	1470.4	1549.2
3.5 Cost of staff as a % of working expenses	61.3	67.1	62.6	61.8	61.5	59.8	59.5
3.6 Traffic units††† ('000) moved per employee on the open line	122 (100.0)	121 (99.2)	147 (120.5)	164 (134.4)	186 (152.5)	212 (173.8)	227 (186.1)

	1950-51	1955-56	1960-61	1965-66	1970-71	1975-76	1976-77
3.7 No of staff per million gross T kms	5.65 (100.0)	5.02 (88.8)	4.11 (72.7)	3.72 (65.8)	3.47 (61.4)	3.27 (57.9)	3.10 (54.9)
4.1 Capital-at-charge per billion traffic units							
(a) Capital as per block	7.54 (100.0)	7.96 (105.6)	9.22 (122.3)	12.58 (166.8)	13.58 (180.1)	14.70 (195.0)	14.14 (187.5)
(b) Capital equated to 1950-51 price wage levels	15.92 (100.0)	15.47 (97.2)	13.95 (87.6)	14.13 (88.8)	13.49 (84.7)	N.A.	N.A.
4.2 Value of assets (at current price) per billion traffic units	7.73 (100.0)	9.08 (116.0)	11.30 (146.2)	15.27 (197.5)	16.70 (216.0)	18.00 (232.9)	17.38 (224.8)
4.3 Index number of wholesale prices, base (1970-71 = 100)							
(a) General Index	47.5 (100.0)	40.8 (85.9)	55.1 (116.0)	72.7 (153.1)	100.0 (210.5)	173.0 (364.2)	176.0 (371.8)
(b) Index for machinery and Machine tools	44.9 (100.0)	56.0 (124.7)	64.0 (142.5)	78.4 (174.6)	100.0 (222.7)	173.2 (385.8)	170.8 (380.4)
5.1 Operating ratio + +	80.0 (100.0)	81.6 (102.0)	78.4 (98.0)	79.5 (99.4)	84.2 (105.3)	91.1 (113.9)	84.4 (105.5)

S. Southern Pool

N. Northern Pool.

* April - Oct. 1960.

@Nov. 60 to March 61.

+ + + NTKms plus passenger kms.

+ + Working expenses to gross traffic receipts.

£ Excluding contributions to DRF and Pension Funds.

NOTE:—Figures in brackets indicate index Nos. with 1950-51 equal to 100.

Sources :

(i) A review of performance of the Indian Railways, Feb. 1974.

(ii) Annual Report for Railways, 1976-77.

(iii) Supplement to the Report by the Railway Board on Indian Railways (Statistical Statements) for different years.

**CHANGES IN AVERAGE FARE & FREIGHT RATES IN RELATION TO PRICES OF CERTAIN RELEVANT ITEMS—
1950-51 to 1976-77**

Index Numbers with 1950-51 = 100

	1950-51	1955-56	1960-61	1965-66	1970-71	1975-76	1976-77
1. Average earnings per passenger km. .	100	116	116	154	169	234	234
2. Average earnings per tonne km. .	100	111	122	145	172	257	280
3. Average cost per railway employee .	100	117	142	185	269	481	500
4. Index number of wholesale prices:—							
(i) Coal	100	101	141	173	238	439	470
(ii) Mineral Oils	100	110	127	161	203	522	543
(iii) Iron & Steel and Ferro alloys .	100	147	186	229	310	568	579
(ii) Transport equipment	100	123	149	171	204	349	343
(v) Machinery and Machine tools .	100	125	143	175	223	386	380
(vi) Foodgrains	100	68	96	145	195	339	297
(vii) All commodities	100	86	116	153	211	364	372
5. Cost of living index number (Working Class) (1949=100) .	100	95	123	167	224	376	362

Source:— 1. Indian Railways Annual Report and Accounts, 1976-77.

2. "Wholesale Price Statistics in India" by Shri H. L. Chandok.

3. Indian Labour Journal.

STATEMENT SHOWING THE PAIRS OF STATIONS ON WHICH NON-SUBURBAN SEASON TICKETS ARE ISSUED FOR DISTANCES OVER 80 KMS.

