GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD

No.TCR/1078/2016/14/LTTC/2

New Delhi, dated 30.08.2017

CCM/FM
West Central Railway.
Jabalpur

Sub: Long Term Tariff Contract with key customers using pre-determined price
escalation principle.

(ii) WCR's letter No. WCR/HQ/C/G-510/LTTC/MSSG dated 04.07.2017

The issues raised in the WCR's letter under reference (ii) above have been
examined in consultation with Finance Directorate of the Ministry of Railways. It
is clarified that if a customer having multiple terminals spread over multiple zonal
Railways, wants to enter into one agreement under LTTC with one zone, in this
case he will be eligible to participate in LTTC scheme only if he/she is already
loading or giving traffic of at least one million tonnes per annum (outward or both
outward & inward as the case may be as per the agreed terms) in the previous
year from all its terminals spread over those multiple Zonal railways. The
eligibility criteria as per para 5.1 of RC/14 of 2017 stands good. The provisions of
para 6.2.2, 6.2.4 and 6.4 of RC/14 of 2017 shall apply.

Zonal Railways may ensure and satisfy themselves that all the terminals
proposed to be brought under the ambit of an agreement belong to one customer
only; i.e a single legal entity.

(Shilpi Bishnoi)
Director, Traffic Commercial (Rates)
Railway Board

Encl: ref (ii)

Copy to: CCMs/All Zonal Railways- For kind information
Sub: - Long Term Tariff Contract (L TTC) with Key Customers using predetermined price escalation principle.

Ref: - i) Application of Maihar Cement Ltd.

An application of Maihar Cement Limited received in this office for availing rebate under Long Term Tariff Contract (L TTC) for the period from July-17 to June-18, July-18 to June-19 & July-19 to June-20, i.e. for 3 years.

Para 6.2.1 of policy stipulates that "If a customer has terminals in multiple zonal railways, he can enter into agreement with each individual zonal railways, subject to the condition that he should have offered a minimum of 1 million tonne per annum traffic to that zonal railway."

Party applied for availing rebate under L TTC scheme for four terminals of multiple zonal railways and wants to enter into one agreement. In this regard, Para 6.2.2 of policy, stipulates that "If the customer desires to have one agreement for all his terminals spread over multiple zones then he shall enter in to the agreement with the zone to which he is offering the maximum traffic."

Details of Terminals/Sidings as per party’s application are as follows:-

<table>
<thead>
<tr>
<th>S N</th>
<th>Name of the customer</th>
<th>Siding</th>
<th>Zone</th>
<th>Division</th>
<th>Volume of traffic offered during previous year (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maihar Cement</td>
<td>MSSG</td>
<td>WCR</td>
<td>JBP</td>
<td>2.98</td>
</tr>
<tr>
<td>2</td>
<td>Century Cement</td>
<td>CCS</td>
<td>SECR</td>
<td>R</td>
<td>1.16</td>
</tr>
<tr>
<td>3</td>
<td>Manikgarh Cement</td>
<td>MGCG</td>
<td>SCR</td>
<td>SC</td>
<td>1.11</td>
</tr>
<tr>
<td>4</td>
<td>Sonarbangla Cement</td>
<td>M CCS</td>
<td>ER</td>
<td>MLDT</td>
<td>0.89</td>
</tr>
</tbody>
</table>

In the Para 6.2.1 of the policy, it is mentioned that when the customer enters in to agreement with individual railways, he should have offered a minimum of 1 million tonne per annum traffic to that zonal railway in the previous year. But it is not mentioned in the Para 6.2.2 of the policy, if the customer desires to have one agreement for all his terminals spread over multiple zones, whether customer offered 1 MT to each zonal railway in the previous year or otherwise for fulfilling eligibility criteria.

In extant case, customer at Sr No. 4, i.e. Sonarbangla Cement had offered only 0.89 MT traffic to Eastern Railway during previous year. It is requested to clarify whether the traffic of Sonarbangla can be included in the single agreement of L TTC.

(Brijendr Kumar)
Chief Commercial Manager (FM)