SN/48

भारत सरकार Government Of India
रेल मंत्रालय Ministry Of Railways
रेलवे बोर्ड Railway Board

No. 99/TC(FM)/26/1/Pt.-II

New Delhi, Dated 30.01.2012

The General Managers,

1. Central Railway, Mumbai
2. Eastern Railway, Kolkata
3. East Central Railway, Hajipur
4. East Coast Railway, Bhubaneswar
5. Northern Railway, New Delhi
6. North Central Railway, Allahabad
7. North Eastern Railway, Gorakhpur
8. Northeast Frontier Railway, Maligaon
9. North Western Railway, Jaipur
10. Southern Railway, Chennai
11. South Central Railway, Secunderabad
12. South Eastern Railway, Kolkata
13. South East Central Railway, Bilaspur
14. South Western Railway, Hubli
15. Western Railway, Mumbai
16. West Central Railway, Jabalpur

Sub : **Policy Circular – Freight Marketing Circular No. 01 of 2012 on Siding Matters – Liberalization of Siding Rules.**

Ref : In supersession to Railway Board's letters no. 99/TC(FM)/26/1, dated 31.3.2005, 13.3.2006 and 14.01.2009.

Various rules/procedures relating to setting up and functioning of sidings were formulated and revised by Board vide letters under reference with subsequent modifications vide no. 99/TC(FM)/26/1, dated 31.03.05, 01.03.06 & 14.01.09. The matter has been reviewed by Board and accordingly, in supersession to all such instructions, revised guidelines with modifications have been approved by Board as enclosed in the form of Freight Marketing Circular No. 01/2012.

This issues with the consent of Civil Engineering, Traffic, Mechanical Engineering & Electrical Engineering Directorates and concurrence of Finance Directorate of Ministry of Railways.

Enclosure/As Above

30.01.12
(आलोक कुमार)
कार्यकारी निदेशक/सिविल इंजी.(जी)/रेलवे बोर्ड

30/1
(सुहास कुमार)
सलाहकार/मा.भा.वि.प./रेलवे बोर्ड

No. 99/TC(FM)/26/1/Pt.-II

New Delhi, Dated 30.01.2012

Copy forwarded for information to :

1. The FA&CAOs, All Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi.

For **Financial Commissioner/Railways**

No. 99/TC(FM)/26/1/Pt.-II

New Delhi, Dated 30.01.2012

Copy forwarded for information and necessary action to :

1. The Chief Operations Manager, All Indian Railways.
2. The Chief Commercial Manager, All Indian Railways.
3. The Principal Chief Engineer, All Indian Railways.
4. The Chief Traffic Planning Manager, All Indian Railways.
5. The Chief Commercial Manager (FM), All Indian Railways.
6. The Chief General Engineer, All Indian Railways.
7. The Managing Director / Chief Commercial Manager, Konkan Railway Corporation Ltd., Belapur Bhawan, Plot no. 6, Sector-11, CBD Belapur, Navi Mumbai - 400014.
8. The General Manager, Centre For Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi.
9. AM(Traffic), AM(C), AM(CE), AM(Elect.), AM(Mech.), Adv.(F), Adv.(Vig.), EDPM, EDPG, EDTC(C), EDV(T), EDF(C&RM), EDCE(G), EDME(Frt.), ED/RE, DF(C)/ Railway Board.
10. CRB, FC, MT, ME, ML, MS, MM and Secretary, Railway Board for kind information.

