

**COMMERCIAL CIRCULAR No.230 OF 2020
DRAFT NOTIFICATION FOR TRC No.10 OF 2020
(Goods)**

Sub: Policy guidelines on Round-Trip Traffic (RTT)

Ref: 1. Railway Board's letter No.TCR/1078/2020/3 dated 05.06.2020
(Rates Circular No.11 of 2020).

2. This office Commercial Circular No.114 of 2020 dated 11.06.2020.

Authority: Railway Board's letter No.TCR/1078/2020/3 dated 23.10.2020
(Rates Circular No.27 of 2020)

1	In terms of Board's letter No.TCR/1078/0 dated 05.06.2020 and this office commercial circular No.114 of 2020 dated 11.06.2020, policy guidelines were issued on the above subject. The matter has been reviewed by the Competent Authority.																																																		
2	Accordingly, in supersession of Rates Circular No.11 of 2020 and clarification thereon, following guidelines are issued for policy on Round-Trip Traffic (RTT).																																																		
2.1	<p>Objective: This policy aims at garnering additional traffic to rail and to reduce empty run by incentivizing the round-trip traffic by competitive pricing.</p> <p>Scheme: In case any customer (consignor) commits to offer traffic in return direction i.e., back to the originating station, either from the destination station or from any point within 200 kms of the destination station, then traffic for both outward and return traffic shall be charged as detailed in Para 2.2 below. This shall be subject to the condition that loading in return direction begins within 24 hours of the release of outward rake at its destination. Further, the benchmark NTKMs shall have to necessarily be crossed for availing the benefit under this scheme.</p>																																																		
2.2	<p>a. Charging Policy: The charging shall be as per the illustration below*</p> <table border="1"> <thead> <tr> <th>Direction</th> <th>O-D</th> <th>Commodity</th> <th>Class</th> <th>Freight payable</th> </tr> </thead> <tbody> <tr> <td align="center" colspan="5">Scenario-1</td> </tr> <tr> <td>Outward Traffic</td> <td>A to B</td> <td>X</td> <td>150</td> <td>At Class:150</td> </tr> <tr> <td>Return Traffic</td> <td>B/C to A</td> <td>Y</td> <td>160</td> <td>At Class 150</td> </tr> <tr> <td align="center" colspan="5">Scenario-2</td> </tr> <tr> <td>Outward Traffic</td> <td>A to B</td> <td>X</td> <td>150</td> <td>At Class 150</td> </tr> <tr> <td>Return Traffic</td> <td>B/C to A</td> <td>Y</td> <td>140</td> <td>At class 140 Less the Difference of freight between NTR of Class 150 and class 140</td> </tr> <tr> <td align="center" colspan="5">Scenario-3</td> </tr> <tr> <td>Outward Traffic</td> <td>A to B</td> <td>X</td> <td>150</td> <td>At Class 150</td> </tr> <tr> <td>Return Traffic</td> <td>B/C to A</td> <td>Y</td> <td>150</td> <td>At Class 150 Less 10% discount on NTR in both the directions.</td> </tr> </tbody> </table> <p>The distance between point B and point C shall not be more than 200 km</p> <p>b. In case the commodity availing concession is under Main Commodity Head "Coal & Coke" then the amount of concession shall be capped at equivalent to 10% of NTR of applicable class of freight.</p>	Direction	O-D	Commodity	Class	Freight payable	Scenario-1					Outward Traffic	A to B	X	150	At Class:150	Return Traffic	B/C to A	Y	160	At Class 150	Scenario-2					Outward Traffic	A to B	X	150	At Class 150	Return Traffic	B/C to A	Y	140	At class 140 Less the Difference of freight between NTR of Class 150 and class 140	Scenario-3					Outward Traffic	A to B	X	150	At Class 150	Return Traffic	B/C to A	Y	150	At Class 150 Less 10% discount on NTR in both the directions.
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2.3	Restricted commodities: Iron Ore, Container traffic, POL, Military Traffic, RMC and Automobile traffic, LR traffic/Traffic below NTR of Class 100.																																																		
2.4	Permitted terminals: All Terminals (except Goods sheds and PFTs)																																																		
3.0	Application and Processing:																																																		
3.1	Rail users desirous of availing incentives under RTT policy, shall be required to apply Zonal Railway (PCCM, PCOM) along with the full details of O-D pair between which it will operate commodity (onward as well as in return directions), details of traffic offered during previous year from these originating and destination points.																																																		

