

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

No. 2007/TC(FM)/10/3.

रेल भवन, नई दिल्ली – 110 001, तिथि
Rail Bhavan, New Delhi – 110 001, dated 20.02.2007

The General Manager (Comml.),

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

Sub. : Policy for leasing of Parcel Cargo Express train to private operators.

It has been revealed from various studies, that there is heavy piecemeal traffic on golden quadrilateral. There is need to attract this traffic by providing value-added door-to-door service to the rail customers through private operators. The earlier scheme for leasing of “Millennium Parcel Express” service was introduced in March 2001. The service was introduced on two routes but the service could not succeed.

During the review meeting on parcel traffic, Hon’ble MR has expressed serious concern over poor capacity utilization of Parcel Vans (VPHs/VPs/VPU). Hon’ble MR has directed to improve capacity utilization of Parcel Vans (VPHs/VPs/VPU) through leasing by keeping competitive price and thereby increase parcel earnings. In pursuance to Hon’ble MR’s directives, the scheme for running of Parcel Express train by private operators has been reviewed and it has been decided to make the scheme customer-friendly by providing value-added assured service with guaranteed transit time at competitive rates.

The following policy guidelines should be followed for leasing out Parcel Express trains.

- 1.0 The service will be provided on end-to-end basis on round trip basis only, except towards NF Rly. where one way leasing is also permitted.
- 2.0 **Reserve price:** The reserve price for leasing of Parcel Express trains may be worked out with a minimum composition of 15 Parcel Vans (VPHs/VPs/VPU) + one Brakevan (two compartments of 4 tonnes CC each).
- 2.1 Reserve price for one way/single journey from/to N.F. Rly.

	Applicable for	Reserve price
(i)	Parcel Vans towards NFR	1.25 the Scale-P
(ii)	From NFR to other zonal railways	0.40 times the Scale-P

- 2.2 Reserve price for round trip:-

	Applicable for	Reserve price
(i)	For all origin-destinations (except from/to NFR)	1.25 times of single journey freight at Scale-P
(ii)	For NFR (whether Parcel Express train leased out by NFR or other zonal railways).	1.65 times of single journey freight at Scale-P

- 2.3 As Brakevan (SLR) will be attached to Parcel Express trains, the same may be allowed for loading and charged at the CC of both the compartments of Brakevan as per lumpsum leased freight (accepted rates).
- 2.4 **Budgetary increase:** - Budgetary or any other increase shall not be applicable during the contractual period.

