

FMC No. 04 of 2025

(भारत सरकार) GOVERNMENT OF INDIA
(रेल मंत्रालय) MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

No. 2024/TC(FM)/04/10

New Delhi, Dated: 07.03.2025

General Managers,
All Indian Railways.


SUB: Wagon Investment Scheme for Oil Sectors.

In order to encourage Petroleum Industry for investing into BTPN wagons Ministry of Railways have formulated a policy on Wagon Investment Scheme for Oil Sectors. The detailed guidelines of Wagon Investment Scheme for Oil Sectors are enclosed as the annexure.

The scheme will come into force with immediate effect.

This issues with the concurrence of Finance Directorate of Ministry of Railways.

The receipt of this letter may please be acknowledged.

 07.03.2025

(Ashutosh Mishra)
Director, Freight Marketing

No. 2024/TC(FM)/4/10

New Delhi, Dated: .03.2025

Copy to:

1. Principal Financial Advisors, All Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan with 36 spares.

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For Member (Finance)/ Railway Board

No. 2024/TC(FM)/04/10

New Delhi, Dated: .03.2025

Copy forwarded for information and necessary action to:

1. Joint Secretary, Ministry of Petroleum and Natural Gas, Shastri Bhavan, New Delhi-110001
2. Principal Chief Operations Managers, All Indian Railways
3. Principal Chief Commercial Managers, All Indian Railways
4. The Chief Freight Traffic Managers, All Indian Railways
5. The Chief Commercial Manager (FM), All Indian Railways
6. Managing Director/Chief Commercial Manager, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No. 6, Sector-11, CBD Belapur, Navi Mumbai – 400014.
7. The Managing Director, CAO/FOIS, GM/FOIS – Centre for Railway Information System (CRIS), Chankyapur, Near National Rail Museum, New Delhi-21.
8. Director General, RDSO, Manak Nagar, Lucknow.
9. Director General, National Academy for Indian Railway, Lalbaug, Vadodra-390004.
10. Director, Indian Railways Institute of Transport Management (IRITM), Manak Nagar, Lucknow.
11. AM(Traffic), AM(Commercial), AM(Mech.), AM(Rev.), Adv.(Vig.), EDTC(R), EDV(T), ED(FC), EDME(Frt.), DF(C), in Railway Board for information please.
12. PSO/Sr.PPS to CRB, FC, MT, ME, M(RS), M(Tr.), MS and Secretary, R. Bd. For kind information of CRB, FC, MT, ME, M(RS), M(Tr.), MS and Secretary.
13. Executive Director, Bharat Petroleum Corporation Ltd. (BPCL).
14. Executive Director, Hindustan Petroleum Corporation Ltd. (HPCL)
15. Executive Director, Indian Oil Corporation Ltd. (IOCL)
16. Executive Director, Reliance India Ltd. (RIL)
17. Executive Director, Nayara Energy Ltd. (NEL).


07-3-2025
(Ashutosh Mishra)

Director, Freight Marketing

WAGON INVESTMENT SCHEME FOR OIL SECTOR**1.0 OBJECTIVE:**

- 1.1 To encourage Petroleum Industry in investment into BTPN wagons in line with Government of India policy of encouraging industry partnership in Railway Infrastructure, and to develop a long-term relationship of Indian Railways (IR) with stakeholders.

2.0 SCHEME:

- 2.1 Eligible entities shall apply for procurement of BTPN wagons through IR, and give them to IR on lease.

3.0 ELIGIBILITY CRITERIA: Following entities are eligible to participate in scheme-

- a. Public Sector Oil Marketing Companies i.e. Bharat Petroleum Corporation of India (BPCL), Indian Oil Corporation Limited (IOCL) and Hindustan Petroleum Corporation Limited (HPCL).
- b. Entities having authorization from Ministry of Petroleum and Natural Gas for marketing of petroleum products in country.

4.0 MODE OF PROCUREMENT:

- 4.1 Procurement of BTPN wagons will be done by IR on behalf of the entities.
- 4.2 The entities desirous of inducting BTPN rakes need to plan the year wise (here year refers to FY) requirement of the rakes and intimate the same to IR well in advance. Based on the demand received from various entities, the Stores Directorate of Railway Board will initiate the procurement of wagons through annual Tender. The entities will submit Bank Guarantee (BG) in advance for calling of the tender. However, the payment will have to be made by the entities at the time of placing Purchase Order (PO).
- 4.3 The applicant has to apply to EDFM along with the following details
 - (i) Name and Address of the applicant (firm).
 - (ii) Number of rakes of BTPN wagons including 4% maintenance spare.
 - (iii) Requirement of the rakes in the year as mentioned in para 4.2.
 - (iv) Documents in support of eligibility criteria
 - (v) Any other relevant information


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- 4.4 Approval will be issued by Ministry of Railways (MOR) in favor of the entities for procurement of specified number of BTPN wagons by IR on behalf of the entities.
- 4.5 IR will not be liable for any delay in procurement of wagon on manufacturer's account.
- 4.6 A service charge of 2% of the cost of the wagons will be paid by the party to IR which would cover all necessary expenses borne by IR for procurement.
- 4.7 An agreement under the scheme shall be signed by the investor with Western Railway, within six months of the issue of approval. For the purpose of the scheme, Western Railway shall act as the nodal railway and shall inter-alia, be responsible for payment of lease charges under the scheme. Chief Commercial Manager, Freight Marketing (CCM/FM), Western Railway, after vetting of Finance, shall execute agreement on behalf of IR.

