GOVERNMENT OF INDIA(BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALYA)
RAILWAY BOARD

No.99/TC(FM/26/1 New Delhi, dated 29.9.2000

The General Manager,
All Indian Railways,

Sub: Liberalisation of Siding Rules.

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Operation of Indian Railways has undergone a sea change with block rake movement along with mechanization of goods handling. In this background, railway sidings, which account for nearly 90% of IR's bulk traffic, have to be paid close attention for giving better service. Siding owners have been representing for some time on the need for liberalization of siding rules. To address these issues, Railway Board had set up a Committee of Executive Directors to review the various rules/procedures governing the setting up and functioning of sidings. After careful consideration of the representations and interaction with the industry representatives and their consultants, a comprehensive set of guidelines has been prepared with the approval of Railway Board.

In partial modification of the extant instructions on some aspects of sidings, the new guidelines to implement the recommendations are as under:-

2.1 **Nodal Agency**: In order to provide a 'Single Window' service' to the customers, Board has decided that Chief Traffic Planning Manager (CTPM) at the zonal level should be nominated as the Nodal Officer for all siding matters throughout the construction stage and signing of the agreement. As soon as the siding is notified for commissioning, CCM(FM) will take over as the nodal officer.

In Board's Office, EDCE(G) will be the nodal officer during construction stage. The Executive Director (Freight Marketing) would be the Nodal Officer prior to construction and after the siding is notified for commercial operation.

2.2 **Time Frame :** Complaints have been received from the users that the whole process of survey, approval of Plan and final inspection etc. takes a lot of time. It has been decided that the Railway should observe a time frame for processing the proposals as follows:

(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, conceptual Plan should be approved within two months and final approval within four months of submission of detailed project report.

2.3 **Reduction in Overhead Charges :** There have been representations from the users that the various fees and charges payable by a party wanting to set up a siding are quite high and may be reduced. Based on a critical review of these charges by EDs' Committee, the following reduction in these charges has been agreed to :

	Execution Agency	Item	Existing Charges	Charges now rervised to
1.	Railway	Gen.charges	9-12.5%	10%
	Party	Gen.charges	6%	5%
2.	Railway	Deptt. Charges	12.5%	5%
	Party	Deptt. Charges	6.25%	2.5%
3.	Railway	Contingency	3%	1%
	Party	Contingency	3%	1%
4.	Rly.	Supervision of OHE & S&T	10%	5%

3. Capital Cost

3.1 **Capital Cost of new siding:** The siding owner shall bear the capital cost of the siding from the take-off point at the serving station including OHE.

3.2 Capital cost of facilities to be developed at serving station for a new siding - The linking of the siding to the station shall be done at the cost of the siding owner. If any additional line(s) are required to be laid at the serving station to deal with the traffic offered by the siding or in the region, the same will be borne by the Railways provided the investment remains financially viable with at least 14% ROR. 'Y' connection at the serving station should be planned where sectional capacity utilisation is 80% or above and where such provision is absolutely inescapable. While the capital cost of 'Y' connection may be borne by the siding owner in these cases, staff should be posted in the cabins at Railway's cost.

3.2.1 Capital cost of a crossing station necessitated by a siding: The capital cost of the crossing station should be borne by the siding owner. If the capacity utilization of the section is 80% and above, the staff may be posted at the crossing station at Railway's cost, otherwise it should be at party's cost. A review in this regard should be carried out every three years and whenever the utilization reaches 80% and above, Railways should take over the staff cost.

3.2.2 Capital cost for augmenting siding facilities to cater to increased production: The capital cost for augmenting the facilities within the siding should be borne by the siding owner. The facilities at serving station necessitated by such expansion should be borne by Railways provided ROR on such investment is 14% or above vis-à-vis traffic projected. The cost of 'Y' connection provided on sections having capacity utilization of 80% or above and planned only when inescapable, will be borne by party and staff in the cabins will be at Railways cost.

3.2.3 Cost of Gauge conversion – Siding owners have been representing that gauge conversion is Railways operational requirement and, therefore, its cost should be borne by the Railways. The matter has been considered and it has been decided that this cost should be shared with the party in terms of paras 1822 – 1826 of the Engineering Code, provided the investment made by the Railways is financially viable with a minimum ROR of 14% vis-à-vis traffic offered by the siding in the last 24 months. Where it is not financially justified, the siding owners will bear the full cost or the siding will be closed.

