



INDIAN RAILWAYS

*Competitive Tariff...
Attractive Incentives...*

**Making Indian Railways
the Most Preferred Freight Carrier**



INCENTIVE SCHEMES FOR FREIGHT CUSTOMERS

1 LONG TERM TARIFF CONTRACT (LTTC) SCHEME

In order to give long term stability and predictability to the freight tariff rates, railways have introduced an innovative freight tariff scheme for corporate freight customers of Indian Railways. Once a customer enters into this contract with Railways, the freight tariff rate will remain fixed for one year agreement period. This gives predictability and stability in freight rates and helps the customer to plan his logistics for the entire year. This scheme also gives incentives to the freight customer in the form of discounts, if the customer exceeds the previous year's freight contribution. It is a growth linked incentive, the higher freight the customer contributes over previous year, the higher the discount.

Salient features of the Scheme:

- To be eligible to the scheme, the customer should have given one Million tonnes of traffic (inwards + outwards) in the previous 12 months.
- Stability and certainty of freight rates for one year and assured supply of wagons.
- Two types of freight rebate is given to customer:
 1. Rebate on incremental value of freight amount.
 2. Rebate on retention volume of tonnage.
- On a particular stream, either consignor or consignee can avail the rebate, but not both.
- The customer can sign agreements with multiple Zonal Railways or with just one Zonal Railway.
- There will be no increase in freight tariff for one agreement year, even if Railway increases the freight rates. Such increase will come into force from next agreement year.
- The agreement period is minimum 3 years and maximum 5 years

For further details,
refer Railway Board's Rates
Circular No.14 of 2017 at
www.indianrailways.gov.in
>Ministry of Railways >Railway Board
>Freight Information >Freight Rate
>Rate Circulars 2017.
or
Contact Principal Chief Commercial
Manager's Office of
Concerned Zonal Railway

2 AUTOMATIC FREIGHT REBATE FOR TRAFFIC LOADED IN TRADITIONAL EMPTY FLOW DIRECTIONS

This scheme will not only help the customer to carry freight at cheaper rates and target new markets, but also help in bringing down the cost of transportation of commodities like Cement, Fertiliser, Iron and Steel etc., benefiting the consumers.

Railway Board has notified certain streams (originating – destination pairs) as Traditional Empty Flow Direction (TEFD) Routes. If any customer offers traffic in these routes, he will be automatically given a freight discount of about 30% across the Railway Receipt (RR). Within the TEFD Routes, certain routes require the benchmark (loading level in the corresponding month of previous year) to be crossed for becoming eligible to TEFD concession. In other routes, there is no need for benchmark.

Salient features of the scheme:

- There is no need for the customer to enter into any agreement with Railways. Once the traffic is offered in these routes, the discount will be given in the RR itself automatically.
- This scheme is not applicable for Coal and Coke, POL traffic and commodities falling under Class LR-2 & LR-3.

For further details, refer Railway Board's Rates Circular
No.29 of 2016 at www.indianrailways.gov.in
>Ministry of Railways >Railway Board >Freight Information
>Freight Rate >Rate Circulars 2016.

or
Contact Principal Chief Commercial Manager's Office
of Concerned Zonal Railway.

3 FREIGHT INCENTIVE SCHEME FOR LOADING BAGGED CONSIGNMENT IN OPEN AND FLAT WAGONS

Sometimes during peak season, it so happens that some customers will not get covered wagons for loading commodities like Cement, Fertilizers and Food grains. In such situations, if the customers load these commodities in open wagons or flat wagons, such loading is given a freight discount of 30% across the Railway Receipt (RR) at the time of booking itself. This scheme is available to all freight terminals including Ports.

Salient features of the scheme:

- Commodities should be loaded in standard bags of up to a maximum of 100 kg each bag.
- Tarpaulins, if any, for covering the wagons should be provided by the consignor at their own cost.
- Customer will be permitted to send escort in the train on payment of prescribed charges.

For further details, refer Railway Board's Rates Circular
No.27 of 2016 at www.indianrailways.gov.in
>Ministry of Railways >Railway Board >Freight Information
>Freight Rate >Rate Circulars 2016.

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INCENTIVE SCHEME FOR FREIGHT FORWARDERS

The scheme enables the freight forwarders to aggregate the cargo and thereby expand the commodity basket of Railways.

Salient features of the scheme:

- The scheme is permitted at Railway Goods sheds only.
- Lead is restricted to 700 Kms.
- A wagon may be loaded with a single or multiple commodities.

