



Bombay Chamber of Commerce & Industry

Dr. Atindra Sen, IAS (Retd.)
Director General

KS/ST&L/Representation/0423

April 22, 2010

Shri S. S. Khurana
Chairman
Railway Board
Ministry of Railway
Government of India
Rail Bhavan, New Delhi

Dear Shri Khurana,

The Bombay Chamber of Commerce and Industry, is one of the oldest Chambers of Commerce, in the country and has established an impeccable lineage of over 175 years since inception in 1836. The Bombay Chamber represents large and medium sized professionally managed companies that contribute a quarter of India's trillion dollar GDP. Consequent to the profile of our membership, a large number of companies are engaged in infrastructure related services, shipping and international trade.

The Chamber would like to bring to your attention perceived lacunae in the policy framework for leasing wagons and in the priorities accorded to logistics and transportation by the railways. These are having an adverse effect on smooth movement of goods and thereby hampering business and commerce.

We would like to draw your particular attention to the following issues:

Eligibility Criteria under the Wagon Leasing Scheme

The eligible criteria under clause 5.0 of the Wagon Leasing Scheme requires that the applicants should have a very high net worth, currently stipulated at Rs.250 crore, with similarly high net worth requirements for subsidiary companies as well. This requirement of considerably high net worth acts as a barrier and is hampering entry of new players. It is suggested that this entry barrier should be eased by bringing down the requirements for new players, without in any way compromising the standards set by Indian Railways. Indian Railways would still remain in complete control because the business of wagon leasing is structured such that physical possession of the wagon remains with the Indian Railways, change of lessee is done through Indian Railways, safety and maintenance standards are stipulated by Indian Railways, inspection is carried out by the Indian Railways and the wagon itself is used within the network of Indian Railways. All these would sufficiently and completely safeguard the interests of Indian Railways notwithstanding any reduction in the financial requirements that may be introduced.

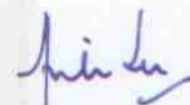
According Higher Priority to EXIMP Containers:

At present, such containers have very low priority for movement by railways and as a consequence there are long delays. More importantly, export container movement from ICD's cannot meet deadlines of scheduled departure of vessels from various ports, especially in the summer months when additional passenger traffic leads to even longer waiting periods for containers. Currently, there is large accumulation of containers in Nhava Sheva Port where over 10,000 TEUs of import containers are pending for movement to various ICDS. In addition to the business losses resulting from such delays, the trade is also being unfairly subjected to avoidable ground rent. We, therefore, request that Indian Railways jointly addresses this issue with CONCOR in the larger interest of trade and assign higher priority to EXIMP container movement between Inland Container Depots and the gateway Ports.

We hope our recommendations will merit your consideration and our concerns addressed at an early date.

With regards,

Yours sincerely,



Atindra Sen