

SOUTH CENTRAL RAILWAY



ADVANCED GOODS THEORY

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THEORY OF RATES

General Principles of Railway Rating Policy.

Indian Railways carry a heterogeneous variety of goods, raw materials, finished products, perishables, goods in bulk and in bags, liquids, articles of high and low value, fragile and dangerous goods, building materials of kinds, medicines, chemicals and drugs, clothing, foot wear and essential food stuffs; and in fact every article and Commodity that, either directly or remotely, enters into the daily existence of the average person. To fix the charges for the transportation of these diverse varieties of goods, over different distances and under varying conditions, is clearly a matter of great complexity and can not obviously be reduced to an exact scheme. There are, however, several broad principles which determine not only the method of charging but also the general level of rates for the various commodities, an understanding of which is indispensable to a study of the Goods Rates Structure of the Indian Railways.

One such principle is commonly referred to as charging "**what the traffic will bear**", i.e., fixing the charge for each variety of goods according to its ability to pay for transportation. This is also called the '**value of service**' principle. In this way, goods of high value are made to pay more, so that commodities and articles of low value, including food stuffs and industrial raw products, may be carried at lower rates. This is eminently equitable and it is from this principle of charging "what the traffic will bear" that the Railways derive sanction for the practice of classifying commodities into different groups, within each of which a sufficient degree of affinity of transportation and economic characteristics can be found to justify the application, to each group, of a different scale of basic rates.

Another basic principle of rating which is receiving increasingly greater attention is that of the '**Cost of Service**'. Thus, caking the two principles together, each variety of goods should be charged no more than it can ordinarily afford to pay for transportation and, by and large, no less than it costs to move it. For applying this criterion, duo cognizance has to be taken of the factors affecting the ability of commodity to pay for transport viz. –

- (a) value in relation to weight
- (b) uses,
- (c) stage of manufacture,
- (d) volume of traffic, and
- (e) Also the factors affecting the costs of transportation viz.
 - (i) bulk in proportion to weight,
 - (ii) risk of damage, wastage, or deterioration in transit,
 - (iii) speed of transit, and;
 - (iv) Volume of traffic.

As stated earlier, Government had laid down that the 'value of service' was to provide the ceiling and the 'cost of service' the floor in determining the railway

rates. With the growth of road transport and its competitive characteristics, the point of substitution of one mode of transport by another, would constitute the effective ceiling on the 'value of service' based rates. The second limitation to the application of the aforesaid twin principle is the legal prohibition against undue preference and undue prejudice.

TRAFFIC SURVEY

It is a detailed study of traffic conditions and prospects of an area with the object of determining the most promising routes for the railways in the area.

For the purpose of construction and financial implications, the railways are divided into **three** categories

- **Strategic lines**
- **Protective lines**
- **Commercial lines**

Strategic lines are constructed for the defence of the country. Protected lines are constructed to protect a particular part of the country from famine. Commercial lines are constructed keeping in view the idea of profit and loss.

No financial justification is required for strategic and protected lines. It is for the commercial lines that the financial justification is required.

An experienced administrative officer of the traffic (Commercial / Operating) department should be entrusted with the work of traffic survey. To ensure that the estimates of anticipated traffic, capital cost and recurring expenses etc. are realistic and the financial appraisal of the project including the phasing of investments and returns at each stage are worked out as correctly as possible and with great deal objectivity, an accounts officer of appropriate status should be associated with the traffic survey officer. The traffic survey team should be supplied with terms of reference containing instructions regarding the scope and nature of the investigation to be carried out.

The traffic survey team should also visit the HQ at various intervals both during the progress of the work in the field and during the period of recess in order to consult the General Manager and where necessary, have the original terms of reference modified by the competent authority. This would enable the main line administration to determine the design of the new line under investigation.

The traffic survey team should also work in close collaboration with the engineering survey party if there is one in the field at the same time, and while collecting information should visit all the trade centers in the area, consult local authorities and prominent citizens freely both on regard to trade and industry and most suitable alignment for the proposed railway line.

Traffic survey is mainly of two types.

- Preliminary Survey
- Final Survey.

Preliminary Survey: Preliminary Survey is done to determine how a proposed line will fit in the general development of railway and what return is likely to yield on the estimated total cost. It should be based on the careful study of

- Existing map
- Trade and population
- Financial and statistical data of the railway of similar area
- Modes of transport available in the area.

From this investigation, the railway administration decides whether traffic survey should be under taken or not and what would be the standard of construction. All estimates for traffic survey require the sanction of the railway board and the cost of the survey is included in the budget.

Final Survey:

Final survey is done with the sanction of Railway Board. It depends upon the following factors.

- Acquisition of land
- High flood level
- Boundaries of village lands
- State Govt. requirement
- Position of canals, rivers, culverts etc.
- Station site and junctions
- Diversion of traffic
- Protection work required
- Road ways and gradients
- Expected cooperation of local public
- Requirement of military and civil authority
- Demolition of religious places and burial places

Estimation of coaching earnings:

First find out the estimate of II class passenger earnings then add a percentage of upper class and coaching traffic. The following is the formula for II class passenger earnings.

$$X = F \times N \times P$$

X = Earnings from II class passengers

F = Fare per journey

N = Number of journeys per head per year

P = Population diverted

F and N are to be estimated on the basis of the existing line of the same length and type of section.

Estimation of goods earnings:

Such earnings are worked out keeping in view the following points

- Outward traffic
- Inward traffic
- Long distance traffic
- Short distance traffic
- Economic condition of the area
- Agricultural development in the area
- Industrial development in the area
- Existing market in the area
- Merchants and Govt. departments will also be consulted

Estimate of expenditure:

The working expenditures are divided in to the following main heads.

- Maintenance of structural work
- Maintenance of supply of locomotive power
- Maintenance and supply of carriage and wagons
- Expenses on traffic developments
- Expenses on general developments
- Expenses on electrical developments
- Miscellaneous expenses

It is seen what would be the return after **6 years and 11 years which is known as productive test taking the life period of the line as 30 years.**

SETTLEMENT OF HIGH VALUE CLAIMS

High value claims are those where the compensation sought is Rs 15,000 or more except POL products, FCI consignments and departmental consignments.

The following are the circumstances under which a claim shall not be entertained.

- Claim not preferred within 6 months from the date of booking and with not sufficient particulars to identify consignment as per section 106 of RA.
- A claim not properly addressed to the CCO of the concerned Railway as per section 192 of Railways Act.
- Fall of market price or other loss due to delay in transit as per section 95 of RA.
- When delivery is effected on Indemnity Bond in lieu of original RR not forthcoming, a copy of invoice is basis or on instructions of sender / owner as per section 76 of RA.

Extent of compensation (Section 103):

When the consignor does not declare the value and does not pay PCEV charges the extent of compensation shall be based on the actual weight of the consignment the Maximum value is limited to

Consignment	Maximum Value
Parcel/Goods	Rs.50/- per kg or part.
Baggage	Rs.100/- per kg or part.
Elephant	Rs. 6000/- per animal
Horse	Rs. 3000/- per animal
Horned cattle	Rs.800/- per animal
Small Birds/Animals	Rs.120/- per animal

If the value of any goods/ animals is more than the above limits, party may elect to pay PCEV charges. In that case the extent of compensation payable is equal to the declared value (max).

Notice for claim (Section 106):

Notice for claim should be made within 6 months from the date of booking or date of delivery.

Application for compensation (Section 107):

An application for compensation shall be made against the Railway Administration to which a notice is served as per sec 106.

Person entitled to receive compensation (Section 108):

If the Railway Administration pays compensation to the consignee producing the RR, Railway shall be deemed to have done its duty even though he is not legally entitled to receive the compensation.

Service of notice (sec 192):

Any notice or other document required or authorized by this act to be served on a Railway Administration may be served to General Manager or any other railway servant authorized by GM by

- delivering to him or
- by leaving at his office; or
- by Register post to his office address.

A claim for partial shortages or damage should be repudiated under the following instances as controlling factors is beyond the control of the Railways.

- Section 93: Act of God, Act of war, public enemy's etc.
- Section 95: Delay in transit not due to Railways
- Section 97: Goods booked at OR rate are lost not due to negligence of Railways.
- Section 98: Goods offered in defective packing conditions.
- Section 99: Goods not taken delivery within the termination of transit.
- Section 101: Animals are injured due to fear, restiveness, or overloading.
- Section 102: Exoneration from liability due to bandh, riots, strikes etc.

Documents to be verified:

(1). Forwarding note (2). DDM & DDPC (3). Trade invoice (4). Qualified remarks in the delivery book (5) Copy of OD & AD etc.

The following are also to be checked:

(1). Risk Rate (2). Correct freight charges (3). Under charges (4). Type of wagons used (5). PCEV paid or not etc.

Settlement procedure:

Claims when admissible should be verified on the basis of the supplier's bill of cost (puttee or Beejuck) it should be carefully verified that loss / damage / breakage should be worked out at the rate shown in the puttee duly deducting the discount or commission if any, allowed in the puttee.

The standard procedures for settlement of some of the items are as under:

- 10% deduction is made from the invoice of BATA (India Ltd)
- In case of newspapers and magazines a discount of 25% - 30% from the face value to arrive at the net amount payable as compensation.
- Damage by wet to cement consignments, 20% deduction to be made from beejuck value.
- In case the sender prefers the claim, 10% deduction to be made from beejuck value.
- In case of Grains and pulses packed in bags, the weight of the bags is deducted and its value is separately determined from the grains and pulses.

- Proportionate freight charges if claimed in respect of damages assessed should be disallowed this will not apply in cases where the damaged stuff is buried, under certification by the competent authority of the Medical department.
- Consignments received on commission basis for which no puttee/beejuck is available the claims will be settled at market price minus usual commissions.
- When there are two or more parties and the puttee is produced by other than the consignor as per RR a deduction of 2% as middle man's commission has to be made on the amount payable.
- The amount of claims paid must be predominantly recorded in Red ink on the RR duly signed in full with date by the official granting claims this will avert the possibility of a second claim on the same invoice.
- Whenever a claim is paid to the party, cash receipt is prepared in duplicated and the party's signature is obtained.
- A remark of the amount paid as compensation and the proportionate freight charges refunded if any must be made in station delivery book against the relevant entry.

Preservation of records:

Even though the claim is suit barred, records should be preserved upto the settlement of the claims.

Note:

- **Sec 149:** Making a false claim for compensation by the party
– Penalty – 3 years imprisonment and a fine or both.
- **Sec 178:** Making a false report or claim by a Railway servant
– Penalty – 2 years imprisonment and a fine of Rs1000/-

INTER RAILWAY LIABILITY

Whenever a claim is settled and compensation is paid by the claims settling Railway, apportionment of claim amount among all Zonal Railways which are responsible for arising of such claims and transferring the apportioned amount to the concerned Railway in the form of debit is known as Inter – Railway liability.

Allocation of claims on sealed wagons:

The following rules should be observed in the apportionment of compensation claims on through goods and parcel traffic.

Liability for damage, deficiency, loss in consignments, other than liquids found in a wagon, the seals of which were intact at the time of unloading shall be accepted by the railway on which the station last sealing the wagon is situated unless the damage etc. is reported within six hours of opening the wagon by issuing a DD message.

For consignments of liquids, liability for loss, deficiency or damage except for the loss of a complete package or packages, liability for which shall be accepted in the ratio of distances of all railways over which the consignment has passed unless the loss, deficiency or damage can be located and provided that the loss, deficiency or damage is reported within six hours of opening of the wagon by issuing a DD message.

When the loss, deficiency or damage is definitely located, the railway on which the loss, deficiency or damage occurs shall accept liability only for that quantity of loss, deficiency or damage that occurred on its line.

For consignments of perishables, liability for damage or deterioration resulting in delay in transit shall be accepted in ratio of distance by all railways over which the consignment is passed unless the delay is definitely located. In which case, the railway on which the delay occurs shall accept full liability. When the delay is located on more than one railway, such railway shall accept full liability in equal shares.

When a seal is not intact and damage etc. is discovered, liability shall be accepted by the railway on which the seal is found broken or defective unless the damage etc. can be proved to have occurred else where.

When the question of liability depends on the state of the wagon seals, the certificate of an officer that the seals are intact or otherwise shall be accepted.

When shackles with lead rivets are used. If the shackle is received without the card attachments the seals shall not be considered as intact although the impression on the lead rivet is intact.

Allocation of claims on open wagons:

All losses and damages to goods loaded in open wagons shall, if reported by issuing a DDM, will be debitable in ratio of distances of all the railways over which the wagon is passed under the damage or loss can be localized. Loaded open wagons should as far as possible be supplied with proper tarpaulin sheets and ropes.

Allocation of claims for unlocalised damages by wet and for loss or pilferage:

Damages caused by wet and to loss (other than loss of complete package), or pilferages which cannot be localized, in such case claims paid will be debitable in

the ratio of the distances to all the railways over which the wagon is passed provided the damage, loss or pilferage is reported by issuing a DDM or DDPC.

For damages by wet which occurs at junctions where the goods concerned are transshipped, liability will be settled in terms of the agreement in force between the railways concerned.

‘Before settling a claim for wagon load consignments it is established that the wagons were diverted to some other party at a station and some other railway, then that railway will accept liability for that wagon load consignment and will recover its cost from the party to whom it was diverted’

Apportionment of liability between railways will however depend upon each railway proving that it has handed over the consignment to the adjacent railway. In the event of failure to provide such proof, the railway concerned will have to bear the full liability. Cases wherein consignments:

- Have not been dispatched from the booking stations
- Have been diverted to other stations outside the destination railway and delivered fraudulently
- Have been consumed by the railways other than the destination railway

In all cases, the liability will have to be borne by the railway on which such transactions have taken place. The railway will, therefore, accept the entire liability and not apportioned liability based on kms.

Zonal Railways are advised to accept total or part liability as may be worked out by the claims settling railway which will not bear any liability if it not responsible for the claim.

RAILWAY CLAIMS TRIBUNAL

Definition:

A claims tribunal has been set up at New Delhi in accordance with the claims tribunal Act 1987 which is required to determine claims against Railway Administration for compensation of loss, damage, destruction, deterioration or non-delivery of consignment entrusted to Railways for carriage or for refund of fares or freight or for compensation for death or injury resulting during Railway accident.

Objectives:

- ✓ To avoid protracted litigation in civil courts, since average time for disposal of a suit by the civil court is 4 – 5 years.
- ✓ To give speedy relief to Rail users keeping in view the motto “customer satisfaction”
- ✓ To reduce the burden of various Civil Courts in the country, thereby, giving them more time to decide more cases speedily.

Composition of Railway claims tribunal:

The claims tribunal shall consist of the following staff:

- A chairman
- Four Vice Chairman
- Such number of Judicial Members & Technical Members as the Central Government may deem fit.

Qualification of a Chairman:

A person shall not be qualified for appointment as chairman unless he

- Is or has been a judge of High Court
- Or has for at least 2 years held the office of a Vice-Chairman

Qualification of a Vice-Chairman:

A person shall not be qualified for appointment as vice-chairman unless he

- Is or has been or is qualified to be a Judge of a High Court or
- Has been a member of the Indian Legal Service and has held a post in Grade-I of that service or any higher post for at least 5 years or
- Has for at least 5 years held a Civil judicial post carrying a scale of pay which is not less than that of a joint secretary to the Govt. of India or
- Has for at least 5 years held a post under a railway administration carrying a scale of pay which is not less than that of a joint secretary to the Govt. of India and has adequate knowledge of rules and procedures of, and experienced in, claims and commercial matters relating to railways or
- Has for a period of not less than 3 years held office as a judicial member or a Technical Member.

Qualification of a Judicial Member:

A person shall not be qualified for appointment as a Judicial Member unless he

- Is or has been or is qualified to be a judge of a High Court or
- Has been a member of the Indian Legal Service and has held a post in Grade-I of that service or any higher post for at least 3 years or
- Has for at least 3 years held a civil judicial post carrying a scale of pay which is not less than that of a joint secretary to the Govt. of India or.

Qualification for a Technical Member:

A person shall not be qualified for appointment as a technical member unless he Has for at least 3 years held a post under a railway administration carrying a scale of pay which is not less than that of a joint secretary to the Govt. of India and has adequate knowledge of rules and procedures of, and experienced in, claims and commercial matters relating to railways

The chairman, the vice chairman and every other member shall be appointed by the president.

No appointment of a person as a chairman shall be made except after consultation with the chief justice of India.

Benches:

The central government has set up 23 benches throughout the country and the members of these benches will be reviewed from time to time. The following are the benches set up.

Ahmadabad, Bangalore, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi (2 Courts), Ernakulum, Gorakhpur, Guwahati, Jaipur, Kolkata (2 Courts), Lucknow, Mumbai, Nagpur, Patna, Secunderabad.

Term of office:

The chairman, vice-chairman or other members shall hold office of 5 years from the date on which he enters of his office or until he attains

- In case of chairman, 65 years
- In case of vice-chairman or any other member, 62 years whichever is earlier

The territorial jurisdiction of every bench is specified in the Claims Tribunal Act 1987 and if an application is received by a bench which does not have territorial jurisdiction to deal with the matter, the registrar of the bench shall return the application to the applicant.

In such cases, the applicant may apply to the chairman and the chairman may there upon direct a bench other than this bench which an application has been filed to hear.

Procedure and powers of Tribunal:

The Tribunal shall have for the purpose of discharging its functions under this act, the same powers as are vested in a civil court, while trying a suit in respect of the following matters namely

- ✓ Summoning and enforcing the attendance of any person and examining him under oath
- ✓ Production of documents
- ✓ Receiving evidence on affidavits
- ✓ Requiring any public record or document or copy of such record or document from any office
- ✓ Issuing commissions for the examination of witnesses or documents
- ✓ Reviewing its decisions
- ✓ Dismissing an application for default or deciding it ex parte
- ✓ Setting aside any order or dismissal of any application for default

Decision of the Tribunal:

The Tribunal should decide every application as expeditiously as possible on perusal of documents, affidavits and other evidences if any.

Representation before RCT:

The claimants may engage advocates to represent their cases before tribunal. On behalf of Railways, Presenting Officers in senior scale / JA grade, legal staff and other officers working under CCO may represent before tribunal.

Limitations:

An application for any claim should be filed

- Within 3 years from the date of booking of parcels and goods
- Within one year of occurrence of accident

If the decision given by the Tribunal is against the railways or the party, they can appeal to the high court and if necessary to the Supreme Court.

POLICY ON PRIVATE SIDINGS

(FM Circular No. 11 of 2016)

The revised policy guidelines shall be applicable for all new sidings and for those ongoing proposals where “Detailed Project Report” has not been approved. All ongoing proposals where DPR is already approved will continue to be governed by the provisions of the Policy prevailing at that time.

1. Eligibility and Applicability:

- (i) Private siding is only for end user. However, three co-users are permitted under the policy (with permission of siding owner and approval of PCOM.) However, in case of Ports Multi parties can handle.(FM No.25/2018)
- (ii) All new sidings shall come up with “EOL’ in terms of Railway Boards letter

2. Definitions:

- (i) “Abstract Cost” means the cost as indicated by the party in the application for setting up of Private Siding.
- (ii) ‘Anticipated cost’ means the cost as anticipated at the stage of feasibility Report.
- (iii) “Completion cost’ means the cost calculated on the basis of payments made for contracts of execution, procurement, establishment etc., for which audited accounts will be submitted.
- (iv) ‘common user’ facilities are those traffic facilities which facilitate the railway traffic operations, such as “Y” connection, Additional Lines/Loop Lines at the serving station, Crossing Station, patch doubling, shunting Neck, Engine escape Line, Modification to existing OHE or Electrification, S&T work etc.
- (v) ‘Co-user’ refers to the permission given to a rail user (other than the owner of a private siding) by the Railway administration, for using the siding for the handling of his own goods traffic at that siding, subject to the provisions of the Siding Agreement. In case of container traffic, ‘Co-user’ shall be governed by the instructions contained in board’s Letter.2011/TT- III/73/33 dated 08.06.2012, and its amendments.
- (vi) “End user” means a user who owns a plant or manufacturing unit or production unit or mines and the siding is for the purpose of his exclusive use of handling the product(s) being used or manufactured or produced therein. This also includes sidings of FCI, POL & containers.
- (vii) ‘Estimated Cost’ means the cost, as estimated in Detailed Project Report, i.e. Stage it excludes the cost of land acquired by the party and also the cost of track, network utilized by the party for their internal use.
- (viii) ‘Party’ means the applicant who is the end user.

(ix) 'Private siding' refers to privately owned siding constructed / laid out by a party at its own cost for railway freight services at premises of its plant or manufacturing unit or production unit or mines etc. under a special arrangement. It means the railway track connecting the applicants work with the railway system which shall cover only that portion of track network and related infrastructure on which railway rolling stock will ply. The network utilized by the company or party for their internal use shall not form part of the siding defined herein.

3. Nodal Agency:

(i) In order to provide a single window service to the rail customers at various stages for all sidings matters, CTPM at the Zonal Railway shall be the nodal officer, through out the construction stage including activities for approval of plans and sanctioning of estimates CGE will be co- coordinating officer and as soon as the siding is notified for commissioning CCM/FM shall be the co-ordinating Officer.

(ii) In Railway Board's Office, **Executive Director/Civil Engineer (Genl.)** shall be the co-coordinating officer during construction stage. Executive Director/ FM shall be co-coordinating officer both prior to construction and also after siding is notified for commercial operations.

4. Procedure and Time line:

4.1 In the whole process of survey, approval of DPR, Execution, final Inspection etc. railway shall observe the time line as mentioned in Annexure – I and summarized as under;

(a) For approvals before start work = D + 7 months.

(b) For commission of private siding = D + (12 months to 25 months)

D is the date of receipt of application from the party for private siding project.

4.2 After undertaking survey exercise and examining the feasibility report and conceptual plan, submitted by Division, CTPM of the Zone shall advise in Principle approval (IPA) to the party in proforma as prescribed at Annexure –I

4.3 After approval of the ESP (Engineering Scale Plan) and intimation to the party, no such changes in the ESP shall be permitted, except on unavoidable technical considerations.

4.4 Commercial Operation on the siding shall be permitted only after signing of the Private Siding Agreement, including land licence Agreement (Annexure – III) by Sr.DCM and Sr.DEN respectively on the Division.

4.5 **Extension or closure of the proposals:**

(i) Delay in submission of DPR, Cost and other details – in case of delay in submission of DPR, cost and other details by the party within specified time line, CTPM may permit extension up to one month on receipt of the request from the party. Further extension up to next two months period may be permitted by PCOM beyond this time period, the case will be deemed to be dormant and may be advised after giving 7 days' notice to the party.

(ii) **Closure of Proposals:** The cases, where proposals become non- responsive or the applicant is no longer interested in constructing the siding, PCOM in consultation with PCE shall close the proposal perceived as non-responsive with due forfeiture of codal charges already deposited with railways.

4.6 A committee comprising of CTPM (Convener) CGE & SAG Officer from Finance department will monitor the progress of commissioning of siding at HQ level and reports will be submitted to GM. Similarly at divisional levels branch officers from Operating (Convener, Engineering and Finance Department will review the progress of siding on monthly basis and report be submitted to DRM).

5. Departmental Charges:

a. The departmental charges in terms of provisions of Indian railway code for the engineering department – 2012 (ref para 1137 – E & 1829 – E for departmental charges), shall be payable by the party desirous to set up a siding. These charges shall have applicability as per following tables:

Table – 1. Departmental charges and stages of payments						
Sl. No.	Executing Agency for project	Departmental charges inclusive of cost of tools and plants and establishment supervision (w.r.t. + total completion cost of project)	Stages of Payment			
			Approval of Undertaking of survey. (w.r.t. abstract cost of project)	Conveying approval to survey/plants and Estimates (inclusive of amount deposited with Railways mentioned in col. IV (w.r.t. detailed estimated cost of project)	Before commencement of execution of work (w.r.t. detailed estimate cost of project)	Applying for final approval of completed works (balance cost by adjusting cost already deposited w.r.t. detailed estimated cost of project) (w.r.t. total completion cost of project)
1	2	3	4	5	6	7
1	Railways	12 ½ %	1 %	2 %	8 ½ %	% age worked out as under (Col.3) – (col.5)- (col.6)
2	Party	6 ¼ %	1 %	2 %	2 ¼ %	
3	Approved Consultant	4% (for all works except OHE & S & T works)	1%	2%	NIL	
		6 1/4% (for OHE & S & T works)	1%	2%	2 ¼ %	

Note: An illustration showing sample calculation of the above table is enclosed as Annexure – IV.

5.2 (i) Departmental charges shall be levied to cover the cost of tools and plant and of establishment supervision w.r.t. survey, DPR approval, plans and Estimates, Construction and final Inspection and certification and shall be utilized by the respective departments in terms of Railway Boards Ir. No, 2001/E&R/400/6 dated 07.03.2002. The charges leviable will be on the total cost of private siding project (wages & materials) including cost of land (para 1137 – E & 1829 –E). However, the cost of land, acquired by the applicant at its own expense, shall not be included, in the total cost of the project for the purpose of levy of departmental charges

(ii) Further cost of any work charged staff (both Gazetted & non-Gazetted) that may be required for actual execution of siding project work in case of only Sl. – 1. of Table – 1 above shall be in addition to these departmental charges.

(iii) Project cost of siding shall cover only that portion of track network related infrastructure on which railways rolling stock will ply. The track network utilized by the company/party for the internal use shall not form part of the siding project cost.

5.3 On project completion total cost of project (executed either by the railway or by the party) shall be calculated on the basis of payments made for the contracts of execution and procurement and the establishment provided for the project, the cost of creation of common user facilities if to be incurred by the party shall be shown separately.

5.4 The Chief General Engineer of the Zonal Railway in consultation with respective PHOD will decide the executing agency for the deposit work along with its supervision, depending on the nature of project and a formal request from the party. Accordingly, applicability of charges as prescribed in table – 1 above (for execution by railway or by the party through an approved consultant and supervision of railways or through consultant shall be advised to the party.

6. Capital Cost of Siding:

6.1 The siding owner shall bear the capital cost of the new sidings from the take- off point at the serving station.

6.2 The capital cost of all traffic facilities such as “Y” connection additional lines/loop lines of the serving station, crossing station, patch doubling, shunting neck, engine escape line, S & T work, modification to existing OHE or Electrification in future in station limit etc., has to be approved by COM, shall be fully borne by the Railways.

The distance for charging of traffic, for each ‘Y’ connection, shall be increased by 5 (five) kilometers, which shall be applicable to all traffic handled at that siding.

6.3 The capital cost for augmenting the facilities including electrification within the premises of siding shall be borne by the siding owner.

6.3.a All developments for the proposed traffic facilities works and construction there to at the station, as assessed by the concerned division shall be as per Railways approved designs/drawings and standards/specifications.

6.4 The applicant shall be required to deposit the stipulated departmental Charges in advance as per codal provisions detailed in table – I at para 5.1 above.

6.6 Licensing of Railway land for providing connectivity to the private siding exclusively shall be done as per extant policy (master circular no.2005/LML/18/8 dated 10.02.2005) with its amendments.

6.7 The Railway land needed for connectivity to the private sidings including engine escape line and shunting neck exclusively required for placement and withdrawal of rakes from Private siding shall be based on Local conditions and

terrain and taking into consideration railways future requirements. For providing connectivity DRM of the Division (Sr.DOM & Sr.DEN to coordinate) shall identify and decide upon the area to be licensed and send recommendations of the HQ of the Zonal Railways for approval as per extant policy. In addition, Railway land if available and not required for Railway operational/developmental works can be given on lease to other government departments/ PSU's for laying their own private siding as per extant instructions.

6.8 Physical work for providing connectivity to Private Siding shall be done towards the end of construction of siding and after executing the land licensing agreement.

6.9 Maintenance and operation of these assets at the station including staff costs shall be the responsibility of the Railways.

6.9.a Sidings shall normally take-off from the existing serving station. However, in case when it is operationally not feasible to provide a connection from an existing serving station, on Party's request for a connection for a location between two existing stations at his own cost, provision of Block Hut/Block Station with required points and crossings may be considered provided.

(i) All aspects including the operational feasibility of construction of a new Block Hut/Block Station and impact of splitting a block section on train operation have been examined to the satisfaction of the Zonal railway and are certified by the PCOM of the Railway.

(ii) Entire Capital cost of the new Block Hut/Block Station and related items is borne by the Party.

(iii) The siding owner also pays a lumpsum amount which would be equal to recurring cost towards maintenance of Staff employed for a period of 10 years on the basis of initial deployment of staff at the new Block Hut/Block Station. Such payment shall be made as per the following options:

(a) Full payment before the commissioning of siding OR

(b) Two (02) instalments in which first instalment shall be at least 50% of total cost, made before commissioning along with Bank Guarantee equivalent to the balance amount + 10% escalation charge on balance amount. Second instalment shall be at the balance amount with 10% escalation charge (on balance amount) payable within one year of commissioning of the siding failing which Bank guarantee will be encashed.

The maintenance and staff charges when taken in advance for 10 years period shall be worked out as per procedure mentioned in Railway Boards Circular No.2013/CE-I/SP/1 dated 25.02.2015 (enclosed as Annexure-4) with up-dation from time to time but no escalation @ 10% every year shall be applicable while working out the one time maintenance cost and also for the cost of staff deployed at new stations, level crossings etc.. as applicable to the private siding and project for 10 years period.

(iv) The maintenance and staff charges, so deposited by the party shall be utilized by the concerned Departments of Railway for creation of required man power and the contractual agencies, as the case may be.

7.0 Instructions for bearing the capital cost of Assets in Railway Area:

The siding owner can also opt for bearing the cost of traffic facilities that are to be normally borne by railways, as stated in Para 6.2. In case the siding owner desires to bear such capital cost of traffic facilities including Y- connection to expedite commissioning of his siding, the following shall be applicable.

7.1 These facilities if executed by the party shall only be done through railways approved contractor/consultants. Alternatively, party can request the Railway to execute part/full work on deposit term basis.

7.2 The common user traffic facilities at the station, so created by the siding owner shall be used not only by the party who financed these. But also by other users including railways and the assets, so created shall belong to the Indian railways and shall be maintained as any other Railway asset by the Railways.

7.3 The ownership of such assets will remain with Railways and no land licensing will be charged for this portion of the work at the station from the siding owner. Stretches of land, where no land licensing will be charged by railway shall also be marked on the approved ESP.

7.4 Meanwhile, Division shall analyze the projected outward traffic volumes estimated to emanate annually from the siding after commissioning. This analysis shall be based on the traffic volumes projected by the siding owner in their application. The traffic projections shall be sent to ED/Planning, Railway Board through CPTM of the Railway or use in the planning for traffic facility works on Indian Railways.

7.5 Regarding expenditure to be incurred (on railway land) on account of construction of the new siding, the private entrepreneur shall get Abstract Estimate of their siding sanctioned which shall include the break-up of their share and also Railway's share of the total expenditure. The Abstract Estimate of Railways share incurred shall be accordingly to the standardized cost of superstructure per km of track, as issued by Civil Engineering Department. Separate cost shall be laid down for steel girders and PSC girders in case of bridges.

7.6 The detailed estimate shall be prepared and vetted by the Division and approved/sanctioned by CGE of the Zonal Railways. Thereafter, the private entrepreneur shall undertake construction of the siding entirely as per this sanctioned estimated cost to be executed by Railways or by the Party under Railways supervision or by the Party through Railways approved consultants.

7.7 After completion of the siding, the actual expenditure incurred by the siding owner on behalf of Railways shall be verified by the Division. This verification shall be based on the certified audited accounts of the siding owner.

7.8 Charging of Freight from the siding owners, bearing cost of common user Facilities:

(i) A fixed freight discount of 10% on outward traffic only shall be given to the party, who opts for bearing cost of work in railway area for a maximum period of 10 years or till the investment made by the party is realized through freight discount, whichever is earlier. This discount shall be given in the upfront in the freight charges for outward traffic at the time of booking. To this effect, the CCM/FM of Zonal Railway shall issue notification to grant freight rebate to siding owner for transportation of its outward traffic from the private siding.

(ii) The above freight discount shall actually be the repayment of investment made on behalf of railways and is not really a freight rebate in the strictest sense of the term. As such, this freight discount shall be admissible in addition to all other rebates that the siding owner may become eligible for such as empty flow direction etc.

(iii) The distance, for charging of tariff for each 'Y' connection shall be increased by 5 kms, which shall be applicable to all traffic handled at that siding.

(iv) Division shall advise CCM/FM of the zone the total amount of investment made by the party in railway area in terms of provisions of para 6.2 and 7.0 above. On receipt of advice from the division CCM/FM of the zone shall also advise CRIS regarding the above amount for private party, so that proper checks/flags are set in FOIS for issuing the Railway Receipts. The goods clerk shall maintain records, containing details of all outward traffic moved along with discount given and the balance amount of repayment due to the siding owner through FOIS. TIA and Sectional CMI shall conduct past checks regarding this account – keeping on a Quarterly basis.

(v) When the cost of common user facilities as mentioned in para 6.2 is borne by the party, cost of supervision, inspection or establishment charges taken in the project cost shall not be included for the purpose of calculating repayment of investment to the party.

8.0 Cost of Gauge – Conversion

The Gauge conversion from MG/NG to BG, being Railways operational requirement, its cost shall be shared with the party in terms of para E-1822 to E-1826 of Indian Railway Code for Engineering Department 2012. Provided the investment and gauge conversion made by the railways is financially viable with a minimum ROR of 14% based up on traffic offered by the siding in the last 24 months. Where the investment on Gauge conversion is not financially justified, the siding owner shall bear the full cost of conversion or the siding shall be closed.