- 2.5 **Additional Parcel Vans:** Additional Parcel Vans in the Parcel Express train are permitted on receipt of demand from the lease operator and availability of stock. Freight for additional Parcel Vans may be charged as per lumpsum leased freight (accepted rates).
- 2.6 **Pre-payment of lumpsum leased freight:-** Pre-payment of lumpsum leased freight is compulsory for each trip separately at each end for entire Parcel Express train of minimum 15 Parcel Vans irrespective of partial/non-utilization. Lumpsum leased freight shall be collected on the day of loading which will be calculated as per actual permissible carrying capacity of the Parcel Vans (VPHs/VPs/VPU) supplied for loading.
- 3.0 **Duration of contract:** Parcel Express trains shall be leased out for a period of 3 (three) years, which can be extended for a period of another 2 (two) years on mutual consent with 25% increase in lumpsum leased freight subject to satisfactory performance. Parcel Express trains shall not be leased out on medium term, short term, temporary or day-to-day basis.
- 4.0 **Invitation of open tenders:-** The Zonal Railway, which wants to lease out Parcel Express trains, shall obtain operational clearance from the controlling Zonal Railway of destination station before inviting tenders. NOC must be issued by the concerned zonal railway within seven days from the date of receipt of letter from the zonal railway seeking NOC.
- 5.0 **Eligibility criterion:** Registered leaseholders and others having turnover of not less than Rs. 10 crores per annum during the last three financial years shall be eligible to participate in open tenders.
- 6.0 **Formation of tender committee:-** Tender Committee will comprise of three members of HOD level as per SOP.
- 7.0 **Earnest money:-** Each participant while submitting the tender shall be required to deposit Rs. 1 lakh in the form of bank draft/banker cheque etc. as "Earnest Money". Earnest Money of successful bidder may be adjusted against the freight payable by the lease operator. Earnest Money of un-successful bidders shall be refunded.
- 8.0 **Security/Performance Guarantee:-** The successful bidder shall be required to submit a bank guarantee as "Security/Performance Guarantee" equivalent to three round trip freight or three single way freight in case of N.F. Rly. (as the case may be) at the lumpsum leased freight/accepted rate at which train is leased out. The bank guarantee shall be valid for a period of contract plus three months.
- 8.1 **Failure to operate contract:** The successful bidder shall start service within 30 days from the date of receipt of the acceptance letter. If the successful bidder fails to start loading within the stipulated period due to any reason, the "Earnest Money" of such bidder may be forfeited.
If the lease operator fails to operate the contract during the contractual period due to any reason without giving prior notice, the "Security/Performance Guarantee" may be forfeited.
- 9.0 **Frequency of Service:** The service will be provided with minimum frequency of at least two trips per month. The frequency can be increased in view of demand, availability of stock and operational feasibility with mutual consent at the same rates.
- 9.1 **Nominated day's service:** The service may be on nominated days as per round trip turn round giving proper spacing to service.
- 9.2 **Rescheduling of train:** When loading is not possible on scheduled day, CCM(FM) can reschedule the train for any other day with mutual consent of the lease operator.
- 9.3 **Punctuality of train:** The Parcel Express train will run on fixed path with scheduled time table as far as possible. The time-table will be prepared by the originating leasing railway in consultation with other zonal railways through which the train passes. Transit time of train should be monitored by the Operating department.
- 10.0 **Free time for loading/unloading:** Free time for loading and unloading of Parcel Vans (VPHs/VPs/VPU) shall be allowed as per rules applicable for such rolling stock.
- 10.1 **Free time for stacking and removal of parcels:-** One day advance stacking and one day removal time will be given at both ends. However, the zonal railways may extend the period of advance stacking/ removal time in view of local circumstances on case to case basis with the personal approval of General Manager.

- 10.2 **Wharfage/Demurrage charges:-** Normal rules for detention of rolling stock and delay in removal of parcels shall be applicable.
- 11.0 **Free space to leaseholder:-** Free space of 15' x 15' may be provided, till the period of operation of contract, at suitable location (wherever feasible) for development of office at originating and destination parcel terminals. Cost of construction shall be borne by the leaseholder. Electricity, water charges etc. shall also be recovered from operator as per rules. The leaseholder shall have no right on this space after expiry of contract.
- 12.0 **Free escort with Parcel Express train:-** One representative of the leaseholder shall be allowed to travel free from train's originating to terminating station by the same train for security purposes and handling of parcels at intermediate stations. Necessary authorization will be issued by Dy. CCM(FM)/ CCM(FM). The representative of the leaseholder who is permitted to travel by the train can be changed at any enroute point during journey. However, only one escort may be permitted at a time.
- 13.0 **Termination of contract:** If it is not feasible to continue the contract due to any reason, either the lease operator or Railway administration can terminate the contract by giving two months notice. In such cases, 'Security deposit/Performance guarantee' will not be forfeited.
- 14.0 **Change of terminals:** The zonal railways may change the terminal within the same area in view of operational exigencies or party's request in view of local circumstances provided reasons are justified. This clause should be specially mentioned in the tender notice.
- 15.0 **TXR examination of train:** TXR certificate must be given before placement of rake on the platform for loading.
- 16.0 **Loading/Unloading at originating and intermediate stations:**
- 16.1 Permission for loading/unloading of parcels may be given at a maximum of one intermediate station over each zone through which the Parcel train passes. For this purpose, 'NOC' must be obtained from the controlling zonal railway of that intermediate station.
- 16.2 To facilitate loading/unloading from intermediate station, the train shall be placed on nominated platform and it should not be changed at short notice. If in an emergency change of platform is required, the Parcel express train should be placed on the adjoining platform face of an island platform so that the stacked parcels can be loaded without any difficulty.
- 16.3 Leaseholder shall complete loading/unloading operation within the prescribed stoppage of train at intermediate station. In case detention to a train beyond prescribed time at that station takes place on account of loading/unloading by the lease holder, demurrage charges shall be recovered for entire rake as per rules. However, detention of train shall not be allowed on regular basis.
- 16.4 The leaseholder, if he so desires, may load Parcel Vans from intermediate station(s). Such Parcel Van shall be attached to the Parcel Express train from intermediate station(s) subject to operational clearance and payment of lumpsum freight on end-to-end basis.
- 17.0 **Procedure for preparation of manifest by lease holder :**
- 17.1 No Railway Receipt will be issued by railway for consignments being transported by the leased Parcel Express train. Only 'Money Receipt' will be issued to leaseholders for the amount of lumpsum leased freight deposited for entire Parcel Express train from originating to terminating station indicating following particulars:-
- (i) Name of lease holder : _____ .
 - (ii) Parcel Express train leased out (Origin-Destination) from _____ to _____ .
 - (iii) Number of Parcel Vans leased out: _____ .
 - (iv) Lumpsum leased freight collected for the loading of (date _____).
 - (v) freight collected _____
- 17.2 Leaseholder shall be liable to produce clear photo copy of the 'Money Receipt' as documentary proof during transit in regard to leasing of Parcel Express train and payment of lumpsum leased freight of that particular day.

