



अग्रिम दर अधिसूचना क्र 25 – वर्ष 2007 (माल भाडा)

विषय:-**Freight Incentive Schemes and Transportation Products: Policy guidelines.**

प्राधिकार: **Railway Board's letter No. TCR/1078/2007/1, Dated: 13.3.2007.**

(Rates Circular No. 25 of 2007)

रेलवे बोर्ड के संदर्भित पत्र द्वारा प्रसारित अनुदेश निम्नानुसार हैं:-

1.0 Introduction

1.1 Super session: These instructions supersede the existing Freight Incentive Schemes (RC No 25, 31, 44, 62, 64, 70, 74, 77, 98, 100 of 2006 and 1 of 2007), Concession on FCI food grains loaded in BOXN wagons (RC No 09 of 2007), Concession on Chemical Manures loaded in open wagons (RC No 4 of 2003 and 35 of 2005), Concession on loading of Timber Waste in covered wagons (RC No 70 of 2005), Concession on Cement loaded in open wagons (RC No 4 of 2003, 43 of 2006 and 111 of 2006) and Wagon load classification of commodities loaded on MG and NG system (RC No 5 of 2007). Following comprehensive guidelines for various Freight Incentive Schemes & Transportation Products are introduced.

1.2 Customers already availing freight concessions under the existing Freight Incentive Schemes (such as Long Term Special Incentive Scheme) will have the option of continuing with the existing arrangement till completion of the term as per the agreement entered into between the rail user and Railways under the purview of the existing Freight Incentive Schemes or withdraw from these Schemes and opt for any of the new Incentive Schemes being introduced. Proposal pending finalization on 31st March 2007 under any of the Schemes hereby being superseded will lapse on cessation of validity of the relevant Scheme.

1.3 These Schemes and products will be applicable for freight traffic booked under provisions of Goods Tariff for BG traffic except where specifically and explicitly made applicable to MG and NG systems. Military, RMC and container traffic is also excluded from the purview of these schemes.

2.0 Definitions:

Key Terms used in the description of the Freight Incentive Schemes have been defined in the following Section for precise interpretation and elimination of ambiguities. Field functionaries should interpret them exactly as defined.

1 Benchmark Earning: Wherever applicable, Benchmark Earning will refer to freight earning in the corresponding period (month, year or season) of the previous year suitably adjusted for increase in applicable freight rates. If tariff rate has increased, the freight earning of previous year (corresponding period) shall be adjusted by multiplying by the current tariff rate and dividing by the tariff rate in the corresponding period of the previous year. However, if tariff rate has decreased, the freight earning of last year will be compared without any adjustment

2 Block Rake: It is a train carrying wagons for a single destination. Compositions of Block Rakes composed of different types of wagons are as notified by Railway Board

3 Busy Season - Freight Business: It refers to the period from 1st October to 30th June of following year, unless modified through a notification by Railway Board.

4 Busy Season - Passenger Business: It refers to the period from 16th April to 14th July and from 16th September to 14th January, unless modified through a notification by Railway Board.

5 Commodity Restriction: This specifies specific commodities explicitly excluded from being eligible for a particular Incentive Scheme.

6 Concurrent Freight concession: Normally, benefits of freight concession under a particular Scheme cannot be taken concurrently with benefits under any other Freight Incentive Scheme or any other freight concession for any portion of traffic unless explicitly permitted under the relevant Scheme or policy. Concurrency of Freight concessions under a particular Freight Incentive Scheme and any other Freight concession policy will be permitted in accordance with the provisions of the Policy concerned.

7 Covered Wagons: It includes BCN, BCNA, BCNAHS, BCX and BCXN wagons. It does not include tank wagons.

8 Dynamic Pricing Policy: It refers to tariff measures for management of seasonal and regional skew in demand for wagons with the objective of optimizing utilization of transport capacities and reducing idling of assets and capacities. This Policy includes demand management strategy of combining a slew of Incentive Schemes granting attractive concessions in freight and fare to give a boost to sluggish demand, improve market share by competitive pricing and to utilize idle assets together with Busy Season Surcharge, Congestion Charge, Supplementary Charge directed at shifting demands for services from excessively preferred routes and terminals to less patronized sectors and also to recover higher cost of operation on account of skewed demand pattern.

9 Empowered Committee: It will comprise of Senior Commercial Inspector and a Traveling Inspector of Accounts nominated by the General Managers of the Zone. It will be the final authority at the Divisional level to verify eligibility of the customer under an Incentive Scheme and to vet the loading and earning data furnished by the customers.

10 Flat Wagons: It includes BRN, BRNA, BFR, BRH, BRS, BFK, BFKI and BFNS wagons.

11 Freight Concession: This is a generic term indicating charging at a rate lower than the normal tariff rate without being specific about it being a Freight Discount or Freight Rebate.

12 Freight Discount: This refers to an upfront discount on the normal tariff rate at the time of booking of traffic at the terminal.

13 Freight Earning: It refers to the revenue realized by railway from a customer for transportation of cargo by way of freight charges including surcharges, if any.

14 Freight Incentive Schemes: Following Schemes are included in this category.

- (a) Incentive Scheme for Incremental Traffic
- (b) Long Term Special Incentive Scheme
- (c) Incentive Scheme for Traditional Empty Flow Direction
- (d) Incentive Scheme for Freight Forwarders
- (e) Incentive Scheme for Two-Leg Traffic
- (f) Incentive Scheme for Loading Bagged Consignments in BOXN
- (g) Incentive Scheme for Lump Sum Special Rates and SLA
- (h) Incentive Scheme for Greenfield Projects
- (i) Incentive Scheme for Traffic on MG and NG Systems
- (j) Incentive Scheme for Private Investments in Wagons

15 Freight Rebate: This refers to a freight concession granted by way of a refund based on fulfillment of certain agreed performance parameters over a period of time. Traffic is booked at the terminals at normal tariff rate and refund by way of rebate is paid in lump sum.

16 Full Rake Terminal: This refers to Terminals notified by Zonal Railways as full rake handling point.

17 Half Rake Terminal: This refers to Terminals notified by Zonal Railways as half rake handling point.

18 Incentive: It is the benefit being granted to rail user under a particular scheme.

19 Incremental Earning: It is the freight earning realized over and above the freight earning in the corresponding period (month, year or season) of the previous year suitably adjusted for increase in applicable freight rates. If tariff rate has increased, the freight earning of previous year (corresponding period) shall be adjusted by multiplying by the current tariff rate and dividing by the tariff rate in the corresponding period of the previous year. However, if tariff rate has decreased, the freight earning of previous year will be compared without any adjustment.

20 Lead Restriction: This specifies restrictions by way of minimum lead of traffic applicable to an Incentive Scheme.

21 Lean Season - Freight Business: It refers to the period from 1st July to 30th September, unless modified through a notification by Railway Board.

22 Lean Season - Passenger Business: It refers to the period from 15th January to 15th April and from 15th July to 15th September, unless modified through a notification by Railway Board.

23 Mini Rake: This is a short rake with a composition shorter than the specified number of wagons required for a Block Rake.

24 Multi Point Rake: This is a train carrying wagons destined to more than two destinations.

25 New Traffic: It refers to the traffic loaded by a customer in the current year while the customer had not loaded any traffic in the corresponding period (month, season or year) of the previous year.

26 Normal Tariff Rate (NTR): NTR for commodities will be the base freight rate as published in Goods Tariff plus Demand Management Charges like busy season surcharge, Congestion Surcharge, Supplementary Surcharge as applicable on various transportation products etc under Dynamic Pricing Policy, if applicable. Other charges like Punitive Charges for overloading, Penal Charges for Misdeclaration will be levied on NTR. Similarly, freight concession (discount/rebate) will also be levied on NTR.

27 Open Wagons: It includes BOXN, BOXNHS, BOXNHA, BOXNCR, BOXNEL, BOST and BOX wagons. This does not include hopper wagons.

28 Restricted Wagon: This specifies the types of wagons permissible or restricted under an Incentive Scheme.

29 Season: It implies either Busy Season or Lean Season.

30 Seasonal Restriction: This specifies season/s in which a particular Incentive Scheme is permitted.

31 Terminal: It refers to a private siding, assisted siding, railway siding, port or a goods shed where cargo is loaded or unloaded.

32 Terminal Restriction: This identifies the type of Terminal eligible for a particular Incentive Scheme.

33 Traditional Empty Flow Directions: These are traffic movement streams comprising predominantly of empty wagons. Railway Board will notify these streams/directions for specific wagon types.

34 Transport Products: These are various transportation options differentiated primarily by the volume of traffic and include following services.

(a) Block rake

(b) Mini Rake

(c) Two point Rake (Covered Wagons)

(d) Multi Point Rake (Covered Wagons)

(e) Two and Multi Point Rake (Other than Covered Wagons)

(f) Rake from Two Originating Terminals (Covered Wagons)

(g) Rake from Two Originating Terminals (Other than Covered wagons)

35 Two Point Rake: This is a train carrying wagon destined for two terminals.

36 Two-Leg Loading: This refers to booking of return traffic. Two-Leg loading is defined as a demand for wagons for transport of cargo as under.

Loading of cargo at the originating terminal of the First Leg

Unloading at the destination terminal of the First Leg

Fresh loading of cargo at the originating terminal of the Second Leg

Unloading at the destination terminal of the Second Leg

Destination of the First Leg and the Originating terminal of the second leg can be different terminals.