30.01.12

(आलोक कुमार)
कार्यकारी निदेशक/सिविल इंजी.(जी)/रेलवे बोर्ड

(सुहास कुमार)
सलाहकार/मा.भा.विप./रेलवे बोर्ड

भारत सरकार Government Of India
रेल मंत्रालय Ministry Of Railways
रेलवे बोर्ड Railway Board

Freight Marketing Policy Circular No. 01 Of 2012 On Siding Matters

Liberalization Of Siding Rules

Various rules/procedures relating to setting up and functioning of sidings were formulated and revised by Board vide letter no. 99/TC(FM)/26/1, dated 29.09.2000 with subsequent modifications vide no. 99/TC(FM)/26/1, dated 31.03.05, 01.03.06 and 14.01.09. The matter has been reviewed by Board & accordingly, in supersession to all these instructions, revised guidelines have been approved by Board as under in the form of Policy Circular :

1. **Nodal Agency** : In order to provide a 'Single Window Service' to the customers, Board have decided that for all siding matters during pre-construction stage and for signing of the agreement, Chief Traffic Planning Manager (CTPM) at the Zonal Railway shall be the Nodal Officer. However, throughout the construction stage including activities for approval of Plans and sanctioning of Estimates, Chief General Engineer (CGE) shall be the Nodal Officer. Further, as soon as the siding is notified for commissioning, CCM(FM) shall take over as the Nodal Officer.

In Railway Board's office, EDCE(G) shall be the Nodal Officer during construction stage. Executive Director (Freight Marketing) shall be the Nodal Officer both prior to construction and also after the siding is notified for commercial operation.

2. **Time Frame** : To avoid complaints from users regarding delay in whole process of survey, approval of plan, final inspection etc., Railways shall observe a time frame as under :

(i) Six months to one year depending on the size of the project, where survey is done by the Railway and work is executed under Railway's supervision.

(ii) When survey is done by empanelled consultants and work is supervised by them, the Preliminary Plan shall be approved within two months and the final approval within four months of submission of the detailed project report.

3. **Overhead Charges** : The overhead charges, in terms of provisions of Engineering Code, shall be payable by the party, desirous to set up a siding. These charges shall have respective applicability for the Deposit Works, as to be executed by Railways, by the Party under Railway's supervision or by the Party through Railway's Approved Consultants respectively as per following Table :

SL	Purpose	Execution By	Charges	
1.	Departmental Charges : (inclusive of cost of tools & plant and establishment supervision)	Railway	12½%	% of Cost of Project excluding cost of OHE and S&T Works
		Party	6¼%	
		Approved Consultant	4%	
2.	Departmental Charges for OHE and S&T Works (inclusive of cost of tools & plant and establishment supervision)	Railway	12½%	% of Cost of OHE and S&T Works for Railway's mandatory supervision
		Party	6¼%	
		Approved Consultant	6¼%	
3.	D&G Charges : (for work-charged establishments and other than establishment supervision)	Railway	As per actuals, if any [Ref : Para-1829E]	
		Party		
		Approved Consultant		

4. **<u>Capital Cost</u>** :

4.1 The siding owner shall bear the capital cost of the siding from the take-off point at the serving station including OHE.

4.2 The capital cost of all traffic facilities, such as 'Y' connection, additional lines at the serving station, crossing stations, patch doubling of the section etc. shall be fully borne by the Railways. The distance for charging of tariff, for each Y' connection shall, however be inflated/increased by 5 (five) kilometers. However, the capital cost for augmenting the facilities, within the premises of siding owner shall be borne by the siding owner. The license of land for 'Y' connection for providing connectivity to the private siding on Railway land or any other connection serving the private party exclusively will be done as per extant policy, as revised from time to time by Railways, at its sole discretion.

4.3 In case the siding owner desires to bear the capital cost of traffic facilities to expedite commissioning of siding, the following will be permissible :

(i) 'Y' connection and any additional loop line at the serving station, which is to be used as a common user facility, may also be executed by the siding owner.

(ii) The license of land for 'Y' connection for providing connectivity to the private siding on Railway land or any other connection serving the private party exclusively shall be done as per extant policy, as revised from time to time by Railways, at its sole discretion.

(iii) No license fee will be charged on the common user traffic facility at the station from the siding owner. Common user traffic facilities are those facilities which facilitate the Railway traffic operations at the station. Classification of any facility as a 'Common User Traffic Facility' shall be certified by CTPM on the siding plan during the approval of the plan by the competent authority.

