

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

No. 2020/TC(FM)/14/08

New Delhi, dated 14.10.2020

The General Managers,  
All Zonal Railways.

**Sub: Development of Goods-sheds at small/road-side stations through Private Investment.**

**1.0 Introduction:** Indian Railways has been striving to increase its freight business volumes as well as its modal share in freight transport. Meeting that objective would need augmentation of line capacity and terminal capacity. While line capacity issues are being addressed, steps need to be taken to augment terminal capacity as well. This policy is aimed at augmenting terminal capacity through private participation by allowing setting up of new goods-shed facilities and developing existing goods-sheds (which Railways are unable to do due to lack of resources) at a larger number of stations.

**2.0 Salient Features of the policy:**

**2.1 Scope of facilities permitted:**

2.1.1. The policy shall be applicable for setting up of new (green-field) goods-shed, and can also be applied for development of existing (brown-field) goods-sheds as decided by Zonal Railway.

**2.1.2. For green-field good-sheds**

a. Private parties shall be permitted to develop loading/unloading facilities for full rakes, approach roads, drainage, general lighting, covered shed if required, facilities for labour (resting space with shade, drinking water, bathing facilities, etc) and other related infrastructure at goods-sheds. In case there is a need to lay an additional line for handling freight traffic, it may also be included in the scope of work including electrification of the line and any signaling changes that may be needed. In case party is interested to create facilities for handling of container traffic, the same will also be included under the scheme. All the facilities so developed shall be used as common user facilities.

b. The proposed goods-shed/siding should not in any way hamper or obstruct the existing users of rail facilities at the concerned station.

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c. The standard of construction shall be as per the guidelines laid down in Annexure II of Railway Board circular on “Development of Freight Terminals” issued vide Board’s letter No. 2007/PL/25/1 dated 05.06.2007.

### 2.1.3. For brown-field goods-sheds

Private parties shall be permitted to repair/re-develop and maintain the existing facilities, and also set up additional facilities as required – including approach roads, drainage, general lighting, covered shed if required, facilities for labour (resting space with shade, drinking water, bathing facilities, etc) and other related infrastructure at existing goods-sheds.

## 2.2 Incentives under the scheme:

a. The incentive to the party that develops the goods-shed/siding shall be in form of *a share in the Terminal Charges (TC) and Terminal Access Charges (TAC)*, as the case may be, for all the inward and outward traffic dealt at the goods-shed for *five (05) years*, from the date of completion of the work. The share shall be determined through competitive bidding and the party seeking the least share shall be selected.

b. The TC & TAC due to the party for a month shall be paid by 10th of the succeeding month. Tax liabilities, if any, on the payment of TC & TAC to the party shall be borne by the party.

c. The payment of Terminal Charges and Terminal Access Charges shall start only when the goods-shed facilities, as agreed upon mutually between railways and the party, have been completed.

d. The private party shall be permitted utilization of available space for establishing small canteen/tea-shop, advertisements, etc, during the currency of the contract. Activities to be permitted shall be decided by the Zonal Railway.


## 2.3 Conditions:

a. The facilities so created/developed by the private party through its own investment shall be used as common user facility. No priority or preference shall be granted to the traffic of the party over the traffic of other customers.

b. The responsibility for maintenance of assets and facilities created shall be vested in the party during the agreement period.

c. The facility (goods shed/siding) and assets so created by the private party under this policy shall be handed over to the Railway Administration and the investor(s) will have no claim to these facilities/assets. Investment in such assets will not entitle the investor(s) to any rights what-so-ever with regards to the Railway land on which they are created.

  
14.10.2020

  
14/10/2020



d. All developments for the proposed facility will be as per approved Railway designs, and constructed to approved Railway standards and specifications as mentioned at para 2.12(c). Railways shall not levy any departmental or any other charges for the construction. Railways shall ensure, before approval of any proposal is conveyed under the scheme, that the space earmarked for the project is not required by Railway for any other purpose.

e. Freight charges, demurrage & wharfage charges, etc shall continue to be levied as per extant rules from all customers.

