

GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
RAILWAY BOARD

No.TCR/1078/2007/3.

New Delhi, dated 01 . 06.2009

The Chief Commercial Managers,
All Indian Railways.

Sub: Classification of Iron Ore

In supersession of Rates Circular no. 24 & 30 of 2008 and 25 & 34 of 2009, Sanction of the Central Government is hereby accorded to the following.

1. Iron Ore will be charged at Class 180 for train load movement. Besides, following Distance Based Charge will be levied on this traffic.

Distance in Kms	%age Charge
0 - 200	125%
201 - 300	90%
301 - 400	75%
401 - 500	45%
501 - 600	25%
601 - 700	10%
> 700	0%

The aforesaid Charge will be leviable on base freight rate mentioned in the Goods Tariff and shall form part of Normal Tariff Rate (NTR).

In certain cases the NTR for a particular distance may become less than that for the lower distance. In order to ensure that the NTR per tonne over longer lead is not less than the NTR per tonne over shorter lead, NTR for each distance slab should not be less than the highest NTR in the lower slab.

2. Notwithstanding Para 1 above, traffic of Iron Ore meant for domestic consumption for manufacture of Iron and Steel as well as Cement will be charged at Class 180 without levy of Distance Based Charge prescribed in Para 1 above, subject to fulfillment of conditions laid down in Para 3 of this circular.
3. Following conditions must be complied with while booking as well as while granting delivery of Iron Ore traffic for domestic consumption in terms of Para 2 above.

(A) Iron ore traffic booked to private sidings (including assisted sidings) of Iron and Steel manufacturing Units (including integrated steel plants and mini steel plants etc) and Cement Units: Following procedure will be followed for registration of indents and issue of Railway Receipts, submission of documents and effecting delivery.

- I. 'One Time' submission of documents
Certified copies of documents as prescribed below should be submitted by the manufacturing unit (consignee) to the Senior Divisional Commercial Manager of

RATES CIRCULAR NO.36 OF 2009

the division in which the loading takes place.

- a) *Industrial Entrepreneur Memorandum (IEM) or certificate from Joint Plant Committee under Ministry of Steel indicating the licensed capacity of the plant or a copy of the Memorandum of Understanding (MOU) between the Plant and the associated Ministry (in case of Public Sector Undertakings only);*
- b) *Consent For Operation (CFO) from Pollution Control Board for the current financial year or a copy of the application addressed to the concerned PCB for renewal of CFO for the current year duly acknowledged by the PCB together with a CFO for any of the preceding years not more than three years old;*
- c) *Factory license for the current financial year or copy of the application addressed to the Inspector of Factories of the concerned state government duly acknowledged by the addressee together with a copy of the factory license for any of the preceding years not more than three years old;*
- d) *Certificate of registration under Contract Labor Act or an affidavit under oath certifying that this registration is not legally required to be done by the unit under the provisions of the Contract Labor Act.*
- e) *Central Excise Registration Certificate*
- f) *Monthly Excise Return for the month prior to the current month.*

II 'Periodic Submission' of documents

Certified copies of following documents should be submitted by the manufacturing unit (consignee) to the Senior Divisional Commercial Manager of the division in which the loading takes place.

- a) *The company will need to submit copies of the relevant Monthly Excise Returns on a quarterly basis. In case of new plants not having any earlier monthly excise return, the unit should furnish a certificate from the excise department mentioning non-commencement of production in lieu of the monthly excise return.*
- b) *Failure in submission of any of the prescribed excise related document will result in summary disqualification from eligibility under Para 3 (A).*

III Submission of Affidavits

The manufacturing unit will be required to submit an affidavit (only once together with the documents submitted "one Time") on non-judicial stamp paper of Rs.100/- in the format given below certifying that only iron ore for domestic consumption will be received in their siding.

"It is certified under oath that all consignments of iron ore received at ----- siding is meant for domestic consumption at the manufacturing unit ----- located at ----- with Factory registration no ----- and Cenvat no ----- . It is also certified that the iron ore received at ----- -will not be exported out of India under any circumstances. However, if at any stage, Iron Ore received at this siding is intended to be used wholly or partially for export purposes, the company

RATES CIRCULAR NO.36 OF 2009

undertakes to advise the concerned Senior Divisional Commercial Manager well in time before receipt of such consignment in their siding.”

