

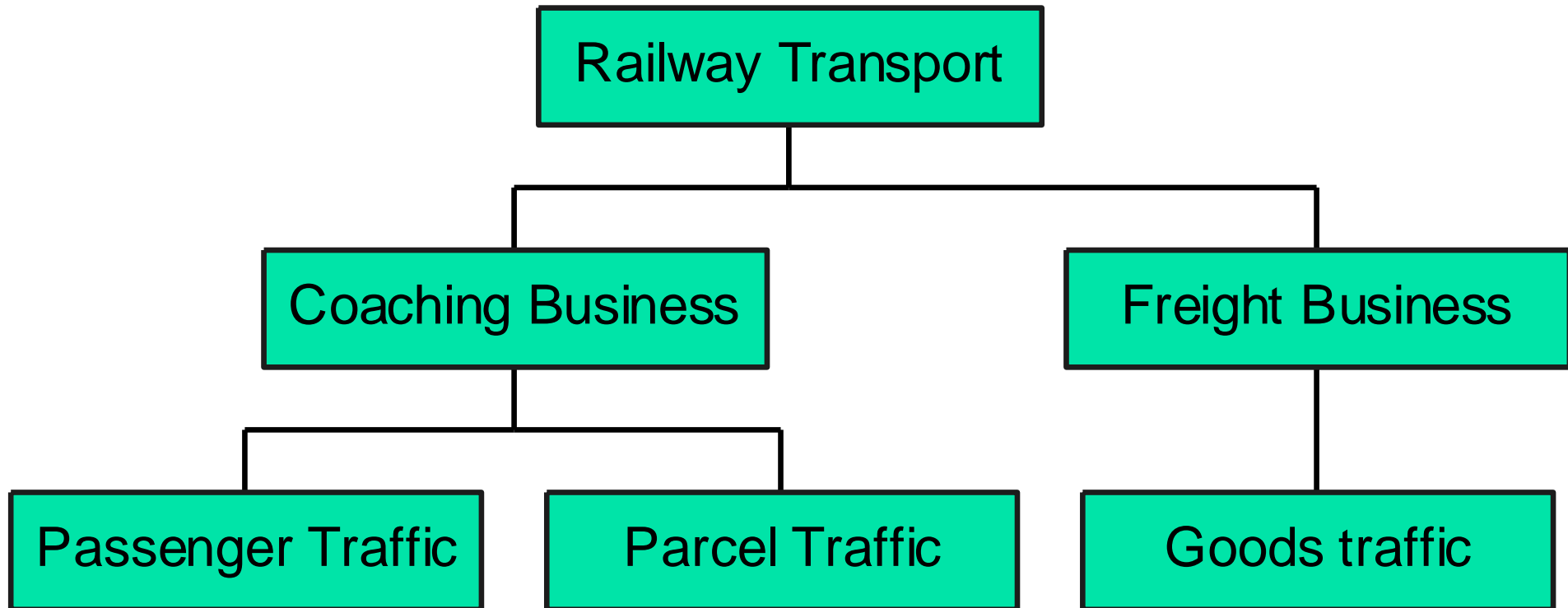


Standards and Practices Goods and Coaching Tariffs

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CORE BUSINESS OF IR



Fixation of Rates

(Chapter IV of Railway Act 1989)

Section - 30. Power to fix rates.

- 1) **Central govt.** may from time to time, by general or special order fix, for the carriage of passengers and goods , rates for whole or any part of the railway and different rates may be fixed for different classes of goods and specify in such order the conditions subject to which such rates shall apply.
- 2) **Central govt.** may, by a order, fix the rates of any other charges incidental to or connected with such carriage including demurrage and wharfage for the whole or any part of the railway and specify in the order the conditions subject which such rates shall apply.



Fixation of Rates

(Chapter IV of Railway Act 1989)

Section - 31. Power to classify commodities or alter rates.

The central govt. shall have power to –

- (a) Classify or reclassify any commodity for the purpose of determining the rates to be charged for carriage of such commodity; and
- (b) increase or reduce the class rates and other charges



Fixation of Rates

(Chapter IV of Railway Act 1989)

Section - 32. Power of railway administration to charge certain rates

Notwithstanding any thing contained in this chapter, a Railway administration may, in respect of the carriage of any commodity and subject to such conditions as may be specified,-

- (a) Quote station to station rates;
- (b) Charge any lump sum rate



TARIFF POLICY

IRs Corporate Plan

- Overall tariff structure would attempt to
 1. completely cover fully distributed costs.
 2. generate sufficient surplus to meet developmental expenditure.
 3. Individual services may be priced on the basis of value of service.



TELESCOPIC PRINCIPLE OF RATING

- Uniform fare structure for all gauge.
- Fare is decided by class of travel and distance.
- Share of fixed cost reduces with increase in distance.
- Fare per passenger per kilometer is reduced with increase in distance.
- Rate per tonne per kilometer is also reduced with increase in distance.