9.0 Maintenance of Assets on New and Existing sidings:

9.1 Responsibilities of Siding Owner:

- (i) The siding owner shall have the option to maintain the track etc., of his siding either himself or through the Railways. The owner shall enter into an agreement with the concerned divisions regarding the operation and maintenance of the siding.
- (ii) Siding owner shall, at all times maintain the siding properly so that Train operations are not hindered.
- (iii) Siding owner shall be liable to pay damage cost as advised by the divisions if the rolling stock of the Railway is delayed/damaged inside the siding due to bad maintenance conditions.

9.2 Electrification Cost.

New Siding	Existing Siding
In case of New Siding in the electrified territory or the territory sanctioned for electrification the entire cost of electrification of the siding shall be borne by the siding owner	While undertaking the electrification of the mainline or existing sidings on this section shall be electrified at Railway cost provided it is operationally justified by COM of that Zonal Railway. While preparing the Abstract Estimate for any new electrification project, GTKM's and cost of electrification shall be taken for mainline as well as siding combined together for calculating the ROR after overall RE Project. (Including both mainline and sidings).

9.3 Maintenance of OHE:

9.3.1. OHE maintenance cost for existing as well as new sidings shall be borne by the Railways.

9.3.2 In cases of theft of OHE in the Siding premises, restoration will be done by the Railways but the cost of such restoration shall be borne by the siding owner.

9.4 Maintenance of Civil Engineering Assets:

New Sidings	Existing Sidings
Maintenance shall be got done by the party at its own cost. However railways would charge inspection charges as per details in Annexure – IV Y	<p>1. The existing practice of Siding owners getting the maintenance done themselves at their own cost shall continue. However Railways shall charge the Inspection charges as per details in Annexure – IV Y</p> <p>2. Wherever track maintenance is being done by Railway at the cost of Siding owner, the party shall continue to bear this cost of maintenance and its inspection as per annexure – IV X</p>

9.5 C & W Examination:

9.5.1 Maintenance facilities in sidings:

New Siding	Existing Siding
<p>Normally no C & W facility shall be developed inside the land / yard however in exceptional cases if on operational ground it becomes necessary to develop the maintenance facility including prescribed equipment's inside the siding. Capital cost on one time basis shall be borne by the party; regular upkeep of facilities provided by the party shall remain party's responsibility. Running repairs of rolling stock including material and staff cost for all railway owned stocks in all cases shall, however be borne by the Railways.</p> <p>In case of POL and other hazardous material some facilities exclusive to those commodities such as permanent catwalks, steam cleaning and flame proof lighting shall be developed at party's cost in the Railway yard if required</p>	<p>1. As per existing instructions regular facilities for C&W examination shall be planned only if the level of loading / unloading is 5 or more rakes per day. In cases there C&W facilities are essentially required to be provided as part of Private Siding taking into consideration the volume of traffic and pattern of operation, apportionment of the cost shall be done as per Boards Letter No, 84/WI/ST/24 dated 8.1.1985. (and as amended from time to time)</p> <p>Accordingly the capital expenditure on construction of sick lines / train examination lines (excluding recoverable P.Way materials) and cost of staff quarters shall be borne by the siding owner. While railways shall bear cost of Tools and Plants and consumable stores recoverable. P.Way material and recurring expenditure on staff involving normal examination and repairs to rolling stocks. However in exceptional cases enlisted in Railway Boards Letter No.77/M(N)/951/36 dated 13.04.1981. The siding owner shall bear the expense for examination, certification repairs etc including staff cost.</p>

9.5.2 Handling of wagons in sidings:

- (i) The siding owner shall ensure that no railway wagon gets damaged during loading/unloading in the siding. For damage and deficiencies, caused to the fault of siding owner, damage and deficiency charges shall be raised as per extant rules.
- (ii) There would be frequent checks by the representative of the railways as per railway board letter no.2010/TT-IV/9/1 dated 18.09.2015 (as amended from time to time) to ensure that wagons are not damaged in the siding.
- (iii) All tippers and bulk handling systems shall have to be replaced by the siding owner after their useful life is completed.
- (iv) The applicant shall ensure that tippers and bulk handling systems and mechanized equipment's are operated only by qualified and experienced staff under adequate supervision.

(v) If the rolling stocks inside the siding continue to get damaged the siding shall be closed till the equipment or procedure that is causing damage is repaired/ put right.

9.6 Maintenance of S&T Assets:

9.6.1 Maintenance of Signal & Telecommunication equipment's, provided at the take off point of the siding and linked to the main line railway track, shall be maintained by railway at its own expense.

9.6.2 Maintenance of signal & telecommunication equipment's inside the siding which includes black instrument & communication equipment inter locking of points & signals etc .shall be done by the party at its cost, maintenances shall be got done through the sources (contractors) approved by the railways.

9.6.3 Periodicity of inspection of equipment's inside the siding shall be once in a quarter. Railways shall inspect the installation at the level of SSE to ensure the safety and reliability aspects of the S & T Equipment's. The cost of such inspection & supervision shall be charged to the siding owner.

9.6.4 Technology to be adopted:

- (i) Obsolete technology like lever frames, modified non-interlocking etc. shall not be used under any circumstances for the S&T works in the siding.
- (ii) Uniformity in signal installations shall be maintained in contiguity with signaling system in the section in which the serving station is situated.
- (iii) Depending on the condition, age of signaling installation and quantum of modification involved. Railway will also decide for modification to the existing signaling installation at the serving station.

9.7 **Commercial staff:** the party shall bear the cost of one Commercial Staff per shift or as decided by the Railway, depending upon work-load. As soon as the Siding is notified by the Railway Administration., the party shall be advised by the Division to deposit cost of posts of commercial staff, estimated for 10 years period to facilitate commercial function of the private siding.

10.0 Provisions of Other Facilities:

10.1 'In motion Electronic Weigh Bridge' Siding owner shall be required to provide at its own cost an 'In motion Electronic Weighbridge' at Private Siding having outward traffic, on private / Railway land as per the extant rule mentioned in Rates Master Circular / provision of weigh bridge / 2014/O issued vide Railway Board's Lr. No. PC-I/2014/108/2 dated 12.06.2014 and even no. dated 03.03.2016 with corrigendum, as issued from time to time.

10.2 Terminal Management System (TMS) Terminals of Freight Operating Information System (FOIS) with access as prescribed by Indian Railways shall be installed at the siding and costs related to such installation shall be borne by siding Owners.

10.3 Siding owner shall provide all facilities (such as room furniture, electricity hardware, network connectivity, telephone etc.) for provision of FOIS terminals in the siding for issuing of RR or taking delivery of consignment.

11 Agreement:

11.1 An integrated Agreement comprising of land Licence agreement and private siding agreement shall be signed in the revised format, enclosed as Annexure-III, before commissioning of the siding.

11.2 Land Licensing Agreement: shall be signed before start of physical work for providing connectivity to Private Sidings. Sr.DEN of the concerned division shall be signatory of land Licensing Agreement.

11.3 Agreement for private siding shall be signed before issue of commercial notification and operation on the siding by the railway, Sr. DCM of the concerned division shall be signatory of the private siding agreement.

11.4 After notification at siding and signing of “integrated private siding agreement” one copy of the same shall also be kept with Sr. DFM of the division for raising bills for all the dues specified in the integrated private siding agreement.

11.5 Commercial department of the zonal railway shall issue such a notification after obtaining alpha & numeric code of the siding, as per extant procedure.

11.6 After notification, commercial department of the zonal railway shall inform CRIS. So that relevant particulars of the siding are fed in FOIS for immediate placement of indents and issue of RRs through terminal management system (TMS).

These issues with the consent of Civil, Engineering, Traffic, Mechanical, Electrical and Signal Directorates and concurrence of Finance Directorate of Ministry of Railways.

FREIGHT INCENTIVE SCHEMES

1. Liberalised Automatic Freight Rebate scheme for Traffic loaded in Traditional Empty Flow Direction (TEFD) **(Rly. Board Rate Circular NO.16 of 2018)**

1.1. Objective:

To reduce the empty running ratio on IR and to garner additional revenue for the Railways by a suitable pricing mechanism based on the discount in the TEFD, whereby automatic rebate from the computerized FOIS system shall become available to customers offering traffic in inter-zonal / intra-zonal traditional empty flow direction subject to fulfillment of certain criteria elaborated in this policy.

1.2. Notified streams under TEFD shall be based on flow of empties between divisions in case of intra-zonal traffic and from divisions to other zones in case of inter-zonal traffic. Traffic under TEFD can be booked from end to end (division to any point lying in the destination Division /Zone of notified empty flow stream) or from any terminal of the originating division of empty flow stream to any intermediate terminal in the direction of empty flow stream (subject to certain conditions).

1.3. Permitted terminals: All goods sheds, Sidings, Ports, PFTs etc.

1.4. Restricted commodities: Following commodities shall not be eligible under this scheme:

- I. Iron ore (all types)
- II. Coal and Coke
- III. Chemical manures
- IV. Food grains and pulses (mentioned with bracket FGFP will get benefit after crossing benchmark NTKM – C No. 6)
- V. POL traffic
- VI. RMC traffic
- VII. Military traffic
- VIII. Commodities under class LR2 and LR3

1.5. Lead restriction: Short lead traffic of less than or equal to 100 Km shall not be eligible under this scheme.(CNo.05 of RCNo.16 of 2018,dt.27.09.19)

1.6. Permitted wagons:

1. Open – BOXN group
2. Covered – BCN and BCNHL group
3. Flat wagons and mixed steel rakes –BRN group, BOST group and CONCORD.

1.7. Traditional Empty Flow Directions:

- I. The details of Traditional Empty Flow Directions (inter-zonal and intra-zonal both) for different stocks.

- II. Enroute divisions of O-D pair
- III. Freight for all commodities under TEFD shall be charged at class- LR1 (train load) and class – 100 (wagonload) if traffic is booked on the notified O-D pair in case of inter-zonal and intra-zonal identified empty flow stream.

Note 1: Discounted freight will be charged from the first rake itself for the traffic loaded in empty flow directions except in case of commodities mentioned in the brackets against the O-D pair in the Annexure.

Note 2: In case of those commodities which are in brackets, discounted freight at Class-LR1 (trainload) and Class-100 (wagon load) will be charged only when the monthly benchmark loading of those commodities is crossed. The benchmark loading of the commodity mentioned in brackets shall be total NTKM of that commodity in the O-D pair during the corresponding month of previous year.

Example: If between BSL-NAG, 8000 NTKM were loaded in March 2018, then benchmark NTKM for March 2019 will be 8000 NTKM. It implies that RR in which 8000 NTKM is crossed, will be booked at general tariff rate and concessions under TEFD will be granted only from the next RR.

- IV. The booking of traffic from originating point to an intermediate point (only one) of the identified empty flow stream is permitted. The intermediate point should fall in the normal route of the identified empty flow.

Freight shall be charged at Class-100 (trainload) and Class-110 (wagonload) if traffic is booked from originating point to any intermediate terminal in the direction of identified empty flow stream.

Illustration: In MGS to KOTA is empty flow O-D pair via ALD, AGRA, traffic from MGS to ALD shall be allowed concession under TEFD and charged at Class-100 (train load) and Class-110 (wagonload).

- V. For intermediate loading points in any inter-zonal TEFD O-D flow, division just before the destination division shall not be eligible for the concession. This will also be applicable in case where all the divisions of destination zones have been allowed to get benefit under TEFD.

Illustration: In MGS to KOTA is empty flow O-D pair via ALD, AGRA, traffic from MGS to ALD shall be allowed concession under TEFD but traffic from MGS to AGRA will not get concession under TEFD.

- VI. In case of inter-zonal TEFD, all the divisions of the destination zone will be eligible for discounted freight under the scheme. Each division of the destination zone will be treated as a separate O-D pair. However, for all divisions on a zone other than the destination division on a TEFD O-D pair, the charging will be done at class-100 (trainload) and class-110 (wagonload).

Illustration: In MGS to KOTA empty flow O-D pair, traffic from MGS to all divisions of WCR will be allowed concession under TEFD. All commodities will be charged at Class-100 (trainload) and Class-110(wagonload) if booked to destinations other than KOTA division on WCR.

1.7.1. Discounted freight with reference to Para 1.7 (iv), (v), (vi) above shall be granted on incremental traffic only after crossing the monthly loading benchmark (NTKM) (CNo.2, dt.30.03.2017)

1.8. Intra-divisional booking of traffic is not permitted under the scheme.

1.9.1. In case of intra-zonal and inter-zonal traffic, TEFD concession for IRST (Iron and Steel) will not be allowed in Open stock if that O-D flow is restricted for booking of Flat wagons and mixed steel rakes in empty flow direction.

1.9.2. In case of inter-zonal traffic and intra-zonal traffic, IRST booking in Open stock will start getting benefit of TEFD concession as soon as the Flat and Mixed Steel rakes start getting the TEFD benefit after crossing the benchmark (NTKM) set for IRST traffic.

1.9.3. Restriction applicable in case of BOXN group of wagons may also apply on pure BOST rakes.

1.10. CRIS shall develop software for grant of automatic freight rebate under the scheme.

1.11. Salient features:

- I. Customer does not have to apply under this scheme since FOIS system shall automatically calculate the chargeable freight.
- II. The minimum offer of traffic shall be half rake of the permitted stock. Half rake for different stocks shall be as under

Wagons	Minimum no. of wagons in a half rake
BCN /BCNA/BCNAHS	20
BCNHL	29
BOXN group	29
BOST	22
BRN	21
Mixed rakes:	
BOXN +BRN group / BOST / BFNS	20 (minimum 5 of each type and maximum 10 of BOXN wagons)

- III. Train load charging is subject to fulfillment of extant conditions for train load rate benefit.
- IV. No other concession shall be admissible to the traffic booked under this scheme.

- V. Traffic booked under this scheme shall not be rebooked, diverted or given delivery short of destination.
1. However, diversion and delivery short of destination can be permitted on account of Force majeure conditions, viz (a) Act of God, (b) Act of War and, (c) Act of public enemies. Each such case of diversion and delivery short of destination shall be with the approval of the concerned PCOM and PCCM of the Zonal Railway who shall record their reasons in writing.
 2. In case such traffic is required to be rebooked or diverted or delivered short of Destination, then, the normal freight shall be charged for the entire distance at the applicable class of commodity.
 3. CRIS will develop a program for manning diversion and short of destination delivery in the FOIS for proper accountal.
- VI. Rakes loaded under normal tariff shall not be rebooked under this scheme. However, rebooking at normal tariff shall continue to be permitted as per extant rules.
- VII. PCOM, PCCM and PFA & CAO of the concerned zonal railway shall conduct a monthly review and audit of the scheme to assess the efficacy of the scheme. The results of the review shall be submitted to Railway board for information.
- 1.12. **Applicability:** The scheme shall be in force from 01/10/2018 to 31/03/2020. (CNo.05 of RCNo.16 dt.27.09.19)

2. INCENTIVE SCHEME FOR FREIGHT FORWARDERS

1.1 Objective:

The Scheme aims to facilitate cargo aggregation and thereby expand the commodity basket on Railways.

1.2 Restricted Commodities:

1.2.1 The following commodities are restricted under the scheme:

- i. Coal and its variants including washed coal and imported coal
- ii. Coke and all its varieties including metallurgical, Petroleum and Imported coke,
- iii. Iron ore,
- iv. POL
- v. Traffic moving in privately owned wagons (including OYWS and WIS/LWIS wagons) such as Cement in bulk in loose, Food grain in bulk in loose, Caustic soda, LPG, Ammonia, Phosphoric Acid etc. availing freight concession under any other scheme.
- vi. Traffic loaded in Ports,
- vii. Container Traffic,
- viii. Military traffic,
- ix. RMC,
- x. Marine Gypsum

1.2.2 Further, in addition to the above list, in case of wagons loaded with more than 2 (two) commodities, following commodities shall not be permitted:

- I. All types of Ores and minerals
- II. Cement
- III. Food grain
- IV. Chemical Manures
- V. Iron and Steel

1.3 Floor Rates: Minimum chargeable freight after all concessions should not be less than NTR* of class LR – 1.

***Normal Tariff Rate (NTR)** refers to the total charges for transport for a commodity inclusive of the base freight rate as published in Goods Tariff plus Demand Management Charges like Busy Season charge, Congestion charge and Supplementary charge as applicable on various transportation products.

1.4 Incentive: Cargo loaded in any wagon under this Scheme will be charged at the rates indicated below:

		No. of wagons	Restriction	Freight Rate
(a)	Individual wagons loaded with a single commodity	Any number of wagons	As per Para 1.2.1	Trainload rate for each wagon for the commodity loaded
(b)	Individual wagons loaded with two commodities	Any number of wagons	As per Para 1.2.1	Trainload rate for each wagon for the higher class of two commodities loaded
(c)	Individual wagons loaded with more than two commodities	Not more than 10 wagons	As per Para 1.2.1 & 1.2.2	Composite Class rate of 120

1.5 Permitted Terminals: (i) Goods Sheds, (2) PFTs (valid upto 31.03.2020)

1.6 Lead Restriction: Minimum 700kms.

1.7 Permitted Wagons: Covered, BOXN and Flat wagons

1.8 Concurrent Freight Concessions: 6% concession applicable to traffic loaded to and from North East states will be permitted concurrently with this scheme. Concurrent concessions will be given one after the other on the discounted NTR.

1.9 Processing Procedure: A customer need not apply for grant of incentive under this Scheme. Railways will give applicable incentive on compliance of provisions of this scheme.

1.10 Conditions:

1. Applicable only for freight forwarders who load in the same rake any of the following as mentioned in paragraph "Incentive".
 - I. (c) along with (a)
 - II. (c) along with (b)
 - III. (c) along with (a) & (b)
2. Loading at the forwarding terminal and unloading at the destination terminal will be the responsibility of the Cargo Aggregators.
3. A wagon may be loaded with a single or multiple commodities.
4. Any number of wagons can be loaded with a single or two commodities.
5. Not more than 10 wagons can be loaded with more than two commodities.
6. Freight would be charged for each wagon in the rake for the notified Permissible Carrying capacity of the wagon at the Class rate indicated in the above table.
7. These services will be run only on prepaid basis at Owners' Risk. 'Said to Contain' Railway Receipts will be issued for 'Self'.

8. All extant Commercial rules and regulations including those for free times and demurrage will apply.

9. In cases of incorrect declaration of description of commodity or any other Mis-declaration for availing benefit under this scheme, only those multi commodities wagons of the rake will be charged at Class-200, which are found mis-declared. In case of wagons loaded with either single or two commodities, the normal rule of mis-declaration shall apply.

10. The customer will have to pay all other applicable charges like busy Season Charge, development charges etc., Over and above the freight rates indicated above.

11. Supply of wagons for loading under the Scheme will be subject to operational feasibility.

12. Indent will be placed by the freight forwarder indicating the station from, station to, approximate indication of wagon wise break up of commodities along with names of consignors/consignees. However, at the time of loading, a modified forwarding note will be submitted by the freight forwarder indicating the final status of station from, station to, wagon wise break up of commodities along with names of consignors/consignees. This will be subject to the condition that in the modified forwarding note to be submitted at the time of loading, not more than 20% of the wagons for each commodity can be changed.

13. In notified empty flow direction, indent can be placed for less than standard rake size. Indent should be placed for a minimum 20 wagons in case of covered and flat wagons and a minimum of 30 wagons in case of BOXN wagons.

14. For indent of less than rake size, supply of wagons will be made only for full rake. After loading, the entire rake will move carrying both the loaded and empty wagons. Block rake will not be split up for loading this category of traffic.

3. LOADING BAGGED CONSIGNMENT IN OPEN AND FLAT WAGONS

1.0 Board has decided to introduce a Freight Incentive Scheme for loading of bagged Consignment in Open and Flat Wagons as detailed below:

- I. **Objective:** To garner additional volume of traffic and revenue by granting incentives to customers for loading of bagged consignment in open and flat wagons.
- II. **Incentive:** Following freight discounts will be granted on NTR for loading bagged consignment in Open and Flat wagons:

Commodities	% discount on NTR
Cement, China clay, All types of Chemical manures (except Rock Phosphate), Food grain, De-oiled Cake, Soap stone powder, Hydrated lime, Quick lime, Lead/Zinc concentrate, Bentonite powder, Soda Ash, Chalk powder, Calcite powder, Calcinated bauxite, marble chips and Caustic soda	20%
Fly ash, Urea, Neem coated Urea	30%
<p>In cases, when more than one bagged consignments are clubbed/loaded in open wagon or flat wagons, the applicable freight discount to that consignment may also be granted on pro-rata basis subject to fulfillment of all other terms and conditions.</p> <p><i>For example, if cement is clubbed and booked along with fly ash (both as bagged consignment) in open and/or flat wagons, the discount would be 20% for cement and 30% for fly ash.</i></p>	

- III. **Floor Rate:** Minimum chargeable freight after all concessions should not be less than NTR of Class – LR1.
- IV. **Permitted Terminals:** All terminals including Ports.
- V. **Restricted commodities:** All commodities other than those mentioned in Para 1.0 (ii).
- VI. **Lead restriction:** Not less than or equal to 100 km.
- VII. **Permitted wagons:** Open wagons (BOXN group wagons, BOST, BOX and equivalent wagons but does not included Hopper wagons); and Flat wagons (BRN group wagons, BFR, BRH, BFNS and equivalent wagons).
- VIII. **Concurrent Freight concession:** 6% concession to and from North Eastern States would be applicable on the discounted NTR under this Scheme. For example, if NTR is Rs. 100, then the discounted NTR under the Scheme (after 20% discount) shall be Rs. 80 and 6% concession for NE Region States shall be granted on Rs. 80 and the applicable freight shall be Rs. 75.20 only.

IX. **Processing Procedure:** A customer need not apply for grant of incentive under this scheme. Railways shall give applicable discounts on compliance of the provision of the scheme.

X. **Conditions:**

Commodities should be loaded in standard bags of size up to a maximum of 2.5 tones only. However, all standard bags of more than 100 kg. shall be loaded in open wagons only.(Corrigendum 03 of RC No.27 of 2016,dt.03.10.2019)

- I. Tarpaulins, if any, for covering the wagons should be provided by the consignor at their own cost.
- II. Consignor will be required to furnish an undertaking on the Forwarding note giving their consent to loading in open wagons and to the effect that they would bear full risk for damage/pilferage of the consignment.
- III. Supply of wagons for loading under the scheme will be subject to operational feasibility.

2.0 These instructions shall come into force with effect from 24.10.2016 and will remain in force up to 31.03.2022.(CNo.4, dt.11.10.2019)

3.0 Zonal Railways shall ensure that wide publicity is given to this scheme. Steps should be taken to ensure that the Railway officials fully understand this scheme and implement them correctly.

4.0 This issues in consultation with Traffic Transportation Directorate and with the concurrence of the Finance Directorate of the Ministry of Railways.

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FREIGHT ADVANCE SCHEME **(Rates circular No. 1/2020)**

1. Introduction/ Brief description of scheme:

The Scheme provides a facility to major freight customers to avail tariff certainty against payment of advance freight to Indian Railways. Customers, who agree to pay a freight advance in the last quarter of a financial year to cover their estimated freight up to the end of next financial year, will have the benefit of fixed base freight rate and class of the commodity up to the end of the next financial year. subject to terms and conditions of the scheme, as below:

2. Eligibility:

2.1 The customer should have given minimum annual freight revenue of ₹500 crores in previous calendar year.

2.2 The customer should be E-payment customer under the extant policy for all freight payments.

2.3 Railway Receipts issued in favour of customer or applicant as one paying the freight shall be considered for determining eligibility for offering tariff certainty and for payment from advance amount.

3. Validity:

Customers can approach the Railways from 1st January to 31st March of a calendar year to offer freight advance up to 31st March of the following financial year. The agreements under Freight Advance scheme will normally be valid and effective from 1st April to 31st March of financial year only. However, on customer's request, agreements may commence anywhere between January to March of a calendar year and be valid till 31st March of subsequent calendar year; i.e., agreements may be valid for a period of maximum fifteen months. After expiry or termination of agreement as per para 4.6 of this policy, customers may apply for fresh agreement, and the base fare and class of commodities as prevalent on date of commencement of new agreement shall be applicable.

4. Terms and Conditions:

4.1 Amount and instalments of Freight Advance:

4.1.1 The customer shall agree to pay Railways a minimum of ₹5000000000/- (Rupees five hundred crore only) as Freight Advance (inclusive of GST and other taxes applicable).

4.1.2 The freight advance committed can be either in one or maximum two instalments; each of minimum forty percent of total advance committed. Eligible customers may opt to offer advance freight amount less than their total estimated freight for the full agreement period (subjected to minimum of ₹500 Cr), however fixed base rate and class of commodities will be applicable

only till exhaustion of freight advance given or termination of agreement as per para 4.6 of this policy whichever is earlier.

4.1.3 The agreement shall remain valid till exhaustion of freight advance amount or till 31st March of the same financial year or till termination of agreement, whichever is earlier. That is, the base freight rate and class of the commodity for the customer shall remain fixed, as prevalent at the time of commencement of agreement, up to 31st March of same financial year or till exhaustion of freight advance amount or till termination of agreement, whichever is earlier. However in case of customers whose agreements commence during last quarter of a financial year i.e., before 1st April, “31st March” would mean 31st March of subsequent financial year.

4.1.4 The customer shall pay the first installment of Freight advance to Nodal Railway before the date of commencement of the agreement. The agreement shall be effected or operationalised in Terminal Management System (TMS) of the Freight Operations Information System (FOIS) upon specific advice from Principal Finance Advisor (PFA) of the Nodal Railway regarding confirmation of receipt of Freight Advance.

4.1.5 The second installment of the advance shall have to be paid before the exhaustion of the first installment of the advance or by 30th September of the same financial year, whichever is earlier. In case sufficient leftover balance is available from first installment, the General Manager may extend submission of second installment till 15th November of the same year, subject to availability of advance amount till then. For avoidance of doubt it is clarified that in event of exhaustion of Freight Advance before payment of second installment, the agreement shall cease to exist and the agreement including fixed base freight and class of commodities will not be applicable.

Note 1: Zonal Railways shall advise an assessment of Freight amount required to last for the entire duration of the agreement to such customers offering freight advance before 1st April say on 10th of January or 10th of February or 10th of March. This shall only be advisory and shall have no bearing on para 4.1.1.

Note 2: Customers opting for freight advance in the month of January, February or March can have agreement for more than 12 months and benefit as per terms and conditions of the scheme for a period of 15 months, 14 months or 13 months respectively or till the exhaustion of Freight advance or till termination of agreement whichever is earlier.

4.2 Priority in allocation, Base Freight rate and commodity class applicability:

Under this scheme, only the base freight rate and class of the commodity for the customer (one paying the freight) shall remain fixed at the level prevalent on the date of commencement of agreement till such time that advance mode of payment is in operation or till date of validity of agreement whichever is earlier. Thereafter, freight rates and class of

commodities as applicable on the date on which the validity of the agreement ends shall be charged. Other charges like Busy Season charge, Development Surcharge, any discounts or concessions shall continue to apply as per concerned specific policies/circulars.

Note 3: In no case, shall the benefit of the scheme extend to the financial year following the year for which the agreement has been made, even if some balance of the advance remains with the Railways at the end of the relevant financial year i.e. if the agreement is for the year 2019-20 then the scheme including fixed freight base rate and class of commodities will not be valid beyond 31st March, 2020. For the next year, a fresh agreement may be entered into.

4.2.2 In case the customer/applicant is under an existing Long Term Tariff Contract, the applicability of revised freight rates and class shall be as per terms and conditions of Long Term Tariff contract policy.

4.2.3 Railways shall accord priority in allocation of rakes within the same class to freight customers who have signed the agreement under Freight Advance Scheme as per the instructions issued under Preferential Traffic Order (PTO) by Traffic Transportation Directorate of Railway Board from time to time.

Note – 4: Please see Preferential Traffic order, G.O. No. 93 – Amendment no. 1-reg. dated 06.12.2019 issued by Traffic Transportation directorate.

4.3 Procedure for application and approval

4.3.1 The customer shall apply to Principal Chief Commercial Manager (PCCM) of the Zonal Railway of its choice. Container Train Operators (CTOs) shall apply to Principal Chief Commercial Manager/Northern Railway, since Northern Railway is the nodal Railway for CTOs. The application must include all details and relevant documents.

4.3.2 The customer shall provide a list of customer codes. The commodities proposed to be carried under the agreement, GSTINs and originating-destination (O-D) points, estimated number of indents to be placed under this scheme (in consultation with zonal railways), as applicable. It may be noted that all customers/customer codes must be under a single legal entity. Customer may add O-D points and commodities during tenure of agreement with a prior notice of thirty days to Principal Chief Commercial Manager provided the traffic being added is its own traffic, for which the customer will give necessary undertaking to the Zonal Railway. Notwithstanding any provision in this policy, for commodities added later than date of signing of the agreement, the base freight rate and class in force on date of acceptance of such application for addition of new commodities, shall apply. The customer shall also provide a matrix of State-wise and Zone-wise O-D points for the purpose of GST accountal. For Container Train Operators, the requirement of providing list of commodities and list of O-D pairs (station to station or point to point) is not mandatory”.

Based upon the GSTINs of O – D points, advanced receipt vouchers (ARVs) shall be issued by the concerned Railways and the data thereof shall be entered in the GST manual utility, to enable the GST compliance. Zonal Railways shall review the number of indents towards approaching the exhaustion of the same, and may update the same by a quantity commensurate with the amount of freight balance left. While doing so, Zonal Railways will exclude the two days average freight in compliance with para 4.5.4 of this policy.

4.3.3 The applications shall be processed for General Manager's approval by PCCM and Principal Chief Operations Manager (PCOM) with due concurrence of Principal Financial Advisor (PFA). The applications should be finalised within a month.

4.3.4 After approval from General Manager, the Railway shall enter in to the agreement with the customer. The agreement shall be signed by PCCM and PFA of the relevant Zonal Railway. A model agreement is annexed for the guidance of Zonal Railways. The same may be modified as per specific and typical requirements of Zonal Railway.

4.3.5 The agreement including the fixed freight base rate and class of commodities shall commence from the date and time that freight advance amount is received by the Zonal Railway. On receipt of advance CCM/FM and FA & CAO/Traffic or HoD looking after Traffic accounts will ensure immediate switch to mode of payment through TMS advance account. Railway must invariably ensure that date of signing of agreement is within 72 hours of receipt of advance amount. The commencement of agreement shall coincide with date and time of receipt of freight advance by Railway.

4.3.6 Tripartite Agreement (TPA) for e-freight payment should continue to operate for next 72 hours from commencement of freight advance agreement only for clearance of pending Railway Receipts. In case, there are outstanding RRs after the said 72 hours, the same may be cleared by manual mode of payment.

4.4 Limitations on use of Freight Advance amount:

4.4.1 The advance amount shall be used only for payment of charges accrued against Railway Receipts.

4.4.2 Customer shall leave no interest claim, under any circumstance, on Freight Advance amount paid under this scheme to Railway.

4.5 Modalities of Freight Advance-

4.5.1 Till adequate amount is available from freight advance for adjustment, no amount will be debited under existing Tripartite Agreement (GPA) for e-freight payment and the TPAs for e-payment will be kept in abeyance till the freight advance mode of payment is in operation.

4.5.2 Indents shall be registered (including online indents) under this scheme and thus avail priority in allocation as per terms and conditions, subject to number of indents as decided/updated by zonal railways as the ceiling limit. The indents registered earlier than commencement of agreement shall not be treated as part of this policy

4.5.3 To ensure a smooth transition back to e-freight arrangement under the TPA, the customer shall reactivate the TPA for e-freight payment with all the relevant terms and conditions applicable on receipt of notice from Indian Railways. Railways will issue this notice once the balance of the total freight advance under the agreement is likely to fall below one month's equivalent freight on customer's account.

4.5.4 The freight amount in the RRs shall continue to be debited to freight advance account of the customer under this scheme till the time the balance in the account is more than the sum of two days of peak freight realised up to then in the period of the agreement.

4.5.5 CRIS shall send the position of balance advance freight and railway wise utilization thereof every month by 2nd of the following month, to the nodal Railway and Western Railway (As nodal railway for apportionment of earnings). When the balance advance freight reaches an amount equal to one month's average freight charges, the nodal railways shall issue a notice to the customer and to other concerned zonal railways to re-activate the e-payment agreement. FOIS shall track and flag when the remaining balance of freight advance falls below the peak two days freight equivalent realized upto then in the period of the agreement. The generation of RR from Freight Advance shall stop at this point and system shall revert to realization of freight payment through e-payment system.

4.5.6 In case of termination of agreement in event of non-payment or second installment by the customer. The payment of freight shall continue from the balance freight advance amount. The freight base rate and class of commodities as prevailing on date shall apply, Tri-partite e-payment agreements shall subsequently be reactivated as per para 4.5.5 above.

4.6 Termination of agreement:

4.6.1 The agreement shall be deemed to be terminated either on exhaustion of Freight advance amount or in event of failure of customer to pay the second installment or end of the financial year i.e. 31st March (as applicable), whichever is earlier.