IV Issue of Railway Receipt

Railway receipt will be issued only in the name the consignee in respect of whom the prescribed documents have been submitted by the consignor to Railways under provisions of Para 3 (A). Delivery of such consignments will only be made to the consignee mentioned on the railway receipt. Non conformity with these conditions will result in charging freight at Class 180 plus Distance Based Charge and recovery of undercharges will be made.

V Procedure for manufacturing units receiving iron ore for domestic consumption as well as for export

On receipt of an advice as prescribed in the text of the affidavit in Para 3 (A) III that Iron ore booked to such sidings is to be used wholly or partially for export, provisions of Para 3 (B) will apply for each rake booked thereafter.

VI Submission of Indemnity Note

The consignee must also furnish a stamped indemnity note (*only once together with the documents submitted “one Time”*) to indemnify the railway against mis-declaration of export iron ore as domestic iron ore for non payment of Distance Based Charge or any other misuse of rules prescribed by Railways from time to time.

(B) Iron ore traffic booked to terminals other than private sidings (including assisted sidings) **of Iron and Steel manufacturing Units as well as Cement Units:** Following procedure will be followed for registration of indents and issue of Railway Receipts, submission of documents and effecting delivery for each rake independently. It may be noted that no ‘One Time’ submission of documents is permitted in this category of traffic.

I Registration of Indents;

- (a) At the time of registration of each indent, consignor will make an endorsement in the forwarding note declaring that the consignment is meant for domestic consumption within India.
- (b) At the time of registration of each indent, consignor will furnish certified copies of all the documents mentioned in Para 3 (A) I as well as a copy of the *Monthly Excise Return for the month prior to the current month* for each rake. These documents should be submitted by the consignor on behalf of the consignee.
- (c) Conditions (a) and (b) above will also be required to be fulfilled by consignors whose indents have already been registered.

II Submission of Affidavit by consignor before issue of Railway Receipt

Consignors will give an affidavit on non-judicial stamp paper of Rs.100/- which should inter alia include the following averment.

RATES CIRCULAR NO.36 OF 2009

“It is certified under oath that the consignments of iron ore registered under Indent No ---- dated -----, invoice no ---- and RR no ----- at ----- Goods Shed/siding and loaded on date ---- in wagon nos. ----- is meant for domestic consumption at the manufacturing unit ----- located at ----- with Factory registration no ----- and Cenvat no -----. It is also certified that this consignment is not meant for export out of India and this consignment will not be exported out of India under any circumstances.”

III Submission of Affidavit by consignee before taking delivery

After arrival of the consignment at the destination terminal, consignee will be given delivery of the consignment only after he furnishes an affidavit on non-judicial stamp paper (for each rake) which should inter alia include the following averments.

“It is certified under oath that the consignments of iron ore received on date ---- with RR no ---- in wagon nos ----- at ----- Goods shed/siding is meant for domestic consumption at the manufacturing unit ----- located at ----- with Factory registration no ----- and Cenvat no ----- It is also certified that this consignment is not meant for export out of India and this consignment will not be exported out of India under any circumstances.”

IV Issue of Railway Receipt

Railway receipt will be issued only in the name the consignee in respect of whom the prescribed documents have been submitted by the consignor to Railways under provisions of Para 3 (B). Delivery of such consignments will only be made to the consignee mentioned on the railway receipt. Non conformity with these conditions will result in charging freight at Class 180 plus Distance Based Charge and recovery of undercharges will be made.

V Furnishing of Indemnity Note by consignee

The consignee must also furnish a stamped indemnity note to indemnify the railway against mis-declaration of export iron ore as domestic iron ore for non payment of Distance Based Charge or any other misuse of rules prescribed by Railways from time to time.

