

USP of Tariff Commission

Uniqueness of Structure : Tariff Commission is the only organization in the Public domain having multi-disciplinary teams of :-

- Engineers from the field of Science and Technology belonging to Tariff Commission
- Cost Accountants/Chartered accountants from Indian Cost & Accounts Service (ICoAS)
- Economists from Indian Economic Service (IES); and
- Statisticians from Indian Statistical Service (ISS).

Normative Pricing as a bench-marking tool for informed decision- making:

Tariff Commission is the only Government organization which has the know-how and expertise of using the tool of normative pricing across the board for different sectors of the industry. Normative Pricing analysis is based on the optimal capacity utilization, productivity parameters of respective inputs (such as man, material, energy and machine) and type/degree of production / manufacturing processes

Merits of decision making through Normative Pricing include:

- Considered fair by an individual and/or a group.
- Helps in determining the cost of goods/services at optimal/efficient level of inputs (manpower, material, energy and capital)
- It helps in identifying areas for physical improvements (structural and operational) resulting into cost effectiveness.
- Normative pricing methodology is a fundamental management tool that supports quality / excellence and innovation. It is in fact a continuous process of measuring one's own performance and practices against the best competitors. It is thus a **bench-marking tool in competitiveness studies.**

- Normative pricing balances the interest of all stakeholders while protecting consumer interest, it is a tool which also focuses on providing the road map for improving industrial efficiency.
- Over the period this tool has passed the test of time and has become essential in the emerging complex global market scenario and cutting edge competition.
- Normative pricing is a pricing at efficient level of operation.

[Technique of Computing Normative Pricing](#)