

EAST COAST RAILWAY

Office of the
Chief Commercial Manager
1st Floor, Rail Sadan
C.S.Pur, Bhubaneswar-17
Date: 26.09.2016

Commercial Circular No.131(G)/2016

Sub:Clarification – Levy of Development Surcharge under Freight Incentive Scheme.

Ref: CR's reference No.C/194/R.G./ISIT/K.N. Resources & others dated 02.09.2016.

Central Railway vide letter under reference has sought clarification regarding Levy of Development Surcharge under Freight Incentive Scheme.

In terms of Para 4.4 of the Freight Incentive Scheme circulated vide Rates Circular No.62 of 2009, amended from time to time, clearly stipulates that Minimum chargeable freight after all concessions should not be less than NTR of LR1.

In this regard, similar clarification was issued to NWR vide Railway Board's letter No.TCR/1078/2010/03 dated 10.07.2015, clearly indicating that minimum chargeable freight after all concessions should not be less than NTR of LR1, along with illustration. A copy of the same is enclosed herewith for information and necessary action.

All concerned to note and act accordingly.

Authority: Railway Board's letter No. TCR/1078/2010/03 dated 12.09.2016.

Encl: As above (One page).


(P.K.Samal)

Dy. Chief Commercial Manager(FS)

No. CCM/Development Charge/Pt.I

Date:26.09.2016

All Station Managers/ Goods Supervisors/Commercial Supervisors /Siding Clerks / Booking Clerk in Charges / Weigh Bridge Clerks / Clerk in Charges / City Booking Agencies / Out Agencies.

Copy for information and necessary action to the:-

COM: ECoR/SER/SECR/NR/NFR/ER/SR/SCR/WR/NER/CR/SWR/NCR/NWR/WCR/ECR/KRly. **SDGM**/ECoR/BBS, **Chairman**/RCT/BBS, **Dy.CVO**/ECoR/BBS, **Dy.COM(FOIS)**/ECoR/BBS, **PO/RCT**/BBS, **CAO(FOIS)**/NDLS, **Audit officer**/BBS. Rates Section /CCM/ECoR/BBS –10 sets **DRM:** KUR,WAT,SBP/ECoR, **Sr.DOM-** KUR,WAT,SBP/ECoR, **CAO(FOIS)**, CRIS/NDLSSr.**DCM:** KUR,WAT/SBP/ECoR. **Dy.CCM(Claims)**/E.Co.Rly, **FA & CAO:**E.Co.Rly, **FA & CAO(T)**/ECoR/BBS **Traffic Manager:** VZP, Paradeep Port Trust / Paradeep.

SL NO: 131 (G) 16
Two pages (1)


(P.K.Samal)

Dy. Chief Commercial Manager(FS)

GOVERNMENT OF INDIA (भारत सरकार)
MINISTRY OF RAILWAYS (रेल मंत्रालय)
(RAILWAY BOARD) (रेलवे बोर्ड)

No.TCR/1078/2010/03

New Delhi, dated: 10 .07.2015

**Chief Commercial Manager,
North Western Railway,
Jaipur.**

Sub: Clarification- Levy of Development Surcharge under Freight Incentive Scheme.

Ref: NWR's reference No. C-429/1/Vol. II dated 18.05.2015

Please refer to NWR's letter under reference on the above cited subject wherein clarification has been sought as to how Development Surcharge in the cases of Freight Incentive Scheme should be levied.

The matter has been examined in consultation with Finance Directorate of Ministry of Railways. The Freight Incentive Scheme circulated vide Rates Master Circular/FIS/2014/0 clearly stipulates that 'Minimum chargeable freight after all concessions should not be less than NTR of LR1'.

Description	Calculation of Freight		
	As per TMS		Charges as per Audit
	Commodity	Floor Rate	
Class	140	LR1	LR1
From Station	LCTX	LCTX	LCTX
Distance (KM)	1484	1484	1484
Basic Freight (₹)	1923.3	1305.10	1305.10
Busy Season SC(₹)	288.495	195.77	195.77
NTR (₹)	2211.795	1500.87	1500.87
Discount 40% (₹)	884.718	00	00
Reduced NTR (NTR-Discount) (₹)	1327.077	1500.87	1500.87
Development SC (₹)	110.59	75.04	110.59
Total (₹)	1437.67	1575.91	1611.45
Chargeable Freight (₹)	N/A	1575.91	1611.45

From the table above, it may be seen that chargeable freight after all concessions under the scheme comes to Rs. 1437.67 which is less than NTR of LR1 i.e. Rs.1500.87. Therefore, the chargeable freight in this case, should be Rs.1500.87, which is the NTR of LR1.

Audit may be advised accordingly.

SL NO. 131 (9) 16

two pages (2)

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(Sanjay Kumar Jha)
Deputy Director, Traffic Commercial (Rates)
(Railway Board)