

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:574

ANSWERED ON:24.11.2011

CATEGORIES OF FREIGHT FOR IRON ORE

Hegde Shri Anant Kumar;Yadav Shri Dinesh Chandra

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have different categories of freight for transportation of iron ore in the country;
- (b) if so, the details thereof;
- (c) whether such categorization has led to frauds worth thousands of crores of rupees in the country;
- (d) if so, the number of cases of such frauds which came to light so far; and
- (e) the action taken thereon alongwith the steps being taken to prevent such cases of frauds?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI K.H. MUNIYAPPA)

(a) Yes, Madam.

(b) While iron ore meant for domestic use is being charged at the Class rate of 180, iron ore meant for other than domestic use is being charged at Class 180 plus the following distance based surcharge:

Distance in Kms. Distance Based Charge

0-200	125% of Base Freight Rate plus Rs.1600
201-300	90% of Base Freight Rate plus Rs.1600
301-400	75 % of Base Freight Rate plus Rs.1600
401-500	45% of Base Freight Rate plus Rs.1600
501-600	25% of Base Freight Rate plus Rs.1600
601-700	10% of Base Freight Rate plus Rs.1600
Above 700	Rs.1600

- (c) The categorization based on end use served the interests of domestic industry well and also yielded the desired dividends.
- (d) A case of misleading declaration by one company has been detected by South Eastern Railway.
- (e) The case has been handed over to Central Bureau of Investigation (CBI) for further investigation by Central Vigilance Commission (CVC). Existing provisions are considered adequate for dealing with cases of misleading declaration by delinquent firms.