4.6.2 In case of termination or agreement, the fixed freight base rate and class of commodity shall not be continued.

4.6.3 After termination or expiry of the agreement, the Nodal Railway and customer may enter into fresh Freight Advance Agreement.

4.7 Treatment of unutilized advance:

4.7.1 The unutilized advance from first installment may be added to second installment, if any. Rail way shall refund to the customer unutilized advance, if any, as on 31 March or adjust against the advance for the next financial year under fresh agreement.

4.8 The customers shall be able to view their position regarding debit of freight amount and balance advance through a report in FOIS. CR IS shall implement the same.

4.9 Miscellaneous:

4.9.1 The Commercial and Finance departments of the concerned Railway shall issue a Joint Procedure Order for smooth operation of the scheme and implementation of the the agreement. For this purpose, a model JPO shall be issued from Railway Board Board for guidance, the same can be modified by the concerned Railway as per local requirements.

4.10. The Zonal Railway may seek any clarifications regarding the operation of the system in TMS directly through the liaison offices of FOIS in the respective Zones.

4.11 All other relevant rules shall remain applicable

MERRY - GO - ROUND SYSTEM IN RAILWAYS:

In terms of Rates circular No.7 & 17 of 2016 instructions were issued for the operation of Merry-Go-Round (MGR) system by Railways for the period from 1.4.2016 to 31.3.2018. Further, it has been extended upto 30.04.2019. It has also been decided that the operation of Merry-Go-Round system shall continue to be operated beyond 30.04.2019 upto 30.04.2020 with 5% increase in the current freight rates and further upto 30.04.2021 with further 5% increase in the then current freight rates (RC-18 of 2018)

In order to provide an economical and reliable alternative to short lead traffic, a revised scheme of operation under Merry Go Round system has been formulated by Board as detailed below.

Operation of MGR.

The guidelines specifying terms and conditions for operation of MGR system as given below.

All Proposals for MGR system should be approved by GM of the Zonal Railway in on the recommendations of the committee consisting of CCM, COM and FA & AO of the Zonal Railway.

MGR terminals at both ends to be privately owned. The customer owning the terminals will provide necessary infrastructure for efficient loading and unloading operations.

MGR terminals should have FOIS connectivity and operated under TMS and enable for E-payment of freight and other charges to the Railways. Systems should be provided by the Party at their own cost.

The Permanent Way (rail track) to be provided by the Customer. Track should be fit with axle load restriction of 22.9 tonnes and speed not lower than 40 kmph.

Signaling equipment should be provided by Railways at customers cost.

The customer shall maintain the terminals, rail track and other assets owned by them in accordance with the standards specified by the Railways. However, the responsibility for maintaining the terminals, rail track and other assets owned by the customers may be entrusted through railways on payment of usual charges as per separate agreement for this purpose.

Railways will provide rolling stock, Viz. Locos, Wagons, Brake Van as per the requirement for running of the rakes under MGR system.

Railways will deploy one rake of BOBRN or BOXN as the case may be, customer should offer loading of minimum one rake per day under the MGR System. More than one rake will be supplied if there is justified need.

Terminals at both ends will work round the clock.

Permissible Free time will be 3 hours for loading and 2 hours for un-loading in case of BOBRN and 5 hours for loading and 3 hours for un-loading in case of BOXN wagons.

Normal Demurrage Rules will apply at loading / unloading terminals for detention of rakes beyond free time only in that case where loading unloading both for MGR and IR System takes place and co-exists.

Customer shall provide an in-motion Electronic Weigh Bridge (EIMWB) at the loading point to ensure that there is no overloading of wagon.

If the wagons are overloaded, extant rule for levy of punitive charges shall apply.

Payment of penalty, demurrage or any other charge that is other than freight shall be decided by the consignor and consignee in the agreement as to who will bear the cost between them and the Railways shall charge the same accordingly.

If Railway fails to provide stock/crew on demand beyond 48 hours, the period shall be treated as dies-non. The loss in loading during dies-non period shall be given exemption from levy of penalty.

Charging of MGR traffic; Lumpsum rates shall be charged under the MGR System which would depend upon the number of trips to be loaded per day per rake (same rake) and the lead of traffic (distance). Different rates have been notified for loading \leq one trip per day per rake; > 1 to < 1.5 trips per day per rake; > 1.5 to < 2 trips per day per rake; > 2 to < 2.5 trips per day per rake and > 2.5 2 trips per day per rake by deploying single rake in the operation for BOBRN wagons. For BOXN wagons rates have been notified for loading ≤ 1 trip per day per rake, > 1 to ≤ 1.5 trips per day per rake, and > 1.5 trips per day per rake.

Number of trips per day per rake will be arrived at by dividing the total number of loaded trips committed by the customer for the full year divided by 365.

In case party informs railways that they are not able to utilize the rolling stock due to unavoidable reasons for 48 hours or more, railways shall have the right to withdraw the rolling stock so as to prevent idling of valuable resources and such period shall not be treated as dies-non for the purpose of calculation of number of trips per day. Zonal Railway will nominate an officer at divisional level to take such decision.

Distance-wise lump-sum rates under this System for the year 2016-17 are applicable for one year and for the next year i.e. 2017-18 will be 4% higher over the preceding year i.e. 2016-17. After 31.03.2018 fresh rate structure shall be notified.

If the number of loaded in a year is less than the stipulated number of trips, a penalty of 4% on freight paid on actual number of trips loaded in a year shall be recovered from the party for non-fulfillment of commitments. However, the sum total of freight paid and penalty thereof should not exceed freight for committed number of trips.

Since the actual number of trips loaded in a year will be known only at the end of the year, Railways shall make a suitable arrangement in the nature of Letter of Credit/Bank guarantee etc. to ensure recovery of undercharges. This should be finalised before the signing of Agreement. A clause to this effect should also be included in the Agreement.

No charge under Dynamic Pricing Policy shall be applicable under this Scheme except Development Charge.

All relevant commercial rules and charges as amended from time to time, would be applicable, unless specifically mentioned to the contrary.

Zonal railways should enter into a formal agreement with the company for the operation of MGR system covering all the relevant aspects.

Proposals for MGR operation, not covered under the conditions stated above, may be forwarded to Board for examination.

STATION TO STATION RATES (STS)

(RC 26 of 2016)

1. In terms of Section 32 of the Railways Act, 1989, Railway Administration has been empowered to quote Station to Station Rates in respect of carriage of various commodities.

2. Applicability:

2.1 Concession in freight rates under STS shall be applicable to a specific stream of traffic of a particular commodity for movement between a specific pair of originating and destination stations. However, zonal railways shall ensure that grant of concession under STS between a specific pair of O-D should result in overall increase in the NTKM of that station / cluster for that commodity rather than diversion of existing traffic from the adjoining areas.

2.2 The reference to benchmark total NTKM for the station as a whole or for that particular commodity rail user refers to such benchmark / total NTKM for that particular O-D pairs.

2.3 Existing as well as new traffic shall be eligible for concession under STS.

2.4 New traffic is defined as

- i. Traffic offered to rail by a new rail user subject to crossing benchmark NTKM for that commodity and that particular station / cluster or
- ii. New commodity offered by an existing / new rail user or
- iii. Commodity offered for a new O-D pair of station / clusters by an existing rail user subject to total NTKM of that commodity from that particular station / cluster crossing the benchmark NTKM for that particular commodity.

2.5 It should be ensured that the NTKM / freight earning for a commodity from a station after grant of concession under STS should normally increase. The zonal railway should analyze the trend of traffic from a particular station and ensure that the party applying STS should not be able to take concession in the name of new traffic either by changing the loading point or name of the party.

2.6 Concession under STS shall be applicable to cluster of station also. The cluster of station is defined as station / points within close proximity to each other with a maximum distance between any two station not exceeding 150 kms. The cluster shall be applicable for loading point only. Further, booking from a cluster of station should not normally be for more than two stations in the cluster.

2.7 COM's of the loading zone will define cluster for a commodity. If a station happens to fall in two overlapping clusters the party concerned can have the option of choosing any one of the cluster for availing this concession. If

any station of an adjoining railway is included in the cluster then the COMs of the concerned zonal railway should consult each other and decide the modus operandi to operationalize the scheme. The spirit behind the policy is that traffic of one station should not divert to another station in order to get benefit under STS.

2.8 Concession under STS can be granted either to the consignor or the consignee.

3.0 Principles for reducing freight rates.

3.1 Concession under the STS shall be granted only on the incremental traffic over and above the benchmark NTKM subject to other provisions mentioned in these guidelines. Benchmark NTKM is defined as average NTKM of corresponding period of previous 24 months.

For eg: The benchmark NTKM for any forthcoming 12 months period shall be the average of NTKM of the corresponding 12 months period of previous 2 years i.e benchmark NTKM for November '19 to October '20 shall be the average NTKM of November'18 to October '19 and November 17 to October '18.

3.2 The agreement for STS concession to be provided on yearly (12 months period) basis shall become effective from the first day of any coming month mutually agreed between railway and customer.

The provision of monthly, quarterly, half yearly Benchmarks NTKMs provided in the circulars stands withdrawn i.e. Therefore, yearly Benchmark NTKMs shall have to be crossed for granting STS concession. (Railway Board Traffic Commercial Circular No. TCR/1618/2016/02 STS, dt.23.08.2019).

3.3 Concession under STS shall be given from the next rake after the benchmark NTKM has been crossed i.e. if a customer achieves the benchmark NTKM on the ninth rake, the concession under this scheme shall be granted from the tenth rake onwards.

3.4 Zonal Railway may grant concession under STS for retention of traffic also at the current benchmark NTKM of the station as well as individual customer. To arrive at benchmark NTKM in such case, the trend of such traffic during the previous three years may be analyzed to see whether there is any declining trend shown by such traffic. However, in such cases, the reasons for expected fall in traffic should be analyzed very scientifically and concession should be proportional, only to compensate the probable traffic drop in this case irrespective of station benchmark.

The benefit of STS for retention of traffic may also be extended to a commodity / party whose rail coefficient is already very high and if that coefficient is maintained at the same level even with increase in production / output / dispatches of that commodity / customer / party / siding etc.

3.5 The concession under STS shall be in the form of percentage discount over the Normal Tariff Rate (NTR).

3.6 Concession under the STS scheme can be granted normally to that volume of traffic to which concession under no other scheme has been granted.

3.7 While giving concession under STS it should be ensured that the concessional freight should not be less than the NTR of Class-100.

3.8 Concession under STS shall be admissible to Block Rake, Two /Multi point rake, Mini rake etc.

3.9 The maximum percentage of discount which can be granted under STS for attracting incremental volume of traffic shall be upto 30% depending upon the volume of traffic, margin over freight rates of class 100 for that particular commodity. For retention of traffic, the maximum concession that can be given to a particular commodity shall be 15% only.

3.10 In case of container traffic, the concession under STS shall be admissible to notified commodities only which are presently charged at Container Class Rate. Maximum rate of concession should not be more than 15% and the discounted freight should not be less than NTR of Class-100. This concession shall be subject to station benchmark NTKM being crossed.

3.11 For the same commodity from the same station, higher rate of concession can be given to rail user offering higher volume of traffic and making commitment for longer period of time subject to the maximum limit of 30% or 15% as the case may be.

4. Permitted Terminals

All terminals (Goods Sheds, Sidings, Ports, CRT's, PFT's.)

5. Excluded commodities

- (a) All commodities with classification below Class -100.
- (b) All commodities under Main Commodity Head Coal & Coke.
- (c) Iron Ore (all types)
- (d) Military Traffic, POL and RMC.

6. Modalities

Zonal Railways may follow the following procedure for grant of STS. However, these procedures can be suitably modified as per field requirements.

6.1 Rail user desirous of availing concession under STS in freight rates shall be required to apply to the DRM of the concerned Division along with full details of traffic to be offered, pair of station between which the proposed traffic shall move during the proposed period and details of traffic offered during previous years for the same commodity, between the same O-D station if any.

6.2 The application of Rail user shall be verified by a DEC comprising of CI, TIA nominated by DRM.

6.3 The application of rail user duly verified by DEC shall be put up by Sr.DCM for approval of DRM.

6.4 DRM shall forward the application to HQrs for final approval by GM through CCM, COM and FA & CAO. After getting the personal approval of GM, necessary instruction shall be issued by DRM or any officer authorised by him. A copy of the same shall also be endorsed to the applicant, in case the application is not approved, a regret letter to the applicant shall be issued. If the railway administration approves grant of concession under STS, an agreement duly incorporating the provisions of STS scheme shall be executed between Railways and Customers.

6.5 The agreement under this scheme can be entered into for a maximum period of three years at a time and for not less than one year with provision of fresh agreement for every year as benchmark NTKMs will change every year and circumstances may warrant change in rate of concession also with change in freight rate of other modes.

6.6 Any change in freight rate due to change in classification or base freight (excluding imposition of any surcharge) shall not be applicable on the customer during the currency of that agreement or for one year whichever is less, however after one year the rate shall have to be revised duly taking into consideration that increase in freight rate if any and concession shall have to be worked out on the new freight rates. In case of any decrease in freight rates, the old rate shall continue to remain till the end of the year under run. However in this case the party shall have the option of withdrawal from the scheme after giving notice of three months. Suitable provision for such annual change in rate and concession may be incorporated in the agreement.

6.7 It has to be seen by the Zonal Railways that the grant of concession under STS does not lead to manipulation by forming of cartels so as to bring traffic to a particular point / terminal from adjoining areas to avail benefits of the scheme.

6.8 Concession under STS shall be granted at the time of preparation of RR once the benchmark is crossed.

6.9 No other concession shall be permitted under STS i.e. no traffic shall be allowed more than one type of concession.

6.10 In case any rebate or concession under STS is already being granted on any of the zonal railways at present, then the zonal railway has the option either to continue with that agreement till the end of the current financial year or till currency of such agreement lapses or to switch over to the STS straight away with mutual consent of both the parties. In case agreement is discontinued after end of the current financial year, from the next financial year the railway shall have the option to rework their policy according to the guidelines contained in this circular.

7.0 To operationalize STS, CRIS shall develop a programme. Zonal railway may write to CRIS giving full details of concession under STS in the following format. CRIS shall design suitable software to implement the scheme.

LONG TERM TARIFF CONTRACT (LTTC)

(RC No.14 of 2017)

This policy is issued in compliance of the announcement made by honourable MR in the 2016 Budget Speech.

1.0 Introduction

This policy LTTC is first of its kind and shall provide certainty in the logistic operations for the Railways as well as the customers. The customers entering into long term contracts with Railways shall bring assured traffic to the Railways and in turn they can get assurance of certainty in tariff rates as well as freight rebate on fulfilment of certain conditions as detailed in the policy.

2.0 Objectives

The main objectives of this policy are to ensure

- 2.1 Long term freight revenue commitments from the customers.
- 2.2 Stability and certainty of freight rates to the customers and assured supply of wagons.
- 2.3 Generation of additional traffic volumes and revenue for Railways.

3.0 Definitions

1. **Gross Freight Revenue (GFR)** means total freight revenue offered by the customer for the transportation of commodities. GFR of a customer will be derived by adding GFR of the different commodities hence, $GFR = GFR_1 + GFR_2 + GFR_3 + \dots$ Where 1, 2, 3 represent different commodities. GFR is inclusive of surcharges and other applicable charges if any, but excluding all types of taxes.

2. **Minimum Guaranteed Gross Freight Revenue (MGGFR)** means the annual minimum gross freight revenue, committed by the customer for each individual financial year of the agreement. The MGGFR would normally be higher for each subsequent year with pre-agreed annual incremental growth for the entire period of the agreement

3. **Actual Gross Freight Revenue (AGFR)** means the total revenue realized by Railway from a customer for transportation of commodities by way of freight charges including surcharges and other charges if any but excluding of all taxes.

4. **Benchmark Gross Freight Revenue (BGFR)** means the revenue over which the incremental growth of GFR would be calculated. For the first year BGFR shall be the actual GFR achieved during the previous twelve months and from second year onwards it shall be equal to the MGGFR of the preceding year.

5. **Floor Rates:** means the minimum chargeable rate payable after granting rebate/ all concurrent concessions, under any freight incentive scheme / schemes including these agreements.
6. **Incentive** means benefit in freight charges or any other facility being granted to the customer under the agreement.
7. **Freight rebate** means the freight concession granted by way of refund paid in lumpsum based on fulfilment of certain agreed performance, parameters over a period of time.
8. **New Traffic** refers to the traffic loaded by a new customer coming to Railway for the first time in the current year.
9. **Rail co-efficient** means the percentage share of Railways in the total dispatches by the customers.
10. **Normal Tariff Rates (NTR)** refer to the total charges for transport of a commodity inclusive of the BFR as published in Goods Tariff + Demand management charges like busy season surcharge, congestion charges and supplementary charges on various transportation products. Other charges like Development Charge, Terminal charges, Punitive charges for overloading, and penal charges for mis-declaration will be levied on NTR.
11. **Budgetary Freight increase / change:** shall mean the freight increase / change in BFR any other applicable charges or class of commodities announced in the Budget.
12. **Previous year** means the previous 12 months period before the date of commencement of the Agreement.
13. **Terminal / siding:** refers to private siding, Assisted Siding, Railway Siding, Goods Shed, PFT, and Port Siding where the Goods / Traffic of the customer are dealt.

4.0 Excluded Commodities:

1. All Commodities with classification below Class 100.
2. Coal & Coke.
3. Iron Ore.
4. Military Traffic, POL & RMC.
5. Container Traffic.
6. Automobile Traffic.

5.0 Eligibility Criteria:

5.1 The customer willing to come under this scheme of LTTC shall be eligible only if He / She is already loading or giving traffic of atleast one Million tonnes per annum (Outward or both Outward and Inward as the case may be as per the agreed terms) in the previous year as defined above.

5.2 New traffic refers to the traffic loaded by new customer coming to Railway for the first time in the current year. In case of new traffic i.e. new entrant to Rail transportation, the customer shall be eligible to enter into this scheme if they commit to provide traffic of more than 3 Million Tonnes over the entire Agreement period and atleast one Million tonne during the first year itself.

5.3 The customer coming under this scheme shall not be eligible to avail concurrent concessions / rebates under any other scheme except 6% concession applicable to traffic booked to and from North Eastern Region, TEFD and concession for loading of bagged consignments in Open / Flat wagons as per the terms and conditions of these policies. In addition the customer coming under this scheme (LTTC) is also eligible to avail discounts on account of Assisted Siding Policy, Various WIS and Terminal Development Scheme as these three schemes are not freight incentive schemes. However after all rebate including the rebate under LTTC the net freight should not be less than freight applicable to Class-100.

5.4 The traffic which is currently availing concession / repair under 3 schemes viz STS Scheme, Freight Forwarder Scheme and concessions to short lead traffic shall not be considered for rebate as well as GFR under LTTC. This means that if a customer is getting benefits under these discount schemes for a part of traffic then that traffic will be excluded from LTTC Scheme.

6 The applicable conditions / features of LTTC Policy:

6.1 Zonal Railway shall enter into an agreement with the customer incorporating the features of these guidelines.

6.2 Agreement can be entered into with Zonal Railways as mentioned below.

6.2.1 If the customer has terminals in multiple zonal railways he can enter into agreement with each individual Zonal Railway subject to the condition that he should have offered a minimum of one Million Tonne per annum traffic to that Zonal Railway.

6.2.2 If the customer desires to have one agreement for all his terminals spread over multiple zones then he shall enter into the agreement with the Zone to which he is offering the maximum traffic.

6.2.3 He can enter into individual agreements with some zones and at the same time can also have multi zone agreements for the traffic not covered in the individual agreements.

6.2.4 While entering into an agreement care may be taken to ensure that all the clients within a zonal railway operated by the customer are included in the agreement. This would prevent shifting of traffic from one location to another within a Zone merely for the sake of seeking concessions without any additional traffic to the Railway.

6.3 Proposal under this scheme shall be submitted by the authorised representative of the company to the office of PCCM of the Zone with whom the agreement is proposed to be signed. PCCM of that Zone shall process the proposal in consultation with PCOM and FA & CAO and finalize the same with the personal approval of General Manager. On behalf of zonal railways PCCM shall sign the agreement and will be the executing authority.

6.4 In case of multi zonal agreement, PCCM of the Zone handling maximum traffic will sign the agreement. PCCMs of the other zones whose traffic will be included in the agreement, will sign the agreement as witness. FA & CAO of the contract signing zone shall also act as a witness at the time of signing the agreement under LTTC.

6.5 The customer entering into agreement with railways under this scheme shall provide minimum guaranteed gross freight revenue MGGFR with a commitment to increase the freight revenue from existing level. An illustration is given below;

Customer desiring to enter into an agreement under this policy guarantees revenue i.e. MGGFR of Rs.600 Crores in 3 years (assuming agreement is for 3 years period), the customer shall give break-up of year wise revenue such as Rs.100 crore in the first year, Rs.200 crores in the second year and Rs.300 crores in the third year. Similar increase would have to be provided for the 3rd year onwards, if agreement is for more than 3 years. The MGGFR for each year shall become BGFR for next year. For 1st year BGFR shall be AGFR of the previous 12 months.

6.6 MGGFR for each year would be given by the party by adding up the revenue of total traffic of all the commodities to be offered to railways for the entire agreement period. Railway would account for the total MGGFR given by the party for all commodities for the purpose of fulfilment of MGGFR for each year without bothering for the details of the individual commodities loaded / offered by the customer.

6.7 MGGFR for each year should increase by minimum 5% annually. This means the MGGFR for 1st year should be at least 5% more than AGFR of previous 12 months. MGGFR of the 2nd and 3rd year shall be at least 5% more than MGGFR of the preceding year.

6.8 For the purpose of calculating AGFR either the freight received from outward traffic or some of inward and outward freight traffic of the customer from its various terminals / sidings / plants shall be reckoned. While calculating AGFR restricted commodities shall not be taken into consideration. It must be ensured that a particular stream of traffic is not accounted twice. For a given RR either a consignor or a consignee can avail the concession. In case both consignor and consignee are under LTTC then the concession for that RR shall be granted only to the consignor. Since RR No. is a unique code, CRIS should develop necessary safeguards to ensure that each RR is accounted for only once for the purpose of calculating AGFR. Further to avoid duplicate accounting of a particular stream of traffic each customer who enters into agreement with railways under this scheme shall be given a unique contract ID and any booking by them inward and outward shall carry this unique contract ID in the RR.

6.9 The agreement shall not be for less than three years and shall not extended for more than 5 years in total.

6.10 Railway shall grant rebate as per the graded rebate structure as given in the Table – I on AGFR realized by the Railway. The percentage of rebate shall be based on the incremental growth in AGFR over and above the BGFR.

6.11 In case data for the corresponding period of the previous year is not available (due to delay in data finalization etc.), then pro-rata adjustment of the GFR for the month/months for which data is not available shall be made i.e of the 12 months of previous year, if data is available only for 10 months, then the same data shall be extrapolated on pro-rata basis for 12 months to arrive at yearly bench mark figure.

7.0 The graded rebate (on AGFR) on the basis of the percentage incremental growth in GFR offered by the customer over and above the benchmark GFR is given below:

Table – I: Rebate structure

Scenario	Percentage increase in Gross Freight Revenue (GFR) over and above the benchmark GFR	Rebate on Actual Gross Freight Revenue (AGFR)* %
1	0 - <=5	0
2	>5 - <=10	1.5
3	>10- <=15	2.5
4	>15- <=20	5
5	>20 - <=30	7.5
6	>30 - <=40	10
7	>40 - <=50	12.5
8	>50 - <=60	15
9	>60 - <=70	17.5
10	>70 - <=80	20
11	>80 - <=90	25
12	>90 - <=100	30
13	>100	35

***GFR shall be the basis for calculating the rebate**

7.1 The availability of rebate under this scheme shall be subject to MGGFR for that year being met by the customer. For the first year, incremental growth in revenue shall be the percentage growth in actual GFR over the GFR of the previous twelve months. From second year onwards, MGGFR of preceding year committed by the customer at the time of signing the Agreement shall become the benchmark GFR and the rebate shall be granted on the incremental growth over and above this BGFR.

7.2 The rebate accrued in a year under this scheme shall be granted as refund immediately within 45 days after completion of each year.

7.3 In case of zonal/multi zonal agreement, the zone which is signing the Agreement will process the case for rebate and refund the amount to customer. FA & CAO of the agreement signing zone will be the payee officer for the rebate in this scheme. In case of multi zonal agreement, the accountal for the distribution of the rebate amount amongst the participating zonal railways will be ensured by FA & CAO of agreement signing zone through adjustment.

7.4 In case of any increase in freight rate during a year, the freight increase shall be implemented from next year onwards only. To neutralize the impact of freight increase on AGFR, the MGGFR and BGFR of that year will be adjusted as per the following formula:

Modified MGGFR = MGGFR for the commodity/commodities X % age change in freight rate of that commodity/commodities.

Modified BGFR = BGFR for the commodity/commodities X % age change in freight rate of that commodity.

8.0 Railway shall make all out efforts to supply wagons on priority basis against the indents placed by the customer and if need be, develop a Preferential Traffic order. However, the customer shall load/unload its consignments within the free time specified.

9.0 Price Escalation Principle:

9.1 Under the scheme, the customer shall be offered a fixed freight rate as prevalent (at that date) during the beginning of the each year of the agreement period. It means that increase in freight rates by railway administration mid – way in a year shall not be passed on to the customer for that year of the agreement period. The change will be effected from the beginning of next year of the agreement.

Illustration: Suppose, an agreement under LTTC is for three years from 01.07.2017 to 30.06.2020. The freight rate applicable from 1st July 2017 to 30th June 2018 will be the rate prevalent on 1st July 2017. This rate will not change mid-way. Suppose Railway changes freight rates and increase it by 4% (budgetary or general) in August 2017, then this rate will be applicable from 1st July 2018 only.

10.0 Rebate in case of Retention of Traffic:

10.1 Under, this policy, the rebate shall also be granted on retention of traffic at the same level as of the previous year's AGFR. The Companies who are already carrying a very high volume of traffic on rail and offering a huge amount of GFR, a certain percentage of rebate shall also be offered to such Companies on the absolute GFR offered by them, for retention of traffic, if they enter into a Contract with Railways. This shall be in addition to the rebate available on the incremental percentage growth in GFR offered by the Company.

10.2 The rate of rebate for retention of traffic shall vary according to the slabs of total volume of traffic corresponding to the AGFR given as per the rebate structure given as per the rebate structure given in the table (Table – II) subject to previous year's AGFR being met. The current year's AGFR cannot be lower than the AGFR given during the previous year. The rebate is subject to the customer giving revenue equal to or more than the AGFR of the previous year and will be based upon the slab in which the corresponding absolute quantum of traffic offered by a customer falls.

Scenario- I	Total volume of traffic (MT)	Rebate on corresponding freight revenue(%)
I.	0 – 5	Nil
II.	>5 <=10	0.5
III.	>10<=15	1.0
IV.	>15<=20	1.5
V.	>20<=25	2.0
VI	>25<=30	2.5
VII.	>30<=35	3.0
VIII.	>35<=40	3.5
IX	>40<=45	4.0
X	>45<=50	4.5
XI	>50	5.0

10.3 The illustration indicating the calculation of rebate under the scheme is given in the Annexure – A attached with the circular.

11.0 For new traffic (i.e new entrant) during the first year, the customer shall be eligible for a flat 2.5% rebate on the GFR subject to the fulfilment of the prescribed condition for new traffic. From the 2nd year onwards the rebates would apply as per the percentage increase in freight revenue compared to previous year's freight revenue as per the freight rebate structure.

12.0 Arbitration: In the event of any question, dispute or difference arising out of or under this Contract in connection therewith (except as to matters, the decision to which is specifically provided under this Contract) the same shall be resolved by amicable settlement failing which the matter will be referred to the Sole Arbitrator appointed by the Competent Authority i.e General Manager of

concerned Zonal Railway. The arbitration shall be conducted in accordance with the provision of Arbitration and Conciliation Act, 1996 as amended in 2015 and the Rules made thereunder. The decision of the Arbitrator shall be final and binding upon the parties.

13.0 Termination of Agreement: Both parties to the Agreement have the right to terminate the agreement by serving a letter of termination on the other party by giving 3 months' notice, in case of continuous default or it appears that other party is not complying with terms of Agreement. In such a situation, the customer shall not be entitled to any rebate for the year in which the Agreement is terminated.

14.0 Renewal of Agreement: The Contract can be renewed with re-negotiated terms/conditions between Railways and the Company after expiry of the term of earlier contract to the satisfaction of both parties. The renewal would be done on mutually negotiation terms as per rules prevalent at the time of renewal of contract.

15 Role of FOIS/CRIS

15.1 The rebate structure shall be system built and shall be calculated/managed automatically by the FOIS system. Each customer who enters into Agreement under LTTC with Railways will be given a unique contract ID and any booking by them inward or outward will carry this unique contract ID on the RR.

15.2 Freight revenue or volume of traffic is easily traceable since RR issued by the FOIS system records the RR amount and the tonnage with unique ID.

15.3 CRIS shall develop software to implement this policy. The Railways shall furnish relevant data to CRIS.

15.4 CRIS will give monthly report to Railway Board regarding progress of the scheme.

CONTAINER TRAFFIC

(Rate Master Circular /CRT-CCR-Hub & spoke/2015/0, dt.07.04.2015)

Chapter-I (Container Rail Terminal)

1.0 Permission

Permission for operation of container train by Private Container operator (PCO) in Railway owned terminal notified as Container Rail Terminal (CRT) has been granted upto 31.3.2021(RC 6 of 2019) as and as amended from time to time.

2. General Guidelines:

2.1 Operation and handling of conventional trains will be given preference over container trains. It must be ensured that the Railways business interests are not compromised.

2.2 Depending upon assessment of requirement zonal railways may notify one or more CRT's at a Railway owned terminal in accordance with procedure laid down under para 4 of the circular. Every CRT will have a capacity of dealing with one container train at a time.

2.3 The CRTs will provide common user facilities for all PCOs. No PCO will be provided 'exclusive use' of any Railway facility except under relevant guidelines specifically issued by Railway Board to regulate provision of such facilities for PCOs. All PCOs will have access to any CRT on a nonexclusive basis on a first cum first served basis.

2.4 Use of ground at a CRT will be permitted to only one PCO at a time.

2.5 CRTs will provide facilities for handling container trains by all PCOs. However the handling of railway rakes will get priority over container rakes.

2.6 In order to ensure that handling of railway rakes get priority over container rakes and for otherwise also the extant policy and practices regarding imposition of restrictions for loading to and from a terminal will also be applicable for container train operations at CRTs.

2.7 No CRT will provide container or cargo storage facilities (akin to an ICD or DCT). No staff should be deployed on exclusive basis for any CRT. No permanent container or cargo storage facility will be provided at any CRT.

2.8 All CRTs will function round the clock for which necessary facilities should be provided, however relaxation may be granted for round the clock functioning of any CRT with the personal approval of GM.

2.8.1 At Container Rail Terminal (CRT) where round the clock working is implemented, 50% of the time during 22.00 to 06.00 hrs. will be reckoned for calculation of free time so as to incentivize CTOs to handle container traffic expeditiously. This incentive will be admissible for calculation of permissible free time for loading and/or stuffing the containers and/or unloading and/or de-stuffing containers on a container train and/or usage of ground at CRTs. This incentive shall not be permitted on excess detention beyond free time falling during 22.00 to 6.00 hrs.(w.e.f. 05.07.2019) (CNo.26, dt.26.06.2019)

2.9 Custody, Security and responsibility for the containers and cargo on ground awaiting removal, stuffing, de-stuffing, unloading or loading will be with the PCO.

3. Charges:

The following charges will be paid by PCO for handling container at any CRT.

3.1 Terminal Access Charge:

3.1.1 Private container operators (PCO) dealing with their container train at railway owned terminals notified as container rail terminal will be required to pay TAC at the rates as notified from time to time by Railway Board. Rate of TAC with effect from 21.06.2018 is Rs.1,60,000/- per rake per terminal. In case of terminals owned by PCOs TAC is not leviable.

3.1.2 Charges mentioned above will be levied on per rake basis irrespective of the actual rake composition or actual number of containers on a train or actual number of wagons or containers handled at the CRT.

3.1.3 TAC will be collected at the time of preparation of RR the methodology for levy of TAC is given below: (valid beyond 25.07.19 till further advice-CNo.27)

Type of Rake handling at CRT	Terminal Access Charge
1. Loaded rakes in and empty flats out	1 x Rate of TAC
2. Empty rake in and loaded rake out	1 x Rate of TAC
3. Loaded rake in and loaded rake out	1 x Rate of TAC
4. Chassis handling	1 x Rate of TAC

Note: Loaded means flats loaded either with empty containers or container loaded with goods.

3.2 Permissible Free Time and Detention Charge for Use of CRTs.

3.2.1 Total Permissible Free Time at CRTs for loading and/or stuffing the containers, and/or unloading and/or de-stuffing the containers on a container train will be 9(nine) hours, irrespective of the activity or activities done on the rake and number of operations performed (chassis stuffing and de-stuffing, single operation, double operation etc.)

3.2.2 Free time will commence from the time of placement of the first wagon of the container train.

3.2.3 A container train will be considered to be released at the time at which the last wagon of the rake is released i.e. at the time at which the rake has been released in its entirety and is available for removal from the placement line(s).

3.2.4 Detention Charge will be levied for occupation of CRTs beyond the permissible free time up to the time of release of the rake.