Similarly, destination of the Second Leg and the originating terminal of the First Leg can also be different terminals.

3.0 Processing Procedure

A customer will be able to participate in any of the freight incentive scheme only if he specifically applies for the same, unless and until the specific scheme mentions that application is not required. The detailed procedure for processing a proposal received from a customer regarding any of the freight incentive schemes as mentioned in these instructions is given below except wherever an alternate specific procedure has been prescribed in any scheme.

1. General Managers of Zonal Railways will nominate a Divisional Empowered Committee (DEC) comprising of a Senior Commercial Inspector and a Traveling Inspector of Accounts for each Division.

2. Customers will apply to the Divisional Railway Manager of the concerned Division for grant of benefits under the specific Freight Incentive Scheme they wish to participate in.

3. These applications will include details as applicable in respect of their loading and earning performance for previous year (along with type of wagons used in case of Incentive scheme for Traditional Empty Flow Direction) supported by documents duly authenticated by the Station Manager/Chief Goods Supervisor at the concerned terminal/s, projection of the traffic volume expected to be loaded in the concerned period and proposed terminals and days for running any of the Cargo Aggregation Services etc.

4. The proposals will be passed on to the nominated DEC to verify the accuracy of the data furnished by the customer.
5. The DEC will submit its report within seven days of receipt of the proposal from the division.
6. Proposals submitted by customers, duly vetted by the DEC, will be put up by (Senior) Divisional Commercial Manager to Divisional Railway Manager for issue of an Authorization to the Goods Supervisor of the concerned terminal for maintaining necessary records and granting admissible freight Discounts or issue of a Regret Letter outlining the reason/s for rejection.
7. Before issuing the notification authorizing grant of discounted freights to an applicant, Divisional Railway Manager must ensure that restrictions in respect of concurrent operation of the Freight Incentive Schemes as specified in these instructions are complied with.
8. Freight concessions under these Incentive Schemes will be granted by means of discounted freight rate, as admissible, at the time of issue of Railway Receipt itself. There will be no system of freight refunds unless specifically and explicitly laid down in a particular incentive scheme.
9. The Authorization or Regret Letter mentioned under Item (6) above must be issued to the Customer and Goods Supervisor of the concerned terminal not later than 15 days after receipt of the proposal from the customer.
10. For each customer who has been granted benefit under these schemes, commercial staff at the concerned terminal will maintain detailed account of loading and earning performance both for the current period and the corresponding period of previous year.
11. Commercial staff at the concerned terminal will issue a message to the concerned (Senior) Divisional Commercial Manager and Financial Advisor & Chief Accounts Officer/Traffic Accounts (FA&CAO/TA) or Dy. FA&CAO/TA as soon as a customer becomes eligible for freight concession on incremental earnings advising start of grant of discounted freight. On receipt of such a message the DEC will visit the concerned terminal for post check of fulfillment of conditions for grant of discounted freight. Grant of discounted freight rate will start as soon as the qualifying conditions are fulfilled without waiting for post check inspection by DEC.
12. Detailed proposals for freight discounts beyond the powers delegated to GMs and DRMs should be forwarded to Railway Board for consideration with concurrence of FA & CAO and personal approval of GM. Proposals not complying with this procedure will not be processed at the Board.

4.0 Freight Incentive Schemes

4.1 Incentive Scheme for Incremental Traffic

Objective:

This Scheme aims to generate additional business volumes during Lean Season.

Incentive:

Discounts in the freight rate will be granted for the Incremental Earning in Lean Season at the time of issue of Railway receipt itself. The percentage discount in freight rate would be as indicated in each slab of incremental earning in the following table subject to such discounted freight rate (including any other concurrently permissible discount) not being lower than Class 100.

Slabs of freight concessions are as under.

Slabs of Incremental Freight Earning (in Rs.)	Percentage Discounts on Applicable Freight Charges
Up to 5 Crore	10
More Than 5 Crore	15

In case of New Traffic, freight concessions will be granted at 50% of the rates indicated in the table above.

Terminal Restriction: None

Commodity Restriction:

Coal and all its variants including washed and imported coal
Coke of all varieties including Metallurgical, Petroleum and imported coke
Iron Ore
Traffic loaded in Ports
Commodities in Classes below 120
Container traffic
Lead Restriction: None

Restricted Wagons: None

Seasonal Restriction: Scheme available only in Lean Season

Concurrent Freight Concessions:

Benefits of freight concession under this Scheme cannot be taken concurrently with any other Freight Incentive Scheme for any portion of traffic unless explicitly permitted under the relevant Scheme.

Concurrency of Freight concessions under this Freight Incentive Scheme and any other Freight concession policy will be permitted in accordance with the provisions of the Policy concerned.

Conditions:

1. This Scheme will be applied to each terminal separately and independently for customers operating from multiple terminals.
2. If a customer is dealing with more than one commodity at a single terminal, total earning from all the commodities together should be taken into consideration for deciding the permissibility under this Scheme.
3. Freight earning from a terminal to any number of destinations will be eligible under the Scheme.

4.2 Long Term Special Incentive Scheme

Objective:

If circumstances so warrant, concessions may be granted under this Scheme as a special case, with the objective of sustaining as well as increasing the rail borne traffic of a customer.

This Scheme should be utilized with the sole objective of getting substantial traffic and resultant additional earnings vis-à-vis concessions offered depending upon the merit of each case. Flexibility has been built to enable framing suitable marketing strategies under widely varying circumstances.

Incentive:

Freight concession (discount/rebate) in accordance with following scales can be granted to customers in accordance with the applicable category based on committed net freight earning in each year (12 months) of the contractual period.

Category	Season	
	Busy	Lean
	Maximum Concession %	
Net Freight Earning => 50 Crore in 12 months	10	20
Net Freight Earning < 50 Crore in 12 months	5	10
New Customers	5	10

Terminal Restriction: None

Commodity Restriction:

Coal and all its variants including washed and imported coal

Coke of all varieties including Metallurgical, Petroleum and imported coke

Iron Ore

Traffic loaded in Port

Container traffic

Lead Restriction: None

Restricted Wagons: None

Seasonal Restriction: None

Concurrent Freight Concessions:

Benefits of freight concession under this Scheme cannot be taken concurrently with any other Freight Incentive Scheme for any portion of traffic unless explicitly permitted under the relevant Scheme.

Concurrency of Freight concessions under this Freight Incentive Scheme and any other Freight concession policy will be permitted in accordance with the provisions of the Policy concerned.

Conditions:

1. Concession under this scheme can be given for a maximum period of three years and for a minimum period of one year.

In cases where concession has been granted for more than one year based on the commitment of the net freight earning and corresponding concession in each year, the scheme shall be operated for each year separately independent of the performance in preceding / following year.

The earning performance should be measured against the targets fixed for the concerned year at the time of initial notification of concession. The commitment of net freight earning in each year is required to be equal to or higher than the corresponding commitment in the previous year.

To illustrate, a customer commits to give net freight earning of Rs 70 crore in the first year. In the subsequent year, the commitment of net freight earning cannot be less than Rs 70 crore. Now, say, the targets for 1st year and 2nd year have been fixed at Rs 70 crore and Rs 75 crore respectively. If the customer gives net freight earning of Rs 90 crore in the 1st year, the target of 2nd year will continue to remain at Rs 75 crore. However, if the customer does not give net freight earning of Rs 70 crore in the 1st year, he will not get concession in the 1st year.

But he will continue to be eligible for availing concession in 2nd year as per the target for the 2nd year.

2. Eligibility in terms of Net Freight earnings of Rs 50 Crore in any year (12 months period) of contractual period will be decided based on the total net Freight committed by a customer and will exclude all sorts of concessions. For Example, if the gross freight committed by a customer is Rs. 53 Crore for a particular year (12 months period), the concession of 10% during Busy Season or 20% during Lean Season shall be granted in such a manner that the net freight earning from the customer after deducting concessions etc is not less than Rs. 50 Crore in that year of contractual period. In case, the net freight earning committed by a customer in any year of contractual period is less than Rs. 50 Crore, concession can be given only up to 5% during Busy Season and 10% during Lean Season.

3. Total committed earnings of a specific customer from one or more terminals in the same zone may be taken into account to determine whether he fulfills the criterion of net freight earnings of Rs 50 Crore.

4. Net freight earning from only outward traffic of all commodities shall be reckoned for determining earning as well as for the purpose of grant of any freight concession. Inward traffic shall not be considered for the above purpose.

5. Freight concession can be given either on incremental or entire traffic offered by the customer depending on the situation, with the purpose of maximizing net earnings and increasing the rail borne traffic of that customer. Such concessions can be given either at a suitable uniform rate for the entire period or at graded (differential) rates. The graded rates could be on the basis of quantum of traffic, periods of contract or other parameters considered suitable singly or in combination. However, concession on entire volume of traffic should be given only in exceptional circumstances where such incentives are considered justified.

6. If the tariff rate changes after the finalization of the concession and issue of notification, the freight earnings target shall be modified as under:

i) If the tariff rate decreases, there will be no change in freight earning targets.

ii) If the tariff rate increases, the freight earning target shall be revised using following formula.

$$\frac{\text{Original Freight Earning Target} \times \text{Revised Tariff Rate}}{\text{Original Tariff Rate}}$$

This condition should be suitably incorporated in the notification/ agreement.

