

EAST COAST RAILWAY

Office of the
Chief Commercial Manager
Bhubaneswar
Date: 23.05.2016

Commercial Circular No. 67(G)/2016.

Sub:- Operation of Merry-Go-Round (MGR) System by Railways.

A copy of Railway Board's letter No.TCR/1078/2008/1 dated 20.05.2016 (Rates Circular No. 17 of 2016) regarding operation of Merry-Go-Round (MGR) System by Railways is enclosed herewith for information and necessary action.

All concerned to note and act accordingly.

Authority:- Rly Bd's letter No. TCR/1078/2008/1 dated 20.05.2016 (Rates Circular No.17 of 2016).

Encl: As above (five pages).


(P.K. Samal)

Dy. Chief Commercial Manager (C&F)

No. CCM/Sdg/Policy/MGR/Pt-I.

Date: 23.05.2016

Copy to:

All Station Mangers / Goods Supervisors / Commercial Supervisors / Siding Clerks / Booking Clerks in Charges / Weigh Bridge Clerks / Clerk in Charges.

Copy for information and necessary action to the:

COM & CCM: All Indian Railways, All PHOD of ECoR, SDGM /ECoR, Dy. CVO (T) /ECoR, PO-RCT/BBS, Dy. COM (FOIS) /ECoR/BBS, CAO(FOIS) / CRIS/NDLS, PDA / BBS, Dy. CCM(Claims) / ECoR, DRM, KUR, SBP, WAT. Sr. DCM & Sr. DOM / KUR, SBP, WAT. FA&CAO / ECoR, Traffic Manager / PPT & VPT, DTT(G) & JDTC(R), Rly. Board/NDLS, Executive Director / CRIS / NDLS, Director (RM) / KOL.

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(P.K. Samal)

Dy. Chief Commercial Manager (C&F)

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

No.TCR/1078/2008/1

New Delhi, dated: 20.05.2016

The General Manager,
All Indian Railways.

Sub: Operation of Merry-Go-Round (MGR) System by Railways.

In terms of Rates Circular No. 07 of 2016 instructions were issued for the operation of Merry-Go-Round (MGR) System by Railways for the period from 01.04.2016 to 31.03.2018. The matter has been reviewed and it has been decided to modify/clarify the above referred Rates Circular by enhancing the number of range of Rates Slabs (based on number of trips per day) from 3 to 5 for BOBRN wagons and 2 to 3 for BOXN wagons in order to eliminate the need to rounding off the average number of trips per day to arrive at the applicable Rates Slabs. Modified instructions for operation of Merry-Go-Round (MGR) System by Railways are as under:

1. In order to provide an economical and reliable alternative short lead traffic, a revised scheme of operation under MGR System has been formulated by Board as detailed below:

2. Operation of MGR:

The guidelines specifying terms and conditions for operation of MGR system are given below:

- (i) All proposals for MGR system should be approved by the General Manager of the concerned Zonal Railway on the recommendations of the Committee consisting of COM, CCM and FA&CAO of the Zonal Railway.
- (ii) The MGR Terminals at both ends shall be privately owned. The customer owning the terminals will provide necessary infra-structure for efficient loading and unloading operations.
- (iii) The MGR Terminals should have FOIS connectivity and should be operated under Terminal Management System (TMS) and enabled for e-payment of freight and other charges to the railways. Freight payment should be in line with the guidelines issued for e-payment of freight. The system shall be provided by the party at their own cost.
- (iv) The permanent way (Rail track) should be provided by the customer. The track should be fit for running of goods train with axle load of 22.9 tonne at a speed not lower than 40 kmph.
- (v) Signaling equipments shall be provided by the Railways at customer's cost.
- (vi) The customer shall maintain the terminals, rail track and other assets owned by them in accordance with the standards specified by Railway. However, the responsibility for maintaining the terminals, rail track and other assets owned by the customer may be entrusted to Railways on payment of usual charges as per separate agreement for this purpose.