3.2.5 Detention Charges will be levied for 45 BLC wagons irrespective of the actual number of wagons or containers in the rake or the number of wagons or containers actually dealt with at the CRT concerned.

3.2.6 Detention charges would be levied at the prevailing rate of Demurrage Charge, which at present is Rs.150/- per wagon per hour or part thereof.

3.2.7 PCCM/PCOM (whoever is designated for dealing with demurrage) of a Zonal Railways may notify a Higher Detention Charge (up to six times the normal rate).

Higher Detention charge will be applied for those PCOs who take excessive time to release their rakes or do so repeatedly.

3.3 Ground Usage Charges:

3.3.1 Ground usage charges will be levied for the use of ground at CRT.

3.3.2 PCOs will be permitted free time for the use of ground at the CRTs.

3.3.3 Permissible free time for use of free time for dealing with a Container will be the same as is prescribed under wharfage rule for the goods traffic, irrespective of the activity or activities done on the rake and no. of operations performed (chassis stuffing and de-stuffing, single operation, double operation etc., which at present is as under:

Type of Goods Shed*	Free Time (in hours)
Group-I	12
Group-II	15
Group-III	30

*Type of goods shed will be determined as per the guidelines prescribed under wharfage rules.

3.3.4 Free time for the purpose of Ground Usage Charge will commence from the expiry of the free time for loading and/or unloading the container traffic. Ground Usage Charges will be levied after expiry of the Permitted Free time till the time all containers and cargo are removed from ground by the PCO and ground

becomes available to be allotted to the next PCO.

3.3.5 However, the advance stacking time is availed by the PCO, ground usage time will commence from the time advance stacking is permitted to the time all-cargo and containers are removed, and ground made free for use by the next container train. Ground usage charge will be levied after making allowance for permissible free time for advance stacking and for ground usage.

3.3.6 Ground usage charges are levied on per train per hour basis irrespective of the number of containers or the goods on the ground.

3.3.7 Ground usage Charge will be levied for full rake of 45 wagons at the prevailing rate of Wharfage charge, as under:

Type of Goods shed	Present rate of Wharfage charge (per wagon per hour or part thereof)		Rate of Ground Usage charge (per rake per hour or part thereof)
Group - I	Rs. 150/-	150 x 45 = 6750	6750/-
Group - II	Rs. 120/-	120 x 45 = 5400	5400/-
Group - III	Rs. 75/-	75 x 45 = 3375	3375/-

3.3.8 PCCM of a Zonal Railway may apply a higher Ground Usage Charge (up to six times the normal rate applicable for the 6th Day). Higher Ground Usage Charges will be applied for those PCOs who repeatedly failed to release the Ground at the CRT within two days.

3.4 Ground Usage for advance stacking:

3.4.1 PCOs may be permitted advance stacking of cargo and/or containers on the ground of any CRT for 24 hours free of any charge for loading on an incoming train.

3.4.2 Ground Usage Charge at the rates mentioned in para 3.3.7 to be levied in accordance with para 3.3.5 if the ground is not cleared at expiry of the free time for advance stacking. However, no ground usage charge will be levied till the placement of the empty container for loading even after the lapse of the advance stacking period. The empty container rake will be supplied only after the expiry of the permitted time for advance stacking or completion of stacking, whichever is earlier.

3.5 Waiver of Detention Charge and Ground Usage Charge:

Detention charge and Ground Usage charge will be treated on par with Demurrage charge and Wharfage charge for the purpose of consideration of waiver etc. under justified circumstances as per extant instructions as applicable to waiver of Demurrage/Wharfage charge.

3.6 Development Surcharge:

Development Surcharge as applicable on Goods traffic will be leviable on Container traffic. This surcharge will be leviable on haulage charges. At present, development Surcharge is 5 %.

3.7 Multiple Railway Receipts in the name of more than one container operator for a single container train may be issued if owner of the rake offers it for the use by CTOs, provided that the liability for Terminal Access, rake detention and Ground usage shall be borne by the owner of the rake. In other words, when multiple RRs in the name of more than one operator for a single container train are issued, the Terminal Access Charge, Detention charge and Ground usage charge, wherever applicable shall be paid by the owner of the rake.

4.0 Procedure for notifying a railway owned terminal as Container Railterminal (CRT):

4.1 If there is a demand for creating a CRT at any railway owned location, it will be processed by CCM in consultation with COM to examine whether such demand is considered necessary and justified. If it is found justified, such a terminal will be notified as Container Rail Terminal (CRT) with the personal approval of GM.

4.1.1 All Group III goods sheds will be treated as CRTs, unless and otherwise notified to the contrary by the Zonal Railway.

4.2 Before notifying any rail facility as CRT, it must be ensured that the contemplated container handling activity will not in any way hinder or restrict or hamper handling of inward or outward traffic in rail wagons at present and as far as possible, even in the foreseeable future.

4.3 Preferably stations and goods sheds not currently opened for goods booking or unused yard lines (including unused yard line at goods shed notified in Groups I and II) with adequate road access should be considered for notification as CRT.

4.4 (a) Container Rail Terminal at Group-I&II goods sheds/stations for chassis stuffing/ de- stuffing operation:

Stations and Goods sheds notified in Group-I & II in terms of Wharfage rule may also be considered for notification as CRT. Chassis stuffing/de-stuffing operation may be permitted at all Group-I&II railway terminals, unless and otherwise notified to the contrary by COM of zonal railways due to operational constraints. Zonal Railways may allow such charges stuffing / de-stuffing operations of container rakes at such stations and goods sheds only if it does not affect the railways operation of loading /un-loading of its own stock.

(b) **Container Rail Terminal at Group-I&II Goods sheds/stations for lift on-lift off :**

Lift on-lift off may also be permitted at Group-I&II terminals, if multiple handling lines are available and wherever feasible, subject to the condition that traffic at such terminal does not exceed seven rakes per handling line per month. Lift on-lift off operation may be permitted at those terminals on joint recommendation of COM and CCM with the approval of GM.

(c) Zonal Railway in their notification for CRT should clearly indicate whether lift on-lift off operation whether chassis stuffing/de-stuffing or both is permitted at such CRT. While **giving** permission for CRT, it may be kept in view that required infrastructure is available at such station/ goods shed for handling container traffic.

4.5 Every CRT will have a capacity of dealing with one container train only at a time. If suitable placement lines and adequate ground area is available for dealing with more than one container train concurrently in a terminal or yard, the available lines and ground area should be demarcated for notifying more than one separate and independent CRTs at such Railway Goods Sheds or unused yard lines.

4.6 Permission to use any railway owned terminal as CRT can be terminated by the concerned zonal railway after giving a notice of two weeks, if circumstances so warrant in the opinion of the concerned GM. Such decision will be binding on the PCOs.

4.7 For the purpose of giving permission to use any station/goods shed as CRT, the classification of station/goods shed will be done excluding number of all types of privately-owned trains like container trains, automobile trains under AFTO policy and other specialized trains such as road-railers etc. dealt with at such station/goods shed.

However, for the purpose of granting free time and levy of Ground usage charge as prescribed in para 3.0 the classification of station/goods shed will be done by covering all types of trains including container trains, automobile trains under AFTO policy and other specialized trains such as Road-Railers etc. dealt with at such station/goods shed.

CHAPTER – II Container Class Rate

1.0 Haulage charge:

Haulage charge is levied for movement of containers in privately owned wagons. At present, there are two types of rates for levy of haulage charge for movement of containers in privately owned wagons as under:

- a) Haulage charge for TEU: For commodities other than notified commodities
- b) Container class rate for notified commodities

Haulage charge for TEU for commodities other than notified commodities: Haulage charges for TEU for commodities other than notified commodities will be levied as per the rates notified by Railway Board from time to time. At present, the rate of haulage charges per TEU for loaded containers single deck are prescribed vide rate circular no. RC 20 of 2018.

Grant of 25% discount on the extant Haulage Rate per TEU for movement of empty container and empty flat wagons w.e.f 01.01.2019 and shall remain valid for one year i.e. up to 31.12.2019. (Corrigendum No.2 to RC No.20 of 2018)

1.1 Container class rate for notified commodities:

1.2.1 Notified commodities:

Haulage charges for the movement of notified commodities groups namely cement other than white cement & Bulk cement (cement in loose form in tank container), slag, iron and steel, bricks and stones other than marble & ceramic tiles, kota stone, alumina and petroleum products & gases except toluene (as classified in Goods tariff no. 49 part – I, Vol. II) in container will be levied as per the guidelines prescribed below. These guidelines will be applicable for movement of notified commodities in containers except custom bonded EXIM containers.

1.2.2 Container class rate:

Container class rate for the above-mentioned commodities (except CR coil under notified commodity group Iron and Steel) will be levied by applying 15% concession on applicable class rate as published in Goods tariff and as amended from time to time.

1.2.3 In the case of CR coils (cold rolled coils) which falls under the notified commodity group Iron and steel, the container class rate will be levied by applying 20% concession on applicable class rate (GTR minus 20%) as published in goods tariff subject to fulfilment of following conditions:
(Valid upto 10.04.2020 vide Corrigendum no.23)

1. CR coils upto 5000 tonnes per month will have to be moved from a steel plant (private siding) at existing CCR (GTR – 15%) after which the concessional rate of GTR – 20% will be applicable on additional CR coil traffic moved in container for that month.

II. The threshold figure of 5000 tonnes per month may be offered by a single CTO or combined from more than one CTO from a steel plant (private siding). However, an individual CTO is required to offer a minimum volume of 2500 tonnes per month per steel plant and only then, it would be able to get the concessional rate of GTR – 20%, once the threshold figure of 5000 tonnes are exceeded.

III. The rake on which threshold limit has mentioned at I above is crossed will not be eligible for concessional rate. The concessional rate of GTR – 20% will be levied from the next rake onwards. For eg. If the threshold limit of 5000 tonnes/2500 tonnes whichever the case may be is crossed on the second rake, then concessional rate will be applicable from third rake onwards.

IV. Zonal Railways should take special care so as to ensure implementation of this facility scrupulously.

Instructions for CR foils are effective from 11.01.2015 and will remain valid upto 10.04.2019. The concessional rate of GTR – 20% applicable to CR foils will be reviewed after a year based on the feedback from Zonal Railways.

CP Coke when transported in containers shall be charged at Container Class Rate (CCR) i.e by applying 15% concession on Applicable Class Rate as published in Goods Tariff (No.48 Pt-I Vol-II) and as amended from time to time, subject to the condition that the entire container rake shall contain only CP coke i.e no other commodity (whether notified or otherwise) shall be loaded along CP coke in the said container rake. While booked under “Hub & Spoke”, CP coke Container rake shall not have any other commodity with effect from 11.07.2018.

1.24 (i) Container Class Rate for 20’ container (TEU) and 40’ container (FEU) will be levied on the basis of chargeable weight notified by Railway Board from time to time which at present are notified vide Rates Circular No. 5 of 2015, as under:

Type of wagons	Chargeable weight per TEU (in tons)	Chargeable weight per FEU (in tons)
BLLA	30	60
BLCA, BLLB	30.5	61
BLCB	31	62
BFGN	29.85	59.7
BLCAM	33.95	67.9
BLCBM	34.5	69

(ii) Haulage charge for empty flat wagons will be levied as per prevailing Haulage rates.

(iii) Rounding off to Haulage Charge will be done as per extant guidelines stipulated vide Rule 191 of Goods Tariff No. 41 Part – I (Vol.I).

(iv) In accordance with the prevalent instructions, transportation of notified commodity groups remain dis-allowed under double stack operation.

1.2.5 When a notified commodity is loaded in more than 50 containers (TEUs) of a container train either as a single commodity or mixed with other commodity (including other than notified commodity), Haulage charge for such containers will be levied as per Container Class Rate. For the containers containing single notified commodity, Haulage charge will be levied as per Container Class Rate of that commodity and for the container loaded with two or more than two commodities, Haulage charge will be levied on the basis of higher container class rate of the commodities which the container contains

1.2.6 If 50 or less than 50 containers (TEUs) in a rake are loaded with any of the notified commodity groups either as a single commodity or mixed with other commodity (including other than notified commodity), Haulage charge for such container will be levied as per prevailing Haulage Rate per TEU. (valid beyond 11.04.19 till further advice)

1.2.7 CTOs should declare the details of commodities loaded in containers in the forwarding note. Concerned Railway staff should verify the correctness of the commodity details furnished by the CTO at the time of booking.

1.2.8 In case mis-declaration is detected in any container, Haulage Charge on the entire rake shall be levied at four times of the highest Container Class Rate. This will be in addition to the Haulage Charge otherwise leviable on the rake. If five cases of mis-declaration are detected for a particular CTO, suitable action may be initiated under Article 17 of Concession Agreement.

2.0 The terms and conditions as prescribed vide Board's letter No. 2008/TT-III/73/8 dt. 01.07.2008 (and as amended from time to time) will continue to be applicable for movement of commodities including notified commodity groups in containers, to the extent modified therein.

HAULAGE CHARGES FOR ROUNDTrip BASIS

(CNo.30 to RMC, dt.06.09.2019)

In order to provide an economical and reliable alternative for ultra-short lead (i.e. upto 50 km) container traffic (either EXIM or Domestic or both) which are moving at 'Haulage charge per TEU' basis. Roundtrip based charging is introduced as per the guidelines given below:

1. Charging for Roundtrip container traffic:

- i. The charging for movement of container traffic on roundtrip basis shall be equivalent to notified haulage charge for distance slab of 51-100 km (to & fro) for both legs (roundtrip), provided to and fro distance is less than or equal to 50 km. (For example- if any O-D pair is at a distance of say 32 km, the charging now is 1-50 km slab on each way. Under roundtrip charging the rake will be charged under 51-100 km for total of to and fro movement).
- ii. Rake of container wagons is of 45 BLC and they will be thus uniformly charged for 90 loaded TEUs, as per weight slab of 26-31T with all other applicable charges. Rake length composition as notified from time to time shall be applicable. The charging will be irrespective of the actual number of containers loaded and irrespective of the weight slab (An illustration for charging at existing rates is given at Annexure-I)
- iii. Container Train Operator (CTO) shall furnish forwarding note for first leg clearly indicating that 'Roundtrip Movement' is envisaged. For the second leg, the CTO at the time of submitting the forwarding note for second leg shall indicate the RR of the first leg that has to be linked to avail the roundtrip charge.
- iv. The first leg of the Railway Receipt (RR) shall be prepared on the normal rating for 1-50 km for return trip, the first-leg RRs shall be tagged / linked with second-leg Railway Receipt, and different in freight between roundtrip charge for 1-100 km & charge of first-leg of 1-50 km will be collected. GST as applicable shall be charged.
- v. The Forwarding Note for second-leg (return) shall have to be mandatorily submitted and second-leg Railway Receipt (RRs) are to be issued within 72 hours of the issue of the first-leg RRs

to avail roundtrip benefit beyond which, linking would not be permitted.

- vi. All relevant commercial rules and charges as amended from time to time, would be applicable, unless specifically mentioned to the contrary.

2. **Operation of Roundtrip:**

The guidelines specifying procedure and terms & conditions for operation of Roundtrip in container traffic are given below:

- i. PCOM & PCCM of the Zonal Railway shall approve the Originating-Destination (O-D) pair. In case the destination falls on another railway, consent of other zone shall be necessary.

- ii. The maximum distance (one-way) between and Destination (O-D) shall not be more than 50 km. Zonal Railway shall clearly identify the Originating and Destination point station / siding codes.

- iii. Zonal Railways shall advise FOIS/CRIS of the approved O-D pair, for roundtrip charging.

- iv. Hub and Spoke movement shall not be permitted.

- v. No rebooking/diversion of rake shall be permitted under any circumstances.

- 3. These instructions will come into force w.e.f 15.09.2019 and will remain upto 14.09.2020.

ILLUSTRATION for charging

1. Haulage Charge calculation for movement under Roundtrip in container traffic from A to B and return A.

Originating Point	:A
Destination Point	:B
Distance (from A to B)	:Less than or equal to 50 kms
Roundtrip	:From A to B and return back to A

- II. The entire rake of 45 BLCs will be charged for 90 TEUs loaded container rake in the weight slab of 26-31T.
- III. Total charges for roundtrip (≤ 100 km) will be Rs.3038 per TEU which is the haulage rate for 51-100 km distance slab.
Haulage Charge for container rake with composition 90 TEUs = $(Rs.3038 \times 90) \times 1.05 = Rs.2,87,091/-$ (inclusive of Development Charge @ 5%)
- IV First-leg Railway Receipt shall be issued on extant Haulage Rate Haulage Charge per TEU for 1-50 km distance slab for First-leg Railway Receipt = Rs.2340/- (weight slab 26-31 T)
- V Second-leg Railway Receipt shall be issued on 'Round movement' basis and shall be tagged / linked with first-leg Railway Receipt.

Note:

- (i) The charging will be irrespective of the actual number of containers loaded and weight slab.
- (ii) The above illustration is for guidance. It has been worked out based on prevalent rates of Haulage Charge per TEU as prescribed Rates Circular No.20 of 2018 and its corrigendum dt.14.11.2018. If any change in Haulage Rate in future, the same will be taken into account for charging.

HUB & SPOKE SYSTEM OF CHARGING

(Refer Rates circular No. 38 of 2012)

GENERAL

- i. At the time of first booking, the container train operator (CTO) shall declare the list of containers that are to be transported to destinations through designated Hub(s). Stuffing/de-stuffing of such containers at any time during transit will not be permissible.
- ii. RRs shall be generated for each leg of the movement separately. However, the linkage of RRs so generated for movements under Hub & Spoke System shall be maintained for all in-transit containers; all adjusted RRs will have reference to the previous RRs and this information shall be displayed on the container –wise Annexure sheets that form part of the RRs even presently.
- iii. In the case of traffic booked under the Hub & Spoke System, diversion and/or rebooking shall not be permissible.
- iv. Hubs can also be the final destination of any container.
- v. Loaded containers that idle at a designated Hub during transit for a period of five days (which shall be a parametric value) or more would be treated as having been delivered short of destination. In case such containers are ultimately dispatched to their original destinations, through distance or telescopic benefit would not be applicable.
- vi. The minimum/standard composition prescribed for different types of stocks would continue to be reckoned for the purpose of generating each RR and also for levy of Haulage Charge for a rake.
- vii. Notified commodities moving in a container rake under Hub & Spoke System will be charged as per Container Class Rate (CCR). However, **the benefit of levying Haulage Charge per TEU for 50 or less containers in the rake will be applicable, subject to the condition that during movement of rake the number of containers loaded with one type of notified commodity will not exceed 50 TEUs at any point of time.**
- viii. Other charges such as Punitive Charge, Development Surcharge and Terminal Access Charges applicable on a RR shall not be adjusted in subsequent RRs. These charges will be calculated for point to point movements on a single RR basis.

METHODOLOGY FOR CHARGING FOR SINGLE STACK OPERATIONS UNDER HUB & SPOKE SYSTEM

A. In case of container transiting via just **one transit Hub:**

- a. The RR issued at the point of origin (say, S1) would be for its movement to the designated Hub (say, H1). However, the stated destination of the container (say, S2) would be indicated on the RR (and/or the Annexure sheet referred to in Para (ii) above).
- b. At H1, the CTO would be required to surrender the RR that was issued at S1.
- c. At the time of dispatch from H1, 'freight already collected at S1' would be deducted from the 'freight chargeable for transportation of the container from S1 to S2 on through distance basis and 'balance freight' so arrived at would be collected.
- d. The (balance freight) RR issued at H1 would reflect linkage to the original RR that was issued at S1.

B. In case of container booked through two transit Hubs:

- a. The RR issued at the point of origin (say, S1) would be for its movement to the designated Hub (say, H1). However, the stated destination of the container (say, S2) would be indicated on the RR (and/or the Annexure sheet referred to in Para (ii) above).
- b. At H1, the CTO would be required to surrender the RR that was issued at S1.
- c. At the time of dispatch from H1, a second RR would be issued; the 'freight chargeable for transportation of the container' would be the 'freight on through distance basis from S1 to H2' minus the 'freight already charged and collected at S1'.
- d. The RR issued at H1 would reflect linkage to the original RR that was issued at S1.
- e. At H2, the CTO would again be required to surrender the RR that was issued at H1.
- f. At the time of dispatch from H2, a third RR would be issued, the 'chargeable freight for the transportation of the container from H2 to S2' would be the 'freight on through distance basis from S1 to S2' minus the 'freight on through distance basis from S1 to H2'.
- g. The RR issued at H2 would reflect linkage to both the original RR that was issued at S1 as well as the other, intermediate RR that was issued at H1.

Methodology for charging for double stack operation under Hub & Spoke system

C. In case of containers carried on the lower/bottom deck, charging principle outlines in Paras A& B, as the case may be, for single stack operations under HUB & Spoke system would apply.

D. In case of containers carried on the upper deck, freight for the distance over which the containers are transported on upper deck would be levied @ 50% of the freight chargeable in line with the principles outlined above in Paras A and B, as the case may be, for single stack operations under Hub & Spoke System; for example, in case of the containers loaded on upper deck at H1 and transported as such to H2, 50% of the freight as computed under the provisions contained Para B(c) above would apply. The methodology prescribed in Paras A and B above, in respect of issued of RRs at S1 and H1/H2 as well as their surrender at the intermediate Hubs would also apply equally in the case of the double stack operations under the Hub & Spoke system. The haulage charge for double stock container dwarf is valid upto 31.03.2020.

DEDICATED FREIGHT CORRIDOR

Project at a Glance

The Indian Railway's quadrilateral linking the four metropolitan cities of Delhi, Mumbai, Chennai and Howrah, commonly known as the Golden Quadrilateral and its two diagonals (Delhi-Chennai and Mumbai-Howrah), adding up to a total route length of 10,122 km carries more than 55% of revenue earning freight traffic of IR. The existing trunk routes of Howrah- Delhi on the Eastern Corridor and Mumbai-Delhi on the Western Corridor are highly saturated with line capacity utilization varying between 115% and 150%.

Economic liberalization policies of 1991 followed by information technology explosion have taken India to a new growth scenario. Backed by strong fundamentals and commendable growth in the past few years, the resplendent Indian Economy is poised to grow even further at an average of 8 to 10% in the coming years. Transport requirement in the country, being primarily a derived demand, is slated to increase with elasticity of 1.25 with GDP growth by 10 to 12% in the medium and long term range.

This rapid growth of Indian economy in the last few years has created demand for additional capacity of rail freight transportation, and this is likely to grow further in the future. This burgeoning demand led to the conception of the dedicated freight corridors along the Eastern and Western Routes. Hon'ble Minister for Railways, made this historic announcement on the floor of the House in the Parliament while presenting the Railway Budget for 2005-06.

Ministry of Railways initiated action to establish a Special Purpose Vehicle for construction, operation and maintenance of the dedicated freight corridors. This led to the establishment of "Dedicated Freight Corridor Corporation of India Limited (DFCCIL)", to undertake planning & development, mobilization of financial resources and construction, maintenance, and operation of the dedicated freight corridors. DFCCIL was incorporated as a company under the Companies Act 1956 on 30th October 2006.



Eastern Corridor:

The Eastern Corridor is a DFC with an initial route length of 1301 km and consisting of two distinct segments as an electrified double line of 897 km between Son Nagar and Dadri, and an electrified single line of approximately 404 km between Khurja and Ludhiana (Sahnewal Kalan). It was further decided to extend the Eastern DFC to Dankuni in the Kolkata area, an additional route length of approximately 538 km making a total corridor length of about 1839 km.

Western Corridor:

The Western Corridor is a double line DFC from Jawaharlal Nehru Port in Navi Mumbai to Tughlakabad/Dadri in the NCR of Delhi, running along the Indian Railways' JN Port, Vasai Road, Surat, Vadodara, Ahmedabad, Mahesana, Palanpur, Ajmer, Phulera, Ringus, Rewari, Dadri route over a route length of 1499 km.

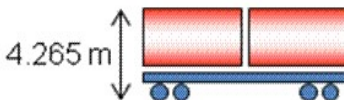
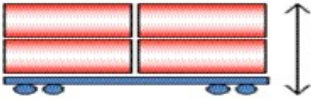
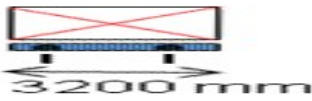
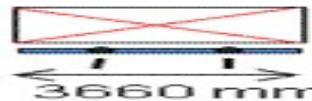
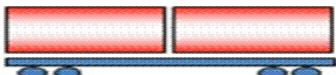
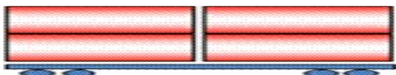
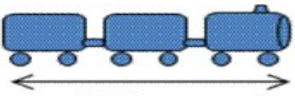
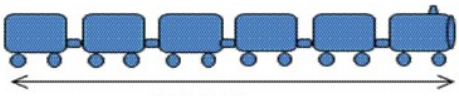
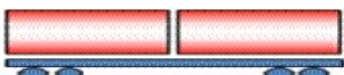
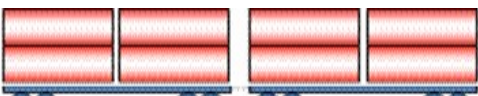
Mission

As the dedicated agency to make the vision into reality, DFCCIL's mission is:



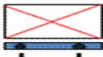
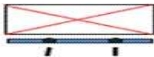


- To build a corridor with appropriate technology that enables Indian Railways to regain its market share of freight transport by creating additional capacity and guaranteeing efficient, reliable, safe and cheaper options for mobility to its customers.
- To set up Multimodal logistic parks along the DFC to provide complete transport solution to customers.
- To support the government's initiatives toward ecological sustainability by encouraging users to adopt railways as the most environment friendly mode for their transport requirements.

Salient Features

Dedicated Freight Corridors are proposed to adopt world class and state-of-the-art technology. Significant improvement is proposed to be made in the existing carrying capacity by modifying basic design features. The permanent way will be constructed with significantly higher design features that will enable it to withstand heavier loads at higher speeds. Simultaneously, in order to optimize productive use of the right of way, dimensions of the rolling stock are proposed to be enlarged. Both these improvements will allow longer and heavier trains to ply on the Dedicated Freight Corridors. The following tables provide comparative information of the existing standards on Indian Railways and the proposed standard for DFCC.

Feature	Existing	On DFC
Moving Dimensions		
Height	 <p>4.265 m</p>	 <p>7.1 m for Western DFC 5.1 m for Eastern DFC</p>
Width	 <p>3200 mm</p>	 <p>3660 mm</p>
Container Stack	 <p>Single Stack</p>	 <p>Double Stack</p>
Train length	 <p>700 m</p>	 <p>1500 m</p>
Train Load	 <p>4,000 Ton</p>	 <p>15,000 Ton</p>

Upgraded Dimensions Of DFC

Feature	Existing	On DFC
Heavier Axle Loads		
Axle Load	 22.9t/25t	 32.5t/25t for Track Superstructure
Track Loading density	 8.67 t/m	 12 t/m
Maximum Speed	 75 Kmph	 100 Kmph
Grade	Up to 1 in 100	1 in 200
Curvature	Up to 10 degree	Up to 2.5 degree
Traction	Electrical (25 KV)	Electrical(2x25 KV)
Station Spacing	7-10 Km	40 Km
Signalling	Absolute/ Automatic with 1 Km spacing	Automatic with 2 Km spacing
Communication	Emergency Sockets/Mobile Train Radio	Mobile Train Radio

Benefit of the Project

DFC Project aims to help boosting the present trends of growth of the economy in India as well as improve the environment:

- Acceleration of nationwide economic development due to improvement of freight transportation system in India.
- Increase of industrial development along the DFC will bring about increase of employment opportunity in the region.
- Improvement of transportation of agricultural produce by DFC in terms of distance and speed will bring about expansion and improvement of the market for farmers in the region as well as forestry and fisheries.
- Less energy use for transport of goods compared to transportation by truck.
- No gaseous emission to local community along the DFC alignment (Reduction of gaseous emission from truck along the road).
- Clean energy transportation system, Green House Gas Emission Reduction by 477 million ton CO₂ over a period of 30 years.

WAGON LEASING SCHEME

(Freight Marketing Circular/WLS/2014/0, dt.16.12.2014)

1.0 Objective:

The objective of this scheme is to develop a strong wagon leasing market by encouraging third party leasing of wagons, particularly with a view to bring in wagons of better designs. This document lays down the policy for leasing of wagons and their operation on the rail network of Indian Railways.

2.0 DEFINITIONS AND ABBREVIATIONS

Definitions and abbreviations of some of the terms used in this document are as under:

2.1 IR: Railway Administration.

2.2 MOR: Ministry of Railways, Government of India.

2.3 End User: Rail customers who are producers or consumers of the goods transported by rail.

2.4 Operators: Third Party Logistics Companies engaged in providing service to multiple customers under permission granted by IR to run their trains on IR network under various schemes including those which allow wagon for these trains to be procured on lease through WLS.

2.5 Wagon Leasing Company (WLC): A Leasing Company engaged in the business of procuring railway wagons and making them available to other business entities authorised to deploy such wagons for operation over IR network in accordance with the extant policy of MOR.

2.6 Lessor: A WLC engaged in the business of leasing wagons to a Lessee(s).

2.7 Lessee: It refers to End Users or Operators under Concession granted by IR to run trains on IR network.

2.8 Leased Wagons: Wagons given on lease by a Lessor to a Lessee.

2.9 Idle Leased Wagons: Wagons owned by a Lessor and held on IR network or a private siding awaiting nomination of lessee.

2.10 High Capacity Wagons (HCW): Wagons with payload which are at least 2.0 tonnes higher than the payload of extant similar wagons on IR for 25.0 tonne or 22.9 tonne axle load route, as the case may be. The dimension of such

wagons should be such that it gives commensurate higher payload in the full train length without changing the laid down standard composition of rakes. Such wagons will operate on specific routes approved by IR and will not form part of the wagon pool of IR.

2.11 Special Purpose Wagons (SPW): Wagons designed for rail transportation of a specific commodity or group of commodities. Such wagons will operate on specific routes or close circuits as approved by MOR and will not form part of the wagon pool of IR.

2.12 Liberalized Wagon Investment Scheme (LWIS): Scheme introduced by MOR in 2008 to encourage private investment for procurement of different types of wagons.

2.13 General Purpose Wagons (GPW) Wagons other than those mentioned in 2.10 and 2.11 above, which can carry multiple commodities without requiring any specific approval for MOR for carriage of the commodity in that wagon, like BOXN, BCN etc.

3.0 TYPES OF WAGONS

Following types of wagons may be procured for leasing:

- i) High capacity Wagons (HCW)
- ii) Special Purpose Wagons (SPW)
- iii) Wagons for Container movement.
- iv) General Purpose Wagons (GPW)

4.0 LEASING OF WAGONS

Wagons may be leased to firms / operators granted permission to operate rakes under any of the schemes of the railways (such as SFTO, LWIS, GPWIS, CTO etc.) in which wagons are permitted to be taken on lease in terms of WLS.

5.0 ELIGIBILITY CRITERIA

The applicant should fulfill the following eligibility criteria to become a WLC:

- 5.1** It should be an entity registered in India under the Companies Act, 1956.
- 5.2** It should have at least 5 years' experience of asset leasing business.
- 5.3** It should have a net worth of at least Rs. 100 crore.
- 5.4** In case the applicant is a subsidiary company, experience and net worth of the holding company, owning more than 50% equity, may be reckoned for the purposes of Para 5.2 and 5.3 above. However, in such cases, applicant company should have a minimum of 25% of the prescribed net worth.

6.0 REGISTRATION OF WLC:

6.1 An entity intending to offer railway Wagons on lease for operation on IR network will be required to register itself as a WLC with MOR by paying a one-time non-refundable registration fee of Rs. 5 crores.

6.2 Registration of a Wagon Leasing Company (WLC) will be valid for 35 years from the date of registration further extendable on payment of registration fee subject to satisfactory performance.

6.3 Registration of a WLC will be summarily cancelled on the Company becoming insolvent or on being found to be acting in manner which constitutes a breach of its contract with MOR.

7.0 PROCUREMENT OF WAGONS BY WLC:

7.1 A WLC will be required to procure wagons directly from wagon manufacturers or through imports.

7.2 Procurement of wagons will be allowed only with prior administrative and technical approval of MOR.

7.3 Procurement of wagons would be in units of the prescribed composition of block rakes for such wagons plus 4% wagons as maintenance spare along with a brake van for each rake. However, in case of wagons to be inducted under any specific scheme WLC, procurement of wagons as maintenance spare shall be governed as per the guidelines of that scheme, prevailing at the time of approval.

7.4 Freight concessions which are available to investors under LWIS, SFTO, GPWIS etc. will be made available to lessees as per the provisions of the relevant scheme under which the permission to operate these rakes is granted.

7.5 Wagon Leasing Company (WLC) is also permitted to purchase wagons from Container Train Operators (CTO), Special Freight Train Operators (SFTO), Automobile Freight Train Operator (AFTO) and end users with prior approval of Ministry of Railways. The rebate applicable to these wagons will be that of the policy under which the wagons were procured initially and in case the WLC purchases wagons which are entitled to any rebate, no rebate will be permissible under WLS scheme.

7.6 Wagon Leasing Company (WLS) is also permitted to purchase wagons from Container Train Operators (CTO), Special Freight Train Operators (SFTO), Automobile Freight Train Operators (AFTO), parties investing in GPWIS, end users or from parties registered under any other scheme issued by Ministry of Railways in which WLC is eligible, with prior approval of Ministry of Railways.