7. A customer can avail of incentives under more than one Scheme (Long Term Special Incentive Scheme, Incentive Scheme for Incremental traffic and Traditional Empty Flow Direction Scheme or any other such scheme). However, conditions for each scheme will have to be separately fulfilled. For instance, a customer offering a commitment of total net freight earning of Rs 70 Crores (exclusive of all freight concessions) may choose to offer traffic equivalent to net earning of Rs 50 Crore to be considered under Long Term Special Incentive Scheme and the remaining traffic under Incentive Scheme for Incremental Traffic. In order to be eligible to be considered for concessions up to 10% in Busy Season and 20% in Lean Season, the customer will have to offer a commitment of net freight earning of at least Rs 50 Crore in twelve-month period exclusively for this scheme. In no case, the same volume of originating traffic can avail concessions under more than one scheme unless and until such concurrent benefit has been permitted specifically under the para on concurrency indicated earlier.

8. In case of rebate, refund will be calculated and granted after end of every 12 months of the contractual period.

9. These concessions would be subject to the condition that the discounted/rebated freight rates would not be lower than Class LR1 in Lean Season and Class 100 in the Busy Season.

10. For the purpose of reckoning fulfillment of target under this scheme, loading and freight earning will be deemed to have accrued if the empties (wagons) have been placed against indents for free destinations before the completion of the contractual period, subject to the condition that such wagons are actually loaded without any forfeiture or cancellation.

Processing Procedure:

1. Proposals under the scheme would be scrutinized by DEC and the same may be forwarded to CCM of concerned Zonal Railway.
2. CCM would examine the proposal in consultation with COM for vetting of FA&CAO and personal approval of General Manager, subject to the conditions of the scheme.
3. Proposals for concessions beyond the permitted limits and/or for durations longer than the permitted period should be forwarded to Railway Board along with concurrence of FA&CAO and personal approval of General Manager.

4.3 Incentive Scheme for Traditional Empty Flow Direction:

Objective:

Generate additional business volumes in the movement streams traditionally carrying predominantly empty wagons.

Incentive:

(i) For Block Rake Traffic:

A freight discount of 30% will be granted on Incremental Earning on traffic loaded in block rakes in the notified Traditional Empty Flow Directions during both Busy and Lean Seasons. Incremental traffic will be booked at the discounted freight rates at the time of issue of RR itself.

(ii) For less than Block rake traffic:

Discounts in trainload rates will be granted to less than block rake traffic loaded in the notified Traditional Empty Flow Directions at the rates indicated in the table below. The incremental traffic will be booked at the discounted freight rates at the time of issue of RR itself.

Wagons Loaded	Slabs of Wagons Loaded	Freight Concession
Covered	31-39	20%
	20-30	10%
	15-19*	Nil
	< 15	Not permitted at Trainload rates
Open	31-57	20%
	20-30	10%
	<20	Not permitted at Trainload rates
* Will be permitted only during Lean Season		

(iii) New Traffic

In case of New Traffic, freight concessions will be granted at 50% of the rates indicated in the table above.

(iv) Loading in BOXN wagons

Notwithstanding the provisions contained herein above, new traffic of bagged consignments loaded in BOXN wagons under this Scheme will be eligible for full concession. However, this provision shall be valid only for the year 2007-08.

(v) Floor Rates

In no case, the minimum chargeable freight class should be less than Class LR-2 in Covered wagons and Class LR-3 in Open Wagons after all the permissible concurrent discounts.

Terminal Restriction: None

Commodity Restriction:

Coal and all its variants including washed and imported coal

Coke of all varieties including Metallurgical and Petroleum Coke and imported coke

Iron Ore

Traffic loaded in ports

Container Traffic

Lead Restriction:

Traffic booked under this Scheme must have a minimum lead of 700 KM.

General Managers may, however, grant relaxation in the minimum lead mentioned above (not lower than a lead of 500 KM) in special cases if the entire movement of the traffic offered is almost entirely on routes on which the type of wagons proposed to be used generally move as empties.

Restricted Wagons: Permitted in BOXN, Covered and Flat wagons.

Seasonal Restriction: None

Concurrent Freight Concessions:

Benefits of freight concession under this Scheme cannot be taken concurrently with any other Freight Incentive Scheme for any portion of traffic unless explicitly permitted under the relevant Scheme except for the exemption mentioned in this Section.

Certain bagged consignments (Fertilizers, Rice, Wheat, FCI Food grains and Cement) have been granted a discount for loading in BOXN wagons. This discount will be permitted concurrently with the discounts under this Scheme.

Concurrency of Freight concessions under this Freight Incentive Scheme and any other Freight concession policy will be permitted in accordance with the provisions of the Policy concerned.

Conditions:

1. Notified Inter-Zonal Traditional Empty Flow Directions across which traffic movement comprises predominantly of empty wagons (wagon-wise) is enclosed as Annexure-I.
2. Freight concessions under this Scheme are available for loading in the notified Inter-Zonal Traditional Empty Flow Directions only.

3. Discounted freight rates may also be granted to intra-zonal traffic under this Scheme subject to submission of a proposal to this effect by the Zonal Railway and its specific approval by the Railway Board.

4. This Scheme will be applied to each terminal separately and independently for customers operating from multiple terminals.

5. Originating point may be any notified half rake or full rake Terminal on the Originating Railway of the notified Inter-Zonal Traditional Empty Flow Direction. However, wherever only specific divisions have been mentioned in the Originating Railway, originating point must be on such divisions only.

6. Destination point may be any notified half rake or full rake Terminal on the Destination Railway of the notified Inter-Zonal Traditional Empty Flow Direction. However, wherever only specific divisions have been mentioned in the Destination Railway, Destination point must be on such divisions only.

7. Two Point Rakes loaded under this Scheme will also be eligible for permissible discounted freight rates.

8. This Scheme would be operated on the basis of monthly Incremental Earning, which would be calculated for each notified Inter-Zonal Traditional Empty Flow Direction separately on the basis of the freight earning in the corresponding month of the previous year (all traffic loaded in the Traditional Empty Flow Direction whether at trainload or wagonload rates or at the full tariff or reduced rate).

9. Private Siding Owners will be free to load any commodity or receive any commodity booked under this Scheme irrespective of restrictions, if any, in their Siding Agreements with the Railway. They may also permit co-use of their sidings to any party for traffic booked under this Scheme. Siding Owners will not be required to seek any specific approval from the Railway for these exemptions. However, they must advise the details of exemptions sought with respect to the existing Siding Agreement to the concerned Zonal Railway.

10. Supply of wagons for loading less than rake load traffic will be made only in rake loads. After loading, the entire rake will move carrying both the loaded and empty wagons. Block rakes will not be broken up for loading this category of traffic.

11. For the purpose of calculating Incremental Earning/Traffic, comparison will be made between traffic loaded in the same generic type of wagon (e. g. Covered, BOXN) in the corresponding month of the previous year.

12. Supply of BOXN wagons for loading under this Scheme will be subject to operational feasibility.

4.4 Incentive Scheme for Freight Forwarders:

Objective:

The Scheme aims to promote rail, road and warehousing integration and expansion of commodity basket for Railways.

Incentive:

Customers will be able to move their traffic in smaller lot sizes. It is expected that cargo aggregators will limit loading of any single commodity up to 10 wagons only.

However, if this limit is exceeded, composite class rates will go up progressively. Multi commodity wagons in a rake should not exceed 10 wagons. Rates for all wagons loaded with any commodity will be charged according to the slab of wagons applicable.

Cargo Aggregators will be charged at following composite freight rates.

Season	Composite Class Rates			
	Slabs of No. of wagons loaded with a single commodity			
	<= 10	> 10 & <=15	> 15 & <= 20	> 20
Lean	100	110	120	210
Busy	130	140	150	210

Terminal Restriction:

Loading and unloading under this Scheme will be permitted at any full or half rake handling Terminal approved by the concerned Sr. DCM in consultation with Sr. DOM.

Commodity Restriction:

Coal and all its variants including washed and imported coal

Coke of all varieties including Metallurgical and Petroleum Coke and imported coke

Iron Ore

Traffic loaded in ports

Lead Restriction: 700 KM

Restricted Wagons: This Scheme is permitted in Covered and BOXN wagons.

Seasonal Restriction: None

Concurrent Freight Concessions: None

Conditions:

1. The Scheme will provide point-to-point transport service between specific pairs of Terminals.
2. Loading at the forwarding goods shed and unloading at the destination goods shed will be the responsibility of the Cargo Aggregators.
3. Cargo Aggregators will be required to apply to Sr. DCM for being permitted to operate under this Scheme identifying the Goods sheds between which they propose to operate the services and proposed nomination of days of operation.
4. Sr. DCM, in consultation with Sr. DOM, will give permission along with a commitment for assured supply of wagons on the nominated day mutually agreed upon.
5. Indents will be placed for a block rake at the Terminal agreed upon enclosing a copy of the permission and assurance of supply given by Sr. DCM.
6. A wagon may be loaded with a single or multiple commodities.
7. Not more than ten wagons in a rake can be loaded with multiple commodities.
8. Freight would be charged for each wagon in the rake for the notified Permissible Carrying Capacity of the wagon (e. g. at present PCC is 61 Tonne for BCN, 63 Tonne for BCNA, 64 Tonne for BOXN etc) at the composite Class rate permitted in this Scheme.
9. These services will be run only on prepaid basis at Owners' Risk. 'Said to Contain' Railway Receipts will be issued for 'Self'.
10. Cargo Aggregators will be allowed a free time of 48 hours for stacking of goods at the originating terminal and 24 hours for removal of cargo at the destination terminal.
11. All extant Commercial rules and regulations including those for free times and demurrage, will apply, except as specifically stated in this Scheme.

