



No. CRWC-II/CO/Circular/2021-22/1696

Date: 07.12.2021

CIRCULAR

Sub: IRR for all Long-Term Storage of Foodgrain at Railside Warehouse Complex of CRWC

We are approaching FCI and other agencies which are utilising the godowns of CWC and other godown owners for storing their food-grain stocks, to utilize the Railside Warehouse Complex's of CRWC also and we have already given the reservation of 14,000 MT at RWC Whitefield to M/s Viterra India Pvt. Ltd. for storage of food-grains on long term basis and also offered RWC Koodalnagar to FCI for storage of food-grains on long-term basis. The competent authority has desired that we must ensure 10% IRR in case of long-term storage including food-grains, e-commerce, FMCG goods etc. Hence, at the terminals where no. of cement rakes handled are less or there is no alternate business, we can offer the warehousing space of RWC to the parties interested for utilizing on long-term basis, but at least 10% of IRR should be ensured.

We have already circulated the per tonne rates of food-grains and cement etc. on reservation basis for some terminals, but the storage charges of food-grains, cement and other commodities will differ, since the food-grains is to be stored in stack height of 20 bags, whereas cement is to be stored in stack height of only 13-14 bags. For storage of cement, the per tonne rates for storage as mentioned in the Tariff circular is to be followed, whereas for food-grains and other commodities being stored on long-term basis, the tariff should not be less than Rs.170 per tonne per month, so as to ensure that 10% of IRR is recovered on the **guidance value** of storage charges i.e., the value of land and cost of construction. Since the land is provided by Railway on lease on nominal rate, the construction cost is to be calculated for IRR purpose. An illustration table is provided below, where calculation of IRR at different storage rates are given for ready reference:

S. No.	Particulars	Case 1	Case 2	Case 3	Case 4
1	Cost of Construction (Amount in Lakhs)	1,500.00	1,500.00	1,500.00	1,500.00
2	MTs to be stored per month	10,400.00	10,400.00	10,400.00	10,400.00
3	Storage Rate per month in Rupees	160.00	140.00	120.00	100.00
4	Handling Rate per MT (loading & unloading) in Rupees	216.00	216.00	216.00	216.00
5	Insurance & Docs Rate per MT (In Rupees)	7.00	7.00	7.00	7.00
6	Income Tax Rate	25.17%	25.17%	25.17%	25.17%
7	Life of Project (In Years)	30	30	30	30
8	Preservation cost (per MT)	Rs 12	Rs 12	Rs 12	Rs 12
9	IRR of the Project	10.63%	8.92%	7.00%	4.73%

All Terminal Managers are hereby advised to comply the above guidelines while offering the RWC godowns for storage of food-grains and other commodities on long-term basis.

This is issued with the approval of Competent Authority.

Rajesh Kumar Singh
Sr. Manager (Comm) - II

To, - All Terminal Managers, CRWC

Copy to: - GM(RLD), CWC, CO, New Delhi.
- Addl. GM(F&A) / Addl. GM(P&E) / Sr. Mgr. (Com.- I) / Sr. Mgr (IT), CRWC, CO, New Delhi.
- PS to MD, CRWC, CO, New Delhi.

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