The rebate applicable to these wagons will be that of the policy under which the wagons were procured initially and in case the WLC purchases wagons which are not entitled to any rebate, no rebate will be permissible under the WLS scheme.

8.0 LEASING CONTRACTS

8.1 Wagon leasing contracts will be bi-partite agreements between the WLC and the Lessee.

8.2 IR will not have any responsibility of liability in respect of wagon leasing contracts except to the extent set forth in this document.

8.3 The WLC (as Lessor) and the Lessee will furnish to IR a jointly authenticated copy of their Wagon Leasing Contract which must include clauses certifying the ownership of the Wagons with the WLC and articulating an explicit and unambiguous right of WLC to single terminate the lease of Wagons to Lessee.

8.4 The WLC will have the right of substitution of lessee on the approved route(s) or close circuit(s), under intimation to IR.

8.5 Consequent upon receipt of an advice of termination of the lease by the WLC, IR shall cease to make such wagons available to the Lessee and hold such idle leased wagons in its custody awaiting further nomination of a Lessee by the WLC.

8.6 IR will not act on any advice regarding termination of lease from the lessee.

9.0 SUB-LEASING BY THE LESSEE

Lessee will not be permitted to sub-lease the wagons held by him to another agency.

10.0 LIABILITIES

10.1 Liabilities of IR

Liabilities of IR in respect of claims and compensation will be regulated by the relevant provision of the Railways Act in this regard.

10.2 Liability of Lessee

Lessee of the Wagons will be responsible to pay all charges raised by IR in respect of freight, demurrage, wharfage, stabling and any other charges claimed by IR for services rendered.

10.3 Liability of WLC

10.3.1 WLC will be the legal owner of the wagons procured by it and leased to a Lessee.

10.3.2 WLC will be responsible to secure necessary insurance against damage to such wagons in accidents or for third party liabilities etc.

10.3.3 If a WLC terminates lease of Wagons to a Lessee and directs IR to hold such Wagons in its custody on IR owner railway lines, the WLC will be liable to pay Stabling Charges at prevalent rates as notified by IR.

10.3.4 Stabling Charges, however, will not accrue if such wagons are held in the private sidings of the WLC or Lessee or any other private siding with which the WLC or Lessee or any other private siding with which the WLC or Lessee has any agreement for keeping their Idle Lease Wagons.

10.3.5 If a WLC required IR to move Idle Leased Wagons from any terminal or siding to another terminal or siding selected by WLC, WLC will be liable to pay to IR freight charges at class – 100 for movement of empty Rakes of such wagons.

10.3.6 All cess, duty, taxes or fees payable to State Government/s, Central Government or any other authorised agency shall be borne by the WLC.

10.3.7 Stabling charges other than above reason should be considered as follows:

(a) In case the train suffers detention at the serving station for reasons attributable to the WLC/Lessee or when the WLC/Lessee either declines to accept inside the terminal, scheduled to be the terminating station or is not in a position to receive placement of subsequent train then stabling charges should be levied.

(b) At any of the stations en-route due to any reason attributable to the WLC/Lessee including for want of demand then stabling charges should be levied.

(c) When the rake is on run from originating station to the destination station or on scheduled maintenance, the stabling shall be on Railways account unless expressly asked by the lessee.

11.0 MAINTENANCE OF WAGON:

Maintenance of Leased Wagons will be undertaken by IR on payment as per agreements to be executed with the WLC.

12.0 LIEN

12.1 In cases of default of payment by WLC, IR may exercise lien on the leased wagons to recover its dues.

12.2 In cases of default by a Lessee in respect of any payments due to IR, IR may exercise lien on the consignment loaded in the leased wagons to recover its dues.

13.0 DISPUTE RESOLUTION

All disputes in regard to implementation of the agreements with the Zonal Railway, under this scheme, will be referred to an Arbitrator nominated by General Manager of the Zonal Railway.

LIBERALIZED WAGON INVESTMENT SCHEME

(FMC /LWIS/2018/0 DATED 02/07/2018)

1.0 GENERAL

The previous Liberalized Wagon Investment Scheme circulated vide FMC 11 of 2011 along with all amendments stands superseded by the revised Liberalized Wagon Investment Scheme (LWIS). The terms and conditions of the revised LWIS shall also be applicable to the customers who have already made investment for procurement of wagons or obtained approval from Ministry of Railways for procurement of wagons under the previous LWIS.

2.0 DEFINITIONS AND ABBREVIATIONS

Definitions and abbreviations of some of the terms used in this document are as under:

- 2.1 ACT: Railway Act 1989
- 2.2 IR: Railway Administration
- 2.3 MOR: Ministry of Railways, Govt.of India
- 2.4 Investors: This refers to end users or WLCs
- 2.5 End User: Rail customers who are producers or consumers of the goods transported by Rail.
- 2.6 Wagon Leasing Company (WLC): A leasing company engaged in the business of procuring railway wagons and making them available to other business entities authorized to deploy such wagons for operation over IR network in accordance with the extant policy of MOR.
- 2.7 Lessor: A WLC engaged in the business of leasing wagons to the Lessee(s).
- 2.8 Lessee: It refers to End users, investors under Terminal Development Scheme or operators under Concession granted by IR to run trains on IR network.
- 2.9 Leased Wagons: Wagons given on lease by a Lessor to a Lessee.
- 2.10 Idle Leased Wagons: Wagons owned by a lessor and held on IR network or a private siding awaiting nomination of a Lessee.
- 2.11 High Capacity Wagons (HCW): Wagons with payload which are at least 2 tonnes higher than the payload of extant similar wagons on IR for 25.0 or 22.9 tonne axle load route, as the case may be. The dimensions of such wagons should be such that it gives commensurate higher payload in the full train length without changing the laid down standard composition of rakes. Such wagons will operate on specific routes approved by IR and will not form a part of the wagon pool of IR.

2.12 Special Purpose Wagon (SPW): Wagons designed for rail transportation of a specific commodity or group of commodities. Such wagons will operate on specific routes or close circuits approved by MOR and will not form a part of the wagon pool of IR.

2.13 Wagon Leasing Scheme (WLS): The scheme introduced by MOR in the year 2008 for leasing of wagons and their operations on IR.

2.14 Terminal Development Scheme: Scheme introduced by MOR in 2008 to encourage development of Railway terminals through investment from private sector.

3.0 TYPES OF WAGONS PERMITTED FOR PRIVATE PROCUREMENT:

Following types of wagons may be procured under the scheme.

- (i) High Capacity Wagon (HCW)
- (ii) Special Purpose Wagon (SPW)

4.0 PROCUREMENT OF WAGONS:

Following types of investors may procure wagons

- (i) WLC (for leasing to end users)
- (ii) End users (for their own traffic only)
- (iii) Logistic providers exclusively for the end user company

5.0 PROCEDURE FOR PROCUREMENT OF WAGONS

5.1 General conditions and procedure for procurement of wagons is laid down in Annexure-A

5.2 Procurement of wagons will be allowed only with prior administrative approval of MOR.

5.3 Privately procured will be inducted into service only after completion of the mandatory safety and quality inspections by authorized agents as notified by MOR.

5.4 MOR reserves the right to terminate the agreement with any investor procuring wagons under LWIS on payment of the residual value as assessed by IR.

6.0 OPERATION OF PRIVATELY OWNED WAGONS

HCW and SPW will be operated as per the provisions prescribed in Annexure-B

7.0 MAINTENANCE OF WAGONS

7.1 Maintenance of wagons will be undertaken by IR on payment as per agreements to be executed with the investor.

7.2 The haulage charges for moving the wagons in rake for formation from a private terminal to the workshop / maintenance depot / train examination point of the Railway administration and back to the loading point will be borne by the Railway administration.

8.0 FREIGHT RATES AND CONCESSIONS

- 8.1 Freight concessions will be permitted to End users only as indicated in Annexure-C
- 8.2 However, if the investor has vailed of any concession, subsidy or any other financial benefit for procurement of wagons from any other Ministry or from Ministry of Railways under any other scheme, he will not be eligible under this scheme. The investor will give an under taking to this effect. In case of false undertaking, benefit given, if any, shall be recovered through a suitable mechanism to be developed by the Railways.

9.0 RESTRICTED COMMODITIES

Transport of Coal and Coke, ores and minerals including Iron ore will not be permitted in privately owned wagons.

10.0 LIEN

In cases of default of payment by the investor, IR may exercise lien on the privately owned wagons and the consignment loaded in such wagons to recover the dues. However, in case of leased wagons the relevant provisions of the WLS will apply.

11.0 DISPUTE RESOLUTION

All disputes in regard to implementation of the agreements with the Zonal Railway, under this scheme, will be resolved as per The Arbitration and Conciliation (Amendments) Act, 2015 by General Manager of the Zonal Railway.

ANNEXURE-A

General conditions and procedure for procurement of High Capacity and Special Purpose Wagons for LWIS

Following procedure and conditions are laid down for procurement of wagons by prospective investors under LWIS.

1. The Principal Chief Operations Manager (PCOM) of the concerned loading Railway should be contacted along with specific details of the proposal. The details should include number of rakes required, type of wagons, commodity, loading stations, destination stations, proposed specific routes or close circuits and any other information relevant to the proposal.
2. After examination of the proposal regarding its operational feasibility, No Objection Certificate (NOC) shall be issued by the PCOM of the loading railway in consultation with the PCOM of the destination railway. NOC should normally be issued within 10 days of receipt of application.
3. NOC should clearly indicate number of rakes, type of wagons, loading station, unloading station(s), commodity, route of the close circuit for movement of the traffic in such rakes, etc.

4. Application along with NOC should be forwarded by the zonal railway to the Executive Director / Freight Marketing (EDFM) , Railway Board for examination by the TT Directorate and issue of final approval of the Railway Board for permitting procurement of rakes under LWIS.
5. On the basis of the approval of the Railway Board, an Agreement will be signed between the Principal Chief Commercial Manager (PCCM) of the concerned Railway and investor which will be valid for the codal life of the rake inducted under the agreement.
6. Wagons should be procured in units of rake with 4 % maintenance spares and one brake van.
7. Rakes will be procured by customers directly from wagon manufacturers or through import subject to compliance with current applicable IRS designs and specifications and inspection by nominated agency of IR, namely RDSO.
8. Customers will be required to incorporate following warranty clause in the purchase contract with the wagon manufacturer. "Supplies shall be guaranteed against any manufacturing defect / poor workmanship quality etc. for a period of 24 months of commissioning or 30 months from the date of delivery, whichever is earlier. During this period contractor will arrange to repair /replace any defective part free of cost or replace complete set if required. Further, since these wagons are to be utilized by the customers of Indian Railways, they are hereby authorized to invoke this warranty clause of any default on the part of wagons manufacturer."
9. Information regarding placement of order for procurement of rakes may be advised to the PCOM of the concerned zonal Railway as well as EDFM, Railway Board.
10. Date of actual induction of the rake on IR network may be informed to the PCOM and EDFM. The zonal railway will keep the details of the wagons and brake vans procured for each rake.
11. On receipt of documents about commissioning of the rake under LWIS, a commercial notification will be issued by the PCCM in consultation with PCOM. The notification should have all relevant details mentioning inter alia, the details of the concession, the date of commencement of the concession period, the name of the investor, wagon numbers, commodity, approved circuits, the base freight at the time of notification etc.
12. Each rake procured by investor will thus have an associated loading and unloading point(s) over specific route (s) or close circuit(s) as approved by the Railways as per the above procedure.

13. Terminal for loading / unloading

13.1 The rakes procured under LWIS will operate between private sidings/ terminals equipped to handle the traffic for which LWIS customer must have a tie-up with such private sidings / terminals or own its private terminal / sidings for handling of such wagons.

13.2 The wagons can also be operated from railway goods sheds notified in terms of Wharfage rules, wherever feasible, on the recommendations of PCCM and approval of PCOM provided such rake handling will not in any way hinder or restrict or hamper handling of inward or outward traffic in rail wagons at present and as far as possible, even in the foreseeable future. Operation in the goods shed will only be allowed after due clearance for handling such special purpose wagon traffic.

13.3 The associated loading and unloading point or points can be changed as per the requirement of the LWIS customer. This change is subject to the operational feasibility and NOC from the concerned zonal railway and approval of the Railway Board.

14. In case the LWIS customer wants to carry commodity other than for which permission has been given, the same may be permitted provided that the commodity is produced / consumed by the LWIS customer and can be carried in rakes for which permission has been granted. E.g. If BCCW rakes under LWIS have been procured for loading cement and fly ash and the investor desires to change the number of rakes dedicated to either of the commodity, it should be allowed.

15. However, in the case of leased wagons, changes in the associated loading and unloading points and the routes or closed circuits can be made as per the requirement of the WLC, subject to the certification of operational feasibility and approval of the Railway Board. Each such case shall, however, be processed for issue of a fresh NOC from the concerned zonal railway and the approval of the Railway Board. Each such case shall, however, be processed for issue of a fresh NOC from the concerned zonal railway and the approval of Railway Board as per the procedure prescribed above.

16. Agreement between the Railway and the investor should be signed within six months from the date of approval from Railway Board is granted and the rakes should be produced under this scheme within one year from the date of signing the agreement failing either of which conditions the said approval shall be deemed to have lapsed, unless specific prior extension is given by the Railway Board in both the cases.

ANNEXURE-B

Conditions for operation of High Capacity and Special Purpose Wagon in LWIS

IR will operate HCW and SPW as per the conditions prescribed below:

1. Private wagons falling in this category will not be merged in the wagon pool of IR. Rakes comprising of such wagons will be identified as exclusively belonging to the private investor who has procured them.
2. Loading in wagons procured under this scheme will be permitted only against indents registered by end users subject to extant rules for allotment of wagons.
3. Indents for loading in such wagons will be placed at the approved loading point for the approved destination point for movement over specific routes or closed circuits as approved by Railways.
4. If the end user does not place any indents, these wagons will remain in his premises.
5. Stabling and Wharfage charges :
 - 5.1 If IR has to stable these rakes in Railway owned yards at the request of the end user or otherwise, stabling charges as notified by MOR will be payable as per Rates Master Circular Demurrage – Wharfage-WAIVER /2016/0 and its amendments / revision / extension from time to time. However if an LWIS rake is detained in railway terminal (goods shed) beyond the permissible free time up to the time of release detention charges will be levied.
 - 5.2 For using Railway goods sheds, Terminal Access Charges, Detention charges and Ground usage charges shall be levied as per the following :-

5.2.1 Terminal Access Charge

- a) The LWIS investors dealing with their rakes at Railway owned terminals will be required to pay Terminal Access Charge (TAC) at the rates as notified from time to time by Railway Board.
- b) Charges mentioned above shall be levied on per rake basis, irrespective of the actual rake composition or actual number of wagons on a train at the Railway terminal.
- c) TAC shall be collected at the time of preparation of RR. The methodology for levy of TAC is given below:

Type of rake handling at Railway goods shed	Terminal Access Charge (TAC)
Loaded rake in and empty flats out	1 x rate of TAC
Empty flats in and loaded rake out	1x rate of TAC
Loaded rake in and loaded rake out	1 x rate of TAC
Chassis handling	1 x rate of TAC

Note: Rate of TAC will be as per Rates Master Circular /CRT-CCR- Hub and Spoke /2015/0 dated 07.04.2015 and its amendments / corrigendum from time to time.

5.2.2 Permissible free time and Detention charge for use of Railway goods sheds :

5.2.2.1 Total permissible free time at Railway goods sheds on an LWIS train will be as per type of stock, i.e. Flat wagons, covered wagons, box wagons or tank wagons as specified, irrespective of the activity or activities done on the rake and number of operations performed according to para 2.2 of Rates Master Circular / Demurrage – Wharfage –waiver /2016/0 dt 19.5.2016 and its amendments issued from time to time. This free time will be applicable till a rates circular is issued for free time for the specific stock type.

5.2.2.2 Free time will commence from the time of placement of the first wagon of the LWIS train.

5.2.2.3 An LWIS train will be considered to be released at the time at which the last wagon of the rake is released, i.e. at the time at which the rake has been released at its entirety and is available for removal from the placement line(s).

5.2.2.4 Detention charge will be levied for occupation of railway goods sheds beyond the permissible free time up to the time of release of the rake.

5.2.2.5 Detention charge will be levied at the prevailing rate of Demurrage charge as notified from time to time for full rake.

5.2.2.6 PCCM /PCOM (whoever is designated for dealing with demurrage) of a zonal railway may notify a higher Detention charge (up to six times the normal rate). Higher detention charge will be applied for those LWIS rakes who take excessive time to release their rakes or do so repeatedly.

5.2.3 Ground Usage Charge

5.2.3.1 Ground Usage charge will be levied for the use of ground at Railway goods sheds.

5.2.3.2 LWIS operators will be permitted a free time for use of ground at Railway goods sheds.

5.2.3.3 Permissible free time for use of ground for dealing with a LWIS train will be same as is permitted under Wharfage rule for goods traffic, irrespective of the activity or activities done on the rake and number of operations performed, which at present is as under :

Type of goods shed	Free time in hours
Group- I	12
Group-II	15
Group- III	30

5.2.3.4 Free time for the purpose of levy of Ground usage charge will commence from the expiry of the free time for loading and /or unloading the traffic. Ground Usage Charge will be levied after expiry of the permitted free time till the time all goods are removed from the ground by the LWIS operators and ground becomes available to be allotted to the next train.

5.2.3.5 However, if advance stacking has been availed by the LWIS operator, Ground Usage time will commence from the time advance stacking has been permitted to the time all goods are removed and ground made free for use by the next train. Ground usage will be levied after making allowance for permissible free time for advance stacking and for ground usage.

5.2.3.6 Ground Usage Charge will be levied on per train per hour basis irrespective of the number of goods on the ground.

5.2.3.7 Ground Usage Charge will be levied for full rake at the prevailing rates of Wharfage charge, and its amendments / corrigendum issued from time to time.

5.2.3.8 PCCM of a zonal Railway may apply higher Ground Usage Charge (up to six times the normal rate applicable for the 6th day), higher Ground Usage Charges will be applied for those LWIS operators who repeatedly fail to release the ground at the goods sheds within two days.

5.2.4 Ground Usage Charge for advance stacking

5.2.4.1 LWIS operator may be permitted advance stacking of goods on the ground of any goods sheds for 24 hours free of any charge for loading on an incoming train.

5.2.4.2 Ground Usage Charge at the rates mentioned in Para (c) (vii) above will be levied in accordance with (c) (v) if the ground is not cleared at expiry of the free time for advance stacking. However, no ground usage charge will be levied till the placement of the empty rake for loading even after lapse of the advance stacking period. The empty rake will be supplied only after expiry of the permitted time for advance stacking or completion of stacking, whichever is earlier.

5.2.5 Waiver of Detention Charge and Ground Usage Charge

Detention charge and ground usage charge will be treated on par with Demurrage and Wharfage for the purpose of consideration of waiver etc., under justified circumstances as per extant instructions as applicable to waiver of Demurrage and Wharfage .

6. IR will have no right to use these wagons, except as stipulated in Para 7 below, for loading of traffic of any customer other than the End user for the wagons concerned.

7. Notwithstanding Para 3 and 6 above, HCW or SPW may be used by IR for traffic offered by customers other than the End user subject to a prior mutual written agreement between IR and such investor or WLCs regarding the terms of such usage.

8. Investor will not be entitled to any residual value of the rake procured by him.

9. Freight Traffic transported in the SPW in an approved circuit will originate from a private siding or terminal and terminate at a private siding or terminal capable of handling the traffic in such SPWs.

However, Railway goods sheds can also be used for loading or unloading provided found feasible as per the conditions mentioned in Para 13 (ii) of Annexure A and in Para 5.2 above.

10. Wherever relevant, provisions of the Terminal Development Scheme will apply for operation of SPW.

ANEEXURE-C

FREIGHT CONCESSION IN LWIS

Freight concession to the end users that will be granted for each loading in the rakes consisting of new HCW and SPW procured under LWIS are as under:

A. HCW operating on approved specified routes

1. Investments in HCW, with a payload of 2 tonnes more than the payload of existing wagons (as mentioned in Para 2.11 of the scheme) will be eligible for a freight concession of 12% for a period of 20 years.
2. For each additional tonne of payload in excess of what is prescribed in Para 1 above, an additional 0.5% of freight discount will be granted for 20 years.
3. Payload will be reckoned in terms of integral units of tonnes after rounding off the fractions to the lower integer.

B. SPW operating in approved closed circuits

Freight concession of 15% will be granted for a period of 20 years for each loading of a new rake of SPW procured under LWIS operating between existing or new private terminals capable of handling the traffic in such SPWs in an approved closed circuit.

The above mentioned freight concessions of 12% and 15% shall henceforth be granted in each case on the Base Freight Rate prevailing at the time of booking during the currency of the concession period of 20 years.

The concession shall be applicable to (a) rakes that are already running over Indian Railways system with prospective effect only and (b) new rakes that will be inducted in Indian Railways system. Arrangements may be made to incorporate the change in the existing LWIS agreements for the rakes which have already been inducted.

C. No freight will be charged for movement of empty rake to the next destination provided the distance travelled by empty rake is less or equal to the distance travelled by the train before unloading. However, if the distance travelled by empty rake is more than the loaded distance then for additional distance travelled by the empty rake over and above the loaded distance, empty freight rate will be charged at 50% of loaded freight of public tariff on carrying capacity of the wagons.

PRIVATE FREIGHT TERMINALS (PFT)

(Freight Marketing / Master circular /PFT/2015/0 dated 02/01/2015)

1.0 Introduction

This policy seeks to supplement the in-house programme of Ministry of Railways by opening the area of terminal development with participation of the logistics service providers to create world-class logistics facilities.

A prospective TMC will need to apply for setting up a PFT in accordance with terms and conditions of the PFT policy.

1.1 This policy aims to stimulate development of privately owned freight terminals not on Railway land for dealing with railway traffic including parcel traffic and containers.

1.2 Any freight terminal, private siding or any other type of goods handling facility on Railway owned Land is excluded from the applicability of this policy.

2.0 Objective

2.1 The objective of this policy is to –

- (i) Enable rapid development of network of freight handling terminals with the participation of the private sector.
- (ii) Enhance the presence and share of railways in the overall transport chain.
- (iii) Divert traffic so far predominantly moving by road to rail and attain increased rail freight volumes by offering integrated, efficient and cost effective logistics and warehousing solutions to users.

2.2 The above provision

3.0 Definitions:

Key terms used in this policy guidelines have been defined in the following section for precise interpretation and elimination of ambiguities. Field functionaries should interpret such terms exactly as defined.

3.1 Act: Railways Act , 1989.

3.2 Agreement: Document executed by a TMC and RA setting forth the terms and conditions for operation of a PFT.

3.3 Authorised user: Rail users authorized by the TMC to make use of the facilities at a PFT will be called authorized users.

3.4 Brownfield PFT: A term used to refer to an existing private siding (including the private sidings dealing with container traffic) converted into a PFT under the policy.

3.5 “Consignee” means the person named as consignee in railway receipt.

3.6 “Consignor” means the person, named in railway receipt as consignor, by

whom or on whose behalf goods covered by the Railway receipt are entrusted to a railway administration for carriage .

- 3.7 Container terminals: A freight terminal of Container Train Operator dealing exclusively with container traffic only.
- 3.8 Container Train Operators: Private train operators who have been granted a concession to operate container trains under the provisions of MCA.
- 3.9 Common User Facility: A facility available for use to all rail users without any discrimination.
- 3.10 CONCOR: Container Corporation of India.
- 3.11 CCM (FM): Chief Commercial Manager (Freight Marketing) of a zonal railway.
- 3.12 CTPM: Chief Transportation Planning Manager of a zonal railway.
- 3.13 Co-user: This term refers to the permission given to a rail user by RA, other than the owner of a private siding, for using the siding for handling of his own goods at the siding, subject to the provisions of the siding agreement.
- 3.14 FOIS: Freight Operating Information System.
- 3.15 Freight Terminals (FTs): A terminal notified by the railway to deal with freight (goods) traffic.
- 3.16 Greenfield PFT: A term used to refer to a new freight terminal commissioned as a PFT under this policy.
- 3.17 IR: Indian Railways
- 3.18 MOR: Ministry of Railways.
- 3.19 MCA: Model Concession Agreement entered into by RA and concessionaries of privately owned container trains.
- 3.20 PFT: Private Freight Terminal
- 3.21 Private siding: privately owned freight terminal created for a single rail end user (manufacturer, consumer etc.)
- 3.22 Private siding policy: Liberalization of siding rules issued on 30.01.12 vide letter no. 99/TC (FM) /26/1pt.II by MOR and as amended from time to time. Setting forth conditions for construction, maintenance and operation of private sidings and the associated charges payable by the siding owners to RA.
- 3.23 Private land: Land not owned by Railways.
- 3.24 RA: Railway Administration implies zonal Railway Administration.
- 3.25 Rake: A Rake is a train load of wagons with a prescribed composition.

- 3.26 Terminal Charge: This term refers to the Terminal Charge levied by Railways at railway owned goods sheds. MOR notifies commodity wise rates for these charges.
- 3.27 TMC: Terminal Management Company, an entity owning a PFT.
- 3.28 TMS: Terminal Management System of FOIS.
- 4.0 Nodal Agency
- 4.1 Executive Director (Freight Marketing), Ministry of Railways (or any other functionary nominated for this function by Railway Board) would be the nodal officer for implementation of this policy.
- 4.2 At the level of Zonal Railways, CTPM would be the nodal officer during construction and planning stage. CCM (FM) would be the nodal officer after commissioning of a PFT.
- 5.0 Freight Terminals (FTs)
- 5.1 Loading and unloading of goods transported by rail is done at freight terminals.
- 5.2. Currently, FTs included following categories of terminals.
- 5.2.1 Railway owned goods sheds and sidings on Railway land.
- 5.2.2 Private sidings built on private land in terms of the private siding policy for exclusive use of its owner for its own cargo.
- 5.2.3 Private sidings built on private land where rail users other than the owners of the private sidings have been permitted to use the siding under the provisions for co-use facility in the private siding agreement.
- 5.2.4 Privately owned container handling terminals set up on private land in accordance with the provisions of the MCA (including those created by CONCOR on private land before introduction of MCA).
- 6.0 Eligibility for TMC:
- 6.1 A TMC should be
- 6.1.1 A company registered in India under the Companies Act, 1956, or
- 6.1.2 A public sector entity (PSUs or organizations created under an act of Parliament), or
- 6.1.3 An entity registered as a cooperative society under the Cooperative Societies Act 1912, or
- 6.1.4 An entity owning an existing Private siding or an assisted siding, or
- 6.1.5 A subsidiary of an entity covered in 6.1.1 or 6.1.2 above, or
- 6.1.6 A joint venture company, or
- 6.1.7 A consortium

- 6.2 The applicants with experience in the business of logistic service will be preferred. In case of subsidiary company, experience of the holding company may be reckoned for the purpose of experience. In case of joint venture or consortium, experience of lead member or a member, who has at least 26% equity share may be reckoned for the purpose of experience.
- 6.3 If an eligible entity has already applied for a Private siding on private land and same has not been notified as a private siding, it will be entitled to opt for converting its proposal into a proposal for a Greenfield PFT.
- 7.0 Conversion of Private sidings into PFTs
- 7.1 A private siding operating exclusively for the traffic of the siding owner of such a facility is permitted to continue to operate as private siding.
- 7.2 Existing private sidings already operating with a co-user facility that allow handling of third party cargo i.e. other than co-user as per definition in Para 3.13 will have to necessarily apply to convert themselves into a PFT.
- 7.3 If the siding owner desires to continue with the co-use of his siding and does not want to convert to PFT, co-user permission can be given to maximum of three (3) users only as per definition of co-user stipulated in para 3.13. If the siding owner desires to handle traffic with more than three co-users at his siding, he has to convert his siding into PFT. However, this provision will not be made applicable to ports developed under 'Private Siding Policy'. Multi consignors / consignees / third party cargo shall be permitted at such ports without any upper limit on no. of co-users.(Amendment-5)
- 7.4 Where in principle approval has been given for conversion of a siding into a PFT, which was availing co-user permission, such permission will continue till notification of the siding as PFT.
- 7.5 Container Terminals developed by a container train Concessionaire in terms of the MCA may choose one of the following options.
- 7.5.1 Continue to operate as container terminals under MCA (all container terminals, including CONCOR's terminals and Private Container Terminals are permitted to handle automobile traffic and auto ancillaries), or
- 7.5.2 Apply for conversion to a PFT in terms of the PFT policy for handling goods in rail wagons apart from containers, automobile and auto ancillary traffic. (Amend 4)
- 7.6 Road based Inland Container Depot / Container Freight Station desiring rail connectivity will have to operate under the PFT policy.
- 8.0 Documents required

- 8.1 An application for setting a Greenfield PFT will include the following documents;
 - 8.1.1 Papers relating to eligibility criteria as stipulated in Para 6.0
 - 8.1.2 Feasibility report of the proposed PFT.
 - 8.1.3 Projections of anticipated business volumes.
- 8.2 An application for converting an existing private sidings or container terminal into a Brownfield PFT will include following documents.
 - 8.2.1 Papers relating to eligibility criteria as stipulated in Para 6.0
 - 8.2.2 Projections of anticipated business volumes.
- 8.3 A list of authorized users of the PFT will be required to be submitted by the applicant TMC after grant of approval.
- 8.4 This list along with projection of anticipated business volumes as stated in Para 8.1.3 and 8.2.2 above will be used only for the purpose of making an assessment about requirement of additional capacity on IR network etc.
- 9.0 Application Fee
 - 9.1 Applications of both Greenfield and Brownfield PFTs will be required to deposit Rs. 10 Lakhs as application fee at the time of applying for setting up a PFT. The fee is to be deposited as per the extant procedure.
(Amendment-1)
 - 9.2 If an application for a PFT is rejected for any reason whatsoever, 99% of the application money will be refunded to the applicant within 30 days of such rejection.
- 10.0 Security Deposit
 - 10.1 A Security deposit of Rs. 10 Lakhs will be deposited by the applicant within one month of granting approval for setting up of PFT by RA, failing which the approval will be withdrawn. (Amendment-1)
 - 10.2 Upon successful completion of the PFT, 99% of the deposit will be refunded within 30 days of issue of notification of the PFT.
 - 10.3 If the PFT is not completed within a period of 1 year for Brownfield PFT and 3 years for Greenfield PFT from the date of issue of final approval, the approval for such PFT will be cancelled and application fee and Security deposit forfeited unless otherwise extension of the gestation period is granted by the RA as per clause 15.9
- 11.0 Application Procedure
 - 11.1 An eligible entity proposing to set up any type of PFT will apply to CTPM of the concerned zonal railway in whose jurisdiction the proposed PFT falls, enclosing the prescribed documents and application fee. CTPM will

examine all aspects of eligibility criteria and operational feasibility of the proposal. After that, it will be put up by CTPM to PCCM and PCOM for seeking 'In Principle' approval for the proposed PFT. (Amendment-1)

11.2 Proposals for setting up a Greenfield PFT will be examined as under:

11.2.1 Examination of such proposals would be limited to confirmation of the TMC fulfilling the eligibility criteria in terms of Para 6.0 and operational feasibility of the proposal.

11.2.2 Examination of operational feasibility as mentioned in Para 11.1 will be restricted only to confirmation of the technical feasibility of connecting the proposed PFT to the rail network of IR.

11.3 If the proposal for setting up a Greenfield and Brownfield PFT is found to be operationally feasible in terms of para 11.1, RA will grant an In-Principle Approval of the proposed PFT within 45 days of submission of the application and the prescribed documents together with the application fee.

11.4 Setting up a PFT would not require a Rail Transport Clearance (RTC)

11.5 Final Approval: After grant of an in-principle approval of a PFT, Zonal Railway and the applicant/ TMC should abide by the following time – schedule for grant of final approval by CTPM.

For Greenfield PFT

(i) DPR submission by the applicant	Three months after receipt of Zonal Railway's in principle approval
(ii) DPR approval by zonal railway	One month on receipt of DPR from the applicant /TMC.
(iii) Engineering/Bridge drawing submission by the applicant	One month after DPR approval by zonal railway
(iv) Engineering drawing approval by zonal railway	One month after receipt of engineering drawing from the applicant/TMC
(v) Bridge drawings approval by zonal railway	Two months after receipt of bridge drawings from the applicant /TMC

For Brownfield PFT

(i) DPR submission by the applicant	One month after receipt of Zonal Railway's in principle approval
(ii) DPR approval by zonal railway	One month on receipt of DPR from the applicant /TMC.
(iii) Engineering/Bridge drawing submission by the applicant	One month after DPR approval by zonal railway
(iv) Engineering drawing approval by zonal railway	One month after receipt of engineering drawing from the applicant/TMC
(v) Bridge drawings approval by zonal railway	Two months after receipt of bridge drawings from the applicant /TMC

- 11.6 The completion time of 1 year for Brownfield PFT and 3 years for Greenfield PFT will start after final approval is given by CTPM as per the time schedule given in Para 11.5
- 11.7 PCCM /FM of the concerned zonal railway and the TMC will execute an agreement for operation of the PFT before commissioning of the PFT.
- 11.8 PCCM of the concerned railway will issue a commercial notification opening a PFT as an independent terminal.
- 11.9 However, notification vide Para 11.8 will be issued only after the Agreement has been executed between CCM /FM and the TMC.
- 12.0 Authorized users
- 12.1 The list of authorized rail users will be incorporated in the TMS module of FOIS.
- 12.2 The consignment booked to PFT will be consigned to the consignee, whom TMC has authorized to make use of his facility.
- 13.0 Commodities permitted at a PFT
- 13.1 Unless otherwise specified by Indian Railway from time to time by suitable notification or any other means of communication, a PFT under this policy would be permitted to book and handle all traffic excluding Coal and Coke under 'C' priority. Outward loading of coal and coke under 'D' priority is allowed. PFT owners may also be permitted to handle outward iron ore or iron ore pellet traffic from PFTs.(Amendment-1)
- 13.2 MOR may also alter the list of such commodities from time to time.
- 13.3 Except for the commodities mentioned in Para 13.1, a PFT may deal with all commodities or only with limited commodities as specified by the TMC.