12. Cargo Aggregators will ensure that contraband and dangerous goods and other prohibited articles are not loaded under this Scheme. Full liability will rest with the Cargo Aggregator in case of any violation.

13. In cases of incorrect declaration of description of commodity or any other information, all wagons in the rake will be charged at the highest Class.

14. The provisions for this Scheme will apply to both Traditional Empty Flow Directions and other routes.

15. The customers will have to pay all other applicable surcharges like busy season surcharge, congestion surcharge etc. over and above the composite rates.

4.5 Incentive Scheme for Two Leg Traffic

Objective

Special Composite rates are offered to customers offering return traffic in covered wagons. Customers will be able to move traffic in block rakes as well as cargo aggregated into a Block rake size.

Incentive:

Following Class/Composite rates will be charged under this scheme.

Block rakes: Discount of 15% on NTR in Busy Season and discount of 20% on NTR in Lean Season. However, in no case, the discounted rates should be lower than LR2.

Aggregated Cargo: It is expected that cargo aggregators will limit loading of any single commodity up to 10 wagons only. However, if this limit is exceeded, composite class rates will go up progressively. Multi commodity wagons in a rake should not exceed 10 wagons. Rates for all wagons loaded with any commodity will be charged according to the slab of wagons applicable. Following composite freight class rates will be charged for aggregated cargo under this Scheme.

Season	Composite Class Rates			
	Slabs of No. of wagons loaded with a single commodity			
	<= 10	> 10 & <=15	> 15 & <= 20	> 20
Lean	LR 1	100	110	210
Busy	120	130	140	210

Terminal Restriction:

Loading and unloading under this Scheme will be permitted at Terminals approved by the concerned Sr. DCMs in consultation with Sr. DOMs.

Commodity Restriction:

Coal and all its variants including washed and imported coal
 Coke and all varieties including Metallurgical and Petroleum Coke and imported coke
 Iron Ore
 Traffic loaded in ports
 Commodities in Class LR-1 and below

Lead Restriction: Lead must be more than 500 KM in the First Leg.

Restricted Wagons: The Scheme is available only in Covered Wagons.

Seasonal Restriction: None

Concurrent Freight Concessions: None

Procedure:

1. Customers will be required to apply to Sr. DCM for being permitted to operate under this Scheme identifying the Goods sheds between which they propose to operate both Legs of the services and proposed nomination of days of loading.
2. Sr. DCM, in consultation with Sr. DOM, and after ensuring that all the involved terminals are permitted under the scheme, will give permission along with a commitment for assured supply of wagons on the nominated day mutually agreed upon.
3. Indents will be placed for a block rake at the Terminal agreed upon enclosing a copy of the permission and assurance of supply given by Sr. DCM and mentioning therein the itinerary and the expected dates of loading of both Legs. Indents for Two-Leg traffic will be registered on payment of wagon registration fee for one rake.
4. Date of loading of the First Leg, as mutually agreed, will be indicated by the Customer on the Forwarding Note. The date of Loading of the Second Leg, as selected by the Customer, will also be endorsed on the Forwarding Note.
5. The date of loading of the Second Leg should not be more than 15 days later than the date of loading of the First Leg. In exceptional cases, concerned DRM may permit extension of the date of loading of Second Leg up to 30 days.
6. Wagon registration fee will be forfeited if the customer fails to load the first Leg.
7. On completion of loading of the First Leg, freight charges for both the Legs will be collected at the originating terminal of the First Leg.
8. Railway Receipt will be issued for the First Leg and a Money Receipt will be issued in respect of the Freight charges for the Second Leg.
9. If the Second Leg is not loaded within 15/30 days, as the case maybe, for any reason whatsoever, advance payment collected for this Leg will be forfeited.
10. On completion of loading of the Second Leg, the Money Receipt issued at the originating terminal of the First Leg will be collected and retained at the originating terminal of the Second Leg and a Railway Receipt will be issued for the Second Leg by adjusting the freight indicated in the Money Receipt.

Conditions:

1. All the terminals involved in Two Leg should be either full rake terminal and/or half rake terminal.
2. Destination of the First Leg should be at a distance of not less than 500 kilometers from the Originating point of the First Leg.

3. Originating point of the Second Leg should be within 150 kilometers of the destination of the First Leg.
4. Destination of the Second Leg should be at a distance of not more than 100 kilometers of the Originating point of the First Leg.
5. Indents will be accepted only for a block rake in both Legs for a single commodity or aggregated cargo.
6. Freight will be charged for a gross payload of 2400 tonnes for each Leg at the composite class rate mentioned in this Scheme for aggregated cargo. For Block rakes of a single commodity, normal rules for calculation of freight charges for a payload of 2475 Tonnes together with the permissible discounts mentioned in this scheme will apply. No refunds will be permissible for difference in freight charged under this rule irrespective of actual supply of various types of covered wagons etc.
7. No freight will be charged for the movement of empty rakes.
8. In case of aggregated cargo, not more than ten wagons in a rake can be loaded with multiple commodities.
9. In cases of incorrect declaration of description of commodity or any other information for cargo aggregation, all wagons in the rake will be charged at the highest Class.
10. Freight will be calculated for each Leg separately without giving any telescopic benefit by combining the two legs.
11. Loading at the forwarding terminal and unloading at the destination terminal will be the responsibility of the Customer.
12. These services will be run only on prepaid basis at "Owners' Risk" and 'Said to Contain' Railway Receipts will be issued for 'Self'.
13. Customer will be allowed free time of 48 hours for stacking of goods at the originating terminal and 24 hours for removal of cargo at the destination terminal.
14. Extant Commercial rules and regulations including those for free times and demurrage will apply, except as specifically stated in this Scheme.
15. Customers will ensure that contraband and dangerous goods and other prohibited items are not loaded under this Scheme. Full liability in case of any violation will rest with the customer.
16. Traffic booked under this Scheme will not be rebooked at the special composite/Class rates offered under this Scheme. Rebooking, however, will be permissible at full tariff rate as per operating convenience etc at the discretion of the Zonal Railways in accordance with the extant rules on the subject.
17. In case of aggregated cargo, the customer will have to pay all other applicable surcharges like busy season surcharge, congestion surcharge etc. over and above the composite rates.

4.6 Incentive Scheme for Loading Bagged Consignments in BOXN

Objective:

Normally, bagged consignments take a longer time to load in BOXN wagons and also need to be covered with tarpaulins quite often. This Scheme aims to facilitate such loading.

Incentive:

Following freight discounts will be granted at the time of issue of Railway Receipt at the terminals for loading bagged consignments in BOXN wagons.

Commodity	Discount Percentage
Fertilizers	35
FCI Food grains	40
Salt	Nil
Other Commodities	20

However, the minimum chargeable freight would be Class LR 3 after all the permissible discounts.

For handling bagged consignments in BOXN wagons, additional two hours of free time will be permitted both for loading and unloading separately over and above the free times permitted under normal rules.

Terminal Restriction: None

Commodity Restrictions: Salt

Lead Restriction: None

Restricted Wagons: Permitted only in BOXN wagons

Seasonal Restriction: None

Concurrent Freight Concessions:

Benefits of freight concession under this Scheme cannot be taken concurrently with any other Freight Incentive Scheme for any portion of traffic unless explicitly permitted under the relevant Scheme except for the exemption mentioned in this Section.

Discount under this Scheme will be permitted concurrently with the discounts under Incentive Scheme for Traditional Empty Flow Directions Scheme.

Concurrency of Freight concessions under this Freight Incentive Scheme and any other Freight concession policy will be permitted in accordance with the provisions of the Policy concerned.

Conditions:

1. Tarpaulins, if any, for covering the BOXN wagons should be provided by the consignors at their own cost.
2. Consignors will be required to furnish an undertaking on the forwarding note giving their consent to loading in BOXN wagons and to the effect that they would bear full risk for damage/pilferage of the consignments.
3. The customer need not apply for incentive under this scheme. Railways will give applicable freight discount at the time of issue of RR itself on compliance of provisions of this scheme

4.7 Incentive Scheme for Lump Sum Special Rates and Service Level Agreements (SLA)

Objective:

Promote medium to long term business arrangements between corporate entities (Companies under one management either at the level of Board of Directors or at the level of a Business Group) and Railways spelling out a structure of lump sum freight rates based on the total receipt of raw material, dispatches of finished and intermediate products and freight earning received by railways.

Incentive:

Rail users will be given special lump sum rates and a customized commercial package (5 to 10 Years) on the basis of anticipated freight earnings of the Railways from the corporate entity and the Service Level Agreements (SLA) mutually agreed upon wherever feasible.

After commissioning of the Dedicated Freight Corridor, contracts for corporate rates will invariably include a Service Level Agreement as an integral part of the arrangement.

Terminal Restriction: None

Commodity Restriction: None

Lead Restriction: None

Restricted Wagons: None

Seasonal Restriction: None

Concurrent Freight Concessions: None

Processing Procedure:

1. Rail user intending to enter into an agreement with Railways under this Scheme will write to Additional Member/ Commercial of Railway Board.
2. Such proposals should inter alia include details of inward and outward traffic (all commodities) including Origin-Destination matrix, modal mix of transport (for the last one year) and projected pattern for the duration of the proposed contract and Service Levels desired.
3. Such proposals for lump sum rates will be processed at Railway Board.