		Distance (Kms)	
Central Railway	Bombay V.T.	Matheran 213	
		Lonawala 128	
		Pune 192	
		Devlali 182	
		Nasik Road 188	
		Igatpuri 137	
	Neral	Lonavla 169	
Western Railway	Ahmedabad	Unjha 90	
		Vadodara 100	
	Agra Fort	Bayana 82	
	Bombay Central	Palghar 87	
		Dahanu Road 120	
		Valsad 194	
		Surat 263	
		Vadodara 392	
		Ahmedabad 492	
		Bulsar 98	
		Billimora 212	
		Sanjan 145	
		Vangaon 107	
		Borivli	Bahanu Road 90
			Gholvad 101
			Umber Gaon Road 110
	Sanjan 115		
	Bhilad 127		
	Vapi 138		
	Udvada 145		
	Pardi 154		
	Valsad 160		
	Billimora 182		
	Navsari 203		
	Surat 230		
	Bulsar	Dadar 92	
	Bhawani Mandi	Vikramgad Alot 84	
Church Gate	Palghar 84		
	Dahanu Road 117		
	Valsad 191		
	Sanjan 142		
	Surat 260		
Dahanu Road	Billimora 90		
	Borivli 90		
	Surat 143		
Jamnagar	Rajkot 81		
Kalol	Palanpur 106		
Kherli	Agra Fort 99		

Western Railway—(contd.)

Mahuva	Bhavnagar Terminus	109
Palghar	Dadar	81
Rajkot	Surendranagar	116
	Jamnagar	81
Siddhapur	Ahmedabad	104
Vadodara	Maninagar	96

Eastern Railway

Sealdah	Dhubulia	112
	Bethuadahari	128
	Krishnanagar Road	100
	Bahadurpur	107
	Berham pore Court	186
	Cossimbazar	190
Ranaghat	Lalgola	153
Kanchrapara	Berhampore Court	140
	Lalgola	181
	Durgapur	108
Dum Dum Cantt.	Majhdia	98
Ranaghat	Berhampore Court	112
Naihati	Berhampore Court	148
	Bethuadahari	90
	Durgapur	117
	Asansol	159
	Raniganj	141
	Chittaranjan	184
Dhanbad	Panagar	116
	Durgapur	101
	Waria	92
	Andal	85
Andal	Madhupur	105
	Karmatar	83
Raniganj	Modhupur	100
Asansol	Burdwan	105
	Madhupur	82
	Jasidih	111
	Baidyanath Dham	117
	Jhajha	155
Jagdishpur	Raniganj	113
	Asansol	95
	Raniganj	113
	Barakar	112
	Dhanbad	154
	Mokameh	172
Sealdah	Asansol	200
	Raniganj	217
	Andel	174
	Ma nkar	132
	Barakar	218
Bandel Jn.	Raniganj	155
	Andel	135
Waria	Rasulpur	85

Howrah	Andel	174	
	Raniganj	182	
	Asansol	200	
	Sitarampur	209	
	Dhanbad	259	
	Barakar	218	
	Jharia	266	
	Sainthia	179	
Uttarpara	Asansol	190	
Burdwan	Raniganj	87	
	Asansol	105	
	Chittaranjan	130	
	Sitarampur	114	
	Barakar	213	
	Sainthia	84	
	Rampurhut	112	
	Katwa	Nimtita	128
Gushkara	Mururai	195	
	Bansloi Bridge	200	
	Sahibganj	147	
	Pirpainti	214	
Ramapurhut	Khana	99	
	Howrah	207	
Sahibganj	Rampurhut	132	
	Sainthia	135	
	Mokameh	205	
Jamalpur	Mokameh	86	
	Danapur	176	
Patna	Kiul Jn.	99	
	Mokameh Jn.	89	
	Barauni Jn.	157	
	Jamalpur	167	
	Rajgir	99	
	Buxar	117	
	Dumraon	111	
	Barhiya	118	
Gaya	175		
Dehri-on-Sone	Mughalsarai	118	
	Gaya	85	
Dhanbad	Kodarama/Gaya	122/199	
	Baidya Nathdham	158	
	Howrah	259	
Gomoh	Burdwan	193	
	Durgapur	130	
	Gaya	170	
	Paharpur	137	
	Kodarma	94	
South Eastern Railway	Kharagpur	Tatanagar	135
		Dhalbargarh	86
Titilagarh	Muniguda	86	
Rayagada	Vizianagaram	124	
Tatanagar	Muri	96	
Amlai	Bilaspur	156	

