

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.

Ref: (i) Rates Circular No.14 of 2017 dated 30.03.2017.

(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
30.08.17
(Shilpi Bishnoi)

Director, Traffic Commercial (Rates)
Railway Board

Encl: ref (ii)

Copy to: CCMs/All Zonal Railways- For kind information

पश्चिम मध्य रेल
West Central Railway



महाप्रबंधक (वाणिज्य) कार्यालय
Office of the G.M. (Comml)
जबलपुर Jabalpur
Date: 04.07.2017

No. WCR/HQ/C/G-510/LTTC/MSSG

Director, Traffic Commercial (Rates),
Railway Board, New Delhi.

Sub: - Long Term Tariff Contract (LTTC) with Key Customers using pre-determined price escalation principle.

**Ref: - i) Application of Maihar Cement Ltd.
ii) Rates Circular No.14 of 2017, dated 30.03.2017.**

An application of Maihar Cement Limited received in this office for availing rebate under Long Term Tariff Contract (LTTC) 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 LTTC 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:-

S N	Name of the customer	Siding	Zone	Division	Volume of traffic offered during previous year (MT)
1	Maihar Cement	MSSG	WCR	JBP	2.98
2	Century Cement	CCS	SECR	R	1.16
3	Manikgarh Cement	MCGG	SCR	SC	1.11
4	Sonarbangla Cement	MCCS	ER	MLDT	0.89

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 LTTC.

(Brijendra Kumar)
Chief Commercial Manager (FM)

WCR