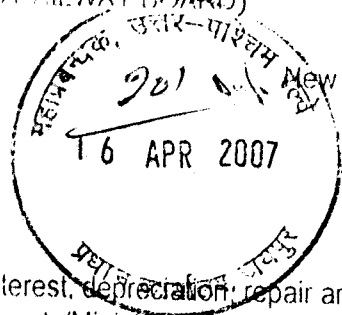


भारत सरकार/GOVERNMENT OF INDIA
रेल मंत्रालय/MINISTRY OF RAILWAYS
(रेल बोर्ड/RAILWAY BOARD)



No. 2005/M(N)/951/1

New Delhi, dated 12.04.07

N.W.R.

The Chief Mechanical Engineers
The Financial Advisor & Chief Accounts Officers,
All Indian Railways.

Sub: Raising of debits on account of interest, depreciation, repair and maintenance charges on Departments/Ministries of Government of India and State Governments.

- Ref: 1. N.Rly. letter No.2005-06/IIQ/WC/MILRAIL dated 12.3.07 addressed to Director Planning/Army H.Qrs.
- 2. MILRAIL Note No.12517/BIII/ADG Mov(Plg) dated 12.3.07.

The above issue has been examined at Board and the following clarification is issued to all Railways:

1. Interest charges @ 4 1/2% per annum are chargeable on the Capital cost of the vehicle on the books of Railway (Para 1460-i).
2. Depreciation charges @ 1% per annum are chargeable on the capital cost of the vehicle on the books of Railway (Para 1460-ii).
3. All round charge to cover repair and maintenance @ 4% per annum on capital cost on the books or the present day cost of construction of a similar vehicle is to be charged (Para 1460-iii) whichever is higher.
4. It is further clarified that the present day cost of construction shall be taken to be the actual cost of procurement based on the purchase order, if available. In case such costs of procurement are not available, Railways may devise suitable method to calculate theoretical present day cost of procurement on the basis of existing codal provisions.

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10/4/07

Railways may take necessary action accordingly for all future bills to be raised. These clarifications shall also be applicable on any previous bills/ outstanding which are pending on account of objections/disputes on above grounds.

This issues with the concurrence of Finance Dto of Ministry of Railways

(Signature)
Ray Chandan
Dy. Mech Engr (P)
Railway Board

- Copy to:
1. Director of Audit, All Indian Railways.
 2. EDFC, Railway Board.

For Financial Commissioner
Railways