	Durg	Gondia	135
	Rajnandgaon	Gondia	110
		Tirara	114
	Tumsar Road	Nagpur	80
Southern Railway	Madras Central	Sillurupeta	83
South Central Railway	Pune	Mira	85
North Eastern Railway	Bareilly	Kathgodam	107
	Achnera	Kasganj	140
	Kanpur Anwarganj	Kasganj	245
	Lucknow	Mailani	195
	Lucknow	Gonda	121
	Gonda	Gorakhpur Jn.	154
	Bhatni	Chupra	110
	Bhatni	Varanasi	163
	Sonpur	Varanasi	254
	Sonpur	Barauni Jn.	93
	Katihar	Barauni Jn.	179
	Varanasi	Allahabad City	124
	Aunrihar	Chupra	163
	Mau Jn.	Shahganj	100
	Chupra	Thawe	89
	Narkatiaganj	Muzaffarpur	160
	Narkatiaganj	Darbhanga	192
	Purnea	Saharsa	99
Northern Railway	Delhi	Aligarh	126
		Khurja	83
		Panipat	89
		Khatauli	101
	Kanpur	Allahabad	193
	Vindhiachal	Allahabad	83
N.F. Railway	Kokrajhar	Tihu	103

INDIAN RAILWAYS

PASSENGER PROFILE SURVEY (SEASON TICKET HOLDERS ONLY)

BUNDLE No.

--	--	--	--

1-3

SERIAL No.

--	--	--	--

4-5

PLEASE HELP INDIAN RAILWAYS TO HELP YOU

FOR ANSWERS TICK ONLY WITHIN THE BLOCKS								PUNCH COLUMNS	
01.	(a) SUBURBAN	--	--	--	--	--	--	1	6-6
	(b) NON-SUBURBAN	--	--	--	--	--	--	2	
02.	AGE:--								
	(a) BELOW 12	--	--	--	--	--	--	1	
	(b) BETWEEN 12 & 15	--	--	--	--	--	--	2	
	(c) BETWEEN 15 & 21	--	--	--	--	--	--	3	
	(d) BETWEEN 21 & 60	--	--	--	--	--	--	4	
	(e) MORE THAN 60	--	--	--	--	--	--	5	7-7
03.	SEX:--								
	(a) MALE	--	--	--	--	--	--	1	
	(b) FEMALE	--	--	--	--	--	--	2	8-8
04.	CLASS OF SEASON TICKET:--	--	--	--					
	(a) FIRST CLASS	--	--	--	--	--	--	1	
	(b) SECOND CLASS	--	--	--	--	--	--	2	9-9
05.	TYPE OF SEASON TICKET:--								
	(a) MONTHLY SEASON TICKET	--	--	--	--	--	--	1	
	(b) QUARTERLY SEASON TICKET	--	--	--	--	--	--	2	
	(c) STUDENT MONTHLY SEASON TICKET	--	--	--	--	--	--	3	
	(d) STUDENT QUARTERLY SEASON TICKET	--	--	--	--	--	--	4	
	(e) PRODUCE VENDOR'S TICKET	--	--	--	--	--	--	5	10-10
06.	IN CASE YOU HOLD A PRODUCE VENDOR'S TICKET, ARE YOU CARRYING:--								
	(a) PERISHABLES	--	--	--	--	--	--	1	
	(b) NON-PERISHABLES	--	--	--	--	--	--	2	11-11
07.	MONTHLY INCOME:--								
	(a) NIL	--	--	--	--	--	--	1	
	(b) BELOW RS. 250	--	--	--	--	--	--	2	
	(c) BETWEEN RS. 251 & 500	--	--	--	--	--	--	3	
	(d) BETWEEN RS. 501 & 1000	--	--	--	--	--	--	4	
	(e) OVER RS. 1000	--	--	--	--	--	--	5	12-12