- 17.3 Leaseholder shall be required to prepare 'Manifest' for each VP as per the prescribed format (Annexure-I). All the copies of 'Manifest' will be signed by leaseholder or his authorized representative. The 'Manifest' will be countersigned and stamped by the parcel staff of originating station. Each 'Manifest' will be prepared in five copies to be used as follows:
- (i) 1st copy to be retained by the lease holder as his 'record'.
 - (ii) 2nd copy to be retained by parcel office of originating station.
 - (iii) 3rd copy will be kept in the leased VP/SLR near the door, preferably in a transparent polythene folder/bag.
 - (iv) 4rd copy to be retained by parcel office of unloading/destination station
 - (v) 5th copy to be returned back to the lease holder signed and stamped by the parcel staff of the unloading station. This will serve as an authority to remove consignments at destination station.
- 17.4 Representative of the leaseholder shall be authorized to takeover and remove consignments from station premises on the basis of the 5th copy of 'Manifest' duly signed and stamped by the parcel staff of unloading station. This will be treated as an authority to take delivery and remove the consignments from railway station.
- 17.5 The Leaseholder shall be prima-facie responsible for correctness of entries made in 'Manifest'. It will be his responsibility to ensure that the total weight of consignments loaded in the Parcel Vans is not beyond the permissible carrying capacity of each vehicle.
- 18.0 **Overloading :**
- 18.1 The lease operator shall load parcels in each vehicle upto the permissible carrying capacity of that vehicle. There would not be any penalty, in case of variation in number of packages loaded in vehicle vis-à-vis shown in the 'Manifest' so long as the overall weight of the parcels remain within the permissible carrying capacity of the Parcel Van. In case overloading is detected in any vehicle beyond the permissible carrying capacity, punitive charges may be recovered from the leaseholder as per the rules/rates in force.
- 18.2 In case a Parcel Van is found to be overloaded by more than 1 tonnes then the excess weight would be off loaded at the point of detection and lease holder will have to remove of this part consignment on 'as is where basis is' basis. Railway will not be responsible for any damage, deterioration or loss to the excess consignment due to off loading short of destination.
- 18.3 In case leased consignments are detained by railway administration for weighment purpose, no wharfage would be charged.
- 19.0 **Liabilities of Railways towards claims compensation :**
- 19.1 Loading will not be supervised by Railway Staff. After completion of loading all Parcel Vans/ Brake Vans will be padlocked by the lease holder. In addition to the padlocking, all Parcel Vans/ Brake Vans shall be sealed by the railway.
- 19.2 Railway Administration shall not be responsible for claim/compensation due to any reason for consignments loaded in the leased Parcel Express train. Railway shall only be responsible to carry Parcel Express train from lease originating to lease terminating station with Railway seal and lock intact and shall not be responsible for the contents loaded in Parcel Express train.
- 19.3 Railway administration shall not be responsible for any loss, destruction, damage, deterioration or non delivery of goods arising from the following causes:
- (i) Act of God.
 - (ii) Act of war.
 - (iii) Act of public enemies.
 - (iv) Restraint or seizure under legal process.
 - (v) Orders or restrictions imposed by Central Government or States Government or by any officer or authority subordinate authorized in this behalf.
 - (vi) Fire, explosion or any unforeseen risk.
 - (vii) Act or omission or negligence of the lease holder or consignor or consignee.
 - (viii) Natural deterioration or wastage in bulk, or weight due to inherent defect, quality or vice of the goods.
 - (ix) Latent defect.

