

# EAST COAST RAILWAY

Office of the  
Principal Chief Commercial Manager  
Bhubaneswar

**Commercial Circular No.87(G)/2019**

Date.20.05.2019

(Addendum No.1 to SFTO Master Circular)

**Sub:** Methodology for calculation of freight rebate for High Capacity Wagons (HCW) under Special Freight Train Operator (SFTO) Scheme.

**Ref:** Railway Board's circular No. Freight Marketing Master Circular/SFTO/2018/0 issued vide letter No.2016/TC(FM)/4/12(SFTO) dtd.02.07.2018.  
{CCM/ECOR's Commercial Circular No.135(G)/2018 dtd.02.07.2018}

Enclosed please find herewith Railway Board's Freight Marketing Circular No.12 of 2019 dtd.16.05.2019 (Addendum No.1 to SFTO Master Circular) for information and necessary action.

All concerned to note and act accordingly.

Encl: As above (of 03 pages)

**Authority:** Railway Board's letter No.2016/TC(FM)/04/04-Vol.(2) dtd.16.05.2019  
(Freight Marketing Circular No.12 of 2019)

(L. Nanda)

Dy. Chief Commercial Manager(Claims)  
For Principal Chief Commercial Manager

No.CCM/SFTO/POLICY/375/Pt-I

Dt.20.05.2019

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

**Copy for information and necessary action to the:-**

**PCOM:** ECoR., **SDGM**/ECoR/BBS, **Chairman**/RCT/BBS, **Dy.CVO**/ECoR/BBS,  
**Dy.COM(FOIS)**/ECoR/BBS **PO/RCT**/BBS, **Audit officer**/BBS. Rates Section  
/PCCM/ECoR/BBS -10 sets **DRM:** KUR,WAT,SBP/ECoR, **Sr.DOM-** WAT,SBP,KUR/  
ECoR, **Sr.DCM:**KUR,WAT/SPB/ECoR. **Dy.CCO**/ECoR, **PFA:**E.Co.Rly/BBS,  
**FA&CAO(WST)**/ ECoR, **Traffic Manager:** Visakhapatnam PortTrust, **Paradeep Port/**  
Paradeep.

(L. Nanda)

Dy. Chief Commercial Manager(Claims)  
For Principal Chief Commercial Manager

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

No. 2016/TC(FM)/04/04-Vol.(2)

रेल भवन, नई दिल्ली-110001

Rail Bhavan, New Delhi - 110 001, dated 16.05.2019

General Managers  
All Indian Railways.

## (Addendum No. 1 to SFTO Master Circular)

Sub : Methodology for calculation of freight rebate for High Capacity Wagons (HCW) under Special Freight Train Operator (SFTO) Scheme.

Ref : Freight Marketing Master Circular /SFTO/2018/0 dated 02.07.2018.

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Attention is drawn to para 10.3 of SFTO policy issued vide FM Master Circular/SFTO/2018/0 wherein it has been stated that ***"In case of High Capacity Wagons, if inducted by the operator, resulting in increase in throughput per train beyond 10%, an additional freight rebate of 2% shall be granted on base freight for each increase of 10% in throughput per train subject to a maximum rebate of 10% for the additional tonnage carried for a period of twenty years. The additional freight rebate will be applicable only on the incremental throughput."***

Till recent past only Special Purpose Wagons (Non-High Capacity) wagons were plying under SFTO. However, HCW are now being inducted in the SFTO scheme and hence it becomes necessary that additional freight rebate due in terms of para 10.3 of the policy is calculated correctly in a unified manner by all railways.

The issue has been examined in Board's office. Accordingly, the following methodology shall be adopted for calculation of additional freight rebate in HCW moving under SFTO:

<b>Quantum of Loading vis-à-vis Similar Type of Wagon</b>	<b>Additional Rebate (over the standard Rebate of 12%)</b>
Up to 100%	NIL
First increment of 10% (0% to ≤10%)	NIL
Second increment of 10% (>10% to ≤20%)	2% of Base Freight (on loading above 10%)
Third increment of 10% (>20% to ≤30%)	4% of Base Freight (on loading above 20%)
Fourth increment of 10% (>30% to ≤40%)	6% of Base Freight (on loading above 30%)
Fifth increment of 10% (>40% to ≤50%)	8% of Base Freight (on loading above 40%)
>50%	10% of Base Freight (on loading above 50%)

**Sample Calculation (for BFNSM 22.9T wagons):**

To further elaborate the calculation methodology, sample calculations for BFNSM 22.9T wagons, from TSLJ to DPCB (distance 131 km), is given below:

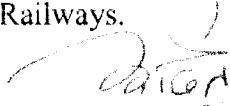
Wagon Type	Std Rake Size	PCC on CC+8 route	Chargeable Weight
BFNSM 22.9T	58	69T	4,002T
BRN	43	66T	2,838T
Incremental Tonnage in comparison to BRN wagons			1,164 T (i.e. +41%)

Commodity	:	Steel coil
Class	:	165
Rate per Tonne for 131 kms	:	₹310.20
Base Freight	:	₹12,41,420.40
Freight Rebate (@12% of Base Freight)	:	₹1,48,970.45

Quantum of Loading (Chargeable Weight for BRN: 2,838 T)	Additional Freight Rebate (in %)	Additional Freight Rebate (in ₹)
Initial 2,838 T (equal to BRN)	NIL	0.00
On attaining first increment of 10% additional loading on 2838 T (0% to ≤10%) (up to 2,838 + 283.8 = 3,121.8 T)	NIL	0.00
On attaining second increment of 10% additional loading on 3,121.8 T (>10% to ≤20%) (up to 3,121.8 + 283.8 = 3,405.6 T)	2% – on Base Freight of 283.8 T	283.8 × 310.2 × 2% = 1,760.70
On attaining third increment of 10% additional loading on 3405.6 T (>20% to ≤30%) (up to 3,405.6 + 283.8 = 3,689.4 T)	4% – on Base Freight of 283.8 T	283.8 × 310.2 × 4% = 3,521.39
On attaining fourth increment of 10% additional loading on 3405.6 T (>30% to ≤40%) (up to 3,689.4 + 283.8 = 3,973.2 T)	6% – on Base Freight of 283.8 T	283.8 × 310.2 × 6% = 5,282.09
On additional loading on 3973.2 T (>40%) (up to 4,002 T)	8% – on Base Freight of excess loading (i.e. 4,002–3,973.2 = 28.8 T)	28.8 × 310.2 × 8% = 714.70
<b>TOTAL</b>		<b>11,278.88</b>

**Total Rebate (for HCW 'BFNSM 22.9T') = 1,48,970.45 + 11,278.88 = ₹1,60,249.33 only**

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

  
**(Mudit Chandra)**  
 Director Freight Marketing

**Copy to:**

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

  
**For Financial Commissioner/Railways**

**Copy to:**

1. PCOM all Indian Railways.
2. PCCM all Indian Railways.
3. CAO/PTS, Northern Railways, IRCA Building, New Delhi.
4. The Chief Commercial Manager (FM), All Indian Railways.
5. The Managing Director, Centre For Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi.
6. GM/FOIS, CRIS, Chanakayapuri, New Delhi, for necessary action.



(Mudit Chandra)

**Director Freight Marketing**