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- (vii) Railways will provide locos, wagons, brake-vans and other rolling stock as per requirement for running of the rakes under MGR system.
- (viii) Railways will deploy one rake of BOBRN or BOXN as the case may be. Customer should offer loading of minimum one rake per day under the MGR system. More than one rake will be supplied if there is justified need.
- (ix) Terminals at both ends will operate round the clock.
- (x) Permissible free time will be 3 hours for loading and 2 hours for unloading in case of BOBRN and 3 hours for loading and 5 hours for unloading in case of BOXN wagons.
- (xi) Normal demurrage rules will apply at loading/unloading terminals for detention of rake beyond free time only in the case where loading /unloading both for MGR and IR system take place and co-exist.
- (xii) Customer shall provide an in-motion electronic weighbridge at the loading point to ensure that there is no overloading of wagons. If the wagons are overloaded, extant rule for levy of punitive charges shall apply.
- (xiii) Payment of penalty, demurrage or any other charge i.e other than freight shall be decided by the consignor and consignee in the agreement as to who will bear the cost between them and Railway shall charge the same accordingly.
- (xiv) If Railway fails to provide rolling stock/ crew on demand beyond 48 hours, the period shall be treated as 'Dies-Non'. The loss in loading due to dies-non period shall be given exemption from levy of penalty.

Illustration for (xiv) above:

If AB & Co committed to load 800 trips in a year i.e. more than two trips per day (800 ÷ 365 = 2.19 trips per day) and Railway fails to supply rakes say for three days i.e. 657 trips (rounded off to nearest whole number) i.e. 7 trips then the revised commitment of number of trips shall be 800 - 7 = 793 trips for that year

- (xv) Other things remaining same, the policy shall continue beyond 31.03.2018 with fresh rate structure.

3. Charging of MGR Traffic:

- (i) Lump-sum rates shall be charged under the MGR System which would depend upon the number of trips to be loaded per day per rake (with same rake) and the lead of traffic (distance slab). Different rates have been notified for loading ≤ 1 trip per day per rake; >1 to ≤ 1.5 trips per day per rake; >1.5 to ≤ 2 trips per day per rake; >2 to ≤ 2.5 trips per day per rake; and > 2.5 trips per day per rake by deploying single rake in the operation for BOBRN wagons. For BOXN wagons rates have been notified for loading ≤ 1 trip per day per rake; >1 to ≤ 1.5 trips per day per rake; and > 1.5 trips per day per rake.
- (ii) Number of trips per day per rake will be arrived at by dividing the total number of loaded trips committed by the customer for the full year divided by 365.

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Illustration for (i) & (ii) above:

If AB & Co. wants to utilize one rake of BOBRN wagons owned by Railways and commits to load 700 trips per year for a lead of 15 kms, the number of trips per day to be loaded by the customer will be $700/365 = 1.8$ per day and chargeable rate will be as for > 1.5 to ≤ 2 trips per day per rake i.e. ₹ 65.90 per tonne for distance slab of 11-20 kms during 2016-17.

- (iii) In case party informs railways that they are not able to utilize the rolling stock due to unavoidable reasons for 48 hours or more, railways shall have the right to withdraw the rolling stock so as to prevent idling of valuable resources and such period shall not be treated as dies-non for the purpose of calculation of number of trips per day. Zonal Railway will nominate an officer at divisional level to take such decision.
- (iv) Distance-wise lump-sum rates under this System for the year 2016-17 are given in the Annexure. The Distance-wise lump-sum rates effective for the next year i.e. 2017-18 will be 4% higher over the preceding year i.e. 2016-17.
- (v) These freight rates given in Annexure shall remain applicable for the year 2016-17 and the same shall be escalated by 4% for the year 2017-18. After 31.03.2018 fresh rate structure shall be notified.
- (vi) If the number of trips loaded in a year is less than the stipulated number of trips, a penalty of 4% on freight paid on actual number of trips loaded in a year shall be recovered from the party for non fulfillment of commitments. However, the sum total of freight paid and penalty thereof should not exceed freight for committed number of trips.

Illustration for (vi) above:

If loading is less than the committed number of trips and freight paid is ₹ AA crore, then penalty will be levied at the rate of 4% of ₹ AA crore subject to the maximum of difference between the freight for the committed traffic and freight actually paid as mentioned at (vi) above

- (vii) Since the actual number of trips loaded in a year will be known only at the end of the year, Railways shall make a suitable arrangement in the nature of Letter of Credit/Bank Guarantee etc. to ensure recovery of undercharges. This should be finalized before the signing of Agreement. A clause to this effect should also be included in the Agreement.
 - (viii) No charge under Dynamic Pricing Policy shall be applicable under this Scheme except Development Charge.
 - (ix) All relevant commercial rules and charges as amended from time to time, would be applicable, unless specifically mentioned to the contrary.
4. Zonal Railway should enter into a formal agreement with the company for the operation of MGR system covering all the relevant aspects.
5. Proposals for MGR operation, not covered under the conditions stated above, may be forwarded to Board for examination.

