

New Delhi, Dt.02.05.2018

**Sub: Seeking inputs/views from freight customers on the proposed draft policy on Freight Advance Scheme**

The proposed scheme seeks to provide a onetime facility to major freight customers to avail tariff certainty against payment of advance freight to Indian Railways. Indian Railways and its customers shall benefit from a regime of guaranteed traffic offerings and tariff certainty, respectively.

Rail freight customers are requested to offer their inputs/views on the proposed draft policy regarding Freight Advance Scheme (given in ANNEXURE) as per the proforma at the following address, within 30 days.

Address-

Executive Director/Traffic Commercial(Rates), Railway Board  
Room No.469, Rail Bhavan,  
Raisina Road, New Delhi-110001

PROFORMA FOR FURNISHING INPUTS/VIEWS ON THE PROPOSED POLICY REGARDING FREIGHT ADVANCE SCHEME	
Name & Designation ( <i>in the firm</i> )	
Mobile number, landline number, e-mail ID and correspondence address	
Firm's name	
Name and type of commodity transported by rail	
Name of terminals and zonal railways from where freight traffic is booked	
Approximate loading (in MT) given to IR during 2017-18	(a) As consignor
	(b) As consignee
	(c) As both consignor and consignee <sup>^</sup>
	TOTAL
Approximate freight revenue (in Rs. crore) given to IR during 2017-18	(a) As consignor
	(b) As consignee
	(c) As both consignor and consignee <sup>^</sup>
	TOTAL
Whether covered under e-payment scheme	
Inputs/views on the draft policy (para-wise)	
Signature	

<sup>^</sup>Those rakes/RRs where your firm is consignor as well as consignee. This data should not be included in parts (a) and (b) above.

**Proposed Freight Advance Scheme for major Freight customers of IR**

**Scheme:**

The proposed scheme seeks to provide a onetime facility to major freight customers to avail tariff certainty against payment of advance freight to Indian Railways. Indian Railways and its customers shall benefit from a regime of guaranteed traffic offerings and tariff certainty, respectively.

**Eligibility:**

1. The customer should have given minimum freight revenue of Rs 1000 cr in previous financial year to the Indian Railways.
2. The customer should be a E-payment customer under the extant policy for all freight payments.
3. Railway Receipts issued in favour of customer/applicant shall be considered for determining eligibility as well as for offering tariff certainty and for payment from advance amount.

**Salient features:**

1. The customer shall agree to pay Railways a minimum of Rs.1000/- crore, in advance as Freight Charges.
2. Under this scheme, only the base freight rate and class of the commodity for the customer shall remain fixed at the level prevalent on the date of commencement of agreement till such time that the mode of payment of freight in advance is in operation or for a period of twelve months from the date of commencement of agreement, whichever is earlier. Thereafter, Freight Rates as applicable on the material date of loading shall be charged.
3. The customer has to apply to Principal Chief Commercial Manager of Zonal Railway from where it had maximum loading during previous financial year. The application must include all details and relevant documents. The last date for application shall be \_\_\_\_\_.
4. The application shall be processed for approval of the General Manager of the concerned railway by PCCM and PCOM with due concurrence of associate finance (PFA).
5. After approval of the General Manager, the Zonal Railway shall enter into an agreement with the customer. The agreement shall be signed by the PCCM and the PFA of the concerned Zonal Railway.
6. Date of commencement of agreement shall be at least ten days after the date of executing the agreement. During this period, all required details of the customers shall be advised to FOIS/CRIS for implementation of the agreement in Terminal Management System. The customer shall pay the entire advance amount to the concerned Railway before the date of commencement of agreement. The freight freeze shall be implemented by FOIS/CRIS in the

System w.e.f. date of commencement upon specific advice from PFA of concerned Zonal Railway which shall be given on confirmation of receipt of freight advance.

7. The agreement shall remain valid till exhaustion of freight advance amount, i.e. the RRs shall continue to be debited to freight advance account till a balance of not more than total of peak two day's freight equivalent is left. However, the base freight and class shall remain frozen only till the RRs are generated against Freight Advance amount, subject to a maximum period of twelve months only from commencement of agreement
8. The advance amount shall be used only for payment of charges accrued against Railway Receipt.
9. The customer shall provide an exhaustive list of customer codes, commodities and originating/destination points, as applicable. It may be noted that all customers/customer codes must be for a single legal entity.
10. Till adequate amount is available from freight advance for adjustment, no amount will be debited under existing Tripartite Agreement (TPA) for e-freight payment; and till that time the Tri-partite agreements for E-payment will be kept in abeyance. To ensure a smooth transition back to e-freight arrangement under the TPA, the customer shall reactivate the TPA for e-freight payment with all the relevant terms and conditions applicable on receipt of notice from Indian Railways. Indian Railways will issue this notice once the balance of the advance freight falls below one month's equivalent freight on the customer's account.
11. When the balance Advance Freight reaches an amount equal to one month's average Freight Charges, the nodal Railway shall issue a notice to the customer to reactivate the e-payment agreement. The system shall track and flag when the remaining balance of Freight advance is less than total of peak two day's freight equivalent, after which generation of RR from Advance Freight shall stop and system shall revert to realization of freight payment through e-payment system.
12. The customers shall be able to view their position regarding debit of freight amount and balance advance through a report on FOIS which shall be made available in downloadable/readable format by CRIS.
13. Railway shall refund to the customer any unutilized advance after the system of generation of RRs against Advance Freight is terminated, as per para 11 above.
14. All other extant policies and rules shall continue to apply.

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