FOR ANSWERS TICK ONLY WITHIN THE BLOCKS										PUNCH COLUMNS	
08. PROFESSION											
(a) CENTRAL GOVERNMENT SERVICE CLASS	I & II	—	—	—	—	—	—	—	—	0 1	
(b) " " " "	III	—	—	—	—	—	—	—	—	0 2	
(c) " " " "	IV	—	—	—	—	—	—	—	—	0 3	
(d) STATE	I & II	—	—	—	—	—	—	—	—	0 4	
(e) " " " "	III	—	—	—	—	—	—	—	—	0 5	
(f) " " " "	IV	—	—	—	—	—	—	—	—	0 6	
(g) LOCAL	I & II	—	—	—	—	—	—	—	—	0 7	
(h) " " " "	III	—	—	—	—	—	—	—	—	0 8	
(i) " " " "	IV	—	—	—	—	—	—	—	—	0 9	
(j) INDUSTRIAL/COMMERCIAL ESTABLISHMENT:—	OFFICER	—	—	—	—	—	—	—	—	1 0	
(k) " " " "	SUPERVISOR	—	—	—	—	—	—	—	—	1 1	
(l) " " " "	CLERK	—	—	—	—	—	—	—	—	1 2	
(m) " " " "	WORKER	—	—	—	—	—	—	—	—	1 3	
(n) SELF-EMPLOYED PROFESSIONAL		—	—	—	—	—	—	—	—	1 4	
(o) " BUSINESSMAN		—	—	—	—	—	—	—	—	1 5	
(p) " HAWKER		—	—	—	—	—	—	—	—	1 6	
(q) " FARMER		—	—	—	—	—	—	—	—	1 7	
(r) " ARTISAN		—	—	—	—	—	—	—	—	1 8	
(s) TEACHER		—	—	—	—	—	—	—	—	1 9	
(t) STUDENT		—	—	—	—	—	—	—	—	2 0	
(u) OTHER		—	—	—	—	—	—	—	—	2 1	13—14
09. ACCORDING TO YOU, WHICH, AMONGST THE FOLLOWING, IS THE MOST IMPORTANT IMPROVEMENT NEEDED IN TRAIN SERVICES (PLEASE TICK ONLY ONE):											
(a) INCREASED FREQUENCY OF TRAINS	—	—	—	—	—	—	—	—	—	1	
(b) MORE FAST TRAIN SERVICES	—	—	—	—	—	—	—	—	—	2	
(c) REDUCED OVER CROWDING	—	—	—	—	—	—	—	—	—	3	
(d) MORE CONVENIENT TRAIN TIMINGS	—	—	—	—	—	—	—	—	—	4	15—15
10. WHO BEARS THE COST OF YOUR TICKET?											
(a) SELF	—	—	—	—	—	—	—	—	—	1	
(b) EMPLOYER	—	—	—	—	—	—	—	—	—	2	
(c) JOINTLY BY SELF AND EMPLOYER	—	—	—	—	—	—	—	—	—	3	16—16
11. IS A BUS/TRAM SERVICE AVAILABLE AS AN ALTERNATIVE TO THE TRAIN JOURNEY											
(a) NO	—	—	—	—	—	—	—	—	—	1	
(b) IF YES, WHY DO YOU PREFER TRAIN JOURNEY? (PLEASE TICK ONE OR BOTH)										2	
(i) TRAIN JOURNEY IS CHEAPER	—	—	—	—	—	—	—	—	—	3	
(ii) TRAIN HELPS ME TO REACH IN TIME	—	—	—	—	—	—	—	—	—	3	17—18

FOR ANSWERS TICK ONLY WITHIN THE BLOCKS

PUNCH COLUMNS

12. LAST TIME WHEN YOU TRAVELLED ON THE SEASON TICKET, HOW DID YOU TRAVEL FROM YOUR HOME TO RAILWAY STATION AND FROM RAILWAY STATION TO YOUR PLACE OF WORK?

	FROM HOME TO STATION										FROM STATION TO WORK PLACE									
	1										1									
	2										2									
	3										3									
	4										4									
	5										5									
	6										6									
(a) ON FOOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) BY A CYCLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) BY A BUS/TRAM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) BY A PRIVATE SCOOTER/MOTOR CYCLE/MOPED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) BY A PRIVATE CAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f) BY A HIRED VEHICLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

19-20

13. HOW MANY TRIPS DID YOU UNDERTAKE ON THE SEASON TICKET LAST WEEK? (TO AND FRO TOGETHER IS ONE TRIP)

(a) ONE TRIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
(b) TWO TRIPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
(c) THREE TRIPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
(d) FOUR TRIPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
(e) FIVE TRIPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5
(f) SIX TRIPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6
(g) SEVEN TRIPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7
(h) EIGHT TRIPS OR MORE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8

21-21

14. DID YOU TRAVEL ON THE SEASON TICKET LAST SUNDAY?

(a) YES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
(b) NO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2