Conditions:

1. In order to be eligible, corporate entities should offer freight earning of more than Rs 500 Crores (both inward and outward traffic) annually (12 month period).
2. This Scheme will be applied to the entire corporate group including all the units under its management. It will not be available to any individual unit separately.
3. The Scheme will take into account all transportation, including both inward and outward traffic, for all the units of the group.

4.8 Incentive Scheme for Greenfield Projects

Objective:

Invite corporate entities setting up Greenfield projects to enter into a medium term and long-term agreement with Railway for mutual benefit.

Such Agreements will spell out a structure of freight rates based on the total rail borne movement of raw material, finished products and intermediate products by the customer and the freight earnings anticipated by railways.

Incentive:

Rail users will be given special lump sum rates and a customized commercial package (5 to 10 years) on the basis of anticipated freight earnings of the Railways from the corporate entity and the Service Level Agreements (SLA) mutually agreed upon wherever feasible.

If a mutual agreement is reached between Railways and the Unit under this Scheme, a minimum freight concession of 5% for a minimum period of 5 years (from the date of first rail movement to or from the Unit) will be granted on the entire volume of traffic offered by such unit.

After commissioning of the Dedicated Freight Corridor, a supplementary Service Level Agreement will also be offered as an extension of the arrangements under this Scheme.

Terminal Restriction: None

Commodity Restriction: None

Lead Restriction: None

Restricted Wagons: None

Seasonal Restriction: None

Concurrent Freight Concessions: None

Processing Procedure:

1. Rail user intending to enter into an agreement with Railways under this Scheme will write to Additional Member/ Commercial of Railway Board.
2. Such proposals should inter alia include details of inward and outward traffic (all commodities) including Origin-Destination matrix, modal mix of transport and projected pattern for the duration of the proposed contract and Service Levels desired.
3. Such proposals for lump sum rates under this Scheme will be processed at Railway Board.

Conditions:

1. This Scheme will be available only to such Greenfield units whose projected turnover in the third year of its commissioning is not below Rs 100 Crores.
2. This Scheme will be available only to the Greenfield unit of a group irrespective of any other arrangement, which the group as a whole or any of its other units may already have with the Railways.
3. Railway expects sizeable percentage of the transport of raw material and finished and intermediate products of the unit.

4.9 Incentive Scheme for Traffic on MG and NG Systems

Objective:

MG and NG systems on Indian Railway have sizeable sunk costs. Progressive conversion to BG has led to a sharp decline in freight traffic volumes on the residual sections. This Scheme aims to make use of idle assets to promote higher business volumes by delegating higher flexibility to Zonal Railways.

Incentive:

15% discount in freight rates on incremental freight earnings at the time of issue of Railway Receipts.

Wagonload rates will be only one Class higher than trainload rates.

Exemption from levy of any surcharge under Dynamic Pricing unless specifically notified for MG and NG.

Relaxation of free times for loading/unloading of wagons, removal of goods and stacking by the Zonal Railway wherever considered justified.

Terminal Restriction: None

Commodity Restriction: None

Lead Restriction: None

Restricted Wagons: None

Seasonal Restriction: None

Concurrent Freight Concessions:

Benefits of freight concession under this Scheme cannot be taken concurrently with any other Freight Incentive Scheme for any portion of traffic unless explicitly permitted under the relevant Scheme.

Concurrency of Freight concessions under this Freight Incentive Scheme and any other Freight concession policy will be permitted in accordance with the provisions of the Policy concerned.

Processing of Proposals:

1. Proposals for freight concessions on incremental traffic in MG and NG system will be processed through Divisional Empowered Committee and will be sanctioned by DRM on the same lines as under Incentive Scheme for Incremental Traffic.

2. Proposals for relaxation of free times will be sanctioned by DRM with concurrence of the associate finance and recommendation of Sr. DCM and Sr.DOM.

Conditions:

1. Freight concession will be granted by way of discount at the time of issue of Railway Receipt at the Goods sheds itself on the incremental freight earning for a period not less than six months and not longer than 12 months.

2. Incremental earning will be reckoned on a monthly basis comparing with the freight earning in the corresponding month of the previous year.

3. In case of traffic originating from MG or NG system and involving change of gauge, the freight earning corresponding to movement in MG or NG system will only be reckoned for the purpose of granting discount on incremental traffic.
4. Traffic originating in BG system and destined for MG or NG system will not be covered under this scheme. Such traffic will, however, be eligible for concession under other freight incentive schemes meant for BG systems.
5. Relaxation of free times for loading/unloading may be allowed up to a maximum of two hours. Relaxation in free time for removal of goods and stacking can be granted up to an additional 48 hours.

4.10 Incentive Scheme for Private Investments in Wagons

Objective:

Facilitate private investment for induction of special purpose wagons.

Incentive:

Private investors will be given discounts in freight in wagons procured by them as per the following formula for 15 years

$$\text{Freight Discount} = (W * 100 / C)$$

Where C = Classification of the commodity carried

W= Percentage share of cost towards Provision for wagon and maintenance in the fully distributed cost

Terminal Restriction: None

Commodity Restriction: None

Lead Restrictions: None

Restricted Wagons: None

Seasonal Restrictions: None

Concurrent Freight Concessions: All other Freight Incentive Scheme

Conditions:

1. Customers opting to procure wagons under this Scheme will be required to apply to Additional Member/ Commercial of Railway Board giving detailed description and number of the wagons to be procured, commodities to be loaded and the routes on which they are proposed to be deployed.
2. After ascertaining fulfillment of the conditions stipulated in this Scheme, Railway Board will issue a Rates notification in respect of the permissible discount in freight.
3. Permissible freight discounts will be notified for one year at a time every year.
4. This Scheme is applicable only for special type of wagons.
5. No commodities other than those originally proposed and approved for carriage will be permitted to be loaded.

6. Wagons deployed under this Scheme will move in a close circuit on the proposed routes only.
7. Railway will bear the maintenance charges of the private wagons provided that no special facility (not available on Railway) is required to be created for them.
8. If special facilities are required to be created or extra arrangements are required to be made for maintenance, Railway will advise the additional charges required to be paid by the customers. These charges will in no case be higher than 5% of the initial cost of procurement of these wagons and will form a part of the Rates notification.
9. Freight concessions already granted on case to case basis will be brought under the purview of this Scheme

5.0 Transportation Products

Railways primarily offer transport services in Block Rakes. In addition, several other transportation options differentiated by the volume of consignment at varying tariff rates are also available as described below.

5.1 Block rakes

Single point Block Rake with a wagon composition as notified by the Railway Board will be booked at trainload rate in accordance with the conditions noted below.

Conditions:

1. Both the Originating and Destination terminal should be notified as either Full Rake Terminal or Half Rake Terminal.
2. Block Rake will have to be indented for prescribed standard rake size. The present list is at Annexure II.
3. In case of non-supply of indented number of wagons, the prescribed minimum number of wagons qualifying for Block Rake should be loaded.
4. In case where even the minimum number of wagons qualifying for Block Rake cannot be supplied by the Railway against trainload indent due to shortage of wagons, the rail user(s) shall not be penalized.
5. In cases, where Railways are unable to supply adequate number of wagons because of operating or any other constraint, the benefit of trainload rate can be extended. However, detailed reasons for non-supply of all the indented number of wagons constituting a block rake should be recorded by the concerned Station Manager/ Yard Master, who in turn should get it confirmed in writing from at least a Gazetted Officer. The modalities for implementation of this instruction may be worked out jointly by Operating, Commercial and Accounts Department of the Railway depending on local conditions. However, this relaxation will not cover the cases where standard block rakes cannot run due to capacity constraints, unless otherwise decided by Board.
6. In cases where rake is split up during transit due to gradient or other operational reasons but has fulfilled all other conditions for availing trainload rate at originating point, the trainload rate benefit shall be admissible.
7. Trainload rate benefit shall be extended to block rakes at the serving station by clubbing wagons loaded from more than one siding served by the same station or loaded partly from a siding and partly from the station serving that siding for a single destination.
8. Trainload benefit shall be extended to trains originating from one point and terminating at two points provided that the two points are either the serving station and its siding or two sidings of the same serving station, or two sidings notified as independent booking points but operationally branched out from the same station.

9. For all other types of wagons not specified in the annexed statement, trainload rates will be granted subject to payload in the train being a minimum of 1400 tonnes.
10. Indents for BCX/BCN groups of wagons will be treated as interchangeable for the purpose of supply of rakes. Trainload conditions will be applicable as per type of stock supplied.
11. This product is applicable on all types of wagon and systems (BG, MG) subject to compliance of all conditions mentioned hereinabove.
12. The customer will have to pay all other applicable surcharges like busy season surcharge, congestion surcharge etc.

5.2 Mini Rake

Mini Rakes can be loaded at Trainload class rate under the following conditions.

Conditions:

1. Mini Rakes will have a minimum composition of twenty wagons.
2. Mini Rakes can be loaded to and from any notified full or half rake terminal.
3. Free time for loading/unloading Mini Rakes will be 5 hours.
4. Mini Rakes can be loaded only for distances up to 400 km.
5. Mini Rakes are permitted only in Covered wagons.
6. Mini Rakes cannot be loaded for Coal, Ores and RMSP.
7. A Supplementary surcharge of 10% in Busy Season will be levied on NTR for Mini Rakes.