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6. These instructions shall come into force with immediate effect.
7. This issues with the concurrence of Finance Directorate of Ministry of Railways

DA: Annexure.

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(Lata Kumari)
Director, Traffic Comm. (Rates)
Railway Board.

No.TCR/1078/2008/1

New Delhi, dated: 20.05.2016

Copy for information and necessary action to:

FA & CAOs, All Indian Railways.
Dy.C&AG (Rlys.), Room No.222, Rail Bhavan, New Delhi.

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for Financial Commissioner (Railways)

No.TCR/1078/2008/1

New Delhi, dated: 20.05.2016

Copy for information and necessary action to :

1. The Chief Commercial Managers, All Indian Railways.
2. The Chief Operating Managers, All Indian Railways.
3. Managing Director, CRIS Chanakya Puri, New Delhi-23.
4. The Chief Administrative Officer, FOIS, Northern Railway, CRIS, Chanakya Puri, New Delhi-23.
5. Managing Director, Konkan Railway Corporation, Belapur Bhavan, Sector-11, CBD Belapur, New Mumbai-400614.
6. Director General, National Institute of Indian Railways, Vadodara.
7. GS/IRCA, New Delhi.
8. Director, Indian Railways Institute of Transport Management, Campus; Hardoi Bye Pass Road, Village & Post Office Kanausi, Manakanagar, Lucknow.
9. Managing Director, Pipavav Railway Corporation Ltd. Jeevan Tara Building, 1st Floor, Gate No.4, Sansad Marg, New Delhi-110001.
10. Managing Director, Kutch Railway Corporation Ltd. Jeevan Tara Building, Gate No.4&5, Sansad Marg, New Delhi-1.

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(Lata Kumari)
Director, Traffic Comm. (Rates)
Railway Board.

Copy to:-

OSD to MT, FC, ME, MM, ML

PPS to AM(C), AM(T), AM(CE), AM(ME), AM(MM), AM (Vig).

Adv(F), Adv(TTM), ED(FM)

EDTC(R), EDF(C), EDTT(F), EDTT(S), EDME(Frt.), EDCE(P)

DF(C), DME(Frt.), D(FM), DDF(C).

TC(CR), TC-I, TC(FM), TT-I, TT-II, TT-III, TT-IV, TT-V, CE-II, F(C), Stat-II, Stat(CA),

Stat-V, Stat(Econ), Economic Cell and Budget Branches of Railway Board.

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Rates for MGR Traffic in 2016-17- BOBRN Wagons per rake*

Distance slab (in Kms)	Rates per tonne (in ₹)				
	≤ 1 Trip/ day	> 1 to ≤ 1.5 Trips/day	> 1.5 to ≤ 2 Trips/day	> 2 to ≤ 2.5 Trips/day	> 2.5 Trips /day
	2016-17	2016-17	2016-17	2016-17	2016-17
1 - 10	90.20	77.00	63.10	53.00	43.70
11 - 20	94.40	80.70	65.90	55.30	45.00
21 - 30	98.80	84.10	68.80	57.30	46.40
31 - 40	103.20	88.00	71.70	59.60	47.70
41 - 50	105.90	90.10	72.90	61.60	49.10
51 - 60	110.10	92.60	74.00	63.40	56.10
61 - 70	114.50	96.30	76.90	65.70	63.00
71 - 80	118.90	99.70	79.80	72.20	70.10
81 - 90	123.10	103.60	82.60	78.60	77.10
91 - 100	129.10	109.60	88.80	85.10	84.00

Rates for MGR Traffic in 2016-17 - BOXN Wagons per rake*

Distance slab (in Kms)	Rates per tonne (in ₹)		
	≤ 1 Trip/ day	> 1 to ≤ 1.5 Trips/day	> 1.5 Trips/day
	2016-17	2016-17	2016-17
1 - 10	76.90	63.30	46.40
11 - 20	80.80	67.00	49.30
21 - 30	84.90	70.40	52.20
31 - 40	88.80	74.00	55.10
41 - 50	91.30	75.10	56.20
51 - 60	95.30	78.40	57.30
61 - 70	99.20	82.10	63.90
71 - 80	101.70	83.10	70.30
81 - 90	105.70	86.40	76.90
91 - 100	108.20	87.50	83.30

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*Rates for 2017-18 will be 4% higher than the rates given in the above Tables.