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3.2	In case originating points of the return traffic is/are located on other Zonal Railway, then concerned Zonal Railway shall ensure that the PCCM, PCOM of the other associating railway has been consulted before approval.	
3.3	a	Benchmark NTKM for a month shall be equal to the monthly average of the commodity NTKMs achieved in previous 24 months from that terminal/station OR commodity NTKMs from that terminal/station in same month of previous year whichever is higher. In case entire 24 month data is not available, data of first 22 months may be taken and that for rest upto two months can be extrapolated. The actual data should subsequently be fed into system (TMS) at the earliest, subject to maximum of two months after affecting the scheme in TMS for a customer.
	b	Benchmark NTKMs for each commodity shall be laid down separately for onward and return direction. When benchmark NTKMs are crossed in a RR, the concession shall be applicable from next RR onwards.
3.4	Zonal Railway must ensure that the scheme is not mis-used by formation of cartels or mere diversion of existing traffic. The objective of the traffic is to attract incremental/ additional traffic to rail. That is, overall NTKM of the commodity should increase.	
3.5	Alternate loading point (point C) within 200 km of point 'B' may be allowed by PCOM and PCCM after analyzing the empty run and the additional volumes/revenue which the proposed O-D pair is offering.	
3.6	FOIS/CRIS shall design the suitable software for front end feeding of customer details, commodity, benchmark data, commencement date and validity etc by Zonal Railway and for implementation of this policy.	
4.0	Terms and conditions:	
4.1	<p>As tabulated in Para 2.2 (a), the discount is to be granted to higher class commodity amongst the onward and return RRs, subject to fulfilment of given terms and conditions. However, the concession is applied through return Railway Receipt (RR) only.</p> <p>In case of scenario 1 and 2 of Para 2.2, the concession to higher class commodity shall be given only after it crosses the benchmark NTKMs.</p> <p>In case of scenario 3 in Para 2.2 concession of 10% shall be applicable to a commodity only after its benchmark NTKMs have been crossed.</p> <p>It may be noted for clarity that benchmarks are commodity as well as direction (onward and return) specific.</p> <p>Once the commodity benchmark NTKMs as defined is crossed, concession will be applicable from next RR onwards.</p>	
4.2	a	In case of "New Traffic" the concession will be available from first RR itself. "New Traffic" is defined as the one whose benchmark NTKM is "Zero"/ "nil" as per Para 3.3 OR the traffic offered by a "New customer" i.e. a customer who has not loaded that commodity from that terminal in previous 24 months.
	b	However, ZR may ensure that such "New traffic" is not merely a diverted traffic and does not entail misuse of the policy.
4.3	Minimum chargeable NTR after all concession should not be below the NTR of class 100.	
4.4	No other concession under freight incentive schemes shall be applicable concurrently, other than concession applicable to traffic to and from North-East region.	
4.5	Traffic under TEFD Scheme, freight Forwarder Scheme, Freight Incentive Scheme for loading of Fly Ash and Freight Incentive Scheme for loading of bagged consignment in open and flat wagons shall continue to avail concession under those schemes. Such traffic however, shall not be eligible under RTT scheme.	


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4.6	The actual Freight charged shall be considered for arriving at Actual Gross Freight Revenue (AGFR) with respect to Long Term Tariff Contract (LTTC) policy.	
4.7	The consignor for outward direction and consignee for return traffic has to be mandatorily same i.e. under same customer code. However, consignor can be same in both the directions.	
4.8	a	The freight rebate or discount under assisted siding policy, wagon investment scheme, terminal development scheme etc. can be concurrently availed, as these are not freight incentive schemes.
	b	TMS shall first calculate the concessional NTR as per RTT policy, subject to Para 4.2. Thereafter, the concession under here-mentioned investment schemes shall be applied (on original NTR, i.e. not on discounted NTR).
4.9	TMS shall compare the NTR of outward and return class of commodities to determine the higher and lower class.	
4.10	As per Para 2.1 point B and C shall not be more than 200 km. apart. No freight shall be charged on empty movement between point B to C.	
4.11	These guidelines shall be applicable for block rakes only.	
5.0	All other commercial rules will continue to apply unchanged.	
6.0	These instructions will come into force w.e.f.24.10.2020, and shall remain valid for a period of one year i.e. up to 23.10.2021.	
7.0	This issues in consultation with Traffic Transportation Directorate and with the concurrence of Finance Directorate of Ministry of Railway	

Staff in the field units should read the above instructions carefully and understand the same, thoroughly. Thereafter, the instructions should be implemented. In case of any doubts, letters may be addressed to the respective Sr. DCM's with a copy to PCCM's office.

Previous Commercial Circular No.229 of 2020
Sub: Additional free time for covering open wagon with Tarpaulins.


(K. Phani Raj) 26-10-20
ACM(M&D)

for Principal Chief Commercial Manager

SOUTH CENTRAL RAILWAY

Headquarters Office
Commercial Branch
Secunderabad
Dated 26.10.2020

No.C.450/Mktg/RTT/2020-21

Copy forwarded to:

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Dy.COM/Goods, Dy.COM/FOIS, STM/Goods, Principal Director of Audit/S.C. Railway/SC,
Principal/ZRTI/MLY. MD/CRIS, Chanakyapuri, New Delhi-23; C.A.O (FOIS) CRIS Complex,
Chanakyapuri, New Delhi-21, General Manager/CRIS/S.C. Railway/Secunderabad, CCMs-
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S.E.Rly/CCC, N.C.Rly/ALD, N.E.F.Rly/GHY, N.W.Rly/Jaipur, S.E.C.Rly/Bilaspur,
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Complex S.Rly./CEN,


for Principal Chief Commercial Manager