4. Guidelines for cost sharing for new as well as old sidings: Some other decisions taken by the Board are indicated below separately for new as well as existing sidings:-

4.1 **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 should be borne by the siding owner. This will also apply to the Military sidings.	It has been decided that railways will bear the cost of electrification of existing sidings as per para 1826-E provided the ROR is at least 14% on traffic offered in the previous 24 months. In cases where the project is not financially justified, the siding owner will bear the full cost or arrange a diesel loco to work the loads to his premises.

4.2 Maintenance cost (Civil Engg.)

New Sidings	Existing Sidings
The 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, it has been decided that railways would not charge **inspection charges.** (ii) Wherever track maintenanece is being done by railways at the cost of siding owner, the party will continue to bear this cost.

For new sidings on EOL or old siding switching over to EOL separate instructions will follow.

4.3 OHE Maintenance (Both new & existing)

It has been decided that OHE maintenance cost for existing as well as new sidings will be borne by the Railways. Necessary amendment in the existing instructions as well as correction to para 1826-E will be issued separately.

4.4. C&W Examination

New Sidings	Existing Sidings
Normally no C&W facility should be developed inside the plant yard. However, in exceptional cases, if on operational ground it becomes necessary to develop the facility inside the siding then capital cost on one time basis may be borne by the party. Running repairs and staff cost in all cases should, however, be borne by the Railway. Only in case of POL & 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.	As per existing instructions regular facilities for C&W examination should be planned only if the level of loading/unloading is expected to be 2 or more rakes per day. The apportionment of the cost should be done as per Board's letter NO. 84/W1/SP/24 dated 28.1.85 except for sidings dealing in POL and other hazardous goods. In case of sidings other than POL, C&W cost is to be borne by railways as per above-mentioned letter. (Copy enclosed)

4.5 Cost of Railway Staff

New Siding	Existing Siding
(i)Cost of only commercial staff will be borne by the siding owner.	(i) For existing sidings not opting for EOL system, the cost of staff will continue to be borne by them. In case, however, system and working can be changed to supply pre-examined empties, review of c&w staff will be undertaken. The Railways must undertake a thorough review of existing staff requirement including commercial staff posted in the sidings in order to prune the strength. In view of block rake pattern of movement one or two commercial staff in each shift, as the case may be, should be sufficient.

5. **Engine on Load (EOL) Policy:-**

5.1 **New Sidings to be EOL Sidings**: It has been decided that as far as possible all new sidings should be on EOL system.

The instructions in this regard will be issued separately.

6. **Revival of Assisted Sidings -** Keeping in view the changed transport economics scenario, declining market share of the railways necessitating aggressive marketing strategies, the Board are considering to revive the earlier system of having assisted sidings.

The policy guidelines in this regard will be issued separately.

7. **Modification of the Standard Siding Agreement** – The existing agreement format issued in 1985 needs modification in view of the changes that have taken place in the last few years. It has, therefore, been decided that the present format should be revised to reflect the changes in siding policy.

8. These instructions issue with the concurrence of Finance, Mechanical, Civil Engineering and Electrical Directorates of this Ministry.

Please acknowledge receipt.

(P.N. Shukla)
Executive Director
Freight Marketing

29.9.2000
(Pradeep Kumar)
Executive Director Civil Engg.(G)

Copy to: (i) Chief Engineers
(ii) Chief Operations Managers
(iii) Chief Commercial Managers
(iv) Chief Mechanical Engineers
(v) Chief Electrical Engineers
All Indian Railways

No.99/TC(FM)/26/1

Copy to:- (i) FA&CAOs all Indian Railways.
(ii) ADAI (Railways) with 36 spares

(Bela Banerjee)
For Financial Commissioner

Copy to : All IEDs in Traffic Commercial Traffic Transportation, Mechanical, RE, Civil Engg. Works and Finance/Finance (Budget) Directorates - Amendments /Supersession letter/Correction Slip etc. may be issued accordingly.