- 14.0 Types of wagons permitted at PFTs
 - 14.1 All types of wagons and parcels, including privately owned wagons, Containers permitted to run on IR network will be permitted to be dealt with at PFTs, unless otherwise notified by MOR from time to time.
- 15.0 General Guidelines
 - 15.1 Applicant TMC will be solely responsible in respect of ownership of land or lease, license or any other arrangement under which private land is proposed to be used for development of a PFT.
 - 15.2 TMC will be responsible to fulfill all statutory requirements and get all the statutory and non- statutory clearances that may be required from other government departments and statutory bodies for setting up and operating a PFT.
 - 15.3 TMC will be responsible for payment of all taxes etc. related to working of the PFT.
 - 15.4 All PFTs will be required to function round the clock on all days including Sundays and all other holidays.
 - 15.5 TMC will recover various charges from its customers for the use of PFT including Terminal charges and any charges for value added services provided at the PFT.
 - 15.6 Freight charges or haulage charges as the case may be shall be paid by the consignor as per the prescribed rate from time to time. Consignment booked to and from PFT will be prepaid. Rake booked to PFT will be unloaded by the TMC without any liability of IR.
 - 15.7 All “Commercial and Operating Rules ” as applicable in a goods shed for booking, supply and delivery of goods shall be applicable at the PFT.
 - 15.8 The free time will be applicable as per the extant commercial rules.
 - 15.9 Gestation period for setting up and to operationalize a Greenfield PFT will be a maximum of three years from the date of final approval of the proposal by RA. The gestation period for Brownfield PFT (the conversion of existing terminal to PFT) will be one year from the date of final approval. The Greenfield and Brownfield PFT can also be operationalized earlier. Unless otherwise extended in writing by RA, failure to adhere to this time limit would lead to cancellation of such approval without any liability of Railways. However, Railways can extend the gestation period for operationalization of Greenfield PFT for a maximum period of 2 years and in case of Brownfield PFT for a maximum period of 1 year keeping in view unforeseen exigencies etc. on payment of penalty @ 20% of the security deposit per year or part thereof.
- 16.0 Facilities in the PFTs
 - 16.1 Placement capacities on the handling lines should be adequate to deal

- with full rakes (composition as notified by Railways from time to time).
- 16.2 Depending upon anticipated business plan, as submitted by the TMC in Para 8, PFT would provide various logistics services.
 - 16.3 TMC will be required to provide furnished rest room facilities for crew and guard at the PFT at its cost.
 - 16.4 TMC will permit the train crew and guard to avail of the facilities of staff canteen in their premises, if available, on payment of charges prescribed for their own staff.
 - 16.5 TMC will be responsible to develop adequate facilities for handling the anticipated volume of traffic at his PFT without causing undue detention to the incoming trains or causing stabling of such trains at any station on IR network.
- 17.0 Non-Acceptance
- 17.1 Each case of stabling of a train on IR network exclusively for want of acceptance by a PFT will be recoded as a case of non- acceptance.
 - 17.2 When a rake is stabled on IR network for want of acceptance by a PFT or for the reasons attributed to the TMC the stabling charges will be levied as per extant rules.
 - 17.3 In situations of congestion involving stabling of trains for acceptance by a PFT, RA will be authorized to impose loading restriction / quota for an appropriate duration for such a PFT.
- 18.0 Deployment of Railway staff
- 18.1 Railway commercial staff will be posted at PFTs to carry out commercial functions related to booking and delivery of cargo and collection of freight and other charges.
 - 18.2 TMC will be required to pay to the Railways cost of a maximum of one commercial staff per shift.
 - 18.3 However, if there are more than one handling areas which cannot be supervised from one location, cost of additional commercial staff subject to a maximum of one commercial staff per shift per handling area will be paid by the TMC.
- 19.0 Construction of PFT
- 19.1 The construction of PFT will be as per provisions of private siding policy. The connectivity to Railway line through Railway land will be facilitated by Railway as per extant rules on payment of license fee. All charges stipulated in the extant policy for construction of a private siding would be applicable on PFT.

Henceforth on similar lines as the provisions of “Private Siding Policy”, an amount equivalent to the freight discount (10%) on traffic handled by Terminal Management Company (TMC) at his private freight terminals (PFT) may be reimbursed to the TMC (PFT) owner in lieu of bearing the capital cost for common user facilities.

The reimbursement of the capital cost shall be done by the railway to the concerned TMC after due verification from accounts department. An amount equivalent to the freight discount of 10% on traffic handled (inward as well as outward) shall be given to TMC for a period of 10 years or till recovery of the capital cost, whichever is earlier. (FM-6 of 2019)

19.2 Each PFT will be provided connectivity with a station on IR network. Such a station will be the serving station for the PFT.

19.3 Generally, a PFT will not be permitted to be connected to IR network in mid section. However, in exceptional cases where such a connection becomes inescapable due to physical layout, the same will be permitted by RA in accordance with the extant relevant policy guidelines for private siding.

20.0 **Revenue sharing**

(Para Nos.20.1 to 20.5 deleted vide Amendment-2)

20.2 The above provision shall apply to all the Private Freight Terminals that have come from 2010 onwards. Prior to withdrawal of revenue sharing, the amount of revenue share shall be as per the respective policies under which the concerned PFT was being governed.(FM-4 of 2019)

21.0 **Agreement**

21.1 The Period of Agreement for operation of such PFT will be 30 years. Further extension will be on the basis of the extant policy at the time of such extension.

21.2 An agreement will be signed between TMC and the authorized representative of PCCM of the concerned zonal railway which would include detailed terms and conditions for operation of the TMC.

21.3 The agreement referred to in Para 21.1, will be signed before the notification of the PFT.

21.4 In this connection, a specimen copy of Agreement to be executed between TMC and IR under the Revised Private Freight Terminal (PFT) scheme, has been uploaded in Indian Railway’s website.

[http://indianrailways.gov.in/railway_board/uploads/directorate/traffic-commercial/Freight Mktg2K12/FM -12-2012.pdf](http://indianrailways.gov.in/railway_board/uploads/directorate/traffic-commercial/Freight%20K12/FM-12-2012.pdf)

(specimen agreement for Central and South Central Railway for customers who have opted for old policy circulated vide FMC 08 of 2013)

22.0 Payment of Freight

22.1 Freight or haulage charges on traffic booked from and to a PFT will be charged on the basis of through distance as per public tariff as in the case of private sidings.

22.2 Freight or haulage charges as the case may be will be paid by the consignor as prescribed in Goods tariff or a special notification.

22.3 Consignments booked to and from a PFT will be prepaid.

22.4 All charges in respect of freight / haulage charge will be paid by the consignor at the time of preparation of RR preferably through e-payment system.

23.0 Demurrage and Wharfage

23.1 Demurrage charges will be levied as per the extant rules and will be payable by the TMC Railways with respect to General service wagons owned by the railways.

23.2 No wharf age charges would be payable at a PFT.

24.0 Other Charges payable by TMC

24.1 All charges, surcharges, cess , levies, taxes etc. as per prevalent rates as notified from time to time .

25.0 Weighbridge, FOIS and TMS

25.1 TMC will be required to have a provision of an in-motion electronic weigh bridge at a suitable location in such a manner that all outgoingandincoming rakes can be weighed. In case where PFT is notified for inward traffic only, provision of in motion electronic weighbridge may not be insisted upon. However, it should be ensure that the incoming rakes have a provision for weighment at originating station or enroute.It may also be ensured that as and when the TMC wishes to deal with outward traffic also, such permission should be given only subject to installation and commissioning of an in motion electronic weighbridge at the cost of the TMC. (Amendment-3)

- 25.2 TMC is required to provide an in-motion weighbridge at Brownfield / Greenfield, as prescribed in Para 25.1 above. Such a weighbridge shall be provided as per Rates circular No. 12 of 2007 dated 12.02.2007 and its corrigendum 06.08.2012, as amended from time to time.
- 25.3 In case it becomes unavoidably essential to install the weighbridge of private siding wholly or partially on railway land, on account of operational and technical constraints, permission may be granted by the General Manager of Zonal railways, the location of such Electronic in-motion weighbridge (EIMWB) would be decided by the PCOM in consultation with PCCM, PCME and PCE.
- 25.4 Whenever a weighbridge is provided at a location outside the PFT, all expenses towards its installation, maintenance will be paid by the TMC as per Corrigendum to Rates Circular no. 12 of 2007 dated 06.08.2012, as amended from time to time.
- 25.5 FOIS and TMS with limited access as prescribed by IR shall be installed at the PFT and all costs related to FOIS / TMS will be borne by the TMC in accordance with the rules applicable for a private siding. All RRs will be prepared through TMS.
- 26.0 Rights of the TMC
- 26.1 TMC will have right to change its list of Authorised users. TMC will immediately inform the RA of such change so that the list of authorized users is updated in the FOIS.
- 26.2 TMC will have right to change the list of commodities it has permitted at its PFT.
- 26.3 TMC will have right to independently and its exclusive discretion fix charges for the services it offers to rail users.
- 27.0 Liabilities and Indemnification
- 27.1 Goods to be loaded or delivered at a siding not belonging to a railway administration.
- 27.1.1 Where goods are required to be loaded at a siding not belonging to a railway administration for carriage by railway, the railway administration shall not be responsible for any loss, destruction, damage or deterioration of such goods from whatever cause arising, until the wagon containing the goods has been placed at the specified point of interchange of wagons between the siding and the railway administration and a Railway servant authorized in this behalf has been informed in writing accordingly by the owner of the siding.

- 27.1.2 Where any consignment is required to be delivered by a railway administration at a siding not belonging to a railway administration, the Railway administration shall not be responsible for any loss, destruction, damage or deterioration or non-delivery of such consignment from whatever cause arising after the wagon containing the consignment has been placed at the specified point of interchange of wagons between the railway and the siding and the owner of the siding has been informed in writing accordingly by a railway servant in this behalf.
- 27.2 TMC shall indemnify IR for any damage to Railway property including stock and injury or loss of life arising out of any negligent act or omission or breach of any of its obligations under the agreement by the TMC inside the PFT.
- 27.3 Railway administration will indemnify the TMC against any negligent act or omission or breach of any of its obligations under the provisions of Railway Act and rules made there under.
- 28.0 Dispute Resolution
- 28.1 In case of any dispute in interpretation of this policy, the decision of MOR will be final and binding.
- 28.2 Any dispute in interpretation and implementation of the agreement, which is not resolved amicably, shall be finally decided by reference to arbitration by a Board of three Arbitrators appointed through a procedure which will be clearly spelt out in the Agreement between the railways and the TMC. Such Arbitration shall be held in accordance with the Rules of Arbitration of the International Centre for Alternate Dispute resolution, New Delhi and shall be subject to the provisions of the "Arbitration and Conciliation Act 1996".
- 29.0 Termination of the Agreement
- 29.1 Subject to the provisions of the agreement between RA and TMC, RA may terminate an Agreement with a TMC operating a PFT for any breach of the terms and conditions of the agreement, violations of the provisions of the Railway Act, 1989 commitment of an unlawful act or in the event of default as defined in the agreement by giving a written Notice of Termination of 180 days to the TMC.
- 29.2 Before issuing the termination notice, Railway administration will issue a written show cause notice informing the TMC to make a representation within 30 days. After expiry of 30 days, the termination notice will be issued in writing if no representation is received from the TMC. If representation is received, the railway administration will consider and decide the issue regarding termination.

- 29.3 The TMC will also have the right to terminate the agreement by giving a notice of 180 days to the Railway administration.
- 29.4 Any dispute arising out of the same will be resolved through the Dispute Resolution mechanism as prescribed under Para 28.0 of the policy.
- 30.0 Conflicts
 - 30.1 Notwithstanding any provisions in this policy, stipulations of Railways' Act, 1989 will prevail.
 - 30.2 In case of conversion of container terminal into PFT, if there is any conflict between the provisions of this policy and the MCA, the former will prevail.
 - 30.3 In case of a conflict between the provisions of this policy and the private siding policy, the former will prevail in PFTs of any type.
- 31.0 Review of the policy
 - 31.1 IR reserves the right to review this policy from time to time.

AUTOMOBILE FREIGHT TRAIN OPERATOR (AFTO) SCHEME **(FM-13 of 2018 DT.19.04.2018)**

1. GENERAL

At present Indian Railways model share in transportation of automobile traffic is very meager. This policy provides an opportunity to logistics service providers and road transporters to invest in wagons and use advantage of rail transport to tie up with end users and market train services to create win-win situation for railways and themselves. As automobile sector is one of the fastest growing sectors in india, it is imperative that auto carriers of suitable design and higher throughput are inducted in Indian railway system to facilitate bulk transportation of automobiles from production clusters to consumption centers.

2. DEFINITIONS AND ABBREVIATIONS

2.1. “AFTO” means Automobile Freight Train Operator and refers to the parties who invest in procurement of rakes and arrange traffic for loading/unloading in the Auto Freight Trains (AFT) owned by them after obtaining necessary permission from the MOR under this policy.

2.2. “AFT” means Automobile Freight Train, a privately owned train for transportation of automobiles.

2.3. “End user” means customers who are producers or consumers of goods transported by rail.

2.4. “Logistics service” means a business of providing one or more services of rail/road/sea/air transport, ware housing, cold chain services, port terminal service, inland container depot, third party or fourth party logistics.

2.5. “Private Terminal” means a private siding or private freight terminal having facility to handle commodities specified under this scheme.

2.6. “IR” means Indian Railways.

2.7. “RA” means Railway Administration. Implies Zonal Railway Administration.

2.8. “MOR” means Ministry of Railways, Government of India.

2.9. “RDSO” means Research Designs and Standards Organization.

2.10. “Special Purpose Wagon (SPW)” means wagons designed for rail transportation of a specific commodity or group of commodities as approved by IR. These wagons include specialized wagons for transportation of automobile traffic. Such wagons will not form a part of wagon pool of IR. The investor can introduce new designs subject to permissions and clearances from IR.

2.11. Wagon Leasing Company (WLC): A leasing company engaged in the business of procuring railway wagons and making them available to other business entities authorized to deploy such wagons for operation over IR network in accordance with the extant policy of MOR.

3. ELIGIBILITY:

3.1. Applicant should be

- 3.1.1.** a registered company in India as per Companies Act'1956
- 3.1.2.** a subsidiary company
- 3.1.3.** a Joint venture company (or) partnership
- 3.1.4.** a public sector entity in the business of logistics.

3.2. The applicant should have minimum one year experience in either

- a) transport and logistics
- b) port and land terminal operations
- c) warehousing
- d) container train operations
- e) manufacturers of automobiles
- f) Wagon leasing company.

3.3. The company should have net worth of minimum Rs.20 Crores or an annual turnover of minimum of Rs.30 Crores as on 31st March of the previous financial year.

3.4. Any company which has been declared sick under Sick Industrial Companies (Special Provision) Act 1985 shall not be eligible to apply under these rules and operate trains either individually or in association with other companies.

3.5. In case the applicant is a subsidiary company, experience and net worth of the holding company, owning more than 50% equity in the subsidiary company, may be reckoned for the purpose of Para 3.2 and 3.3 above. However, in such cases, the applicant company must have more than 25% of the prescribed net worth of Rs.20 Crore.

3.6. There shall be no change of control of the AFTO through transfer of direct or indirect legal or beneficial ownership or control of an equity or other contractual arrangement before the completion of one year from commencement of commercial operations of the AFTO's train pursuant to the concession agreement, in which afterwards there may be a change of control but that shall be effected only after an approval from the MOR, which may reject such change of control from a national security or public interest perspective as will be detailed in the concession agreement.

4. REGISTRATION FEE AND VALIDITY:

4.1. The AFTO selected by the MOR shall have to deposit registration fee of Rs.3 Crores.

4.2. The concession agreement for operation of AFT would be valid for a period of 20 years from the date of commencement of commercial operation of trains by AFTO, extendable till expiry of the codal life of the wagons, based on satisfactory performance of the operator.

4.3. Granting of permission to an AFTO shall not restrict Indian Railways for transportation of such traffic in wagons procured/arranged by IR under any other scheme or will not give any kind of sole right to the AFTO to run such wagons exclusively and such wagons can be procured and run by other operators also.

5. PROCEDURE FOR APPLICATION

5.1. The applicant has to apply to ADV/ED FM with all details for becoming an AFTO. The applicant has to apply for a minimum one rake under this scheme.

5.2. The application fee equivalent to 1% of the registration fee as mentioned under para 4 of policy has to be deposited by the applicant along with the application. In case no approval is given by MOR, the application fee will be refunded within one month of rejection of the proposal.

5.3. The applicant shall furnish following details while submitting the application:

- a) Name of the applicant (firm).
- b) Address of the applicant (firm).
- c) Details of experience and activities of the applicant.
- d) Document in support of the eligibility criteria as per 3.0.
- e) Document in support of net worth/turnover of the company as on 31st March of the last financial year like audited balance sheet and/or documents duly certified by a Chartered Accountant.
- f) PAN of the applicant.
- g) Number of rakes planned.
- h) Type of wagon.
- i) Anticipated traffic volume with identification of possible circuits.
- j) Proposed loading terminals & destination terminals.
- k) Any other relevant information.

5.4. On receipt of the application from the AFTO intending to be registered, MOR shall study the proposal in detail and grant necessary approval as per the provisions of the policy subject to the condition that grant of such permission is not inimical to public interest and national security.

5.5. The full registration fee as stipulated in Para 4.1 shall be deposited by successful applicants within one month of grant of approval by MOR failing which the approval will be treated as cancelled.

5.6. Application fee and registration fee will be paid by way of Demand draft/Banker's cheque/pay order only, favouring Principal Financial Advisor, Northern Railway.

5.7. On the basis of approval of MOR, agreement in the form prescribed by MOR will be signed by the CCM/FM of the nominated Zonal Railway of the AFTO circuit for and on behalf of the President of India and the authorized signatory of the Automobile Freight Train Operator (AFTO).

5.8. The applicant has to procure full rake composition including the brake van as notified by IR with 4% additional wagons as spare. The number of maintenance spare wagons to be procured shall be arrived at by calculating 4% on the basis of cumulative holding of the operator in cases where the operator is already having existing ways.

6. PROCUREMENT OF WAGONS:

6.1 Procurement of wagons for induction under this policy will be allowed only with prior administrative approval of MOR. Wagons procured without the prior approval of MOR will not be permitted to be inducted for operation under this scheme.

6.2 Wagons to be inducted in the system must confirm to applicable IRS designs and specification. Such wagons will be inducted after inspection by RDSO.

6.3 Wagons other than IRS designs can also be procured subject to its prior approval by MOR and after technical clearance of RDSO as per extant rules.

6.4 Privately procured wagons will be inducted into service only after completion of the mandatory safety and quality inspections by authorized agencies as notified by MOR.

6.5 The Applicant will be required to incorporate the following warranty clause in their purchase contract with the wagon manufacturer (Vendor): "The Vendor of AFTO hereby covenants that it is a condition of the contract that all wagons furnished to the AFTO under this contract shall be of the highest grade, free of all defects and faults and of the best material, quality, manufacture and workmanship throughout and consistent with the established and generally accepted standards for materials of the type ordered and in full conformity with the contract specification, drawing or sample if any and shall, if operable, operate properly;

6.6 The Vendor of AFTO also guarantees that the said wagons would continue to conform to the description and quality as aforesaid, for a period of 30 months after their delivery or 24 months from the date of placement in service whichever shall be sooner, and this warranty shall survive notwithstanding the fact that the wagons may have been inspected, accepted and payment therefore made by the AFTO.

If during the aforesaid period, the said wagons be discovered not to conform to the description and quality aforesaid or have deteriorated, otherwise than by fair wear and tear, the decision of the AFTO in that behalf being final and conclusive then the AFTO will be entitled to reject, the wagons or such portions thereof as may be discovered not to conform to the said description and quality. On such rejection, the wagons will be at the Vendor's risk. If the Vendor so desires, the rejected goods may be taken over by him or his agents for disposal in such manner as he may deem fit within a period of 3 months from the date of such rejection. At the expiry of the period, no claim whatsoever shall lie against the AFTO in respect of the said wagons, which may be disposed of by the AFTO in such manner as he thinks fit. Without prejudice to the generality of the foregoing, all the provisions in the AFTO's standard condition of contract relating to rejection of wagons, failure and termination shall apply.

The Vendor shall, if required, replace the wagons or such portion thereof as have been rejected by the AFTO, free of cost, at the ultimate destination, or at the option of the AFTO, the Vendor shall pay the AFTO, the value thereof at the contract price and such other expenditure and damage as may arise by reason of the breach of the conditions herein before specified. Nothing herein contained shall prejudice any other right of the AFTO in that behalf under this contract or otherwise”.

6.7. An AFTO can also take new wagons on lease from a wagon leasing company subject to necessary approvals by MOR. AFTO can also purchase or take on lease wagons procured under this scheme from another registered operator, in that particular category, subject to necessary approval by MOR. However, in such cases AFTO will run the rakes as per the freight rates stipulated for AFT.

6.8 The applicant shall inform the MOR regarding details of placement of procurement order. Similarly the date of actual induction of rakes shall be advised by the applicant to MOR under advice to nominated zonal railway (s) indicating the loading and unloading terminals.

6.9 In case the design of wagon is already approved, the AFTO should procure the rake and start operation under this scheme within two years from the date of signing of the agreement. In case of failure to adhere to this time schedule, unless specific prior extension is given by the Railway Board, the registration fees shall be forfeited and approval cancelled.

6.10 In case AFTO desires to introduce a new design for auto wagons the procedure as outlined in the “Procedure of New Wagon Design Approvals” issued by RDSO (as amended from time to time) shall apply. The applicant shall give details of type, drawing and design of wagon, wagon specifications etc. The same shall be evaluated by MOR in consultation with RDSO for technical feasibility. Permission to run such wagons will be subject to necessary sanction of the Commissioner of Railway Safety. The intellectual property right norms in such cases shall be governed by the latest version of the same procedure.

6.11 Such new wagons shall be SPW wagons and should be inducted in IR system within four years from the date of registration under the scheme unless specific extension is given by MOR otherwise the registration fee would be forfeited and approval cancelled.

6.12 If the AFTO is already registered, such new design wagons should be inducted within three years of the design and trial runs being approved by RDSO.

6.13 The brake van will be added to the general pool of IR brake vans, in exchange for the undertaking that IR will meet the operational requirement of providing brake vans to the AFTO trains.

6.14 In case the AFTO procures the rake(s) without the brake vans he will have to pay the haulage cost of brake van provided by IR.

6.15 The AFTO will be permitted to commence operations as soon as first rake is inducted. (Corrigendum -1, vide FM-13/18, dt.28.05.2018)

7.0. MAINTENANCE OF WAGONS:

Maintenance of the wagons will be undertaken by IR at its own cost during the currency of the concession agreement. However, in case of wagons which will require special components for maintenance, a suitable provision will be made in the Concession Agreement so that the cost of procurement of such special components is defrayed by the investor.

8.0. COMMODITY: Automobile traffic will include passenger cars, two/three wheeler automobile units, mini trucks, tractors, chassis, shells of cars, automobiles moved in CKD condition, automobile verticals i.e. auto ancillaries and auto spare parts.

9.0. FREIGHT PAYABLE:

9.1. Rates as notified from time to time for the specific stock shall be applicable for such traffic moving in automobile rakes.

9.2. The rates shall be separate for rakes running as loaded and those running as empty.

9.3. Even if one wagon is loaded, the full rake shall be charged as loaded.

9.3.1. However, if the immediate preceding trip has been charged at loaded rates for all wagons, the next trip shall be charged at loaded rates for loaded wagons and at empty rates for empty wagons.

9.4. The freight will be charged for the rake composition of train as notified by Indian Railways from time to time.

9.5. All payments after signing of agreement shall be made through e-payment including freight etc.

9.6. AFTO shall be responsible to pay all charges and surcharges, fees, cess, duties, taxes etc. as payable on the basis of notification issued by the Central and State Governments from time to time.

9.7. In case the AFTO sells his wagons to another AFTO or end user or WLC, necessary approvals shall have to be taken from MOR before such transactions take place.

10.0. OPERATION OF TRAINS

10.1. Trains procured under AFT scheme will not merge in the wagon pool of IR. Rakes comprising such wagons shall be identified as exclusively belonging to the AFTO who has procured them. Each rake shall have separate identification with the date of commercial commissioning in the FOIS.

10.2. IR shall run the rake with the standard composition as notified from time to time.

10.3. The AFTO will be required to have a tie up with the end-users for marketing and arranging traffic. As far as the Indian Railway's liability is concerned, the AFTO will be the Consignor and Consignee for the consignment for which Railway Receipts shall be issued by railway commercial staff posted at the terminal.

10.4. The AFTO can either operate their trains between private terminals equipped to handle the traffic for which AFTO must have a tie up with such private terminals or own its private terminal/sidings for handling of such traffic or move from any rail terminal to any rail terminal on IR provided suitable handling facility is available subject to payment of terminal access charges as prescribed by IR from time to time.

10.5. The AFTO is free to run trains over IR provided the railway terminal is open for automobile booking, and the private terminal is also willing to handle automobile traffic. No NOC shall therefore be required for the routes from zonal railways.

10.6. The AFTO shall however, nominate a base terminal from where it will operate so that a base maintenance depot can be nominated by the railways. The agreement shall be with the Nominated Zonal Railway on which such a base depot is situated.

10.7. Indents for loading in such trains will be placed at the nominated loading point/terminal for the nominated destination point.

10.8. The AFTO may carry only the identified commodities in the train subject to conditions specified in the AFTO policy, goods tariff, red tariff, and under the

provisions of the Railways Act and any other instructions issued on the subject, by MOR from time to time.

10.9. To ensure a level playing field, IR shall move the trains of AFTO on the basis of “first come first served” principle without giving any undue preference to any other operators. Railway Administration shall also make all efforts to ensure minimum enroute detention to the AFTO trains and strive to achieve the average speed of freight trains on IR in respect of transit time of AFTO’s train.

10.10. In case there is a requirement to haul the AFT rake to a specific location nominated by the Railways for the purpose of examination the same will be done without charging of any haulage charge from the AFTO operator.

10.11. The nominated zonal railway shall also be responsible for the operation of the Agreement.

10.12. The rakes may be used by IR for traffic other than the AFTO subject to a prior written agreement between IR and the AFTO.

11.0. CHARGES

11.1. The operator shall charge his customers for rail haulage, terminal handling, ground rent on a market determined basis and railways shall not exercise any control over such pricing/tariff.

11.2. If an AFTO rake is detained in a railway terminal, beyond the permissible free time up to the time of release of the rakes, detention charges shall be levied at the rate of demurrage charges as notified by Railways from time to time.

11.2.1 No demurrage of detention charges shall be levied by Railway on privately owned wagons in a private terminal.

11.2.2 Detention Charges once levied shall not be waived off.

11.3. The Railway shall levy stabling charges as per the rates notified from time to time in case rolling stock belonging to the operator is stabled on the serving station on account of no room at the private terminal. This private terminal can be his own or a PFT.

11.4. Standard rules, in respect of claims shall be applicable according to the Railways Act, 1989.

12.0. FOIS/TMS

Freight Operation Information System (FOIS) of Indian Railways shall also cater to the requirements of the operator for an integrated management and operations information service and the operator shall provide all relevant data as required by FOIS and shall be given ‘read only’ access to this system on payment of reasonable cost as decided by IR.

13.0. LIEN

In cases of default of payment by the AFTO, IR may exercise lien on the privately owned wagons to recover its dues.

14.0. AGREEMENT BETWEEN RAILWAY AND AFTO

After all approvals and before induction of rake, AFTO shall sign an agreement with Railway Administration as per a format to be prescribed specifically by MOR. No movement of the rakes shall be permitted prior to the signing of this concession agreement.

15.0. NODAL OFFICER

15.1. Adv/ED Freight Marketing, Ministry of Railways (Railway Board) would be the overall nodal officer for the implementation of the policy.

15.2. After the commencement of the operations CCM/FM shall be the nodal officer at the Nominated Zonal Railways.

16.0. TERMINATION OF AGREEMENT

16.1. In case AFTO wants to terminate the agreement before the expiry of the agreement period, he has an option to do so with three months advance notice. In such circumstances, he will also have an option to sell his rakes to another AFTO provided the buyer has a valid registration. The AFTO can also sell his rake to end user or WLC. Such rakes purchased by the end user or WLC shall be governed by respective policies on IR. However, in such case no refund of registration fee or residual value of the wagons will be admissible.

16.2. In case the AFTO does not follow the rules laid down by Railways for safety of the goods carried or of railway property or any rules laid down by MOR for movement of AFT, the permission of AFTO can be terminated by giving one month notice without any liability of Indian Railways and he may also be liable to be penalized in accordance with the Indian Railways Act'1989. In such case, the registration fee shall not be refunded to the AFTO nor IR will pay any residual value of the wagon, though he will be entitled to dispose off the rake(s) as per the provisions of Para 16.1 given above.

17.0. DISPUTE RESOLUTION

17.1. Notwithstanding any provisions in this policy, stipulation of Railway Act, 1989 will prevail. In case of any dispute in interpretation of the policy, the decision of MOR will be final and binding.

17.2. In case of any dispute in implementation of the agreement under this scheme, which is not resolved amicably, shall be finally decided by reference to arbitration by a Board of three

17.3. Arbitrators appointed through a procedure which will be clearly spelt out in the Agreement. Such Arbitration shall be held in accordance with rules of arbitration of the International Centre for Alternate Dispute Resolution, New Delhi and shall be subject to the provisions of the “Arbitration And Conciliation Act.

17.4. For resolving disputes on issues pertaining to claims for damages, freight charges, the AFTO may seek redress by resorting to the relevant provisions of the Agreement, Railway Claims Tribunal or Railway Rates Tribunal as the case may be.

18.0. REVIEW OF THE POLICY

IR reserves the right to review the policy from time to time.

SPECIAL FREIGHT TRAIN OPERATOR (SFTO) SCHEME

(FM MC/SFTO/2018/0, DT.02.07.2018)

1.0 GENERAL

The objective of the policy is to increase Railways share in transportation of non conventional traffic in high capacity and special purpose wagons thereby increasing commodity base of Rail traffic. Induction of better design of wagons to increase through put per train will also be facilitated.

2.0 DEFINITIONS AND ABBREVIATIONS

- 2.1** ACT means Railway Act 1989
- 2.2** 'CCM/FM' means Chief Commercial Manager/Freight Marketing.
- 2.3** 'End User' means customer who is producer or consumer of the goods transported by rail.
- 2.4** 'FA & CAO TA' means Financial Advisor & Chief Accounts Officer Traffic Accounts.
- 2.5** 'FOIS' means Freight Operating Information System.
- 2.6** 'High Capacity Wagons (HCW)' means 'Special Purpose Wagons' notified by IR, based on various designs and carrying capacity of similar types, available with IR, which have increased through put per train beyond 10%.
- 2.7** 'Identified Commodity' means commodities approved by MOR for transportation in special purpose privately owned wagons under SFTO scheme. The list of commodity will be notified from time to time by MOR.
- 2.8** 'IR' means Indian Railways network.
- 2.9** 'Logistics Service' means a business of providing one or more services of rail/road/sea/air transport, warehousing, cold chain services, port terminal service, inland container depot, third party or fourth party logistics.
- 2.10** 'MOR' means Ministry of Railways, Railway Board.
- 2.11** 'Private Terminal' means a private siding, private freight terminal or private port terminal having facility to handle commodities specified under this scheme.
- 2.12** 'RA' means Railway Administration. Implies Zonal Railway Administration.

- 2.13** 'RDSO' means Railway Design and Standards Organization.
- 2.14** 'RR' means Railway Receipt.
- 2.15** 'SFT' means Special Freight Train, a privately owned train for transportation of identified commodities.
- 2.16** 'SFTO' means Special Freight Train Operator and refers to the parties who invest in procurement of rakes and arranges traffic or loading/unloading in the Special Freight Trains (SFT), owned by them after obtaining necessary permission from the MOR under this policy.
- 2.17** 'Special Purpose Wagon (SPW)' means wagons designed for rail transportation of a specific commodity or group of commodities as approved by IR. These wagons include specialized wagons for transportation of commodities as defined in this policy. Such wagons will not form a part of wagon pool of IR.
- 2.18** 'TMS' means Terminal Management System of FOIS.
- 2.19** 'Wagon Leasing Company (WLC)' means a Leasing Company engaged in the business of procuring railway wagons and making them available to other business entities authorized to deploy such wagons for operation over IR network in accordance with the extant policy of MOR.
- 3.0 ELIGIBILITY**
- 3.1.1. Applicant should be
- 3.1.2. A registered company in India as per Company's Act 1956.
- 3.1.3. A subsidiary company.
- 3.1.4. A Joint venture company or partnership.
- 3.1.5. A Public Sector entity in the business of logistics.
- 3.2.** The company should have minimum one year experience in any one of the following fields as on 31st March of the last financial year.
- a) Transport and logistics
 - b) Port and Land terminal operations
 - c) Warehousing
 - d) Container train operations
 - e) Manufacturers
 - f) Wagon leasing company
- 3.3.** The company should have a net worth of minimum Rs.50 Crore or an annual turnover of minimum Rs.75 Crore as on 31st March of the last financial year.