4 Other Conditions

- a) *Under provisions of Para 3, railway receipt will be issued only in the name of the consignee in respect of whom the prescribed documents have been submitted by the consignor to Railways.*
- b) *Delivery of such consignments will only be made to the consignee mentioned on the railway receipt.*
- c) *If conditions at 4 (a) and (b) above are not complied with, freight will be realized at Class 180 plus Distance Based Charge, by raising undercharges wherever necessary. CGS of destination terminal must keep a close watch on compliance of these instructions.*

RATES CIRCULAR NO.36 OF 2009

5 Pelletization Unit

Pelletization units receiving iron ore in their private or assisted sidings for conversion into iron ore pellets for domestic consumption of iron and steel manufacturing plants will be treated at par with steel manufacturing units. However, they will need to comply with provisions of Para 3 (B) for availing freight rates as prescribed in Para 2.

The Iron Ore Pellets for export as well as Iron Ore moved for such pelletization (for export) will be charged at Class 180 along with levy of Distance Based Charge.

- 6 If at any stage, it is detected that the endorsement of Forwarding Note and/or the affidavit furnished under the provisions of Para 3 was false, inaccurate or misleading, penalty for mis-declaration shall be imposed as per extant instructions. In addition, such consignors and consignees will be blacklisted for a period of three years for transport of iron ore from any terminal of Indian Railways. Railway may also take recourse to further legal action in such cases.
- 7 Only such Iron Ore traffic as fulfills the conditions for treating it as domestic in terms of the provisions of Para 3 above will be entitled to rates for domestic traffic i.e. Class-180. All other traffic of Iron Ore will be charged at Class 180 plus Distance Based Charge as per para 1 above.
- 8 Some of Iron & Steel manufacturing units get iron ore lumps from the mining area to their units and dispatch the left over/residual iron ore fines for export. In this case, the incoming material will be charged at Class 180 subject to fulfilment of conditions mentioned in Para 3 above. The outward movement of iron ore fines from such units will be charged at Class 180 along with levy of Distance Based Charge.
- 9 The Iron Ore traffic booked at Class 180 without levy of Distance Based Charge will not be rebooked/diverted at Party's request.
- 10 This issues with the concurrence of the Finance Directorate of the Ministry of Railways.
- 11 These instructions will come into force with effect from 06.06.2009 and will remain valid upto 05.9.2009.
- 12 Issue necessary instructions to all concerned. Monthly appreciation reports should positively be furnished by 7th of following month.



(N.K. Parsuramka)
Director, Traffic Comml. (Rates)
Railway Board.

New Delhi, dated 01 .06.2009

No.TCR/1078/2007/3

Copy for information:-

1. FA & CAOs, All Indian Railways
2. Dy.C&AG (Rlys.), Room No.222, Rail Bhavan, New Delhi.



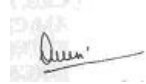
for Financial Commissioner(Railways)

RATES CIRCULAR NO.36 OF 2009

No.TCR/1078/2007/3

New Delhi, dated 01 .06.2009

1. The General Managers, All Indian Railways.
2. Managing Director, CRIS, Chanakya Puri, New Delhi-23
3. The Chief Administrative Officer, FOIS, Northern Railway, Camp: CRIS, Chanakya Puri, New Delhi-23.
4. Managing Director, Konkan Railway Corporation, Belapur Bhavan, Sector-11, CBD Belapur, New Mumbai-400614.
5. Director General, Railway Staff College, Vadodara.
6. Director, Indian Railways Institute of Transport Management, Campus: Hardoi Bye Pass Road, Village & Post office: Kanausi, Manaknagar, Lucknow.
7. GS/IRCA, New Delhi : with a request to issue necessary correction slip.
8. Secretary, Railway Rates Tribunal, 5, P.V.Cherien Road, Crecent Road, Egmore, Chennai- 600105



(N.K. Parsuramka)
Director, Traffic Comml. (Rates)
Railway Board.

Copy to: - CRB, FC, MT

AM(C), AM (T), AM (T&C), AM (C&IS), Adv (Rates), Adv. (F), Adv. (CC), Adv. (Infra), Adv. (Safety), Adv. (Vig.)
ED(FM), EDPG, EDPM, EDTT(F), EDTT(M), EDTT(S), EDVT, ED(T&C)
EDFC, ED/P, ED/PP, ED/PPP, ED/S&E
DTC, DFM, DDTC(R)
TC (CR), TC-I, TC-II, TC-III, TC-IV, TT-I, TT-II, TC (FM), F(C), Coaching, LRDSS, C&IS Branches of Railway Board.