

138550/2020/076 DYN CME/EPOM/HQ/CR

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

SR. No.	2513
BR	10.3.10
FR	

No.2001/M(N)/951/4

New Delhi, dated 10.3.10

The FA&CAO  
Central Railway  
Mumbai

By FA/W  
25/3

FA 13892

Sub: Maintenance charges of freight stock owned by Non Railway Customers

Ref: FA&CAO(S&W)/CR's letter No.W.Effy/Maint. Charges of Tank Wagons/2010 dt. 8.1.10 addressed to EDF(C&RM)/Railway Board

With reference to above, the following is advised:

Under Board's letter No.81/TT-II/81/P dt. 20.4.93 (copy enclosed) Zonal Railways were advised that the capital cost of the wagon/underframe/barrel of special type tank wagons will be revised every 3 years and will correspond with the current costs of acquiring a similar wagon.

2. However, in reference to certain queries raised by WR on policy regarding maintenance charges to be levied for special type of privately/jointly owned Tank Wagons, under Board's letter No.89/M(N)/951/41 dt. 25/27.1.94 (copy enclosed), it was advised that in case of wagons whose manufacture has been discontinued in the past, the current capital cost may be worked out by obtaining the last manufacture cost from the manufacturer and update the same @10% per annum to account for the annual inflation.

3. The maintenance charges calculated on the above lines for wagons whose manufacturing had been discontinued were found to be exorbitant and displayed significant variation w.r.t. the wagons whose current capital costs were available as there had been a significant reduction in inflation. Representations were received by the Zonal Railways from customers in this regard. As a result under Board's letter No.2001/M(N)/951/4 dt. 9.4.2003 (copy enclosed), Zonal Railways were advised that for assessing maintenance charges of wagons whose manufacturing has been discontinued in the past, their current capital cost should be worked out on the basis of average inflation rate as per RBI index after obtaining the last manufacturing cost of the wagon.

4. Again, in a clarification issued to WR, under Board's letter No.2001/M(N)/951/4 dt. 26.12.2003 it was advised the capital cost of the wagons should be assessed on the basis of the RBI index for all commodities and not on the basis of RBI Index for Loco, Wagon, etc

138550/2020/076-DY-MECH(WAGON)/M/HQ/CR

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5. It may be seen from above that the instructions which have been issued under Board's letter No. 81/TT-II/81/P dt. 20.4.93 have been issued in the context of wagons whose manufacture has been discontinued.

6. Thus, the capital cost of all the wagons (including those whose manufacture has been discontinued) should be revised every 3 years only. For arriving at the capital cost of wagons, current cost of manufacture may be taken. For arriving at the capital cost of wagons whose manufacture has been discontinued, the last manufacturing cost of the wagon may be taken and average rate of inflation as per RBI Index (for all commodities) may be applied.

*A. Mittal*

(Archana Mittal)  
Dir. Mech.Engg. (Ert.)

(Sanjay Upreti)

Director Finance (Commercial)

Encl: As above

No. 2001/M(N)/951/4.

December 26, 2003

The Chief Rolling Stock Engineer,  
Western Railway,  
Churchgate,  
Mumbai.

Sub:- Maintenance charges of freight stock owned by Non railway customers.  
Ref:- CRSE/Western Railway's letter No. M/443/1/4 (Part) dated 5.9.2003.

18.12.2003

Please refer to letter ibid, the following clarifications may please be noted for the issues raised:

1. Average inflation rate for assessing the current capital cost is to be calculated on the basis of yearly RBI Index for all commodities and not on the basis of RBI Index for Loco, Wagon etc.
2. Capital cost considered to recover Maintenance charges just prior to receipt of Board's instructions issued vide Board's letter No. 2001/M(N)/951/4 dated 9.4.03. through old system should be taken as base Capital cost and should be inflated on a year to year basis in terms of average inflation rate as per RBI Index to calculate the current capital cost for raising the future bills.
3. The current capital cost shall be arrived at by inflating the previous capital cost with the average inflation rate during the previous year e.g. to begin with if capital cost considered for raising the maintenance charges just prior to issue of Board's instructions regarding modified procedure was  $X$  and the average inflation rate during the same period was 5 % then the current capital cost for raising the advance bills for maintenance charges with new procedure for the next year shall be  $1.05X$ .
4. It is also requested that Divisional officers may please be directed to approach Board's office in future through Head Quarters and not directly.
5. The above clarifications are issued with concurrence of the Finance directorate of the Railway Board.

CRSE  
21/12/03

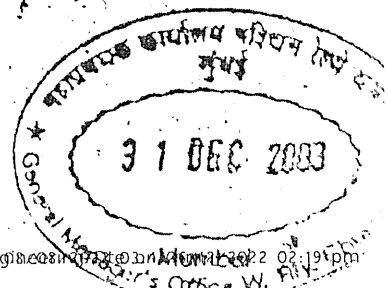
*(Signature)*  
(ARUN ARORA)  
Director, Mech. Engg (Frt.)

Copy to : C.M.E. Western Railway/CCG - for kind information.

(Correspo2003)

*(Signature)*

Action taken vide  
CP 333  
*(Signature)*



130531/2022 MECHANICAL (WAGON)  
58330/2020/076-DT-CME (FNP)/M/HQ/CRTel. No. 11-110001, Fax No. 11-110001, dated  
Rail Bhawan, New Delhi-110 001, dated

April 9, 2003

No. 2001 M(N)951/7

The General Managers (Open Line) W.R.  
All Indian Railways

Maintenance charges of freight stock owned by non-railway customers.

(i) Board's letter No. 31.TT-1081.P of dated 20.4.1993.

(ii) Board's letter No. 89/M(N)/951/41 of dated 25/27.1.1994.

Board's guidelines were issued vide letter at reference (i) above for calculating out maintenance charges of freight stock owned by non-railway customers @ 5% of the current capital cost either of the wagon or of the underframe (including bogies) depending upon whether the maintenance has been carried out for the complete wagon or for the under frame only.

Guidelines are also available for calculating current capital cost of the wagons, whose manufacturing has been discontinued in the past, for the purpose of working out maintenance charges. In terms of Board's letter mentioned at ref. (ii) above current capital cost of such wagons may be worked out by obtaining the last manufacturing cost from the manufacturer and updating the same @ 10% per annum. to account for the annual inflation. Maintenance charges of the wagons whose manufacturing has been discontinued and calculated on the basis of above guidelines are exorbitant and therefore, display significant variation w.r.t. the wagons whose current capital costs are available as there has been a significant reduction in the inflation in the recent past. Consequently, zonal Railways are receiving representations from customers regarding levying of very high maintenance charges. In a similar situation over SCR, GFCL have disagreed to accept maintenance charges and requested for adopting a uniform system based on RBI's price index.

In view of above it has been decided to revise the existing Board's guidelines issued vide letter at ref (ii) in this regard as under :

*"For assessing maintenance charges of wagons/ underframe (including bogies), whose manufacturing has been discontinued in the past, Zonal railways should work out the current capital cost of the wagons/ underframe (including bogies) on the basis of average inflation rate as per RBI index after obtaining the last manufacturing cost."*

The above guidelines are applicable with prospective effect and have been revised in consultation with Finance Directorate of the Railway Board.

Please acknowledge.

(ARUN ARORA)

Director, Mech. Engg. (Fr)

Copy to CMEs (OL), All Indian Railways - for information and necessary action please.

FA&amp;CAOs (OL), All Indian Railways - for information and necessary action please.

(ARUN ARORA)

Director, Mech. Engg. (Fr)

Correspondence

Letter issued vide CP. 30