Freight Incentive: Cargo loaded in any wagon under the scheme will be charged as follows:

Sl. No.	Individual wagons loaded with	No. of wagons	Restriction as per	Freight Rate
(i)	Single commodity	Any number	Para 2.2.1	Train load rate for each wagon for commodity loaded
(ii)	2 commodities	Any number	Para 2.2.1	Train load rate for each wagon for the higher Class of 2 commodities loaded.
(iii)	More than 2 commodities	Not more than 10 wagons	Para 2.2.1 and 2.2.2	Composite Class rate of 120

Commodities restricted (Para 2.2.1):

- Coal & Coke, Iron ore, POL, traffic moving in Privately owned wagons, traffic loaded in Ports, Container traffic, Military traffic, RMC, Marine Gypsum.

For further details, refer Railway Board's Rates Master Circular/FIS/2015/0 at www.indianrailways.gov.in
>Ministry of Railways>Railway Board>Freight Information>Freight Rate>Rates Master Circulars.

or
Contact Principal Chief Commercial Manager's Office of Concerned Zonal Railway.

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STATION TO STATION RATE (STS) SCHEME

In order to encourage the customers who do not qualify for Long Term Tariff Contracts Scheme (LTTC) or customers who do not opt for LTTC scheme, Railway Board has introduced the Station to Station Rate Scheme. Freight discount will be given on the incremental traffic (tonnage loaded over and above the corresponding month, quarter, half-year, year). Discount will be given on the retention traffic also in special cases.

Salient features of the scheme:

- The customer can choose one Originating-Destination pair (O-D pair) or more than one O-D pairs for this scheme.
- The customer has to cross O-D pair benchmark, Station benchmark, and in some cases, cluster benchmark to avail the discount.
- The percentage of discount will be upto 30%.
- The discount will be given across the Railway Receipt.

For further details, refer Railway Board's Rates Circular No.27 of 2016 at www.indianrailways.gov.in
>Ministry of Railways >Railway Board >Freight Information >Freight Rate >Rate Circulars 2016.

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LIBERALISED WAGON INVESTMENT SCHEME (LWIS)

The essence of the scheme is that it enables assured supply of guaranteed number of rakes every month to a customer based on the number of rakes procured by the customer. Also, freight concessions will be given to him. Under the scheme, the wagons can be procured by individuals, corporate bodies or association or groups of companies such as integrated steel plants of SAIL or a group of cement companies in a cluster.

Salient features of the Scheme:

- LWIS allows investment by End users (viz. producers, manufactures, and consumers of goods) in Special purpose wagons (SPW) and High capacity wagons (HCW).
- Each rake procured by the investor will have a nominated loading and unloading point(s) over specific route(s) or close circuits as approved by Indian Railways.
- Wagon maintenance will be done by Indian Railways (IR) on payment of prescribed charges.
- Transportation will be done on approved closed circuit
- 15% rebate is given for a period of 20 years for SPW
- 12% rebate is given for a period of 20 years for HCW
- Empty haulage charges will not be levied from unloading point to loading point.

For further details, refer Railway Board's Freight Marketing Master Circular/LWIS/2014/0 at www.indianrailways.gov.in
>Ministry of Railways >Railway Board>Freight Information >Freight Rate >Freight Marketing Master Circulars.

or
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SPECIAL FREIGHT TRAIN OPERATOR (SFTO) SCHEME

This scheme facilitates private players to invest in wagons and earn profits through transportation of identified Commodities. It provides an opportunity to logistics service providers or wagon manufacturers to invest in wagons and use advantages of rail transport by having tie up with end users. Special Freight Train Operator will operate between private terminals equipped to handle SPW (Special Purpose Wagons) for which SFTO must have a tie-up with such private terminals or have his own private terminals/ sidings for handling of such trains. The SFTO can 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 Railways.

Salient features of the Scheme:

- Applicant should be registered under Companies Act, 1956 or subsidiary company or joint venture company or Public Sector undertaking.
- The commodities are defined in four categories.
- Registration fee is also defined category-wise.
- Application fee is equivalent to 1% of the Registration fee.
- Maintenance of wagons will be undertaken by Indian Railways at Railway's own cost.
- For Special Purpose Wagon rates, 12% rebate will be granted for 20 years.
- In case of high capacity wagons, additional freight rebate of 2% may be granted provided throughput of this rake is above 10% than normal rake.