- 3.4.** In case the applicant is a subsidiary company, experience and net worth of the holding company, owning more than 50% equity, may be reckoned for the purpose of Para 3.2 and 3.3 above. However in such cases, the applicant company should have a minimum of 25% of the prescribed net worth.
- 3.5.** Any company which has been declared sick under Sick Industrial Companies (Special Provision Act'1985) shall not be eligible to apply under these rules to operate trains either individually or in association with other companies.
- 3.6.** There shall be no change of control of the SFTO through transfer of direct or indirect legal or beneficial ownership or control of an equity or other contractual arrangement before the completion of one year from commencement of commercial operations of the SFTO's train pursuant to the concession agreement, where there after there may be a Change of Control, subject however, to the condition that such Change of Control shall be effected only after an approval from the MOR, which may reject such Change of Control from a national security or public interest perspective as will be detailed in the Agreement.

4.0 COMMODITY

The commodities included under various categories are listed below:

Category-1:

- a. Bulk Fertilizers b. Bulk Cement c. Fly Ash

Category-2

- a. Bulk Chemicals
- b. Petrochemicals that includes Light Diesel Oil (LDO), Carbon Black feed Stock (CBFS), Low Sulphur Heavy Stock (LSHS), Heavy Petroleum Stock (HPS), Vacuum Gas Oil (VGO), Low Viscous Furnace Oil (LVFO), Low Sulphur Furnace Oil (LSFO), Residue Crude Oil (RCO) and Liquefied Petroleum Gas (LPG) (excluding Petroleum products like Naphtha, Aviation Turbine Fuel, High Speed Diesel, Kerosene Oil, Petrol, Furnace Oil)
- c. Bulk Alumina

Category-3:

Steel products requiring specially designed wagons.

Category-4:

- a. Molasses b. Edible Oil c. Caustic soda

5.0 REGISTRATION FEE AND VALIDITY

5.1. The SFTO selected by the MOR shall have to deposit registration fee for different categories as detailed under para 4.0 is given as below:

- i. Category-1- Rs.7 Crore
- ii. Category-2- Rs.10 Crore
- iii. Category-3- Rs.10 Crore
- iv. Category-4- Rs.3 Crore

5.2. The concession agreement for operation of SFT would be valid for 20 years with automatic renewal for a further period of 20 years after which the SFTO will have to register again. However, the freight rebate shall be given only in accordance with Para 10.2 and 10.3 of this policy.

5.3. Granting of permission to an SFTO shall not restrict Indian Railways for transportation of such traffic in wagon procured/arranged by IR under any other scheme or will not give any kind of sole right to run such wagons exclusively but such wagons can be procured and run by other operators also.

5.4. The terms and conditions of the revised SFTO will also apply to the customers who have been registered under the previous SFTO policy.

6.0 PROCEDURE FOR APPLICATION

6.1. Procurement of wagons for induction under this policy will be allowed only with prior administrative approval of MOR. Wagons procured without the prior approval of MOR will not be permitted to be inducted for operation under this scheme.

6.2. The applicant has to apply to PED/ED FM with all details for becoming an SFTO. The applicant has to apply for a minimum 3 rakes for a commodity under this scheme.

6.3. The applicant has to apply for each category separately in case he is willing to opt for more than one category.

6.4. The application fee equivalent to 1% of the registration fee as mentioned under Para 5.0 of policy has to be deposited by the applicant along with the application.

In case no approval is given by MOR, 99% of the application fee will be refunded within one month of rejection of the proposal.

6.5. The applicant shall furnish following details while submitting the application:

- a) Name of the applicant (firm).
- b) Address of the applicant (firm).
- c) Details of experience and activities of the applicant.
- d) Document in support of the eligibility criteria as per Para 3.0
- e) Document in support of net worth/turnover of the company as on 31st March of the last financial year like audited balance sheet and/or documents duly certified by a Chartered Accountant.
- f) PAN of the applicant.
- g) Number of rakes planned.
- h) Type of wagon.
- i) Anticipated traffic volume with identification of possible circuits.
- j) Proposed Loading terminals & destination terminals.
- k) Any other relevant information.

6.6. On receipt of the application from the SFTO intending to be registered, MOR shall study the proposal in detail and grant necessary approval as per the provisions of the policy subject to the condition that grant of such permission is not inimical to public interest and national security.

6.7. The full registration fee as stipulated in Para 5.1 shall be deposited by successful applicant within one month of grant of approval by MOR failing which the approval will be treated as cancelled.

6.8. Application fee and registration fee will be paid by way of Demand draft/Banker's cheque/pay order only, favoring Principal Financial Advisor, Northern Railway.

6.9. After approving the applicant as SFTO, MOR will inform the concerned zonal railways including all details regarding the name of SFTO, rebate, category, commodity, number and type of rakes, handling terminals etc. Zonal Railway (CCM/FM) shall issue a notification including all the details for information of all concerned.

7.0 WAGONS

7.1. Wagons to be inducted in the system must be in compliance with applicable IRS designs and specifications. Such wagons will be inducted after inspection by RDSO. Wagons other than IRS designs can also be procured subject to its prior approval by MOR and after technical clearance of RDSO as per extant rule.

7.2. The SFTO may develop new wagon designs in accordance with the "Procedure of New Wagon Design Approvals" issued by RDSO, as amended from time to time. The intellectual property right norms in such cases shall be governed by the latest version of the same procedure.

7.3. Privately procured wagons will be inducted into service only after completion of the mandatory safety and quality inspections by authorized agencies as notified by MOR.

7.4. The applicant has to procure full rake composition including the brake van as notified by IR with 4% additional wagons as maintenance spares.

7.5. The brake van will be added to the general pool of IR brake vans, in exchange for the undertaking that IR will meet the operational requirement of providing brake vans to the SFTO trains.

7.6. Customers will be required to incorporate following warranty clause in the purchase contract with the wagon manufacturer:

“Supplies shall be guaranteed against any manufacturing defect/poor workmanship quality etc. for a period of 24 months of commissioning or 30 months from the date of delivery, whichever is earlier. During this period contractor will arrange to repair/replace any defective part free of cost or replace complete set if required. Further, since these wagons are to be utilized by the customers of Indian Railways, they are hereby authorized to invoke this warranty clause in case of any default on the part of wagon manufacturer”.

7.7. A SFTO can also take wagons on lease from a wagon leasing company necessary approvals by MOR. However in such cases SFTO will be entitled for freight rebate for a period which is equal to 20 years minus the expired age of wagon as certified by the concerned zonal railways.

7.8. The applicant shall inform the MOR regarding the details of placement of procurement order. Similarly the date of actual induction shall be advised by the applicant to MOR under advice to concerned zonal railway (s) indicating the loading and unloading terminals.

7.9. In case of the already approved design of wagons, the SFTO should procure the rake and start operation under this scheme within two years from the date of signing of the agreement. In case of failure to adhere to this time schedule, unless specific prior extension is given by the Railway Board, the registration fees will be forfeited and approval cancelled.

7.10. In case of new design wagons the applicant while submitting registration fee shall give details of type and design of wagon, wagon specifications etc. The same shall be evaluated by MOR in consultation with RDSO and if technically it is found to be feasible to operate such new design wagons the registration fee shall be retained otherwise 99% shall be refunded and registration under the scheme will be canceled. However, such wagons should be inducted in IR system within four years from the date of registration under the scheme unless specific extension is given by MOR otherwise the registration fee would be forfeited and approval canceled.

7.11. If the SFTO intends to induct additional rakes in the same category under this scheme for which the registration fee has been paid, the same may be permitted by Railways without payment of additional fee. Conversely if he wants to withdraw any number of rakes he will be permitted to do so without any refund of registration fee subject to maintaining of minimum 3 rakes.

7.12. The SFTO will be permitted to commence operations as soon as first rake is inducted and will not need to wait for the induction of all the minimum three rakes to commence operations. However, the residual rakes should be inducted within a six month period.

8.0 MAINTENANCE OF WAGONS

8.1. Maintenance of the wagons will be undertaken by IR at its own cost during the currency of the agreement. However, in case of wagons which will require special components for maintenance, a suitable provision will be made in the Agreement so that the cost of procurement of such special components is defrayed by the investor.

8.2. In case there is a requirement to haul the SFTO rake to a specific location nominated by the Railways for the purpose of examination the same will be done without charging of any haulage charge from the SFTO operator.

9.0 TERMINALS

9.1. Terminals permitted under SFTO for loading/unloading:

9.1.1 SFTO will operate between private sidings/terminals equipped to handle the traffic for which SFTO must have tie-up with such private sidings/terminals or own its private sidings/terminals for handling of such trains.

9.1.2 SFTO can also operate from railway goods sheds notified in terms of Wharfage Rules, wherever feasible, on the recommendation of PCCM and approval of PCOM provided such rake handling will not in any way hinder or restrict or hamper handling of inward or outward traffic in rail wagons or other privately owned wagons approved at present and as far as possible, even in the foreseeable future.

9.1.3 Operations in the goods shed will only be allowed after due clearance for handling such special purpose wagon traffic.

9.2. In case the operator wants any addition or deletion in the loading/unloading terminals or circuits, the same may be permitted on the basis of application submitted to MOR based on operational feasibility given by the zonal railway.

9.3. The loading and unloading zonal railway shall maintain all records pertaining to details of loading/unloading, circuits on which service being run, changes in circuits over period of time, rebate granted, freight charged, lead in

empty and loaded direction separately, commodity wise and category wise through FOIS. The zonal railways shall also be responsible for operation of the agreement.

10.0 FREIGHT PAYABLE AND REBATE

10.1. Wagon inducted for transportation of commodities under this scheme should give at least the same net tonnage per train as carried in train of full rake length as notified by IR.

10.2. For each loading of an SPW rake, freight rebate of 12% would be granted for 20 years on the freight rate prevailing at the time of booking.

10.3. In case of high capacity of wagons, if inducted by the operator, resulting in increase in throughput per train beyond 10%, an additional freight rebate of 2% shall be granted on base freight for each increase of 10% in throughput per train subject to a maximum rebate of 10% for the additional tonnage carried for a period of twenty years. The additional freight rebate will be applicable only on the incremental throughput.

10.4. The freight will be charged for minimum composition of train load as notified by Indian Railway from time to time for that particular commodity classification.

10.5. No freight will be charged for movement of empty rake to the next destination provided the distance traveled by empty rake is less or equal to the distance traveled by the train before unloading. However, if the distance traveled by the empty rake is more than the loaded distance, then for additional distance traveled by the empty rake over and above the loaded distance, empty freight rate shall be charged at 50% of loaded freight of public tariff on carrying capacity of the wagons.

10.6. In case loading in the empty direction is done by the operator, other than the commodity for which he is registered, he shall get a freight rebate of 10% on the public tariff for that commodity. The tariff to be paid by the SFTO after the concession should not be less than class-100.

10.7. All payments on the RR shall be made through e-payment including Freight etc. through TMS.

10.8. SFTO shall be responsible to pay all charges and surcharges, fees, cess, duties, taxes etc. as payable on the basis of notification issued by the Central and State Governments from time to time.

11.0 OPERATION OF TRAINS

11.1. Trains purchased under SFT scheme shall not be merged in the wagon pool of IR. Rakes comprising of such wagons shall be identified as exclusively belonging to the SFTO who has procured them. Since the rebate will be

applicable on the specific rakes for a specific period, each rake will have separate identification with date of commercial commissioning in the TMS.

11.2. The SFTO shall have a tie up with the end-users for marketing and arranging traffic. As far as the Indian Railway's liability is concerned, the SFTO will be the Consignor and Consignee for the consignment for which Railway Receipts will be issued by railway commercial staff posted at the terminal.

11.3. The SFTO shall develop his own terminal or tie up with private sidings/terminals as per extant rule for loading/unloading of traffic moved in SFT. In case of tie up with other private terminals, the SFTO shall submit an NOC to this effect with the private terminal operator for such movement to the concerned Zonal Railways. However Railway goods shed can also be permitted for loading/unloading provided found feasible as per the conditions mentioned in Para 9.1.2.

11.4. Indents for loading in such trains will be placed at the nominated loading point/terminals for the nominated destination point.

11.5. The rakes may be used by IR in an emergency for traffic offered by customers other than the SFTO subject to a prior mutual written agreement between IR and such SFTO.

11.6. The SFTO may carry only the identified commodities in the train subject to conditions specified in the SFTO policy, goods tariff, red tariff, and under the provisions of the Act and any other instructions issued on the subject, by Ministry of Railways or IR from time to time.

11.7. To ensure a level playing field, IR shall move the trains of SFTO on the basis of "first come first served principle" without giving any undue preference to any other operators. Railway administration shall also make all efforts to ensure minimum enroute detention to the SFTO trains and strive to achieve the average speed of freight trains on IR in respect of transit time of SFTO's trains.

11.8. Freight Operation Information System (FOIS) of Indian Railways shall also cater to the requirements of the operator for an integrated management and operations information service and the operator shall provide all relevant data as required by FOIS and shall be given 'read only' access to this system on payment of reasonable cost.

11.9. The operator shall charge his customers for rail haulage, terminal handling, ground rent on a market determined basis and railways shall not exercise any control over such pricing.

11.10. Terminal Access Charges, Detention/Stabling and Wharfage Charges:

11.10.1. There shall be no demurrage charges by the Railway where Railway terminals are being used, but the Railway shall levy stabling charges as per the rates notified from time to time in case rolling stock belonging to the operator is

stabled on account of SFTO on IR network. However if an SFTO rake is detained in railway terminal (goods shed), after expiry of free time detention charge will be levied on the rake up to the time of release of the rake.

11.10.2. For using railway goods shed, Terminal Access Charges, Detention Charges and Ground Charges shall be levied as per the following:-

11.10.2.1. Terminal Access Charge

a. The SFTO dealing with their rakes at railway owned terminals shall be required to pay Terminal Access Charge (TAC) as notified from time to time by Railway Board.

b. Charges mentioned above will be levied on per rake basis, irrespective of the actual rake composition or actual number of wagons on a train at the railway terminal.

c. Terminal Access Charge (TAC) will be collected at the time of preparation of RR. The other terms and conditions regarding TAC will be as per Rates Master Circular/CRT-CCR-Hub&Spoke/2015/0 dated 07.04.2015 along with latest corrigendum No.20 dated 23.07.2018 and its amendment/corrigendum issued from time to time.

11.10.2.2. Permissible Free time and Detention Charge for use of Railway goods sheds

- i. Total Permissible Free time at Railway goods sheds on an SFTO train will be as per type of stock i.e. flat wagons, covered wagons, box wagons or tank wagons as specified, irrespective of the activity or activities done on the rake and number of operations performed according to Para 2.2 of Rates Master Circular Demurrage-Wharfage waiver 2016-0 dt. 19.05.2016 and amendments issued from time to time. This free time will be applicable till a rates circular is issued for free time for the specific stock type.
- ii. Free time will commence from the time of placement of the first wagon of the SFTO train.
- iii. An SFTO train will be considered to be released at the time at which the last wagon of the rake is released i.e. at the time at which the rake has been released in its entirety and is available for removal from the placement line(s).
- iv. Detention Charge will be levied for occupation of railway goods sheds beyond the permissible free time up to the time of release of the rake.
- v. Detention charge would be levied at the prevailing rate of Demurrage Charge, which at present is Rs.150/- per wagon per hour or part thereof.
- vi. PCCM/PCOM (whoever is designated for dealing with demurrage) of a zonal railways may notify a higher Detention Charge (up to six times the normal rate). Higher detention charge will be applied for those SFTO who take excessive time to release their rakes or do so repeatedly.

11.10.2.3. Ground Usage Charge

- i. Ground Usage Charge will be levied for the use of ground at Railway goods sheds.
- ii. SFTO operators will be permitted a free time for use of ground at the Railway goods sheds.
- iii. Permissible free time for use of ground for dealing with an SFTO train will be same as is permitted under Wharfage rule for goods traffic, irrespective of the activity or activities done on the rake and number of operations performed, which at present is as under:

Type of goods shed	Free time (in hours)
Group-I	12
Group-II	15
Group-III	30

- iv. Free time for the purpose of Ground Usage Charge will commence from the expiry of the free time for loading and/or unloading the traffic. Ground Usage Charge will be levied after expiry of the Permitted Free time till the time all goods are removed from the ground by the SFTO operators and ground becomes available to be allotted to the next train.
- v. However, if advance stacking has been availed by the SFTO, Ground Usage Time will commence from the time advance stacking has been permitted to the time all goods are removed and ground made free for use by the next train. Ground Usage will be levied after making allowance for permissible free times for advance stacking and for ground usage.
- vi. Ground Usage Charge will be levied on per train per hour basis irrespective of the number of goods on the ground.
- vii. Ground Usage Charge will be levied for full rake at the prevailing rate of Wharfage charge, as under and its amendment/corrigendum issued from time to time.
- vii. PCCM of a zonal railway may apply higher Ground Usage Charge (up to six times the normal rate applicable for the 6th Day). Higher Ground Usage Charges will be applied for those SFTO who repeatedly fail to release the grounds at the goods sheds within two days.

11.10.2.4. Ground Usage Charge for advance stacking

- i. SFTO may be permitted advance stacking of goods on the ground of any goods sheds for 24 hours free of any charge for loading on an incoming train.
- ii. Ground Usage Charge at the rates mentioned in Para (c) (vii) will be levied in accordance with (c) (v) if the ground is not cleared at expiry of the free time for advance stacking. However, no ground usage charge will be levied till the placement of the empty rake for loading even after lapse of the advance stacking period. The empty rake will be supplied only after expiry of the permitted time for advance stacking or completion of stacking, whichever is earlier.

11.10.2.5. Waiver of Detention Charge and Ground Usage Charge

Detention Charge and Ground Usage Charge will be treated on par with Demurrage Charge and Wharfage Charge for the purpose of consideration of waiver etc. under justified circumstances as per extant instructions as applicable to waiver of Demurrage/Wharfage Charge.

11.11. The liability of the commodity carried in the wagons shall be that of the SFTO with regard to the common carrier liabilities as given in the Railways Act, 1989.

11.12. Normal rules in respect of claims shall be applicable according to the Indian Railway Act.

12.0 AGREEMENT BETWEEN RAILWAY AND SFTO

12.1. After all approvals and before induction of rake, SFTO shall sign an Agreement with Indian Railway as per a format to be prescribed specifically by IR, which inter alia will contain details of operating, commercial, accounting procedures and terms and conditions of the concession agreement. No movement of the rakes shall be permitted prior to the signing of this agreement.

12.2. On the basis of approval of MOR Agreement in the form prescribed by MOR will be signed by the CCM/FM of the originating Railway of the SFT circuit for and on behalf of the President of India and the authorized signatory of the Special Freight Train Operator (SFTO).

13.0. NODAL OFFICER

13. PED/ED/Freight Marketing, Ministry of Railways (Railway Board) would be the overall nodal officer for the implementation of the policy.

14. At the Zonal Railways, Chief Freight Traffic Managers (CFTMs) shall be the nodal officers for granting NOC for the routes applied by the SFTO. CCM/FM shall be the nodal officer for the operation of the agreement.

14.0. LIEN

In case of default of payment by the SFTO, IR may exercise lien on the privately owned wagons and the consignment loaded in such wagons to recover its dues.

15.0. TERMINATION OF AGREEMENT

15.1. In case SFTO wants to terminate the agreement before the expiry of the agreement period, he has an option to do so with three months advance notice. In such circumstance, he will also have an option to sell his rakes to another SFTO provided the buyer has a valid registration to run that commodity for which the rake has been inducted. The SFTO can also sell his rake to end user or WLC. Such rakes purchased by end user or WLC shall be governed by respective policies of IR. However, in such case no refund of registration fee, or on residual value of the wagons will be admissible.

15.2. In case the SFTO does not follow the rules laid down by Railways for safety of the goods carried or of railway property or any rules laid down by MOR for movement of SFT, the permission of SFTO can be terminated by giving one month notice without any liability of Indian Railways and he may also be liable to be penalized in accordance with the Indian Railways Act'1989. In such case, the registration fee shall not be refunded to the SFTO nor IR will pay any residual value of the wagon, though he will be entitled to dispose off the rake(s) as per the provisions of Para 15.1 given above.

16.0. DISPUTE RESOLUTION

16.1 In case of any dispute in interpretation of the policy, the decision of MOR will be final and binding.

16.2 In case of any dispute in implementation of the agreement under this scheme, which is not resolved amicably, the same shall be finally decided by arbitration as per "The Arbitration and Conciliation (Amendment) Act, 2015" which will be clearly spelt out in the agreement.

16.3 For resolving disputes on issues pertaining to claims for damages, freight charges, the SFTO may seek redress by resorting to the relevant provisions of the Agreement, Railway Claims Tribunal or Railway Rates Tribunal as the case may be.

17.0. REVIEW OF THE POLICY

IR will review the policy from time to time.

GENERAL PURPOSE WAGON INVESTMENT SCHEME (GPWIS)

(FMMC GPWIS/2018/0, DT.26.04.2018)

1.0 GENERAL

As there was long term demand from Railway Freight Wagons Users for better and timely availability of General Purpose Wagons (GPW), Ministry of Railways has introduced a scheme for investment in General Purpose Wagons.

2.0 TYPES OF WAGONS PERMITTED FOR PRIVATE PROCUREMENT

General Purpose Wagons (BOX, BOXN, BCN etc.) approved by RDSO to run over the routes approved by Indian Railways, Special Purpose Wagons (specially designed to carry specific commodity or group of commodities) will not be covered under this scheme.

3.0 APPLICABILITY OF THIS SCHEME

This scheme shall be applicable exclusively on the wagons inducted under this scheme. Wagons inducted by investors prior to the commencement of this scheme shall not be covered under this scheme.

4.0 ELIGIBILITY

- i. Producers or consumers of the goods to be transported by rail.
- ii. PSUs, Central Public Sector Enterprises.
- iii. Logistics providers.
- iv. Port Owners/Port Rail Companies.
- v. Mine Owners.
- vi. Wagon Leasing Company (for use of end users)

5.0 PROCUREMENT OF WAGONS

Procurement of wagons will be allowed only with prior administrative approval of Ministry of Railways. Procedure for procurement of wagons is given in detailed guidelines.

6.0 OPERATION OF PRIVATELY OWNED WAGONS

The rakes inducted under GPW Scheme shall not be merged in IR's pool of wagons and will be distinctly indicated through a colour scheme. The rakes so inducted shall run on pre-approved circuits.

7.0 MAINTENANCE OF WAGONS

Maintenance of Wagons will be undertaken by IR on payment as per agreement to be executed with the owner.

8.0 FREIGHT RATES AND CONCESSIONS

A rebate of 10% shall be given on the base freight on each loaded wagon. Such rebate shall, however, be ordinarily for a period of 15 years subject to a cap to the extent of the lease charges payable by IR to IRFC for procurement of rolling stock.

9.0 PERIOD OF AGREEMENT

The period of agreement for each rake will be for the codal life of the specific stock as specified at the time of induction of the rake by the Ministry of Railways.

10.0 LIEN

In cases of default of payment by the investor, IR shall exercise lien on the privately owned wagons and the consignment loaded in such wagons to recover its dues.

11.0 FORCE MAJEURE

Railway shall not be responsible for loss, destruction, damage, deterioration or non delivery of goods arising from the following:

- i. Act of God
- ii. Act of War
- iii. Act of Public enemies.
- iv. Restraint or seizure under legal process.
- v. Orders or restrictions by Central Government or State Government or by any officer or authority subordinate to the Central Government or a State Government authorized in this behalf.
- vi. Fir, explosion or any unforeseen risk.
- vii. Act or omission or negligence of the investor or consignor or consignee.
- viii. Natural deterioration or wastage in bulk, or weight due to inherent defect, quality or vice of the goods.
- ix. Latent defect.

12.0 DISPUTE RESOLUTION

All disputes in regard to implementation of the agreements with the zonal railway, under this scheme, will be resolved through Arbitration and Conciliation Act 1996 as amended from time to time. The concerned Zonal Railways with whom the agreement has been signed will deal with litigations and court cases arising if any.

12A. The investing party may be allowed to load consignments of third-party (a party other than the investing party) in GPWIS rakes, subject to the following conditions:

12A.1 The details of third-party (name of the party / parties, leg of the circuit, commodity to be loaded) shall be provided at the time of obtaining approval for any circuit.

12A.2 All the approved users (including investing party as well as third party / parties) for each leg of the circuit will be tagged with the rake in GPWIS module of FOIS. These parties shall be known as 'authorised users'.

12A.3 For the loading done by the investing party, freight rebate as defined in the Scheme shall be granted upfront at the time of preparation of RR. However, for loading done by the third parties, an amount equivalent to the freight rebate as applicable under the Scheme shall be determined at the time of preparation of RR and subsequently credited to the investing party. The same shall be reckoned for the purpose of calculating the quantum of rebate granted under the Scheme.

12A.4 Nonetheless, for the rakes procured by 'producers or consumers of the goods (end-users)', it must be ensured that the consignment in at least one leg of the circuit shall be of the end-user only – i.e. the consignor / consignee shall be the end-user.

Chapter- I

DEFINITIONS AND ABBREVIATIONS:

1. End User: The customers, eligible to participate in the scheme as covered under Para 4.0 (i) to (v) of the policy, who have opted to move their goods by rakes procured by them directly or through WLC under this scheme and who are either consignor or consignee, who have paid and to whom the freight rebate shall be granted.
2. Empty Return Ratio (ERR): Ratio of the Kilometers runs by the wagon in empty condition to the total kilometers clocked by the wagon in the period under consideration.
3. General Purpose Wagons (GPW): Wagons which can carry multiple commodities without any specific approval from MOR for carriage of the commodity in that wagon like BOX, BOXN, BCN etc. however, special purpose wagons (specially designed to carry specific commodity or a group of commodities) will not be covered.
4. IR: Railway Administration, means the General Manager of a Zonal Railway;
5. MOR: Ministry of Railways, Government of India.
6. Wagon Leasing Company (WLC): A Leasing Company engaged in the business of procuring railway wagons and making them available to End Users.
7. Wagon Leasing Scheme (WLS): The Scheme introduced by MOR in the year 2008 for leasing of wagons and their operation on Indian Railway.

Chapter-II

General conditions and procedure for procurement of General Purpose Wagons

1. Application, along with specific details of the proposal, should be submitted to Executive Director/Freight Marketing (EDFM), Railway Board. The details should include number of rakes required, type of wagons, loading station (s), destination station(s), proposed specific route(s) or close circuit(s) and any other information relevant to the proposal. The proposal shall be examined in consultation with Traffic Transportation (TT) Directorate of Railway Board. If the proposal is found operationally feasible, an approval letter from Ministry of Railways permitting procurement of rakes under GPWIS on the approved circuit shall be issued for Principal Chief Operating Manager (PCOM) and Principal Chief Commercial Manager (PCCM) of concerned Zonal Railways.
2. On the basis of the approval of the Railway Board, an Agreement will be signed between the Principal Chief Commercial Manager (PCCM) of concerned

Zonal Railway and the applicant within 6 (six) months from the date of approval from Railway Board.

3. Wagons should be procured in units of full rake with 4% maintenance spares and one brake van. However, a minimum of one rake has to be invested in, to participate in the scheme. Rakes procured under any other investment scheme will not be eligible to be inducted under the GPWIS Scheme.

4. All Rakes under the scheme shall have to be in compliance with IRS designs and specifications applicable at the time of procurement and inspection by nominated agency of IR, namely, RDSO and extant government policies, rules and regulations.

5. Party will be required to incorporate following warranty clause in the purchase contract with the wagon manufacturer.

“Supplies shall be guaranteed against any manufacturing defect/poor workmanship quality etc. for a period of 24 months from date of commissioning or 30 months from the date of delivery, whichever is later. During this period contractor will arrange to repair/replace any defective part free of cost or replace complete set if required. Further, since these wagons are to be utilized by the customers of Indian Railways, they are hereby authorized to invoke this warranty clause in case of any default on the part of wagon manufacturer”.

6. Privately procured wagons will be inducted into service only after completion of the mandatory safety and quality inspections by authorized agencies as notified by MOR.

7. Information regarding placement of order for procurement of rakes may be advised by the party (signatory to the agreement) to the PCOM of the concerned Zonal Railway as well as EDFM, Railway Board.

8. Date of actual induction of the rake on Indian Railways network will be informed by the party (signatory to the agreement) to the PCOM and EDFM, Railway Board. The zonal railway will keep the detail of the wagons and brake-vans procured for each rake by the party (signatory to the agreement).

9. On receipt of documents about commissioning of the rake under General Purpose Wagon Investment Scheme (GPWIS), a commercial notification will be issued by the PCCM in consultation with PCOM. The notification should have all relevant details mentioning, inter alia, the details of the concession, the date of commencement of the agreement, the name of the owner, wagon numbers, commodity, approved circuits etc.

10. The General Purpose Wagons (GPW) inducted under this scheme will not be merged in general pool of the Indian Railways. It will have associated loading and unloading point (s) over specific route (s) or close circuit (s) as approved by the Railways and will be allowed to load any commodity in the approved circuit.

11. Terminal for loading/unloading

a. The rakes procured under GPWIS will operate between private sidings/terminals or private freight terminals (PFTs) or Inland Container Depots (ICDs) or Ports or Mines equipped to handle the traffic for which GPWIS end users must have a tie-up with such private sidings/terminals, PFTs, ICDs, Ports, Mines or own its private terminals/sidings for handling of such wagons.

b. The wagons can also be operated from railway goods sheds notified in terms of Wharfage Rules, **as per the circuits approved by Traffic Transportation** Directorate of Railway Board if found operationally feasible. Rakes will be allowed on placement of indent as per their requirement.

c. Under no circumstance GPW rakes will be allowed to be stabled on Railway Land. The same have to be stabled in private siding/terminal of the customer when not in use.

d. The associated loading and unloading point or points can be changed as per the requirement of the GPWIS end user. This change is subject to the operational feasibility and approval of the Railway Board.

12. Rake(s) should be procured and presented for induction under this scheme within 18 (eighteen) months from the date of signing of the Agreement. Fresh NOC has to be obtained for the circuit on expiry of this time limit.

13. Indian Railways reserves the right to modify/amend any provisions of the scheme in consultation with the existing end users of the scheme.

14. In cases of default of payment by the end user, IR shall exercise lien on the privately owned wagons and the consignment loaded in such wagons to recover its dues.

15. The ownership of the rakes under the scheme will be with the party who has procured the rake(s). The rakes will be allowed to operate till the codal life of the rake or till they are in a condition safe to operate whichever is earlier.

16. Obligations in case of accidents:

16.1 In the event of wagons owned by party under this scheme getting condemned as a result of accident where the responsibility is conclusively established that the accident occurred owing to the acts of omission and commission on the part of owner of the wagons the owner will be entirely responsible for all damage or loss of property which was owned by the railway administration and shall make good on demand all loss of or damage to such railway property. The loss to the wagons would be borne by the owner and the rake and line will be cleared by the owner at his cost or he shall pay the Railways to clear the same. However, the rake will continue to run only if

certified fit by the agency competent to do so. This has to be done for the entire rake length failing which the rake will not be retained in service.

16.2 In the event of the private wagons getting condemned as a result of accident where the responsibility is conclusively established that the accident occurred owing to the acts of Railways, the IR will pay the owner the depreciated value as per Income Tax Rules minus scrap value of the wagons at the time of condemnation. Condemned wagons can be disposed off by the party directly or through Railways. However, the rake will continue to run only if certified fit by the agency competent to do so. This has to be done for the entire rake length failing which the rake will not be retained in service.

Chapter-III

Conditions for operation of General Purpose Wagons in GPWIS

1. Wagons falling in this category shall not be merged in the wagon pool of IR. Rakes comprising such wagons will be identified as exclusively belonging to the party who had procured them. These wagons will have distinctive colour scheme to identify these rakes.

2. Loading in wagons procured under this scheme will be permitted only against indents registered by end users subject to extant rules for allotment of wagons.

3. Placement of Indents and allotment thereon:

i. Indents for loading for such wagons will be placed at the approved loading point for the approved destination point for the movement over specified route(s) or closed circuit(s) as approved by the Railways.

ii. Indents and seniority/priority for IR owned rakes and GPWIS rake will be maintained separately for the purpose of allotment. However, general restrictions for routes and terminals if any would be applicable on GPWIS rakes also.

iii. In case of terminals which are being accessed by GPWIS rakes owned by more than one entity, the rake reaching the terminal first will be supplied first irrespective of seniority in the GPWIS indents at the terminal.

4. If the End User does not place any indents, these wagons will remain idle in his premises.

5. The rakes procured under the scheme shall not be utilized by any entity other than the authorised users. However, this condition shall not apply in case where the rakes are loaded by Indian Railways in the return direction.