#### **2.4 Procedure for allowing investment:**

Selection of party/agency for development of facilities shall be through a transparent open bidding process:

a. Sr DCM of the Division – in consultation with Sr DOM – shall short-list the stations for development of goods-sheds as per this policy, which will be approved by the Divisional Railway Manager. The facilities to be developed and standard of construction shall be drawn up and spelt out.


b. The scope of facilities to be developed should be decided beforehand by the Railways, and shall be clearly mentioned in the ‘Notice-Inviting-Tender’. The NIT should also indicate the standards of construction to be followed, maximum incentive possible, expected revenue from utilization of available space as mentioned in para 2.2 (d) and the parameters of selection, viz. the eligible party asking for the least share of TC & TAC.


c. Tenders shall be invited from interested parties, separately for each goods-shed. Eligibility conditions and Earnest Money for participating in the tender(s) shall be finalized with the approval of ADRM/DRM.

d. Contract shall be awarded to the ‘eligible party’ bidding for the *minimum share in TC & TAC*.

e. DRM of the Division shall nominate a Standing Tender Committee, comprising of Sr DCM (Convener), Sr DFM (Finance Member), and a Third Member. An ADRM nominated by the DRM shall be the Accepting Authority for these tenders.

f. Zonal Railway shall specify in the NIT the time period within which it expects the construction/ development to be completed, and also the Security Deposit to be given by the successful bidder. If the selected party is unable to complete the construction/ development within the stipulated time, it may apply to the DRM for extension. DRM, after considering the circumstances mentioned by the party, shall be competent to grant extension once for a suitable period of time. If the party is again unable to complete the construction/ development within the extended time, the contract shall be cancelled and the Security Deposit forfeited.

  
14.10.2020

  
14/10/2020



### 3. Agreement:

A draft Agreement, duly vetted by Legal Department, shall be prepared by the Division before initiating the bidding process. The terms and conditions as specified above shall be a part of the Agreement.

The party shall ensure that the goods-shed/siding premises are free of encumbrances on completion of Agreement period.

This is issued as per the approval granted by full Board on 14.08.2020.



14/10/2020

(Mudit Chandra)  
Director Freight Marketing

No. 2020/TC(FM)/14/08

New Delhi, Dated 14.10.2020

Copy forwarded to:

1. Principal Financial Advisors, All Indian Railways.
2. The Deputy Controller and Auditor General of India (Railways)




14.10.2020  
for Member (Finance)/Railways

No. 2020/TC(FM)/14/08

New Delhi, Dated 14.10.2020

Copy forwarded for information and necessary action to:

1. The Principal Chief Operations Managers, All Indian Railways.
2. The Principal Chief Commercial Managers, All Indian Railways.
3. The Chief Traffic Planning Managers, All Indian Railways.
4. The Chief Freight Traffic Managers, All Indian Railways.
5. The Chief Commercial Manager (FM), All Indian Railways.
6. Director General, RDSO, Manak Nagar, Lucknow.
7. Director, IRITM, Manak Nagar, Lucknow.
8. Director General, National Academy of Indian Railways, Vadodara.
9. Managing Director/ Chief Commercial Manager, Konkan Railway Corporation, Belapur Bhawan, Plot No. 6, Sector-11, CBD Belapur, Navi Mumbai-400014.
10. MD/CRIS & CAO/FOIS/CRIS, Chanakyapuri, Near National Rail Museum, New Delhi.
11. Managing Director, DFCCIL, Pragati Maidan, New Delhi.



14/10/2020

(Mudit Chandra)  
Director Freight Marketing





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Copy for information to:

1. CRB & CEO, Member (Finance), Member (O&BD), Member (Infra), Member (T&RS), DG(HR), DG(RHS), DG(RPF) and Secretary, Railway Board
2. AM(Traffic), AM(C), AM(BD), AM(Rev.), AM(CE), AM(Sig.), AM(Tele.), Adv (Infra), Adv. (Vig), EDTC(Rates), EDTT(M), EDTT(Coal), EDTT(S), EDTT(F), ED(Plg.) EDT(PPP), ED/C&IS, EDV(T), EDF(C), EDCE(G), ED(L&A), EDCC, OSD/M(O&BD), Co-Chairman/TMIR, Chairman and Convener/AGE, DF(C) and DTC(R)/ Railway Board, New Delhi.



**(Mudit Chandra)**  
**Director Freight Marketing**