5.3 Two Point Rake (Covered Wagons)

Two Point Rakes can be loaded at Trainload class rate under the following conditions.

Conditions:

1. Originating terminal should be a notified full or half rake terminal.
2. Both destination terminals should be a notified full or half rake terminal.
3. Destination terminals should not be more than 200 KM apart in Busy Season and 400 KM apart in Lean Season.
4. A minimum of 10 wagons should be loaded for each destination.
5. The total number of wagons indented and loaded must conform to the Block Rake composition as notified for various types of wagon by the Railway Board.
6. A Supplementary surcharge of 10% in Busy Season will be levied on NTR for two point rake.

5.4 Multi Point Rake (Covered Wagons)

Multi Point Rakes can be loaded at Trainload class rate under the following conditions.

Conditions:

1. Originating terminal should be a notified full or half rake terminal.
2. Each destination terminal should be a notified full or half rake terminal.
3. No two destination terminals can be more than 200 KM apart.
4. A minimum of 10 wagons should be loaded for each destination.
5. The total number of wagons indented and loaded must conform to the Block Rake composition as notified for various types of wagon by the Railway Board.
6. A Supplementary surcharge of 20% in Busy Season will be levied on NTR for multi point rakes.

5.5 Two and Multi Point Rake (Other Than Covered Wagons)

Two and Multi Point Rakes in other than Covered wagons can be loaded at Trainload class rate under the following conditions.

Conditions:

1. Originating terminal should be a notified full or half rake terminal.
2. Each destination terminal should be a notified full or half rake terminal.
3. Notified Two Point or Multi Point combinations for other than covered wagons are at Annexure-III.
4. A minimum of 10 wagons should be loaded for each destination.
5. The total number of wagons indented and loaded must conform to the Block Rake composition as notified for various types of wagon by the Railway Board.
6. In Busy Season, a Supplementary surcharge of 10% on two point rakes and 20% on multi point rakes will be levied on NTR.

5.6 Rakes from Two Originating Terminals (Covered Wagons)

Rakes from two Originating Terminals in covered wagons can be loaded at Trainload class rate under the following conditions.

Conditions:

1. Two Point combination from which loading is permitted will be notified by the Zonal Railway concerned.
2. In case the two terminals are on different Railways, the Railway issuing notification will take recorded prior consent of the concerned Railway.
3. Each Originating terminal should be a notified full or half rake terminal.
4. The destination terminal should be a notified full or half rake terminal.
5. Loading of rakes from two terminals can be done only if the two loading terminals are less than 200 KM apart.
6. A minimum of 10 wagons should be loaded from each originating terminal.
7. The total number of wagons indented and loaded must conform to the Block Rake composition as notified for various types of wagon by the Railway Board.
8. The customer cannot cancel indent at one point after he has started loading at the other point. If he does so, the entire freight will be charged irrespective of loading only one portion of traffic.
9. In Busy Season, a Supplementary surcharge of 10% on two point rakes will be levied on NTR.

5.7 Rakes from Two Originating Terminals (Other than Covered Wagons)

Rakes from two Originating Terminals in other than covered wagons can be loaded at Trainload class rate under the following conditions.

Conditions:

1. Notified Two Point combinations from which loading is permitted, are at Annexure-IV.
2. Each originating terminal should be a notified full or half rake terminal.
3. The destination terminal should be a notified full or half rake terminal.
4. A minimum of 10 wagons should be loaded from each originating terminal.
5. The total number of wagons indented and loaded must conform to the Block Rake composition as notified for various types of wagon by the Railway Board.
6. The customer cannot cancel indent at one point after he has started loading at the other point. If he does so, the entire freight will be charged irrespective of loading only one portion of traffic.
7. In Busy Season, a Supplementary surcharge of 10% on these rakes will be levied on NTR.

6.0 Explanatory Notes:

(a) Incremental Earning:

If a customer has given freight earning of Rupees One Crore to the Railways in the relevant period of previous year and there has been no change in the tariff rate, the customer will have to give a freight earning of Rupees One Crore before he becomes eligible for freight discounts in the current year. Freight earnings beyond Rs. One Crore is the incremental earning and the discount will be given on such incremental earning.

In the same example, if the tariff rate has been increased by 10% in current year compared to corresponding period of previous year, freight earnings beyond Rs. One Crore and Ten Lakh is the incremental earning and the discount will be given on such incremental earning.

On the other hand, if the tariff rate has been decreased by 10%, the customer will become eligible only after he has achieved freight earning of Rupees One Crore.

(b) Calculation of Freight Discounts for Incentive Schemes:

A customer will start getting discounts at the rate indicated in the Scales of Discounts from the next rake as soon as the customer becomes eligible by giving incremental earning. When earning performance of the customer reaches the next slab, wherever applicable, he will start getting the higher discount for the traffic volume corresponding to that slab.

Examples are given below to illustrate this point.

(i) Say, a customer has given freight earning of Rs. Two Crore in corresponding period of previous year. In the current year, the customer gives freight earning of Rs. 1.9 crore in the 10th rake booked. On the 11th rake booked, the customer gives freight of Rs. 20 Lakh and, therefore, gives cumulative freight earning of Rs. 2.1 crore in 11 rakes. In the above case, the customer will be granted concession from the 12th rake booked.

(ii) If the incremental earning is Rs. 5 crore in the lean season, the customer is eligible for freight discount of 10% for the entire incremental earning. However, if the incremental earning is Rs. 7 crore, a discount of 10% will be granted on the incremental earning of Rs. 5 crore and a discount of 15% will be granted on the balance incremental freight earning of Rs.2 crore.

c) Concurrent Applicability: The concept is explained by the following example.

Freight Discounts under the Incentive Scheme for Traditional Empty Flow Direction and Incentive Scheme for loading in BOXNs are permissible concurrently. Incremental earning of a customer will be eligible for admissible freight discounts under the Incentive Scheme for Traditional Empty Flow Direction provided the customer opts for the Scheme. However, the discount on the incremental earning will be given on net rate arrived at after giving concession under Incentive Scheme for loading in BOXN wagons.

d) Normal Tariff Rate (NTR): NTR for commodities will be the base freight rate as published in Goods Tariff plus Demand Management Charges like busy season surcharge, Congestion Surcharge, Supplementary Surcharge as applicable on various transportation products etc under Dynamic Pricing Policy, if applicable. Other charges like Punitive Charges for overloading, Penal Charges for Misdeclaration will be levied on NTR. Similarly, freight concession (discount/rebate) will also be levied on NTR. In case two or more concessions are permissible, subsequent concessions will be given on reduced rates derived after giving concession.

Examples are given below to illustrate the above.

(i) Say the relevant base freight rate as published in the Goods Tariff is Rs. 100 per Tonne. In addition, applicable busy season surcharge is 6%, congestion surcharge is 20% and supplementary surcharge is 10%. The total surcharge is 36%, which comes to Rs 36. NTR will be Rs 136 (Rs 100 + Rs36).

(ii) In the same e.g., the customer may be permitted 20% concession under one scheme and 20 % under other scheme. The freight charges will be calculated in following way:

NTR = Rs 136

Rate after first concession of 10% = Rs 136 – 10% of Rs 136 = Rs 122.40

Rate after second concession of 20% = Rs 122.40 – 20% of Rs 122.40 = Rs 97.92

Thus, the net freight rate will be Rs 97.92 per Tonne.

The concessions can be given in any order, as the net freight will have no impact. In this case, net freight rate could have been calculated by first giving 20% concession and then 10% concession on reduced rate.

(iii) Now, say, punitive charges at two times are to be levied. These punitive charges will be levied on NTR and will be Rs 272 (Rs 136 x 2).

e) Incentive Scheme for Incremental Traffic

(i) A customer has given freight earning of Rs. 2 crore in corresponding lean season of previous year from his siding. Out of this, earning of Rs. 1.5 crore was on account of cement and the remaining was on account of fertilizer. In the current year, the customer will have to give more than Rs. 2 crore from that terminal to be eligible for freight discount.

(ii) The lean period in the year 2006-07 was defined as period from July to October whereas the lean period in 2007-08 comprises of the period from July to September. The comparison for the earning in lean season of current year will be done with the period July to September only of the previous year for determining the incremental earning.

(iii) New Traffic: It refers to the traffic loaded by a customer in the current year while the customer had not loaded any traffic in the corresponding period (month, season or year) of the previous year.

Say, freight earning from a particular terminal in lean season of 2006 (July to September) was nil. If the customer offers traffic from same terminal in lean season of 2007 (July to September), it will be treated as New Traffic. This will be irrespective of the fact that the customer is a new customer or otherwise.

f) Incentive Scheme for Traditional Empty Flow Direction

(i) Less than block rake traffic has also been permitted to be loaded at train load class rate. Moreover, discount has also been permitted for certain slabs of wagon loaded. For slab 15-19 covered wagons, trainload class rate will be permitted but no discount shall be given. Loading of less than 15 covered wagons and less than 20 open wagons shall not be permitted under this Scheme.

(ii) New Traffic: It refers to the traffic loaded by a customer in the current year while the customer had not loaded any traffic in the corresponding period (month, season or year) of the previous year. The comparison shall be done on the basis of type of wagons.

