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THE GANDHIDHAM CHAMBER OF COMMERCE & INDUSTRY

(ESTD. 1953)

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No. GCCI /

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Date: 19.11.2016

Mr. Mohd. Jamshed Member (Traffic), Railway Board, Rail Bhavan, Rafi Marg, New Delhi-110001	The Chief Operations Manager Western Railway Churchgate Head Quarters <u>Mumbai-400 020</u>	The Divisional Railway Manager Ahmedabad Divisional Office, Western Railway, Near Chamunda Mata Mandir, Opp. New Swadeshi Mill, Naroda Road, Post : Saijpur Bogha, <u>Ahmedabad - 382 345</u>	Mr. Braj Mohan, Additional Member (Traffic Commercial), Railway Board, Rail Bhavan, Rafi Marg, <u>New Delhi-110001</u>
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Sub: Suggestion to offer Distance Discount to Refined Iodised Salt for the movement from Kachchh District

Dear Sir,

We appreciate continuous efforts of Railway to increase railway goods traffic in emerging competitive scenario. To supplement railway's efforts for increasing railway's goods traffic, we always represent issues with suggestions at various levels of railway organisation. To maintain the same spirit and approach, we hereby submit the following for your kind consideration.

Gujarat State has lion's share in production of salt and 75% of Refined Iodised Salt is produced by the Gujarat State out of which 70 - 75% Refined Iodised Salt is produced in Kachchh District of Gujarat State.

In the year 2002, then Railway Minister had introduced Distance Discount to Non-Refined Salt under item (c) as Non-Refined Iodised Salt was being consumed more at all India level. Now, the scenario has changed and Refined Iodised Salt is consumed everywhere in our country. At present in changed scenarios, Refined Iodised Salt is being loaded in rakes for different location from Kachchh District. In present scenario, loading of Non-Refined Salt through Railway has reduced significantly to almost NIL level and the same which can be very well substantiate by referring railways record.

The trend of demand is now for Refined Iodised Salt from every corner of our country. Even now Refined Iodised Salt is channelized through PDS of various states.

In view of the above, it becomes important to move Refined Iodised Salt to every corner of India from the district of Kachchh located in extreme corner of the country. The Indian Railway being a mode of mass-transportation in our country, the movement of Refined Iodised Salt much depends on Railway's fast and economical service to meet growing demand of Refined Iodised Salt to each and every corner of the country.

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At present, daily nearly 4500 plus trucks arrive in Kachchh District with mainly export cargo. Since, they do not get other cargo for the carriage in return journey, they conveniently accept salt to carry in their return journey at cheaper freight rates. Moreover economical sea coastal movement of the cargo has started. These modes of transportation are quite cheap compare to Railway freight and day-to-day their tough competition is increased. In contrast to this scenario, railway racks, get retention of 2-3 days at loading point resulting delayed movement of goods.

In light of the above, we suggest to introduce Distance Discount to Refined Iodised Salt item(D) as below:

First 1500 kms	0%
1500 kms – 2000 kms	12%
2000 kms – 2500 kms	18%
2500 km – above	24%

Sir, if Distance Discount suggested as above is implemented, the local salt industry envisages increase in Railway's goods traffic and revenue significantly. Needless to mention, there will be no adverse impact on net revenue generation inspite of offer of Distance Discount to Refined Iodised Salt. We also further suggest not to mix Item (C) & (D) while offering Distance Discount as suggested above.

We hope you would accept our above suggestion in the long interest of Railway Goods Traffic and revenue growth.

We shall appreciate a line of confirmation in this regard.

Thanking you,

Yours faithfully,

Dinesh Gupta
President

Copy to: Chief Freight Traffic Manager, Mumbai
Sr. Divisional Operating Manager, Ahmedabad
Area Railway Manager, Gandhidham