For further details, refer Railway Board's Freight Marketing Master Circular/SFTO/2014/0 at www.indianrailways.gov.in

>Ministry of Railways >Railway Board >Freight Information >Freight Rate >Freight Marketing Master Circulars.

or

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WAGON LEASING SCHEME (WLS)

In this policy, customer will have a choice of either owning or leasing of rakes. For the freight customers, leasing would be a cost-effective solution to expand capacities without incurring large investments upfront.

Following types of wagons may be leased:

(I) High Capacity Wagons (HCW) (ii) Special Purpose Wagons (SPW) (iii) Wagons for Container movement.

Salient features of the scheme:

- In Wagon Leasing Scheme, the leasing can be done by (i) end users, (ii) operators.
- Registration fee is Rs. 5 Crore (non-refundable).
- Procurement of wagons would be in units of the standard full rake composition + 4% spare + 1 brake van.
- Freight concessions to which investors are entitled under LWIS will be made available to Lessees. However, this benefit will not be available if wagons are leased to Operators.
- Maintenance will be undertaken by IR on payment.

For further details, refer Railway Board's Freight Marketing Master Circular/WLS/2014/0 at www.indianrailways.gov.in
>Ministry of Railways >Railway Board >Freight Information >Freight Rate >Freight Marketing Master Circulars.

or

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AUTOMOBILE FREIGHT TRAIN OPERATOR (AFTO) SCHEME

This policy provides an opportunity to logistics service providers, road transporters or manufacturers to invest in wagons and use advantages of rail to tie up with the end users and market the train services owned by them for rail transportation of automobiles.

Salient features of the scheme:

- For each loading of a rake, freight rebate of 15% on the base freight rate as prevailing at the time of booking would be granted for a period of 20 years or till recovery of cost of investment, whichever is earlier.
- In case of High Capacity Wagons (HCW), additional freight rebate of 2% may be granted provided throughput of this rake is above 10% than normal rake.
- An AFTO can also take new wagons on lease from wagon leasing companies subject to approval of Ministry of Railways (MOR). Maintenance of wagons is by Indian Railways at Railway's cost.
- Can operate between private terminals or AFTO's own terminals or railway terminals.
- At Zonal level, Chief Freight Traffic Manager (CFTM) shall be the single window nodal officer. Executive Director/ Freight Marketing would be the overall nodal officer.

For further details, refer Railway Board's Freight Marketing/ Master Circular/AFTO/2014/0 at www.indianrailways.gov.in
>Ministry of Railways >Railway Board >Freight Information >Freight Rate >Freight Marketing Master Circulars.

or

Contact Principal Chief Commercial Manager's Office of Concerned Zonal Railway.

10 DEVELOPMENT OF AUTOMOBILE AND ANCILLARY HUB

Development of Automobile and Ancillary Hubs will provide an opportunity to automobile manufacturers to carry their traffic by rail in bulk and do secondary distribution to consuming centres in the immediate catchment areas from such hubs. Similarly, they can also do aggregation of automobiles at those hubs so as to offer full rake lead to Railways.

Salient features of the Scheme:

- The applicant shall be a manufacturer of automobiles or logistics company specializing in automobile traffic.
- Surplus Railway land, where available, will be given to hub operator on a lease basis for 7 years initially and extendable thereafter every year.
- The hub will be a common user facility, without exclusive facility for the developer.
- Only land license fee will be charged to operator.
- Hub should come up near an existing rail terminal.

For further details, refer Railway Board's Freight Marketing Circular No.16 of 2010 at www.indianrailways.gov.in at www.indianrailways.gov.in >Ministry of Railways >Railway Board >Freight Information >Freight Rate >Freight Marketing Circulars 2010.
or
Contact Principal Chief Commercial Manager's Office of Concerned Zonal Railway



11 PRIVATE FREIGHT TERMINAL (PFT)

Under this scheme, Private entrepreneurs can set up full fledged Railway Freight Terminals. The main objective of the scheme is to enable rapid development of a network of freight terminals with private investment. It will integrate rail transport with supply chain and provides efficient and cost effective logistics to the end user. It will also give new business opportunity to the investor who gets rail access to handle third party cargo. Existing under-utilized private sidings will get an opportunity to maximize their commercial utilization.

Salient features of the scheme:

- The PFT can be a greenfield or brownfield.
- An existing private siding can be converted to a brownfield PFT.
- PFT has to come up only on private land.
- Can handle all traffic, except outward Coal, Coke (C priority) & Iron ore.
- Application fee of Rs.10 lakhs and security deposit of Rs.10 lakhs to ensure timely commissioning of PFT and it is refundable.
- PFT operator can provide value added logistics related services and charge for the same.
- Period of agreement is for 30 years.