- 19.4 Lease holder shall carry parcels at his own risk and shall be responsible to consignor/ consignee for any loss, damage, destruction, deterioration and non-delivery of the parcels for any act of omission or commission on their part for parcels and it's contents loaded in the leased Parcel Vans/Brakevan of Parcel Express train.
- 19.5 As space is leased out to the leaseholder, 'Percentage Charges' shall not be realized. However, claims will be settled on merits under railway rules applicable to consignments booked at owner risk after verification of records but in no case it shall exceed Rs.50/- per Kg. of the weight of such goods. The Railway may call upon the lease holder to prove the deficiencies by documentary evidence and such other documents as may be deemed necessary before admitting any claim.
- 20.0 **Theft :**
- 20.1 If any one of the leaseholder's padlock or Railway's seals is in intact condition, Railway shall not be responsible for claim/compensation by any way unless there is a specific sign of theft e.g. cutting of side wall of the leased Parcel Vans/Brakevan of Parcel Express train.
- 20.2 However, if railway seals as well as padlocks of any of the doors of the leased Parcel Van/Brakevan are found tampered with, or in case of specific sign of theft e.g. cutting of side wall of the Parcel Van/Brakevan where it is apparent that theft has taken place, First Information Report (FIR) will be lodged with GRP and a copy of the same will be given to the lease holder. The FIR can be lodged either at the destination or at any intermediate stopping station where the incident of theft is detected.
- 20.3 In such cases, parcels will be unloaded at destination station in presence of CPS, RPF and lease holder or his representative. Parcels will be compared with 'Manifest' i.e. copy of 'Manifest' accompanying the VP/SLR or available with the representative of leaseholder accompanying the train. A certificate of discrepancies found will be prepared in triplicate and signed by CPS, RPF and lease holder or his representative. A copy of the same would be handed over to the lease holder or his representative.
- 20.4 Balance consignment available in the VP/SLR will not be deposited with the RPF or GRP. Lease holder should be free to take delivery of the remaining portion of his consignments.
- 21.0 **Single window service to lease holders :**
- 21.1 In order to provide customer friendly single window service to leaseholders, Dy. CCM (FM) or the nominated commercial officer may be nominated, who in coordination with other departments shall solve their problems and redress their grievances. In case of any dispute, the matter may be brought to the notice of higher authority.
- 22.0 **Powers to modify the conditions of scheme:** Zonal railways, with the personal approval of General Managers, may modify some of the conditions prescribed in the scheme which are in the spirit of maximization of revenue. Conditions having financial implications may only be changed with the concurrence of FA&CAOs.
- 23.0 **Restriction on loading of certain commodities:**
- 23.1 Lease holder shall load only such commodities which are permissible to be booked as 'Parcel', under prescribed Railway Rules. Commodities listed in Red Tariff, offensive, contraband, dangerous, explosive and any other commodities which are prohibited to be carried by Railways or banned from time to time by other departments of Central/State government shall in no case be allowed to be loaded in any part of Parcel Express train.
- 23.2 In case of false declaration of any commodity, the lease holder and owner of the goods shall be punishable under section 163 of Indian Railway Act 1989.
- 23.3 If such articles are found to have been loaded in leased SLR/VP, in contravention of the above para, a fine of Rs. 10,000/- shall be imposed on the lease holder. In addition to above, the zonal railway may terminate the contract depending on the seriousness of the offence/violation of rules. In case of serious violation, lease holder will also be liable for prosecution as provided under Indian Railway Act 1989.
- 23.4 Lease holder shall also be liable for any loss, injury or damage which may be caused by reason of bringing such offensive goods on the train as per provisions of Indian Railway Act 1989.