22-22

15. AT WHAT TIME DID YOU CATCH THE TRAIN ON YOUR LAST TRIP?

	WHILE GOING TO WORK										WHILE RETURNING FROM WORK														
	0					1					0					1									
(a) BETWEEN 6 A.M. and 8 A.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) " 8 A.M. and 9 A.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) " 9 A.M. and 10 A.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) " 10 A.M. and 11 A.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) " 11 A.M. and 4 P.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f) " 4 P.M. and 5 P.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g) " 5 P.M. and 6 P.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h) " 6 P.M. and 7 P.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) " 7 P.M. and 8 P.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j) " 8 P.M. and 10 P.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k) " 10 P.M. and 6 A.M.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

23-25

FOR ANSWERS TICK ONLY WITHIN THE BLOCKS	PUNCH COLUMNS									
16. IS THE INITIAL JOURNEY FROM THE STATION NEAR YOUR RESIDENCE TO THE STATION NEAR YOUR PLACE OF WORK, IN THE 'UP' OR 'DOWN' DIRECTION?										
(a) UP _____ <table border="1" style="display: inline-table; width: 40px; height: 20px; text-align: center;">1</table>										
(b) DOWN _____ <table border="1" style="display: inline-table; width: 40px; height: 20px; text-align: center;">2</table>	27-27									
17. (a) STATION FROM _____ <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> (NAME) (SHOULD BE THE STATION OF PASSENGER'S RESIDENCE) </div> <table border="1" style="width: 100px; height: 20px;"> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table> <div style="text-align: center;"> (STATION CODE) </div> </div>										28-32
(b) STATION TO _____ <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> (NAME) </div> <table border="1" style="width: 100px; height: 20px;"> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table> <div style="text-align: center;"> (STATION CODE) </div> </div>										33-37
(c) DISTANCE BETWEEN (a) AND (b) ABOVE (IN KMS.) _____ <table border="1" style="width: 100px; height: 20px; margin-left: 450px;"> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>									38-40	
(d) SEASON TICKET FARE IN RUPEES/PAISE _____ <div style="display: flex; justify-content: space-between; width: 80%;"> <table border="1" style="width: 60px; height: 20px; margin-left: 100px;"> <tr><td> </td><td> </td><td> </td><td> </td></tr> </table> <div style="text-align: center;">Rs.</div> <table border="1" style="width: 60px; height: 20px; margin-left: 20px;"> <tr><td> </td><td> </td><td> </td></tr> </table> <div style="text-align: center;">Ps.</div> </div>								41-45		
(e) SEASON TICKET NO _____										

STATION STAMP

SIGNATURE OF THE INVESTIGATOR

DATE

NAME OF THE INVESTIGATOR (IN BLOCK LETTERS)

SEASON TICKET FARES ON BRITISH RAILWAYS

Distance in Miles	Single journey fare	Second class Monthly Season Ticket Fares	No. of equivalent single journeys	Quantum of concession in MST fares (Assuming No. of journeys in a month-40)*	Rate charged per mile	Index
	£	£		Pence	(Pence) for single journey fares	
5	0.34	11.20	32	20%	6.80	100
20	1.16	36.10	31	22%	5.80	85
35	1.97	46.60	24	40%	5.63	83
50	2.66	51.80	19	52%	5.32	78
70	3.80	61.70	16	60%	5.42	80
90	5.00	70.70	14	65%	5.56	82
110	6.05	79.00	13	67%	5.50	81
130	7.25	87.40	12	70%	5.58	82
150	8.30	94.00	11	72%	5.53	81

*Note : The number of single journeys in a month have been assumed as 40. In a week, people in England work for 5 days. Assuming 10 journeys in a week, the number of journeys in a month works out to 40.

SEASON TICKET FARES ON SWEDISH RAILWAYS

Distance in Kms.	Second class single journey Fares	Second class monthly Season Ticket fare	No. of equivalent journeys	Quantum of concession in MST Fare (Assuming No. of 40 journeys in a month)	Single journey fare		Remarks (Break up of No. of journeys in the distant Zone)
					Rate charged per Km.	Index	
	S. Kr.	S. Kr.			S. Kr.		
6	3.40	107.00	31	22%	0.57	100	1 to 6 Kms.
8	4.40	112.00	26	35%	0.55	96	7 to 8 Kms.
10	5.20	119.00	23	42%	0.52	91	9 to 10 Kms.
12	5.80	127.00	22	45%	0.48	84	11 to 12 Kms.
16	7.00	148.00	21	47%	0.44	77	13 to 16 Kms.
20	8.60	170.00	20	50%	0.43	75	17 to 20 Kms.
24	10.00	190.00	19	52%	0.42	74	21 to 24 Kms.
26	11.00	198.00	18	55%	0.42	74	25 to 26 Kms.
30	13.00	217.00	17	57%	0.43	75	27 to 30 Kms.
50	18.00	282.00	16	60%	0.36	63	31 to 50 Kms.
55	20.00	302.00	15	62%	0.36	63	51 to 55 Kms.
60	23.00	320.00	14	65%	0.38	67	56 to 60 Kms.
90	33.00	427.00	13	67%	0.37	65	61 to 90 Kms.
130	49.00	568.00	12	70%	0.38	67	91 to 130 Kms.
210	78.00	870.00	11	72%	0.37	65	131 to 210 Kms.