Say, the freight earning achieved by loading covered wagons from a terminal in May'06 was nil in a particular empty flow direction whereas the freight earning achieved by loading BOXN wagons was Rs 10 crore. Now, if the customer offers traffic in covered wagons in May'07 in the same empty flow direction, this traffic will be treated as new traffic and will be eligible for 50% of the benefit mentioned in the scheme.

However, an exception has been provided for the year 2007-08. If bagged commodity is loaded in BOXN wagons and if it is new traffic, full concession will be granted. For e.g., a customer gave an earning of Rs. 2 crore in the month of July'06 by loading in covered wagons (like BCN, BCNA, BCX etc.), Rs 1 crore by loading of commodities other than bagged and nil earning by loading of bagged consignment in BOXN wagons. Now, if the customer loads bagged consignment in BOXN wagons in the month of July'07, he will get full concession on such traffic (and not 50% of eligible concession) irrespective of the freight earning by loading in covered wagons and loading of other than bagged commodity in BOXN wagons.

(iii) A customer gave an earning of Rs. 4 crore in the month of July'06 by loading in covered wagons (like BCN, BCNA, BCX etc.) and earning of Rs. 50 Lakh by loading in BOXN wagons). The earning given in July'07 will be compared between generic types of wagon (i.e. covered, BOXN). The incremental earning from BOXN wagon beyond Rs. 50 Lakh will become eligible for discount irrespective of earning from covered wagons. Similarly, the incremental earning from covered wagon beyond Rs. 4 crore will become eligible for discount irrespective of earning from BOXN wagons.

g) Incentive Scheme for Freight Forwarders and Incentive Scheme for Two Legs

(i) Wagons loaded with a single commodity can be more than 10 but the number of wagons loaded with multi commodity cannot exceed 10 in any case. If the customer gives false declaration about the number of wagons loaded with either single commodity or multi commodity, all the wagons loaded in the rake will be charged at the highest class. For example, if it is found that the customer has loaded 12 wagons of multi commodity, all the wagons loaded in the rake will be charged at the highest class (which is class 210 as on 01.04.07). Similarly, if the customer has declared loading of cement in 15 wagons and it is subsequently found that cement has been loaded in 16 wagons, all the wagons loaded in the rake will be charged at the highest class.

(ii) The slabs have been prescribed for different number of wagons loaded with a single commodity. For example, composite rates of Class 100, 110, 120 and 210 has been prescribed in lean season for slabs of 10 or less, 11 to 15, 16 to 20 and more than 20 wagons respectively under the Incentive Scheme for Freight Forwarders. Now, if a customer loads a single commodity in 10 wagons, he will be charged Class 100 for those 10 wagons. But if he loads 13 wagons with a single commodity, Class 110 will be charged on entire 13 wagons (and not Class 100 in 10 wagons and Class 110 in 3 wagons).

h) Less than Block Rake Traffic

In certain schemes, customers have been permitted to avail facility of less than block rake either with or without freight concession. However, supply of wagons for loading less than rake load traffic will be made only in rake loads. After loading, the entire rake will move carrying both the loaded and empty wagons. Block rake will not be broken up for loading this category of traffic.

i) Two Point Rake and Multi Point Rake

Calculation of freight in case of two point rakes and multipoint rakes will be done on end-to-end basis. Illustration is at Annexure- V.

6.0. These instructions will come into force with effect from 01.04.2007.

7.0 Zonal Railways should advise nomination of Divisional Empowered Committee (DEC) as stipulated in this circular to the Board. Zonal Railways should also send a list of notified full rake/half rake terminals as well as combination of two originating terminals for covered wagons in reference to this circular.

8.0 Zonal Railways will ensure that wide publicity is given to these schemes. Steps should be taken to ensure that the staff fully understand these schemes and implement them correctly.

9.0 This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

Staff concerned to note and act accordingly.

(अंतिम अग्रिम दर अधिसूचना क्र० 24 वर्ष 2007,

विषय: Payment of freight through Credit Note Cum Cheque facility at the booking point :
Reduction in amount of Bank Guarantee from 15 days to 7 days freight transactions.)

(हरीष बिल्लौरे)

व० वा० प्रबंधक/मालभाडा
कृते मुख्य वा प्रबंधक

ज्ञापन क्र. पमरे/मुख्या/वा/मा-224/दर
दिनांक 16.03.2007

मुख्य वाणिज्य प्रबंधक कार्यालय
पमरे/जबलपुर

प्रतिलिपि – सूचनार्थ एंव आवश्यक कार्यवाही हेतु अग्रेषित –
Copy forwarded for information and necessary action to:-

1. DRM's JBP/BPL/KTT
2. Sr. DCM's JBP/BPL/KTT
- 3., Sr DOM's JBP/BPL/KTT
4. FA& CAO (T) FA &CAO (Insp.),
5. Audit officer (T)/WCR/JBP
6. COM/CFTM/ WCR/JBP
7. SDGM WCR/JBP
8. Statistical Officer WCR/JBP
9. General Secretary IRCA New Delhi.
10. CAO/FOIS
11. CCM's:- CR, NR, NCR, NWR, NER, NF, SR, SCR, SWR, SER, SECR, ER, ECR, ECoR,
WR, KRCL.

कृते मुख्य वा प्रबंधक

Annexure- I**TRADITIONAL EMPTY FLOW DIRECTIONS FOR JUMBO RAKES (BCN/BCX Rakes)**

S.No	ORIGINATING RAILWAY	DESTINATION RAILWAYS QUALIFYING FOR EMPTY FLOW MOVEMENT
1	CR	WR, NWR, SECR, WCR
2	ER	ECR (DHN & MGS Divns.), NCR, WCR, SER, SECR, WR, NWR
3	ECR	NCR, WCR, NER, NR, NWR, WR, SER, SECR
4	ECoR	NWR, WR, WCR
5	NR	NWR, WR
6	NCR	WCR, NWR, WR
7	NER	NR, NCR, WCR, NWR, WR
8	NFR	ECR, NER, NR, NCR, NWR, WR, ER, SER, SECR
9	NWR	NIL
10	SR (PGT & TVC Divns.)	KRCL, CR, WR, NWR, WR, WCR
11	SR (All the Divns.)	SCR, CR, NWR, WR, NR
12	SCR (NED Divn.)	CR, WR, NWR
13	SER	SECR, NWR, WR
14	SECR	NWR, WR
15	SWR (UBL & MYS Divns.)	SCR, NWR, WR, WCR
16	WR	NIL
17	WCR	NIL
18	KRCL	WR, CR, NWR

TRADITIONAL EMPTY FLOW DIRECTIONS FOR BOXN STOCK

S.No	ORIGINATING RAILWAY	DESTINATION RAILWAYS QUALIFYING FOR EMPTY FLOW MOVEMENT
1	CR	SECR, ECoR, ER, SER
2	ER	ECR, SECR
3	ECR	NIL
4	ECoR	NIL
5	NR	NCR, WCR, SECR, ECR, CR, ECoR, ER, SER
6	NCR	ECR, ER, SER, ECoR, WCR, CR, SECR
7	NER	NR (LKO Divn.), NCR (ALD Divn.), WCR, SECR, ECR, ER, SER, ECoR
8	NFR	NIL
9	NWR	NCR, WCR, CR, SECR, ECR, ER, ECoR, NR
10	SR	SWR, SCR, ECoR
11	SCR	SWR
12	SER	NIL
13	SECR	NIL
14	SWR	NIL
15	WR	CR, WCR, SECR, NWR, NCR, NR, NER, ER, ECR, SER, SWR
16	WCR	SECR, CR (NGP Divn.)

Annexure II**Composition of Block Rakes**

S.No	Type of wagon	Standard rake size	Minimum number of wagons to be loaded
	OPEN WAGONS		
1	BOXN, BOXNHS, BOXNHA	58	56*
2	BOX	35	30
3	BOST	42	40
4	BKCX	32	30
5	BOY/BOYN	52	50
	HOPPER WAGONS		
6	BOBR	52	50
7	BOBRN	58	56
8	BOB, BOBC, BOBX BOXK, BOBS	40	40
9	BOBSN, BOBY/BOBYN	52	48**
	FLAT WAGONS		
10	BRN/BRNA/BFNS	40	35
11	BRH/BRS	35	30
12	BFR/BFK/BFKI	35	30
	COVERED WAGONS		
13	BCN/BCNA/BCNAHS/BCXN	40	38
14	BCX	40	35
15	BCCN	30	29
16	NMG	25	24
	TANK WAGONS		
17	BTPN .	48	46
18	BCCW (Bulk Cement)	40	38
19	BTPGLN	32	30
20	Tank Wagon (4 wheeler)	72	68
21	Tank Wagon – TG type (4 wheeler)	64	62
22	Mixed Rakes (BG): BOXN & BOYN BOX & BFR/BRH*** BOXN & BRN, BOST & BRN	55 35 35	55 (minimum 15 of each type) 30 (minimum 10 of each type) 35 (minimum 10 of each type)
23	Meter Gauge Wagons (i) MG to MG (ii) MG to BG		34 (in terms of 4 wheelers) 90 (in terms of 4 wheelers)

* BOXN in Kulem-Castle Rock section 54 wagons permitted for trainload class rate

** The minimum number of wagons for Dallirajhara – Bhilai section will be 45 wagons.

*** BFR and BRH wagons may be treated as one type and BOX as another type for reckoning the minimum 10 number of each type.