(iv) The common user facilities may also be executed by the Party through Railway's approved contractors/consultants with the approval of General Manager. The provisions given in various Railway Codes and Manuals, extant instructions issued by Railway from time to time and statutory provisions stipulated in various Acts of Government of India shall be

followed in all respect.

(v) The facilities at the station, so created by the siding owner shall be used not only by the party who financed these, but also by other users and the assets, so created, shall belong to the Indian Railways and shall be maintained & used as any other Railway asset by the Railway. The investors shall not be eligible for any return/concession in lieu of such use of these assets by the Railways or other rail users. The investors shall also not qualify for any preferential treatment in the matter of utilization of these assets.

(vi) The common user traffic facility shall become property of Railway Administration and the investor shall have no claim to these assets.

(vii) All developments for the proposed traffic facility work shall be as per Railway's approved designs and constructed as per Railway's approved standards & specifications. The investor shall be required to deposit the full cost of construction, calculated alongwith departmental charges as per codal provisions, in advance, before commencement of the work.

(viii) Maintenance and operation of these assets at the station including staff costs shall be the responsibility of the Railways.

4.4 Sidings shall normally take off from the existing serving stations. However, in case when it is operationally not feasible to provide a connection from an existing serving station, for a siding owner's request for a connection from a location between two existing stations at his own cost, then a proposal for provision of a new block station may be considered provided;

(i) All aspects including the operational feasibility of constructing a new crossing station with desired number of loops and impact of splitting of block section on train operations has been examined to the satisfaction of the Zonal Railways.

(ii) The entire capital cost of the new crossing station including staff quarters, loop lines, signaling, electrification and other infrastructure shall be borne by the siding owner.

(iii) The siding owner will also pay a lumpsum amount which would be equal to recurring cost towards maintenance & staff and employment for a period of 10 years on the basis of initial deployment of staff at the station. Such payment shall be made before the commissioning of siding.

(iv) The siding taking off from such a crossing station shall be constructed as private sidings only.

5. **Cost Of Gauge Conversion** : The Gauge conversion being Railways operational requirement, its cost shall be shared with the party in terms of Para 1822E to 1826E of the Engineering Code, provided the investment made by the Railways is financially viable with a minimum ROR of 14% vis-a-vis traffic offered by the siding in the last 24 months. Where the investment is not financially justified, the siding owners shall bear the full cost or the siding will be closed.

6. Guidelines For Cost Sharing For New As Well As Existing Sidings :

6.1 Electrification Cost :

New Sidings	Existing Sidings
For a new siding in the electrified territory or the territory approved for electrification, the capital cost of OHE shall be borne by the siding owner. This shall also apply to the Military sidings.	**(a) For sidings of length upto 5 TKM :** Non-electrified sidings in an electrified territory or undergoing new electrification shall be electrified at Railway's cost, if required in operational interest, for ensuring seamless operations. Such sidings shall be identified with the personal approval of COM. **(b) For sidings of length more than 5 TKM :** For all Sidings, if the rate of return (ROR) is at least 14% on traffic offered in the previous 24 months, the entire cost of electrification shall be borne by the Railways. If the ROR is less than 14%, the cost of electrification shall be borne by the siding owner.

6.2 Maintenance Cost (Civil Engg.) :

New Sidings	Existing Sidings
Maintenance shall be got done by the party at his own cost. However, it has been decided that Railways would not charge "Inspection Charges".	The existing practice of siding owners getting the maintenance done at their own cost shall continue. However, Railways shall not charge the "Inspection Charges". Wherever track maintenance is being done by Railways at the cost of siding owner, the party shall continue to bear this cost.

6.3 Maintenance of OHE :

OHE maintenance cost for existing as well as new sidings shall be borne by the Railways.