For further details, refer Railway Board's Freight Marketing Master Circular/PFT/2015/0 at www.indianrailways.gov.in >Ministry of Railways >Railway Board >Freight Information >Freight Rate >Freight Marketing Master Circulars.

or
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12 MERRY-GO-ROUND (MGR) SCHEME

In order to provide an economical and reliable alternative short lead traffic solution, Ministry of Railways have introduced a scheme operation of Merry-Go-Round system. This will help to Thermal Power Plants, Power utilities and Public Sector units.

Salient features of the scheme:

- MGR terminals at both ends shall be privately owned.
- Fixed infrastructure will be owned by the customer.
- The customer shall maintain the terminals, rail track and other assets owned by them.
- Railways will provide locos, wagons, brake-vans and other rolling stock as per requirement for running of the rakes under the system.
- Attractive rates have been notified based on number of trips to be loaded per day per rake.
- No charge under Dynamic Pricing Policy shall be applicable under the scheme except Development charge.

For further details, refer Railway Board's Rates Circular No.17 of 2016 at www.indianrailways.gov.in >Ministry of Railways >Railway Board >Freight Information >Freight Rate >Freight Circulars 2016.

or
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ROLL ON-ROLL OFF (RO-RO) SYSTEM

Roll-on-Roll Off is a service to carry loaded trucks on wagons powered by electric engines in order to decongest roads. It is a service where trucks and cars ride piggy back on specially designed wagons. It is a win-win situation for truckers as well as for railways as goods will be transported in a safe and faster way, saving cost on diesel and man-days besides reducing the pollution level.

Salient features of the Scheme:

- RO-RO is defined as a new commodity.
- RO-RO will be booked under special RO-RO class.
- Zonal Railways are empowered to offer attractive rates.
- All extant commercial rules shall be applicable on this service.



**For further details, refer Railway Board's Rates Circular No.15 of 2016 at www.indianrailways.gov.in
>Ministry of Railways >Railway Board >Freight Information >Freight Rate >Freight Circulars 2016.**

or

Contact Principal Chief Commercial Manager's Office of Concerned Zonal Railway

FURTHER QUERIES AND CLARIFICATIONS

In case you wish to know further details about any of the above mentioned schemes, please send mail to Chief Commercial Manager/Freight Marketing (CCM/FM) of any of the Zonal Railways as given below:

	Zonal Railway	E-mail id
1	Central Railway, II Floor, PF. No.01, New Annexure Building, Chatrapathi Shivaji Terminus, Mumbai – 400001	ccmfs@cr.railnet.gov.in
2	Eastern Railway, 3 Koila Ghat Street, Kolkata – 700001	ccmfm@er.railnet.gov.in
3	East Central Railway, Hajipur, Digghi Kalan, Baishali District – 844101 (Bihar)	ccmfm@ecr.railnet.gov.in
4	East Coast Railway, Rail Sadan, North Block, Chandrasekharpur, Bhubaneswar – 751017	ccmfs@ecor.railnet.gov.in
5	Northern Railway Baroda House, New Delhi – 110001	ccmfm@nr.railnet.gov.in
6	North Central Railway, Subedarganj, Allahabad – 211011	ccmfm@ncr.railnet.gov.in
7	North Eastern Railway, Gorakhpur – 273012	ccmfm@ner.railnet.gov.in
8	Northeast Frontier Railway Maligaon, Guwahati – 781011	ccmfm@nfr.railnet.gov.in
9	North Western Railway, Jawahar Circle, Malviya Nagar, Jaipur – 302017	ccmfm@nwr.railnet.gov.in
10	Southern Railway, Park Town, Chennai – 600003	ccmfm@sr.railnet.gov.in
11	South Central Railway, I Floor, Rail Nilayam, Secunderabad – 500025 (Telangana)	ccmfs@scr.railnet.gov.in
12	South Eastern Railway, VIII Floor, NKG Building, 14 Strand Road, Kolkata – 700001	ccmfm@ser.railnet.gov.in
13	South East Central Railway, I Floor, New G.M. Building, SECR Headquarters, Bilaspur – 495004	ccmfs@secr.railnet.gov.in
14	South Western Railway, Gadag Road, Hubli – 580020	ccmfm@swr.railnet.gov.in
15	West Central Railway, Indira Market, Jabalpur – 482001	ccmfm@wcr.railnet.gov.in
16	Western Railway, III Floor, Station Building, Churchgate, Mumbai – 400020	ccmfs@wr.railnet.gov.in