Annexure-III

TWO POINT COMBINATION FOR OTHER THAN COVERED STOCK (FOR STEEL TRAFFIC ONLY)

S.NO.	POINT I	STATION NAME	POINT II	STATION NAME
CENTRAL RAILWAY				
1	KSAG	KALAMBOLI EXCHANGE YARD	KLMG	KALAMBOLI GOODS YARD
2	KSAG	KALAMBOLI EXCHANGE YARD	KYN	KALYAN
3	KLMG	KALAMBOLI GOODS YARD	KYN	KALYAN
EASTERN RAILWAY				
1	BLN	BALLYGUNGE J.	DOCK	K.P. DOCK
2	JOX	JANAI ROAD	DKAE	DANKUNI
3	BLH	BELGHARIA	TGH	TITAGARH
EAST CENTRAL RAILWAY				
1	DNR	DANAPUR	FUT	FATUHA
EAST COAST RAILWAY				
1	VZP	VISHAKHAPATNAM PORT	VNCW	VISHAKHAPATNAM NEW GOODS COMPLEX
NORTHERN RAILWAY				
1	BGZ	BAHADURGARH	GZB	GHAZIABAD
2	BHD	BADLI	GZB	GHAZIABAD
3	BVH	BALLABGARH	GZB	GHAZIABAD
4	BVH	BALLABGARH	TKD	TUGHALAKABAD
5	DDL	DHANDARI KALAN	GVG	MANDI GOVIND GARH
6	DDL	DHANDARI KALAN	HSQ	HUSAINPUR
7	DDL	DHANDARI KALAN	JUC	JULLANDHAR CANTT
8	DDL	DHANDARI KALAN	SRX	SURANUSSAI
9	FDB	FARIDABAD	BHD	BADLI
10	FDB	FARIDABAD	GZB	GHAZIABAD
11	FDB	FARIDABAD	TKD	TUGHALKABAD
12	GUH	GULDHAR	GZB	GHAZIABAD
13	GZB	GHAZIABAD	TKD	TUGHALKABAD
14	SRX	SURANUSSI	GVG	MANDI GOVINDGARH
15	SRX	SURANUSSI	HSQ	HUSAINPUR
16	SRX	SURANASI	JAT	JAMMU TAWI
17	SRX	SURANUSSI	JUC	JALANDHAR CITY
18	TIST	TUGHALAKABAD TATA SIDING	FDSG	FARIDABAD NEW TOWN FDSG IRON & STEEL SDG.
19	TKD	TUGHALAKABAD	GUH	GULDHAR
20	TKD	TUGHALAKABAD	OKA	OKHLA
NORTH CENTRAL RAILWAY				
1	GWL	GWALIOR	JHS	JHANSI
2	CPC	KANPUR GOODS SHED	NYN	NAINI
3	CPC	KANPUR GOODS SHED	PNK	PANKI
4	PNK	PANKI	NYN	NAINI

S.NO.	POINT I	STATION NAME	POINT II	STATION NAME
5	JAB	YAMUNA BRIDGE	BTE	BHARATPUR
6	JAB	YAMUNA BRIDGE	GWL	GWALIOR
SOUTHERN RAILWAY				
1	AVD	AVADI	PWO	PERAMBUR WORKS
2	AVD	AVADI	KOKG	KORUKKUPET GOODS SHED
3	CHTS	COCHIN HARBOUR TERMINUS	KLMR	KALAMASSERI
4	PLMD	PILAMEDU	KLMR	KALAMASSERI
5	PWO	PERMABUR WORKS	KOKG	KORUKKUPET GOODS SHED
6	TI	TIRUNINARAVUR	KOKG	KORUKKUPET GOODS SHED
7	TI	TIRUNINARAVUR	AVD	AVADI
8	TNPM	TONDIARPET	KOKG	KORUKKUPET GOODS SHED
9	TNPM	TONDIARPET	PWO	PERAMBUR WORKS
10	TNPM	TONDIARPET	AVD	AVADI
11	TPGY	TIRUCHIRAPPALL I GOODS	GOC (B)	PONAMALAI (GOLDEN ROCK) BHEL
12	TVT	TIRUVOTTITUR	AVD	AVADI
13	TVT	TIRUVOTTIYUR	KOKG	KORUKKUPET GOODS SHED
14	TVT	TIRUVOTTIYUR	PWO	PERAMBUR WORKS
SOUTH CENTRAL RAILWAY				
1	SNF	SANATH NAGAR	NPL	NAGALAPALLE (SAIL SIDING)
2	NPL	NAGALAPALLE(SAIL SIDING)	LPI	LINGAMPALLI (BHEL SIDING)
3	NPL	NAGALAPALLE (SAIL SIDING)	SNAG	SANATNAGAR NEW GOODS COMPLEX
4	SAIN	SAIL SIDING, NAGULAPALLI	LPI	LINGAMPALLI (BHEL SIDING)
5	SAIN	SAIL SIDING, NAGULAPALLI	SNAG	SANATNAGAR NEW GOODS COMPLEX
SOUTH EASTERN RAILWAY				
1	SHM	SHALIMAR	SHLM	SIBPORECHAR
2	BNDM	BONDAMUNDA JN	ROU	ROURKELA
3	SHM	SHALIMAR	SRC	SANTRAGACHI
SOUTH EAST CENTRAL RAILWAYS				
1	KAV	KALUMNA	. ITR	ITWARI
2	BIA	BHILAI JN.	BSPC	BHILAI STEEL PLANT CITY
3	BIA	BHILAI JN.	RSD	RAIPUR STORE DEPOT SDG
4	ITR	ITWARI	BTBR	BUTIBORI
5	KAV	KALAMNA JN	BTBR	. BUTIBORI
6	KAV	KALAMNA	BSPC	BHILAI STEEL PLANT CITY
SOUTH WESTERN RAILWAY				
1	CSDR	CHANNASANDRA	BYPL	BAIGYHAPPANAHALLI

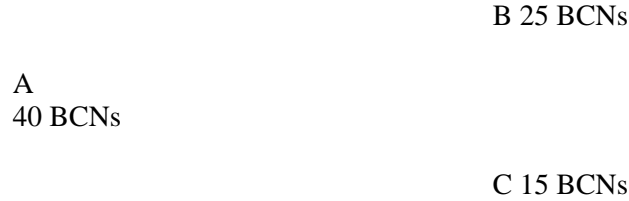
S.NO.	POINT I	STATION NAME	POINT II	STATION NAME
WESTERN RAILWAY				
1	BRCY	VADODARA MARSHALLING YARD	KHD	KHODIYAR, (SAIL STOCK YARD)
2	BRCY	VARODARA MARSHALLING YARD	KKF	KANKARIA
3	BH	BHARUCH	BRCY	VADODARA MARSHALLING YARD
4	KHD	KHODIYAR, (SAIL STOCK YARD)	KKF	KANKARIA
WEST CENTRAL RAILWAY				
1	BTE	BHARATPUR	KTT	KOTA
2	NSZ	NISHATPUR	MDDP	MANDI DIP

Annexure-IV

TWO POINT COMBINATION FOR OTHER THAN COVERED STOCK (FOR COAL TRAFFIC ONLY)

S.No.	Terminal-1		Terminal-2	
1.	HLSG	Babupeth HLC Sdg	RCXG	Chanda Rayatwari
2.	WANI	Wani	RAJR	Rajur
3.	JJSG	JNO Palachori Sdg	RKSG	Parasai BG Sdg.
4	RKSG	. Parasia BG Sdg	DCSG	Parasia EDC Sdg
5.	JJSG	JNO Palachori Sdg	DCSG	Parasia EDC Sdg.
6.	HRG	Hirdagarh	HNWG	Nandan Washery Sdg
7	HRG	. Hirdagarh	JJSG	JNO Palachori Sdg

Illustration-I



If 40 BCNs are booked from point 'A' with 25 BCNs destined for point 'B' and 15 BCNs for point 'C', the freight would be worked out as under:

- (a) Calculate the freight at trainload class for 25 BCNs from point 'A' to point 'B'.
- (b) Calculate the freight at trainload class for 15 BCNs from point 'A' to point 'C'.
- (c) Total freight = (a) + (b).

Illustration-II

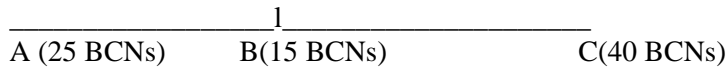
B 15 BCN



If 25 BCNs are booked from point 'A' and 15 BCNs are booked from point 'B' and are combined to form full rake at point 'C' and move upto point 'D', the freight would be worked out as under:

- (a) Calculate the freight at trainload class for 25 BCNs from point 'A' to point 'D'.
- (b) Calculate the freight at trainload class for 15 BCNs from point 'B' to point 'D'.
- (c) Total freight = (a) + (b).

Illustration-III



If 25 BCNs are booked from point 'A' and 15 BCNs are booked from point 'B' and two parts of the rake are combined at point 'B' which is moved upto the destination point 'C', then the freight would be worked out as under:

- (a) Calculate the freight at trainload class for 25 BCNs from point 'A' to point 'C'.
- (b) Calculate the freight at trainload class for 15 BCNs from point 'B' to point 'C'.
- (c) Total freight = (a) + (b).

The freight for a Two point rake from point 'C' to two points 'B' and 'A', in the reverse direction, will be calculated at trainload class in the same manner as given above.