**MINIMUM WAGES IN PUBLIC SECTOR UNDERTAKINGS AS ON 1-1-1978
(BOMBAY)**

S. No.	Name of Enterprise	Basic Pay	Fixed Dearness Allowance	Varying Dearness Allowance	House Rent Allowance	City Compensatory Allowance	Other Allowances	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Indian Rare Earths Ltd.	180.00	140.00	124.20	80.00	—	—	462.20
2.	Richardson and Cruddes Ltd.	42.00	—	373.93	—	—	—	415.93
3.	General Insurance Corporation of India Ltd.	125.00	—	280.00	22.00	—	20.00	447.00
4.	Film Finance Corporation of India Ltd.	196.00	112.00*	—	29.40	12.74	—	350.74
5.	Life Insurance Corporation of India Ltd.	120.00	—	268.80	22.00	20.00	—	430.80
6.	India Telephone Industries Ltd.	200.00	—	223.60	25.00	9.00	30.00	487.60
7.	Mazagon Dock Ltd.	40.30	369.91*	—	10.00	—	26.00	446.21
8.	Hindustan Petroleum Corporation	331.00	50.00	152.00	30.00	—	17.00	580.00
9.	Lubrizol India Ltd.	235.00	25.00	163.80	78.00	15.60	—	517.40
10.	State Trading Corporation	224.00	33.60	213.90	33.60	17.92	24.00	547.02
11.	The Cotton Corporation of India Ltd.	200.00	40.00	74.00	60.00	13.00	—	387.00
12.	Bharat Earth Movers Ltd.	200.00	100.00	137.00	30.00	—	30.00	497.00
13.	Shipping Corporation of India	82.00	560.00*	—	30.00	—	70.00	742.00
14.	Air India	100.00	65.00	176.10	33.75	—	98.00	472.85

(CALCUTTA)

1.	Metallurgical & Engineering Consultants Ltd.	300.00	62.00	78.00	75.00	18.00	20.00	553.00
2.	Hindustan Copper Ltd.	240.00	96.00	79.30	60.00	15.60	—	490.90
3.	Indian Airlines @	100.00	65.00	176.10	33.75	—	98.00	472.85
4.	Metals Scrap Trade Corporation Ltd. of India	260.00	45.00	110.50	65.00	15.60	—	496.10
5.	Garden Reach Ship builders & Engineers Ltd.	196.50	—	230.30	—	—	9.10	435.90
6.	Tea Trading Corporation	196.00	112.60*	—	49.00	12.75	—	370.35
7.	India Telephone Industries Ltd.	200.00	—	223.60	25.00	9.00	25.00	482.60
8.	Bharat Brakes & Valves Ltd.	192.30	—	230.30	—	—	—	422.60
9.	National Mineral Development Corporation	290.00	62.00	76.50	31.90	17.40	—	477.80
10.	Central Fisheries Corporation	196.00	112.60**	—	49.00	12.75	—	370.35
11.	Burn Standard Co. Ltd.	80.00	—	386.50	25.00	—	40.00	531.50
12.	The Handicrafts & Handloom Export Corporation of India Ltd. @	224.00	33.60	213.90	33.60	17.92	10.00	533.02
13.	<i>Indian Oil Corporation</i>							
	(a) Marketing Dn. @	180.00	138.00	135.00	45.00	14.40	—	512.40
	(b) Refineries & Pipelines Dn. @	180.00	140.00	121.20	45.30	14.40	—	500.90
14.	Hindustan Petroleum Corporation	315.00	20.00	152.00	25.00	—	17.00	529.00
15.	State Trading Corporation	224.00	33.60	213.90	33.60	17.92	24.00	547.02
16.	Bharat EarthMovers Ltd.	200.00	100.00	137.00	25.00	—	25.00	487.00

*Includes VDA(Varying Dearness Allowance) also.

