



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

RBA No. 36/2015

No. 2010/AC-III/34/Pt-II/MIL-RAIL

New Delhi, dated: 17.06.2015

Sub: Procedure for raising bills for maintenance charges of military stock.

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The matter regarding difficulties being faced in realization of bills raised by Zonal Railways on Ministry of Defence towards maintenance of defence rolling stock, due to different methodology adopted across the Railways in arriving at the maintenance cost, has been under Board's consideration for quite some time.

As per the extant rules, the maintenance charges are to be recovered in terms of para 1460 to 1466 of Mechanical Code, further elaborated vide Board's letter no. 2007/M(N)/951/4 dated 14-17.12.2007. As per these instructions, in case of rolling stock owned by other government departments, maintenance charges should be worked out on the current capital cost escalated on the basis of average inflation as per RBI index on last manufacturing cost. However, in absence of uniform manufacturing cost figures, different Railways are adopting different last manufacture cost of same type of rolling stock.

In order to streamline the system, following procedure is laid down for billing against Ministry of Defence towards maintenance of rolling stock owned by them:

i. **Last Manufacturing cost of the Rolling Stock:**

A uniform figure of 'Last Manufacturing Cost' of Defence owned rolling stock, being operated on Indian Railway's network, shall be circulated to all Railways to be adopted as the manufacturing cost for billing purpose. This shall be done as per the following methodology:

- a) The current manufacturing cost of rolling stock manufactured by Indian Railway's PUs like ICF, DMW etc (as the case may be) for the type of rolling stock being used by MoD, whose *manufacturing is continued shall be adopted*. If there is a price differential in the same kind of rolling stock between two PUs, the higher of the two costs shall be taken. The year for which this cost is taken will also be notified.
- b) The last manufacturing cost of rolling stock manufactured by Indian Railways PUs like ICF, DMW etc (as the case may be) for the type of rolling stock being used by MoD, *whose manufacturing is discontinued shall be adopted*. If there is a price

differential in the same kind of rolling stock between two PUs, the higher of the two costs may be taken. The year for which this cost is taken will also be notified.


c) In case the costs are not available with Indian Railways, the same shall be called for from MoD, rolling stock wise along with the year of procurement. The same shall be adopted as the last manufacturing cost and circulated to Zonal Railways.

ii. **Indexation of manufacturing cost of rolling stock to bring it to the current year cost:**  
To bring the manufacturing cost to the present day cost in case of (b) and (c) above, for which the bills are being preferred, RBI's index for the wholesale prices in India - all commodities, shall be used. While doing so, the index may be averaged out over three years (i.e. the current year and the last two years) to account for seasonal variations and to avoid supplementary/corrected bills for the same rolling stock.

The current manufacturing cost for rolling stock still being manufactured, last manufacturing cost of rolling stock and the indexation values to be adopted for arriving at present day cost for billing shall be communicated by Mechanical Dte. with an illustration to the Zonal Railway along with the number of rolling stock in their holding, in the month of March each year. The information in respect of current year i.e. 2015-16 shall be issued shortly.

The Zonal railways on receipt of communication about the current manufacturing cost, last manufacturing cost and indexation values to work out present day cost, may raise the bills against Ministry of Defence in the month of August - September each year. The details of bills so raised may also be advised to Board [Mech (Workshop) Dte. and Accounts Dte.] for records.

Kindly acknowledge receipt and ensure compliance.

  
(Vivek P. Tripathi)

Director Finance Accounts  
Railway Board



(Anirudh Kumar)  
Director Mech. Engg (P)-I  
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