

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:5919
ANSWERED ON:26.04.2001
VOLUME DISCOUNT SCHEME FOR FREIGHT
IQBAL AHMED SARADGI

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways are offering the early mover to cash in on the gains of its ambitious freight marketing initiative under the Volume Discount Scheme;
- (b) whether any guidelines have been prepared to be followed during 2001-2002;
- (c) if so, the details thereof; and
- (d) the extent to which it would help to meet the freight target?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (d) : A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF UNSTARRED QUESTION NO.5919 BY SHRI IQBAL AHMED SARADGI TO BE ANSWERED IN LOK SABHA ON 26.04.2001 REGARDING VOLUME DISCOUNT SCHEME FOR FREIGHT

(a) to (d): Yes Sir. As a marketing strategy, Volume Discount Scheme for the year 2001-02 has already been launched for committed incremental traffic in specified commodities offered by rail users.

The Scheme will operate separately for each half yearly period of 2001-02. The commodities covered under the scheme are:

Group-I Cement, Cement Clinker, Iron or Steel, Pig Iron, Iron or Steel Scrap, Sponge Iron, Soda Ash Light, Soda Bi-carbonate and Sugar.

Group-II Limestone, Manganese Ore, Felspar, Gypsum in Lumps and Gypsum in Powder-when booked from indigenous sources.

The benchmark for each half-yearly period will be fixed based on the peak loading done during the corresponding periods of last three years. Parties (other than premier customers) offering minimum 5% incremental traffic above the benchmark level will only qualify for Volume Discount which will be payable for the entire incremental traffic offered. The Discount is payable immediately on achieving the qualifying criteria. The Discount ranges from 8% to 12% for Group-I commodities and from 6% to 8% for Group-II commodities. Special relaxation have been given to new parties as well as to premier customers who offer 70% of their total despatches by rail.

No specific estimate can be made at this stage. This scheme will help in augmentation in loading to achieve the target for 2001-02.