**Includes Varying Dearness Allowance Also.

@Applicable to Bombay, Delhi and Madras also with same amounts.

(1)	(2)	(3)	(4)	(5)	(6)	(6)	(8)	(9)
(MADRAS)								
1. Richerdson & Cruddes Ltd.		40.00	—	414.78	—	—	—	454.78
2. Indian Telephone Industries Ltd.		200.00	—	223.60	25.00	9.00	25.00	482.60
3. Hindustan Teleprinters Ltd.		200.00	87.00	131.30	30.00	13.00	16.00	477.30
4. Hindustan Petroleum Corporation		325.00	20.00	162.00	25.00	—	17.00	549.00
5. Madras Refineries Ltd.		200.00	—	160.00	50.00	16.00	166.00	592.00
6. State Trading Corporation		224.00	33.60	213.90	33.60	17.92	24.00	547.02
7. Bharat Earth Movers Ltd.		200.00	100.00	137.00	25.00	—	25.00	487.00
8. Air India		100.00	65.00	176.10	33.75	—	98.00	472.85
(DELHI)								
1. Metallurgical & Engineering Consultants Ltd.		300.00	62.00	78.00	90.00	18.00	520.00	568.00
2. Hindustan Copper Ltd.		235.00	96.00	76.70	77.50	14.10	3.00	502.30
3. Cement Corporation of India Ltd.		196.00	—	112.50	58.85	12.75	—	380.10
4. Minerals & Metals Trading Corporation		226.00	33.90	213.90	33.90	18.08	35.00	560.78
5. International Airport Authority		260.00	93.60	54.60	78.00	16.20	30.00	532.40
6. Engineers India Ltd.		196.00	112.60*	—	68.60	12.74	—	389.94
7. The National Industrial Development Corporation		197.00	112.90	—	49.25	12.80	5.00	376.95
8. National Thermal Power Corporation		260.00	—	171.10	78.00	16.20	—	525.30
9. Indian Telephone Industries		200.00	—	223.60	25.00	9.00	25.00	482.60
10. National Mineral Development Corporation		290.00	62.00	76.50	31.90	17.40	—	477.80
11. The Handicrafts and Handloom Exports Corporation of India Ltd.		224.00	33.60	213.90	33.60	17.92	10.00	533.02
12. Hindustan Insecticides Ltd.		210.00	119.70	—	52.50	12.60	—	390.80
13. Engineers Projects India Ltd.		230.00	130.90*	—	69.00	14.95	—	444.85
14. Hindustan Petroleum Corporation		310.00	20.00	167.00	25.00	—	17.00	539.00
15. Bongaigaon Refineries & Petrochemicals Ltd.		210.00	75.60	44.10	50.50	13.65	—	395.85
16. State Trading Corporation		224.00	33.60	213.90	33.60	17.92	24.00	547.02
17. Bharat Earth Movers Ltd.		200.00	100.00	137.00	25.00	—	25.00	487.00
18. Air India		100.00	65.00	176.10	33.75	—	98.00	472.85

*Includes varying Dearness Allowances also.
Source : Ministry of Labour, New Delhi.

**FIRST & SECOND CLASS MONTHLY SEASON TICKET FARES FOR CERTAIN PAIR OF POINTS BEYOND
150 Kms.**

Sl. No.	Stations		Distance in Kms.	Existing M.S.T. fare IInd Class	Second Class Proposed M.S.T. fares			Existing M.S.T. fare Ist Class	First Class Proposed M.S.T. fares	
	From	To			Ist Proposal	IInd Proposal			Ist Proposal	IInd Proposal
				Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	
1.	Borivli	Valsad	165	56.85	111.00	69.00	202.00	444.00	276.00	
2.	Bombay V.T.	Pune	192	57.85	126.00	81.00	229.00	504.00	324.00	
3.	Boisar	Surat	233	78.05	146.00	97.00	271.50	584.00	388.00	
4.	Rajkot	Ahmedabad	246	82.05	151.00	101.00	282.00	604.00	404.00	
5.	Bombay Central	Vadodara	392	128.05	226.00	161.00	429.00	904.00	644.00	
6.	Bombay Centrol	Ahmedabad	492	159.55	276.00	201.00	529.00	1104.00	804.00	