6.4 C&W Examination :

New Sidings	Existing Sidings
Normally no C&W facility shall be developed inside the plant/yard. However, in exceptional cases, if on operational ground it becomes necessary to develop the maintenance facility including prescribed equipments inside the siding, capital cost on one time basis shall be borne by the party. Regular upkeep of facilities provided by the Party shall remain Party's responsibility. Running repairs of rolling stocks including material and staff cost in all cases shall, however, be borne by the Railway. Only in case of POL and other hazardous materials, some facilities exclusive to those commodities such as permanent catwalks, steam cleaning and flame proof lighting may be developed at party's cost in the Railway yard, if required.	As per existing instructions, regular facilities for C&W examination shall be planned only if the level of loading /unloading is two or more rakes per day. Apportionment of the cost shall be done as per Board's letter no. 84IWI/SP/24, dated 8.1.85 except for sidings dealing in POL and other hazardous goods. In case of sidings other than POL, C&W cost shall be borne by the Railways as per above mentioned letter.

6.4.2 Assessment and recovery of damages, caused to wagons in private sidings shall be as per extant rules.

6.5 **Cost Of Railway Staff :**

In all private sidings other than 'Engine On Load' only, barring the cost of one commercial staff per shift, Railways shall bear the cost of all other Railway staff. The cost of all staff at 'Engine On Load' (EOL) sidings shall be borne by Railways.

7. **'Engine On Load' (EOL) Policy** : Instructions issued vide Board's letter no. TC-I/94/214/9/Vol.II, dated 18.3.05 regarding EOL system shall be applicable.

8. **Revival of Assisted Sidings** :

8.1 It has been decided to revive the concept of Assisted Sidings. Under this concept Railways shall share the cost of a new Railway siding, if the industry comes up with a long-term commitment of traffic for 10 years or more, commensurate with the investment of Railways.

(i) Under this arrangement, Siding owners shall be required to bear cost of the land, earthwork, sub structure of the track, ballast and buildings outside the premises of the siding owner.

(ii) Cost of the removable super-structure including track, sleepers, fastenings girders of bridges, points & crossings, fencing, signaling & interlocking appliances, machineries of any kind and the overhead electric equipment outside the premises of the siding owner, shall be borne by the Railways.

(iii) Entire cost of the siding within the applicant's (siding owner) premises shall be borne by the siding owner.

8.2 However, in all other cases (where commitment of traffic for 10 years or more is not forthcoming), the siding owner shall bear the capital cost of the siding from the take off point at the serving station including OHE, in terms of Para 4.1 and 6.1 (New Sidings).

9. **Detailed Instructions For Sidings** :

(i) The capital cost of all traffic facility works, such as 'Y' connection, yard remodeling, additional lines at the serving station, crossing stations, patch doubling of the section etc. shall be fully borne by the Railway, unless the customer decides to construct the facilities as per Para-4.3 of this Circular.

(ii) Regarding expenditure to be incurred on account of construction of the new siding, the private entrepreneur shall get detailed estimate of their siding vetted by the Division concerned. The detailed estimate shall include the break-up of their share as also Railway's share of the total expenditure. The detailed estimate of Railway's shall be according to the standardized cost of superstructure per km of track as issued by Civil Engineering Department. Separate cost shall be laid down for steel girders and PSC girders in case of bridges.

(iii) No supervision, inspection or establishment charges shall be payable by the siding

owner for the above work, since in that case the expenditure incurred for these aspects would have to be paid back to them by Railways.

(iv) The detailed estimate shall be approved by the DRM keeping the GM duly informed. Thereafter, the private entrepreneur shall undertake construction of the siding entirely at their cost.

(v) After completion of the siding, the actual expenditure incurred by the siding owner on behalf of Railways shall be verified by the Division. This verification shall be based on the certified audited accounts of the siding owner. Railways shall bear the actual cost incurred on the constructions, if it is found to be less than the estimated cost; otherwise the estimated cost shall be borne by the Railways.