6. The GPW will run on Close Circuit (CC) basis (7500 Kms Brake Power Certificate) (BPC) Validity or as per the latest circular) and the maintenance

depot shall be decided on the basis of the proposed circuits. Movement for taking these rakes for CC examination outside circuit (if required) may be undertaken on Railway account. During this movement loading/unloading for en-route points can be done by IR to avoid empty running. The freight rebate for such loading will be determined as per chapter IV of the policy.

7. The circuit on which the rakes are proposed to be deployed by end user would be approved by Traffic Transportation Directorate, Railway Board.

8. Based on the commodity flows, various Zonal Railways would be clubbed into Groups for each type of rolling stock. The Empty Return Ratio (ERR) for the stock originating and terminating within such a group of the zones would be calculated and only those circuits will be approved where the ERR is at par or better (i.e ERR is less) than the bench mark ERR for the said group of zones. However, the proposed circuits which have ERR of 40% or below, would be approved subject to operational feasibility, without comparing it with the actual ERR of the Zonal Grouping in the last year. Where the ERR is above 40%, the comparison with bench mark ERR would be done.

For example, ER, ECR, ECoR, SER and SECR may be clubbed as one group where private BOXN rakes can be permitted to run in circuits. The ERR of BOXN rakes originating and terminating for the previous year would be considered as the benchmark ERR for deciding whether the circuit is to be permitted or not, where the ERR of the proposed circuit is above 40%.

9. In case of small lead circuits (upto 200 Kms), the condition of ERR benchmark would not be applicable.

10. The circuits will not be revised for at least 6 months from the date of approval/operation.

11. Stabling and Wharfage Charges

11.1 If IR has to stable these GPWIS rakes in railway owned yards at the request of the End User or is required to do so on account of any operational reason attributable to the End User, stabling charges as notified by MOR will be payable by the End User as per Rates Master Circular Demurrage-Wharfage-Waiver/2016/0 issued vide letter NO.TC-I/2016/201/1 dated 19.05.2016 and its amendment/revision/extension from time to time.

If a GPWIS rake is detained in railway terminal (goods shed), beyond the permissible free time up to the time of release of the rake, detention charge shall be levied.

If a GPWIS rake is detained in private terminals (Port, CIL Sidings etc.) beyond the permissible free time, causing detention to other rakes in line to enter the terminal, detention charge as notified by Rates Branch from time to time, shall be levied even though rake is private and terminal being used is a non-railway terminal.

11.2 For using railway goods shed, Terminal Access Charges, Detention Charges and Ground Charges shall be levied.

11.2.1. Terminal Access Charge

a. The GPWIS party dealing with their rakes at railway owned terminals shall be required to pay Terminal Access Charge (TAC) as notified from time to time by Railway Board.

b. Charges mentioned above shall be levied on per rake basis, irrespective of the actual rake composition or actual number of wagons on a train at the railway terminal.

c. Terminal Access Charge (TAC) shall be collected at the time of preparation of RR. The other terms and conditions regarding TAC will be as per Rates Master Circular/CRT-CCR-Hub&Spoke/2015/0 dated 07.04.2015 along with latest corrigendum No.20 dated 23.07.2018 and its amendment/corrigendum issued from time to time.

11.2.2. Permissible Free time and Detention Charge for use of Railway goods sheds.

11.2.2.1. Total Permissible Free time at Railway goods sheds on an GPWIS train will be as per type of stock i.e. flat wagons, covered wagons, box wagons or tank wagons as specified, irrespective of the activity or activities done on the rake and number of operations performed according to Para 2.2 of Rates Master Circular Demurrage-Wharfage-Waiver/2016/0 dt.19.05.2016 and amendments issued time to time.

11.2.2.2. Free time will commence from the time of placement of the first wagon of the GPWIS train.

11.2.2.3. A GPWIS train will be considered to be released at the time at which the last wagon of the rake is released i.e. at the time at which the rake has been released in its entirety and is available for removal from the placement line (s).

11.2.2.4. Detention Charge would be levied for occupation of railway goods sheds beyond the permissible free time up to the time of release of the rake.

11.2.2.5. Detention Charge would be levied at prevailing rate of Demurrage Charge On per wagon per hour or part thereof for full rake.

11.2.2.6. PCCM/PCOM (whoever is designated for dealing with demurrage) of a zonal railways may notify a higher Detention Charge (up to six times the normal rate). Higher detention charge will be applied for those GPW rakes which take excessive time to release their rakes or do so repeatedly.

11.2.3. Ground Usage Charge

11.2.3.1. Ground Usage Charge will be levied for the use of ground at Railway Goods sheds.

11.2.3.2. GPWIS end user will be permitted a free time for use of ground at the Railway goods sheds.

11.2.3.3. Permissible free time for use of ground for dealing with a GPWIS train will be same as is permitted under Wharfage rule for goods traffic, irrespective of the activity or activities done on the rake and number of operations Performed, which at present is as under:

Type of goods shed	Free time (in hours)
Group-I	12
Group-II	15
Group-III	30

11.2.3.4. Free time for the purpose of Ground Usage Charge will commence from the expiry of the free time for loading and/or unloading the traffic. Ground Usage Charge will be levied after expiry of the Permitted Free time till the time all goods are removed from the ground by the GPWIS operators and ground becomes available to be allotted to the next train.

11.2.3.5. However, if advance stacking has been availed by the GPWIS operator, Ground Usage Time will commence from the time advance stacking has been permitted to the time all goods are removed and ground made free for use by the next train. Ground Usage will be levied after making allowance for permissible free times for advance stacking and for ground usage.

11.2.3.6. Ground Usage Charge will be levied on per train per hour basis Irrespective of the number of goods on the ground.

11.2.3.7. Ground Usage Charge will be levied for full rake at the prevailing rate of Wharf age Charge, as under and its amendment/corrigendum from time to time:

Type of goods shed	Present rate of Wharfage charge (per wagon per hour or part thereof)
Group-I	Rs.150/-
Group-II	Rs.120/-
Group-III	Rs.75/-

11.2.3.8. PCCM of a Zonal Railway may apply higher Ground Usage Charge (up to Six times the normal rate applicable for the 6th day). Higher Ground Usage Charges will be applied for those GPW operators who repeatedly fail to Release the ground at the goods sheds within two days.

11.2.3.9. Ground Usage Charge will be levied for the use of ground at Railway goods sheds.

11.2.4. Ground Usage Charge for advance stacking

11.2.4.1. GPWIS end user may be permitted advance stacking of goods on the Ground of any goods sheds for 24 hours free of any charge for loading on an incoming train.

11.2.4.2. Ground Usage Charge at the rates mentioned above will be levied in accordance with 11.2.3.5 if the ground is not cleared at expiry of the free time for advance stacking. However, no ground usage charge will be levied till the placement of the empty rake for loading even after lapse of the advance stacking period. The empty rake will be supplied only after expiry of the permitted time for advance stacking or completion of stacking, whichever is earlier.

11.2.5. Waiver of Detention Charge and Ground Usage Charge Detention Charge and Ground Usage Charge will be treated on par with Demurrage Charge and Wharfage Charge for the purpose of consideration of waiver etc. under justified circumstances as per extant instructions as applicable to waiver of Demurrage/Wharfage.

12. If the rake is not loaded in the return direction, Railway may load the same if traffic is available and Railway owned rake is not available for loading on date. This loading will only be permitted consequent to the loaded movement of the GPWIS rake by the end user.

12 A The investing party may be allowed to load

13. Freight traffic transported in the GPW in an approved circuit will originate from private sidings/terminals or PFT or ICD or Ports or Mine capable of handling the traffic in such general purpose wagons.

However, Railway goods shed can also be used for loading/unloading provided found feasible as per the conditions mentioned in Para 11(b) of Chapter-II.

Chapter-IV

Freight Concessions in GPWIS

Freight Concession on base freight shall be provided to the End User for loading in the rakes consisting of general purpose wagons procured under GPWIS subject to following conditions:

1. GPW operating in approved Closed circuits

1.1 Freight rebate/credit of 10% will be granted whenever the rakes move in loaded condition.

1.1.1 When the end user pays the freight either as Consignor or Consignee the Rebate shall be granted on the RR itself.

1.1.2 When the freight is paid by either Consignor or Consignee who is not Party to the Agreement under GPWIS with the Indian Railways, then the Rebate (including when Indian Railways uses these wagons as per Para 12 of chapter III), for the movement of goods shall accrue to the account of the party to the Agreement. The payment of such amounts shall be made to the party directly based upon a quarterly reconciliation by the concerned Zonal Railway with whom the agreement has been signed.

1.2 The above mentioned freight rebate 10% will be granted in each case on Base Freight Rate prevailing at the time of booking.

1.3 The amount of rebate on freight will be capped to the extent of lease charges payable by IR to IRFC, both on annual as well as cumulative basis for an equivalent amount of capital raised by it for financing rolling stock for IR. For such purpose, the cost of debt shall be the average cost of debt or funds raised by IRFC for financing rolling stock. The reference period for the average cost of debt shall be the quarter of the year (April-June, July-September, October-December, January-March) just prior to the date of the purchase order provided by the private party. IRFC is currently paid a margin over and above the average cost of debt. Similar margin shall be payable to the End-User over and above the average cost of debt. The margin is subject to change from time to time and is currently paid at 50 basis points over and above the average cost of debt.

1.4 Freight rebate of 10% on such loaded wagons will be granted ordinarily for a period of fifteen (15) years. Such freight rebate shall not exceed the lease charges payable by IR to IRFC for procurement of such wagons during the first fifteen (15) years of the lease agreement between IR and IRFC for leasing of rolling stock. In case, the investment is recovered in a period less than fifteen (15) years stipulated above, the freight rebate shall cease from the exact date of full recovery. However, if the investor is unable to recover his original investment then the period of rebate shall be extended till the recovery of capital cost of investment.

1.5 Capital cost will be reckoned w.r.t the Purchase Order of the rakes given by the party subject to a maximum of cost of last procurement of such wagons by the Indian Railways as certified by the concerned Directorate of the Railway Board.

1.6 CRIS will prepare a module incorporating the above elements of accountal by tagging these wagons under GPWIS scheme such that an automatic chart of rebate granted with capping of maximum rebate to be granted in a year and total rebate to be granted on the rake will be incorporated.

1.7 Freight rebate (given against recovery of only the cost of investment) will be given concurrently to any other freight incentive granting scheme applicable for the loading done in the rake. On recovery of investment by the End User

loading in these rakes shall be eligible for other freight incentive schemes in vogue at that point in time.

1.8 No freight will be charged for movement of empty rakes to the next destination provided the distance travelled by empty rake is less or equal to the distance travelled by the train before unloading. However, if the empty rake travels an additional distance over and above the loaded distance, empty freight rate shall be charged at 50% of loaded freight of public tariff on carrying capacity of the wagons.

2. Loading in return direction by IR.

2.1 If the rake is not loaded in the return direction Railways may load the same if traffic is available and Railway owned rake is not available for loading on date. This loading will only be permitted consequent to the loaded movement of the GPWIS rake by the end user.

2.2 An amount equivalent to the freight rebate as applicable under this scheme shall be determined at the time of preparation of RR and credited to the end user and the same shall be reckoned for the purpose of calculating the quantum of rebate granted under the scheme.

TERMINAL DEVELOPMENT SCHEME
(FREIGHT MARKETING CIRCULAR NO. 09 OF 2008)

1.0 INTRODUCTION

Unprecedented growth in freight traffic carried by railway in recent years has highlighted the urgency of addressing capacity constraints that have come to the fore in the wake of such growth. Adequate line and terminal capacity and ability to provide compelling value to customers in terms of low, competitive logistics costs hold the key to sustained growth in future. Ministry of Railways (MOR) has already initiated a number of measures to augment line capacity on its saturated routes. To enhance the capacity and efficiency of terminals, MOR has also taken up modernization and redevelopment of goods sheds handling more than 15 rakes a month. This policy seeks to supplement the in-house programme of MOR by opening the area of terminal development to participation of major customers of Railways.

2.0 OBJECTIVE

The objective of the scheme is to promote development of new railway terminals through investment from private sector. This would lead to not only development of new state-of-the-art terminals and new special purpose wagons, but also long term commitment of rail movement of freight traffic in specific commodities.

3.0 DEFINITIONS AND ABBREVIATIONS

Definitions and abbreviations of some of the terms used in this document are as under.

3.1 *IR*: Railway Administration.

3.2 *MOR*: Ministry of Railways, Government of India.

3.3 *End Users*: Rail customers who are producers or consumers of the goods transported by rail.

3.4 *Bulk Commodity*: It will include commodities namely Cement, Fly-ash, and Fertilizers when moved in loose condition in privately owned Special Purpose Wagons (SPW).

3.5 *Finished Products*: It will include commodities namely finished iron and steel products, bagged Cement and bagged Fertilizers 2008/TC (FM)/1/1 (TDS) -Dated: 15.04.2008.

3.6 *Special Purpose Wagons (SPW)*: Wagons designed for rail transportation of a specific commodity or group of commodities. Such wagons will operate on specific routes or close circuits approved by MOR and will not form a part of the wagon pool of IR.

3.7 *Liberalized Wagon Investment Scheme (LWIS)*: Scheme introduced by MOR in 2008 to encourage private investment for procurement of different types of wagons.

4.0 SCOPE OF THE POLICY

4.1 Terminals dealing with coal and coke, POL, iron ore and all other types of minerals and ores are not eligible under this Scheme.

4.2 This Scheme is limited to the development of (i) new terminals for handling bulk commodities, namely. Cement, Fly-ash and fertilizers transported in loose condition and (ii) new terminals for unloading finished products namely Iron & Steel, bagged Cement and bagged Fertilizers.

5.0 TYPES OF TERMINAL

5.1 The terminals covered under this scheme would be of the following types:(i)Terminals for Bulk Commodities at which commodities namely cement, fertilizers and fly ash shall be handled in loose condition.

(ii) Terminals for Finished Products at which commodities namely Iron & Steel, bagged Cement and bagged Fertilizers will be unloaded.

5.2 These terminals would generally be set up on private land close to IR network. However, Railways may allow their surplus land at suitable locations, if available, for setting up of such terminals in accordance with the terms and conditions set out in the policy.

6.0 GENERAL CONDITIONS

6.1 This Scheme envisages private ownership of sidings or terminals at both ends by the end users.

6.2 The end user shall approach the General Manager of the concerned zonal railway with the proposal for setting up of a new private terminal with all relevant details, in terms of the extant policy for private sidings as well as provisions mentioned herein and the LWIS, as applicable.

6.3 In order to qualify for the financial incentives under this scheme, all freight traffic consisting of the commodities permitted under the scheme, shall originate from a private siding or a private terminal and terminate at a private terminal or a private siding, and at least one of the terminals should be developed as a new terminal under the scheme.

6.4 End users will construct state of the art private terminals, under the extant policy for private sidings, at their own cost and provide efficient handling facilities.

6.5It will be mandatory for the end users to operate both the terminals on round-the-clock basis.

6.6 Railway commercial staff shall be posted at the private terminals for carrying out commercial functions. The cost of such railway staff shall be borne by the end users as per extant rules for private sidings.

6.7 End users developing private terminals on railway land will be required to give a minimum commitment in regard to Traffic Guarantees as set forth in this document. However, condition of Traffic Guarantee will not apply to private terminals developed on private land.

6.8 Since the terminal is being developed under the provisions of siding policy, all charges stipulated in such a policy would be payable to the IR by the end users.

6.9 The terminal so developed shall have adequate facilities like lighting, drinking water, toilet facilities, staff amenities, etc.

6.10 End users would be responsible to get all clearances that may be required from other government departments for making such a terminal operational.

6.11 There shall be no train examination facilities in the terminal.

6.12 The terminals will be operated under the Terminal management System (TMS) with 'e' payment of railway freight and other charges.

6.13 Specific conditions pertaining to terminals for handling bulk commodities, and terminals for unloading finished Products are elaborated respectively in Parts A and B of the scheme.

6.14 No concessions or incentives other than those specified in Parts A and B of this scheme shall be admissible.

6.15 If the end users has availed of any concession, subsidy or any other financial benefit for creation of terminals and/or procurement of wagons from any other Ministry or from MOR under any other Scheme, he will not be eligible under this scheme. The end user will give an undertaking to this effect. In case of false undertaking, benefit given if any, shall be recovered through a suitable mechanism to be developed by IR.

6.16 Gestation period for setting up the private terminal will be a maximum of one year from the date of approval of the proposal by IR or handing over the railway land, as applicable, whichever is later.

6.17 Railways liability as a bailee for the claims for loss, destruction, damage, deterioration or non-delivery of any consignment will not extend beyond the interchange point at the terminal.

7.0 LAND

7.1 Private Terminals will be developed primarily on land procured by end users at their cost.

7.2 However, wherever Railway is in a position to offer IR owned surplus land of adequate size in terms of extant siding policy, the same would be made available on lease for development of Private Terminals under this policy, for 30 years. The lease could be extended for a period of another 10 years based on satisfactory performance.

8.0 TRAFFIC GUARANTEES

8.1 The end user who wishes to develop the terminal on railway land should give a commitment for offering following minimum volumes of traffic to IR.

- (i) First Year of operation -0.5 million tonne
- (ii) Second Year of operation -0.75 million tonnes
- (iii) Third and subsequent years of operation -1.0 million tonnes or higher

8.2 End user developing a terminal on private land shall not be required to give the traffic guarantees given above.

9.0 ELIGIBILITY

9.1 The sidings or terminals at either end for loading or unloading will be privately owned by the end users and the traffic of the specified commodities will be transported in special purpose wagons privately owned by the end users.

9.2 The end user should be an entity registered in India under the Companies Act, 1956.

10.0 SELECTION OF THE INVESTOR

10.1 Terminals on Private Land

10.1.1 An end user intending to develop a new Terminal on privately owned land may approach the General Manager of the concerned zonal railway with his proposals with all relevant details.

10.1.2 The proposals will be examined for issuing a No Objection Certificate (NOC) by the COM of the concerned zonal railway, subject to operational feasibility and fulfilment of the conditions of this Scheme and other relevant extant rules and instructions.

10.1.3 The proposal along with the NOC will be forwarded by the railway for final approval by MOR.

10.1.4 Railway will thereafter facilitate providing rail connectivity to the terminal with the IR network in terms of extant rules and instructions for development of private sidings.

10.2 Terminals on Railway Land

10.2.1 Wherever Railway has surplus land to offer for development of new private terminals, it will invite business proposals through an Expression of Interest (EOI) through an open advertisement.

10.2.2 The proposals and the credentials of the end users will be examined for short listing, as per procedure given in Para 10.1.2 and 10.1.3 above.

10.2.3 The short listed end users will be asked to submit their financial bids indicating the total revenue payable to railways every year, which will be the parameter for deciding award of contract to the highest bidder.

10.2.4 The end users developing such terminals on railway land will be required to offer minimum guaranteed volume of traffic as provided in this document in Para 8.0 above.

10.2.5 If the end user fails to offer the committed revenue per annum and minimum guaranteed traffic in any year, except due to force majeure reasons, he will be required to make good the difference in revenue between the committed amount per annum and the actual reduced level of revenue, subject to realisation of the revenue for the minimum guaranteed volume of traffic for that year. Suitable clause to this effect should be incorporated in the agreement to be executed by the concerned zonal railway with the end users with provisions to protect railway's interest. The force majeure reasons for this purpose shall include act of God, act of war or act of public enemies.

11.0 LAND LEASE CHARGES

Wherever IR owned land is made available for creation of private terminals or for linkage with IR network, land lease charges will be payable by the end users in accordance with the notified policy of MOR.

12.0 DISPUTE RESOLUTION

All disputes in regard to implementation of the agreement, under this scheme, between the Zonal Railway and the end users will be referred to an Arbitrator nominated by General Manager of the Zonal Railway.

PART-A

TERMINALS FOR BULK COMMODITIES

A.1

This part lays down provisions in the scheme applicable to development of private terminals for handling bulk commodities namely Cement, fertilizers and Fly-ash when transported in loose condition and moved in privately owned SPW procured under LWIS.

A.2

SPW required for the transportation of the specified commodities shall be procured directly from the wagon manufacturer or through way of import, within one year of signing the agreement with the railway, unless specific prior extension is granted by MOR.

A.3

SPW will be inducted into service only after completion of the mandatory safety and quality inspections by agencies authorized by MOR.

A.4

The sidings or terminals at both ends of the approved close circuit shall be privately owned, out of which at least one terminal should be a new terminal developed under this scheme.

A.5

Incentives will be given to End Users by way of freight concession and exemption from charges/surcharges for traffic booked from the approved loading point as detailed below:

(i) Freight concession of 15% will be granted for a period of 20years on each loading of a new rake of SPW procured under LWIS.

(ii) The freight concession will be granted on the Base freight rate prevailing at the time of issue of commercial notification by the CCM (in terms of LWIS) or the Base freight rate applicable at the time of booking, during the currency of the concession period of 20 years, whichever is lower.

(iii) Waiver of the applicable Busy Season Surcharge for a period of 20 years from the start of operations under this scheme.

(iv) Waiver of Terminal Charge.

A.6

No demurrage or wharfage charges shall be leviable.

A.7

Maintenance of privately owned SPW would be undertaken by IR as per charges and terms laid down in an agreement to be executed between the end users and IR.

PART-B
TERMINALS FOR FINISHED PRODUCTS

B.1

This part lays down provisions in the scheme applicable to development of a new Private terminal for unloading of finished products namely Iron & Steel, bagged Cement and bagged Fertiliser.

B.2

Only IR owned general service wagons shall be used for transportation of commodities specified under this scheme.

B.3

Incentives will be given by way of exemption from charges/surcharges to end users for traffic booked from the approved loading point as detailed below:

- (i) Waiver of the applicable Busy Season Surcharge for a period of 20 years.
- (ii) Waiver of Terminal Charges.

B.4

Customer other than the original end user can also book traffic of the same commodity to such terminals subject to mutual agreement with the end users and approval of the concerned zonal railways. In such case, the only incentive for that traffic will be non-levy of terminal charges.

B.5

Free time permitted at the unloading terminals shall be as per Engine on load norms.

B.6

Demurrage charges shall be leviable as per normal railway rules.

B 7

No wharfage charges shall be leviable.

ROLL ON-ROLL OFF SCHEME

Rates Circular No.15 of 2016



In the year 2016, Indian Railways launched a new service 'Ro-Ro' to carry loaded trucks on goods train in a bid to attract more loadings and reduce carbon emission. Under the scheme, loaded trucks would be moved on the flat rakes to avoid congestion on roads. In this arrangement trucks are loaded through a ramp provided at the dead-end of a loop on BRN wagons which have been suitably modified for through passage of trucks over them. Before loading over the BRN Wagons, the trucks are weighed and passed under a height gauge (maximum height – 3.4 metres above road level) to ensure that they conform to the maximum moving dimensions (Standard) for safe passage. The driver and cleaner of the truck travel along, sleeping in their truck cabin.

Salient Features of RO-RO Scheme:

- The Ro-Ro service aims to reduce carbon emission and congestion on the roads and strive to bring back lost traffic by railways to Roads.
 - 'Roll-on-Roll-off' is one such New Delivery Model which can provide multimodal transport mix. RO-RO is the pilot project for Green Transportation across National Capital Region service introduced on Indian Railways.
 - RORO services were started on KONKAN Railway and then proliferated to ECR and NFR successfully in the year 2016.
 - Indian Railway will also be earning Certified Carbon Credit with every run.
 - For RORO Service Railway Receipt will be issued by TMS.
 - RO-RO is defined as new commodity in IRCA Goods Tariff No. 48, Pt. I Vol.II.
 - Rates will be fixed by Zonal Railways under power vested in them by Section 32 of the Railways Act, 1989
 - RO-RO will be booked under special RO-RO class.
 - In no case, gross weight of the truck (Tare Weight of truck + Commodity Weight) shall exceed the PCC of a particular wagon. If the PCC of the wagon used is not notified, then gross weight of the truck should not exceed the stenciled CC of the wagon.
 - GST / surcharges / cess will be levied as per extant guidelines.
 - All extant commercial rules shall be applicable on this service.
1. Placement of Indent: Railway may work out an action plan, including running on 20 wagons rake, if required. An annual action plan in consultation with Finance; keeping in view commercial & operational interests of Railways, needs to be worked out (subject to para 3 of Railway Board letter no TCR/1078/2016/08/Pt. dated 05.08.2016 which states that Enhancement of Railway Earnings and austerity in expenditure should be followed.)
 2. Charging: As per Section.32 of Railway Act 1989 powers are already vested with Zonal Railways for fixing rates for running of RO-RO services (In terms of Para -5 of Board's letter No.TCR/1078/2016/08/Pt. dated 05.08.2016)
 3. Chargeable weight: That gross weight of the loaded truck should not exceed the Stenciled Carrying Capacity of wagon used therefor, i.e. it would be lower than the PCC. (Para-4 (iv) of Board's letter dated 05.08.2016 stipulates)
 4. Comparison of BRN freight vis-à-vis RO-RO freight: Comparison should be done as per the commodity offered for loading. Mentioning RO-RO as new commodity in IRCA Goods Tariff does not mean that it shall be charged at class

180, but it is that rates of RO-RO services will be decided by zonal Railways depending upon their local conditions and Railway interest.

6. Weighment of trucks: Weighment of loaded truck on road weighbridge is permitted on trial basis for six months as an exceptional case for essence of earning subject to due checks being carried out by a Inter Department Committee at Divisional level, following up issued by Headquarter of all concerned Departments. It must include, among other things, a clear procedure for weighment, checks and record maintenance.

7. Issue of Railway Receipt: RR can be issued by TMS

8. Appointment of marketing agents:, Zonal Railways may itself explore the ways and means to attract and capture the market of RO-RO service. The zone must ensure that terms, conditions & liability of such arrangement should be made in clear & transparent terms. (Board's letter No.2016/TC(FM)/4/02 dated 14.06.2017)

9. Scheduled time of RO-RO services: Action taken should cater to Railways interest i.e. enhancement of earnings and austerity in expenditure should be followed. (In terms of Para-3 of Board's letter No.TCR/1078/2016/08/Pt. dated 05.08.2016)

XXXXXX

RAIL-SIDE WAREHOUSING FACILITIES WITH PUBLIC-PRIVATE PARTNERSHIP.

(FREIGHT MARKETING CIRCULAR No.7 OF 2005)

1. Objective: The objective of the project is to provide warehousing to promote inter-modality by providing seamless door-to-door service at competitive price, reducing the cost of secondary transport through provision of warehousing at close proximity to rail facility and other value added services to customers.

1.1 The warehouse will be in addition to, and not in substitution of, the existing Goods Shed.

2. Who can apply: Any individual firm or corporate entity having Rs. 10 Crores turnover per annum with requisite expertise & experience in execution of warehousing project can apply. For Foreign Agencies, an Indian Joint Venture partner will be necessary.

3. Whom to apply: The application will be submitted to the Chief Comml. Manager of the Zonal Railway(s) concerned.

4. Site for Warehouses: The proposals for warehousing may be considered only at those locations where setting up of such value added facility will result in attracting sufficient additional traffic and sites so identified are agreed to by the Railways. Necessary traffic survey in this regard may be carried out by the prospective warehousing agency. Location will be jointly decided by the service provider and Railways. Final decision in this regard will rest with Railways.

5. Provision of land: As the idea of providing warehousing has been conceived to give value added single window system service to the customers at the Railway terminal itself, the land for the warehouse will be provided by Railways. While earmarking such land for warehouse, Railways' own long term future requirement should also be kept in view. The size of the plot shall have a direct relevance with the minimum level of traffic guaranteed. The land to be finally given on lease would be recommended by a committee of officers of the zonal railway at SAG level from Commercial, Engineering and Finance Departments. Recommendations would be put up to AGM/GM for acceptance. Railway Board will be kept informed in the matter.

6. Earnest Money & Security Deposit: The bidders will be required to deposit an amount of Rs. 5,00,000/- (Rupees Five Lac) as earnest money along with the bid. The successful party will have to make a Security Deposit of Rs. 25,00,000 (Rupees Twenty five Lac) in the form of a Bank Guarantee in the format as prescribed by Ministry of Finance (Copy enclosed).

6.1 Mode of selection: The selection of the warehousing agency will be made after Inviting competitive bids which will be in two parts i.e. Technical bid and Financial bid (format enclosed).

6.1.1 Technical bids will have particulars like firm's name, address, existing areas of activity and experience, list of customers served, area of warehousing and other facilities proposed to be built including indication of land requirement, expected gestation period for project implementation, source of funding, financial results (audited accounts) for the last three years.

6.1.2 The financial bid will include the expected annual turnover in the first year and subsequent years, pinpointing guaranteed rail-borne traffic separately, expected revenue performance in the first year and subsequent years and percentage of total revenue* subject to a minimum of 5%, proposed to be shared with Indian Railways.

* Total revenue will include revenues accruing out of all the activities arising out of the business at the location leased to the promoter.

7. Tender Selection Committee: The Tender Selection Committee (TSC) comprising of 3 SAG Officers one each from Commercial, Accounts & Engineering Deptts. will finalise the tenders and take approval of General Manager.

8. Period of Lease Agreement: The lease agreement will be for 30 years which may be extended further subject to satisfactory performance for a period and on such terms and conditions as may be mutually decided between the Railways and the promoter. In case the lease is not extended, the premises alongwith the structures will be handed over to the Railways.

9. License Fee: As the idea behind the scheme is to increase rail borne traffic and to share the revenues, Railways will charge a nominal land license fee of Re. 1/- per sqr. Meter per annum. Lease rent will be paid by the promoter for the warehousing area including any open areas around the built-up warehousing structure used for business/movement purpose as agreed mutually with Railway.

9.1 Revenue sharing: From the third year onwards or from the date of operationalisation of the warehouse, whichever is earlier, in addition to the nominal lease rental, the promoter will share with Railways the accepted percentage, subject to minimum of 5%, of the gross revenues from all activities arising out of the business at the location leased to the promoter. This percentage will be reviewed every three years after the date of operationalisation of the warehousing complex or from the sixth year after the execution of the agreement, which ever is earlier.

10. Loading/Unloading facilities: Loading/Unloading facilities at the terminal will be developed by the promoter for smooth operations.

11. Free time: Free time for loading/unloading will be as per Railways rule & beyond this, the rakes detained will include demurrage charges. No wharfage, however will be levied under the system.

12. Development & Maintenance of common area : The common facility areas like circulating area, approach roads, lighting, office complex for rail users, basic amenities for rail users, road parking etc. will be developed by the service provider and used commonly with the Railways. The repair and maintenance cost of this area shall be borne by the promoter. It is, however clarified that no lease rent is payable in respect of such area. No commercial activity is allowed on this land.

13. Rail linkage: Railways will provide efficient rail connectivity required to handle traffic. Efficient loading/unloading facilities at the existing rail terminal in proximity to the warehouse will be developed by the promoter for smooth running of the warehouse.

14. Preference to Rail borne traffic: The promoter will be required to give preference to the rail borne traffic. This will be a condition of the lease agreement enjoining the promoter to earmark at least 70% of the warehousing space for rail borne traffic. A committee of officers from Commercial, Accounts and Engg. Departments will conduct a review of rail borne traffic every year.

15. Staff cost : Cost of Commercial Staff which will be posted at the Goods Sheds to issue RR and supervise loading/unloading will be borne by the service provider. However, Railways will keep the number of such staff to the minimum.

16. Gestation period: The warehouse promoter would be allowed a maximum period of two years from the date of signing the agreement as gestation period which will cover construction and operationalisation of the warehouse.

17. Termination of lease contract : Railways reserve the right to terminate the lease contract under the following circumstances :

- (i) On termination of lease period if further extension is not sought.
- (ii) If no warehouse construction work starts within one year of granting letter of intent, the agreement will stand terminated automatically.
- (iii) Any violation of the terms and conditions of the lease agreement.
- (iv) Rail borne traffic going down the minimum level of guaranteed traffic continuously for two years.
- (v) In the event of promoter not paying the minimum lease charges in any year and portion of the revenue as fixed in the agreement.

**FORMAT OF APPLICATION FOR
SETTING UP WAREHOUSING FACILITY**

1. Name of the organization proposing to set up warehousing facility.
2. Status of the applicant organization.
3. Place where the Warehousing facility is proposed to be set up
4. Experience of the applicant
5. Size of the warehouse
6. Projected traffic to be handled (separately for rail and road)
7. Minimum level of guaranteed traffic by rail (at least 70%)
8. Requirement of land
9. Layout plan of the proposed warehouse
10. Services proposed to be provided to customers (e.g. door to door delivery, just in time delivery, computerized online monitoring of distribution logistics)
11. Estimated cost of the proposed project
12. Details of equipments to be provided for handling the cargo
13. Financial status of the applicant organization
14. Gestation Period:- if approved, how much time would be taken to make the facility functional.

FORMAT FOR TECHNICAL BIDDING
Technical

Firm Name – Address

Existing Areas of activity; Transport/ Warehousing Construction/ others.

List of Customers' served.

Area of Warehouse and other facilities proposed to be built. (indicate land requirement in square meter.)

Expected Time frame for project implementation

Source of funding – Financial result (audited accounts) for last three years.

FORMAT FOR FINANCIAL BIDDING
Financial

Expected annual turn over – Tonnes of cargo handled/Ist year No. of TEUs handled/ subsequent years.

Expected Revenue per annum – Ist year Subsequent years.

Percentage of total revenue*, subject to a minimum of 5%, proposed to be given to Indian Railways.

* Total revenue will include revenues accruing out of all activities arising out of business at the location leased to the promoter.

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