- 23.5 Any damage caused to the Parcel Vans/Brake Vans or to the platform or any other Railway property while handling parcels by the leaseholder or their agent at booking or destination station, will be made good by the lease holder. The assessment of damage made by the railway will be final.
- 24.0 **Other terms and conditions of the scheme :**
- 24.1 Lease holder shall be solely responsible for canvassing, acceptance, booking, handling, loading, unloading, documentation and delivery of the parcels both at originating and destination stations.
- 24.2 The Railway administration shall reserve the right to open padlock and seals of any Parcel Van/Brake Van of Parcel Express train to tranship parcels in unavoidable circumstances like accidents, strike, hot axle etc.
- 24.3 The Railway and other concerned departments shall reserve the right to check the contents of the packages loaded in any vehicle of the Parcel Express train at any time to see that no dangerous, explosive, offensive, contraband or any other banned articles are loaded.
- 24.4 The leaseholder shall be liable to mention complete address of consignor and consignee in the Manifest. In case consignments are meant for sale, Sales Tax Registration Number/ TIN must be obtained from consignor. In case of consignments where consignor gives declaration that the consignment is 'Not for sale' or that 'No Sales Tax/VAT is applicable' on the commodity booked, then Sales Tax Registration Number or TIN is not required to be mentioned. However, leaseholder shall not be held responsible for authenticity of address and other details as given by consignor or consignee to him. For all these declarations, responsibility will rest with consignor/ consignee.
- 24.5 No seizure by Sales Tax authorities is permitted while parcels are in transit i.e. seizures shall be confined to forwarding or destination stations only.
- 25.0 **These instructions shall be in super-session of earlier instructions on the subject.**
- 26.0 **These instructions will come into force with immediate effect.**
- 27.0 **This issues with concurrence of Finance Directorate of the Ministry of Railways.**

Please acknowledge receipt.

(Sanjay Goel)
Director Freight Marketing

No. 2007/TC(FM)/10/3.

New Delhi, dated 20.02.2007

Copy forwarded to :

1. DAI (Railways) with 36 spares.
2. FA&CAOs, All Indian Railways.

for Financial Commissioner/Railways

No. 2007/TC(FM)/10/3.

New Delhi, dated 20.02.2007

Copy forwarded for information and necessary action to:

1. The Chief Operation Manager, All Indian Railways.
2. The Chief Commercial Manager, All Indian Railways.
3. The Chief Mechanical Engineer, All Indian Railway.
4. The Chief Passenger Traffic Manager, All Indian Railways.
5. The Chief Commercial Manager (FM), All Indian Railways.
6. Chief Security Commandant, All Indian Railways.
7. The Managing Director/ Chief Commercial Manager, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No.6, Sector 11, CBD Belapur, Navi Mumbai-400014.
8. Managing Director, Centre for Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi.
9. MT, FC, DIG (RPF), AM(Mech), Adv.(Traffic), Adv.(C), Adv. (F), Adv. (Vig), EDF(C), EDPG, EDME(Chg.), EDTC(R), EDPM, EDV(T), DF(C), DTC(R), DTC(CI), DPM, DTC(G), JDTC(G)/ Railway Board for kind information.

(Sanjay Goel)
Director Freight Marketing