5.0 PATTERN OF MOVEMENT


- 5.1 Wagons shall be merged and operate in the general pool of wagons of the IR and shall be allowed to run on all locations capable of handling POL traffic.
- 5.2 However, all wagons under the scheme shall have unique identification numbers to enable their tracing.

6.0 BENEFITS ADMISSIBLE TO INVESTORS

- 6.1 Lease charges will be paid by the IR to the entities as per the para 6.2.
- 6.2 **Lease charges:** The lease charges shall be paid on the cost of procurement as mentioned in para 6.1 above at the rate of 11% per annum for 1st 15 years. Lease charges will be paid by the IR to the entities in advance on quarterly basis. The calculation of the lease charges will be based on the cost of procurement which will include GST and any other statutory tax/duty paid by the entities (Lessor).

7.0 RESPONSIBILITY OF RAILWAY

- 7.1 Procurement of BTPN wagons will be done by IR on behalf of the entities. Stores Directorate of the Railway Board will be nodal directorate for tendering process.


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- 7.2 Once the wagons are procured and inducted into the general pool of wagons of IR, the operation of these wagons will be managed by IR.
- 7.3 **Contract Period:** The lease period of the wagons will commence on the date of first loading of such wagons and would continue for a period of 15 Years. At the end of 15 year period, the ownership of the available wagons will be transferred to IR on payment @ Rs.4.5 lakh per wagon.
- 7.4 **Maintenance of wagons:** Entities will not be required to pay any maintenance charge for wagons. The IR will be at liberty to make the necessary modifications/changes on the leased wagons which IR would carry out on its own wagon of similar design. The changes would be made at the Lessor's cost. This additional cost will also qualify for lease charges for the remaining lease period of contract. However, minor modification charged to the Revenue expenditure of Railway which are part of the Revenue maintenance will be carried out at the IR's cost.
- 7.5 In case of condemnation of wagons as mentioned in para 9.0 and termination of contract, the IR will settle the dues (if admissible) as early as possible.

8.0 RESPONSIBILITY OF PARTY

- 8.1 The party will have to convey in writing the annual requirement of rakes well in advance of the financial year to IR.
- 8.2 The submission of bank guarantee and payment of cash as given in para 4.0 will have to be complied promptly. Any adverse financial implication for IR due to delay in fulfilling these conditions will have to be borne by the party.

9.0 CONDEMNATION OF WAGONS:

- 9.1 In the event of wagons inducted in the scheme getting condemned during the first 15 years of induction as a result of accident where the responsibility is conclusively established that the accident occurred owing to the acts of omission and commission on part of owner of the wagons, the payment of lease charges in case of condemned wagons will cease to be paid by the Lessee/Railways. In all other cases, the lease charges will continue to be paid for full contractual period. Condemned wagons can be disposed of by the entities/lessor directly or through Railways. In case the railway is disposing of such wagons, the actual


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scrap value will be paid after deducting departmental charges @12.5% of the total sale value as per extant codal provisions.

10.0 FORCE MAJEURE


Railway shall not be responsible for any loss, destruction, damage, deterioration or non-delivery of goods arising from the following causes:

- 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 states Government or by any officer or authority subordinate to the Central Government or a State Government authorized in this behalf.
- vi. Fire, 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

11.0 TERMINATION

11.1 During the tendering stage: If the party decides to withdraw the demand for the wagons fully/partially after the tenders have been finalized/partly executed as per the initial request of the party, an amount of 7 % of the total procurement value of the entire contract (This includes service charge as mentioned in para 4.6) will have to be borne by the party. However, if the party communicates the withdrawal of the demand before the finalization of the tender, only the service charge as mentioned in para 4.6 will be recovered from the party.

11.2 After the wagon induction in IR pool: In the event of termination of the agreement during the first 15 years of the induction, the wagons would be handed over to party, who shall decide to dispose of the wagon on its own or through railways. If the wagons are to be disposed of by IR, the party will be paid the scrap value of wagons after their disposal,


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after deducting departmental charges @12.5% of the total sale value as per extant codal provisions.

12.0 TRANSFER OF AGREEMENT

In case party wants to transfer the agreement to any other eligible party within first 15 years, it has an option to do so with three months advance notice. However, in such cases, the lease agreement with the new party will be admissible only for the balance period (that is balance period of first 15 years). In such cases, the new party will have to sign an agreement with the nodal railway for balance period of the contract and will have to abide by the conditions of the policy.

13.0 DISPUTE RESOLUTION

In case of any dispute in interpretation of the policy, the decision of MOR will be final and binding. In case dispute is not resolved amicably, the same shall be decided by arbitration as per "The Arbitration and Conciliation Act, 1996" which will be clearly spelt out in the Agreement. The concerned Zonal Railways with whom the agreement has been signed will deal with litigations and court cases arising if any.


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