

COMMERCIAL CIRCULAR LETTER No. 170 of 2018
DRAFT NOTIFICATION FOR TRC NO. 07 OF 2018


(GOODS)

Sub: Liberalised Wagon Investment Scheme (LWIS).

Authority: Railway Board's Lr. No. 2016/TC (FM)/4/12/LWIS) dated
02.07.2018 (Freight Marketing Master
Circular/LWIS/2018/0).

1. Ministry of Railways has reviewed the existing Liberalised Wagon Investment Scheme (LWIS) issued vide Freight Marketing Master circular No.11 of 2011 dated 02.01.2012 and formulated a revised Liberalised Wagon Investment Scheme (LWIS) as Freight Marketing Circular /LWIS/2018/0 dated 02.07.2018. The revised scheme will be in supersession of existing Liberalised Wagon Investment Scheme (LWIS) issued vide Railway Board's Freight Marketing Circular No.11 of 2011 dated 02.01.2012 and all its amendments dated 17.09.2012, 10.06.2013, 21.08.2013, 01.09.2014 and 27.10.2014.
2. The terms & Conditions of the revised Liberalised Wagon Investment Scheme (LWIS) will also apply 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 existing LWIS.
3. This scheme will come into force with immediate effect.
4. This issue with the concurrence of the Finance Directorate of the Ministry of Railways.
5. Staff in the field units should read the above instructions carefully and understand the same, thoroughly. Thereafter, the instructions should be implemented. In case of any doubts, letters may be addressed to the respective Sr. DCM's with a copy to CCM's office.

Previous Coml. Circular No. 169 of 2018
Sub: Designed Tare weight of wagons.

 12-07-18
(K Phani Raj)
ACM (M&D)

for Principal Chief Commercial Manager

SOUTH CENTRAL RAILWAY

Headquarters office,
Commercial Branch,
Secunderabad
Date: 12.07.2018

No.C.209/MKTG/LWIS/Vol.III

Copy forwarded to:

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Chanakyapuri, New Delhi-23; GM/CRIS, 3rd Floor, MML Complex S.Rly./CEN, C.A.O (FOIS)
CRIS Complex, Chanakyapuri, New Delhi-21, GM/CRIS/S.C.Rly/SC, Ch.OS/Rates, RG.I,
Dev, Budget, Outstanding, R.Sdg, MKTG, RQ, R.Chg.

 12-07-18
for Principal Chief Commercial Manager

SPECIAL FREIGHT TRAIN OPERATOR (SFTO) SCHEME

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.

This policy provides an opportunity to logistics service providers or manufacturers to invest in wagons and use advantages of rail transport to tie up with the end users and market the train services owned by them for rail transportation of selected commodity to create a win-win situation for railways and themselves. The terms and conditions of the policy are indicated as under:

2.0 DEFINITIONS AND ABBREVIATIONS

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

- 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 the 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 for 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 para 4.0 of 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 Applicant should be
- 3.1.1 A registered company in India as per Company's 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 company should have minimum one year experience in any one of the following fields as on 31st March of the last Financial year.
- transport and logistics
 - port and land terminal operations
 - warehousing
 - container train operations
 - manufacturers
 - 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.