(vi) Meanwhile, Division shall analyze the projected outward traffic volumes estimated to emanate annually from the siding after commissioning. This analysis shall be based on the traffic volumes projected by the siding owner in their application for Rail Transport Clearance (RTC) submitted to Planning Directorate of Railway Board.

(vii) Based on the projected outward traffic volumes, OD flows and commodity-wise freight charges per rake, Division shall work out the approximate duration for which a freight discount of 10% is required to be given.

(viii) The freight discount shall remain fixed at 10%.

(ix) The duration for which this discount is to be given shall depend on the time period of repayment of the expenditure incurred by the siding owner on behalf of Railways. However, such discount shall be admissible for a maximum period of 10 years only, irrespective of whether the investment made on behalf of Railways are recovered or not. The duration of freight discount shall be for less than 10 years in case the expenditure incurred is recovered in less time period.

(x) The above freight discount shall actually be the repayment of investment made on behalf of Railways, and is not really a freight rebate in the strictest sense of the term. As such, this freight discount shall be admissible in addition to all other rebates that the siding owner may become eligible for; such as lean season policy, empty flow direction, incremental loading etc.

(xi) Once the approximate duration of discount for a new siding has been worked out and approved by the Division, this discount shall be admissible on outward traffic booked from the siding.

(xii) All outward traffic loaded from the siding shall be the 'paid' traffic.

(xiii) For outward traffic originating from new sidings, this discount shall be given up front in freight charges at the time of booking.

The Goods Clerk shall maintain a separate register containing details of all outward traffic moved alongwith discount given and the balance amount of repayment due to the siding owner. TIA and sectional CMI shall conduct post checks regarding this account-keeping on a quarterly basis.

(xiv) Discount shall be automatically discontinued and normal freight charged once the siding owner has been repaid the entire amount spent, or after 10 years period, whichever is earlier.

(xv) Siding owner shall provide all facilities for provision of FOIS terminal in the siding.

(xvi) Apart from the above aspect of sharing of cost for such sidings, all other rules pertaining to private sidings shall apply with respect to maintenance charges, engine hire charges, demurrage rules etc.

(xvii) Division shall sign an Agreement with the siding owners stipulating details of removable structures whose expenditure has been charged to Railway and which Railways shall remove and take away in case of closure of siding for any reason whatsoever.

(xviii) The Agreement shall also stipulate commodity-wise projected level of outward traffic, duration of freight discount etc.

10. **Applicability Of Liberalized Siding Policy** :

(i) New siding of a new plant being set up.

(ii) New siding of an existing plant that was earlier getting its inward & outward traffic dealt with at a nearby Railway Goods Shed.

(a) However, since the traffic being offered is not altogether new, the discount shall be given only for incremental outward traffic that is handled at the new siding over and above what was earlier being dealt with at Railway's Goods Shed during the previous year.

(b) The incremental traffic mentioned above shall be calculated in terms of money value of freight paid (during the previous year after indexing for increase in freight charges), if any.

(c) The discount shall be given up front in freight charges at the time of booking. The goods clerk shall maintain details of all such outward traffic alongwith discount given in a separate register, as mentioned in Para 9(xiii) above.

(iii) It shall be applicable to all the sidings which are commissioned after 01.4.2005. This shall apply to both categories falling under Para 10. (i) & (ii) above.

11. The Standard Siding Agreement shall be in the revised format, being issued separately.

12. This issues with the consent of Civil Engg., Traffic, Mechanical Engg. & Electrical Engg. Directorates and concurrence of Finance Directorate of Ministry of Railways.

Enclosure / Siding Agreement Format

(No. 99/TC(FM)/26/1/Pt.-II, New Delhi, Dated __.01.2012)

30.01.12

(आलोक कुमार)
कार्यकारी निदेशक/सिविल इंजी.(जी)/रेलवे बोर्ड

30/1

(सुहास कुमार)
सलाहकार/मा.भा.विप./रेलवे बोर्ड