COACHING TARIFF

PASSENGER BUSINESS



Types Of Train services

- **Rajdhani express** – overnight fully AC train connecting state capital with national capital New Delhi.
- **Shatabdi express** – Fully AC train between two important towns with seating accommodation and day time journey.
- **Super fast Mail/express** – Long distance Trains with average speed above 55 kmph
- **Ordinary** – short distance train stopping at all station.
- **Suburban** – Commuter trains in metro cities.
- **Tourist trains** – for Tourists



CLASSES IN MAIL/EXP. TRAINS

1. I – A.C.
2. II A.C. (TWO TIER A.C)
3. FIRST CLASS
4. 3 TIER A.C.
5. EXECUTIVE CHAIR CAR
6. A.C. CHAIR CAR
7. SLEEPER CLASS
8. SECOND CLASS

RELATIVITY OF FARES FOR ALL CLASSES

Indexing the fares of Second Class (Mail/Express) at 100, the relativity index for other classes rationalized as under:-

CLASS	RELATIVITY
SECOND MAIL/EXP.	100
SLEEPER CLASS	160
AC CHAIR CAR	350
III TIER AC	450
FIRST CLASS	525
II TIER AC	650
FIRST CLASS AC	1150



COACHING TARIFF

PARCEL BUSINESS



PARCEL BUSINESS

- Parcels are normally carried in passenger trains. IR also run some parcel special trains.
- Consignment which is less than 150 kg in weight and of less than 2mx2mx2m size is accepted for carriage as parcels.
- The tariff for parcel depend on the train in which it is booked.



Luggage & Parcel Scales

Scale	Type of Service	Type of Train
Scale - R	Rajdhani Parcel Service	Rajdhani Express trains
Scale – P	Premier Parcel Service	Notified Mail/Express & Shatabdi Express trains and all types of Special Parcel trains
Scale - S	Standard Parcel Service	Ordinary Passenger trains and Other Mail/Express trains and Shatabdi Express trains



GOODS TARIFF

FREIGHT BUSINESS

Freight Business on IR

(2004-05 figures)

Sr. No.	Commodity	loading (million tonnes)	%age of total loading
1	Coal	271.40	45.07
2	Iron & Steel	18.36	3.05
3	Iron ore & other ores	96.26	15.99
4	Cement	53.77	8.93
5	POL	32.00	5.31
6	Fertilizers	28.75	4.78
7	Food Grains	46.52	7.73
8	Lime stone & dolomite	9.97	1.66
9	stones	10.24	1.70
10	salt	4.17	0.69
11	Other Commodities	28.56	4.74
12	Total	602.10	100



Type of shipment

- Wagon load – load for one full wagon
- Train load –load for one full train



Classification of commodities

- Total 28 groups of commodities
- 18 classes
- Class is in terms of %age.
- Lowest class LR5
- Highest class 220
- Base class 100



COMMODITY CLASSES

Low rated tariff lines	General tariff lines		
LR ₅	100	150	200
LR ₄	110	160	210
LR ₃	120	170	220
LR ₂	130	180	
LR ₁	140	190	

Total 18 classes, 23 groups of commodities in general lines and 5 divisions under low rated tariff lines.



Considerations for classification of goods

- Concept in classification is what traffic can bear.
- Costly commodities at higher class
- Finished products are classified at higher class and Raw materials at lower class
- Density of material: lower the density lower the class
- Risk in transportation: more risk higher class
- Essential commodities are at lower class



Procedure for booking of goods

1. Execution of forwarding note
2. Registration of a wagon demand
3. Examination of goods and their packing
4. Weighment of consignments
5. Marking of packages
6. Loading of consignments in the wagons
7. Labeling sealing and riveting of loaded wagons
8. Calculation of freight and issue of R.R.



CALCULATION OF FREIGHT

- Freight charges depends on
 1. Carrying capacity of wagon
 2. Distance between two stations and
Minimum Distance for charge is 100 KM.
 3. Classification of commodity (Rate per quintal)
- In addition to this the freight also depends on mode of payment i.e. paid or to pay and risk rate chosen by party i.e. ORR or RRR.



Different rates on Railways

- Wagon load rate – base rate
- Train load rate – one class below the wagon rate.
- Owner's risk rate
- Railway's risk rate – 20% higher than ORR
- To pay rate - 5% higher than paid rate except coal where it is 10% higher than paid rate
- Lump sum rate



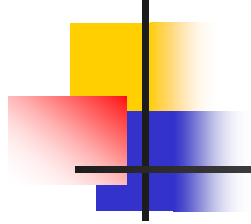
Problems that may arise on Trans Asian Railway

- What type of traffic to be carried ?
Passenger, Parcel, Freight or all ?
- What should be the fare and freight structure ?
- Who should fix it?
- What should be the common procedure of booking and carriage of the consignment?



Probable answer to the problems on Trans Asian Railway

- To begin with only freight business should be started and that too limited to containerized cargo to minimize the complication of across countries movements
- There should be an coordinating agency having representatives of of all concern Railways who should fix the freight structure
- Container traffic is already moving across the countries, the procedure adopted by container booking may be adopted to the extent possible.



ANY QUESTION?

Thank You