GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No.2013/M(N)/951/7 Dt. 12.9.2014

The General Managers
All Indian Railways

Sub: Policy for Maintenance of Private wagons operated on IR

Private investment in wagons is being encouraged through issue of various Schemes by the Freight Marketing Dte. of Railway Board from time to time. As per the extant policy, maintenance of private wagons is mostly being undertaken by Indian Railways. For this purpose, maintenance charges are being recovered from the private parties under some of the schemes.

It has been decided to formulate a uniform policy for maintenance of Private wagons operated on Indian Railways. For this purpose, the following maintenance clauses shall be incorporated in all Agreements with private parties for investments made in all Freight Marketing Schemes, unless stated otherwise in the Policy/Standard Agreement itself.

1. Maintenance Facilities for Private Wagons

1.1 After the private investor has secured permission for procurement of wagons from the Freight Marketing Dte. of Railway Board, the Mechanical Department of the concerned Zonal Railway shall nominate a Base Depot for maintenance of the private wagons.

1.2 The CME and COM of the railway that will primarily maintain these wagons at this Base Depot will decide the wagon maintenance facilities (including necessary machinery and plant) required to handle the projected traffic of the private wagons operated by the private investor. If the existing facilities are not adequate and additional facilities are required to be created at this depot, the cost of these additional wagon maintenance facilities will be borne by the private investor. These facilities should be commensurate with the requirements of the private wagons maintenance; to be decided by the railway.

2. Maintenance charges for Private Wagons

2.1 Maintenance of wagons will be undertaken by Indian Railways on payment as per agreements to be executed with the investor. Routine maintenance costs (including yard examination, ROH, POH and repairs due to normal wear and tear of the Private wagon) will be charged at a fixed 5% of capital cost of the private wagons per annum (excluding special components).

2.2 Before signing of the agreement, the CME of the railway and the private operator should make an agreed list of special components which will be procured by the private operator and supplied to railways whenever necessary. The cost of these special components will be borne by the private investor.

2.3 The capital cost per annum will be updated once in 3 years as per the extant practice.

3. Unscheduled repairs, damages and accidents to private wagons

3.1 Unscheduled repairs arisings (e.g. damage of wagon body, centre sill, headstock or sole bar etc.) out of the reasons other than accidents (including faulty manufacture) will be charged to the private operator over and above the 5% of capital cost per annum (which is for routine repair).

3.2 In case of accidents, the cost of repair shall be charged to the Railway or the private investor depending on who is found responsible for the accident as per the Inquiry Report.

3.3 In case where the private wagon has to be prematurely condemned:

(a) If it is on account of fault of the private operator or due to normal wear and tear, no compensation will be due to him.

(b) If it is on account of Indian Railways, the Railway will pay the operator compensation equal to the depreciated amount calculated for the residual years of service based on the codal life of the wagon. After this compensation is paid, the wagon will belong to the railways and railway will dispose off the wagon themselves.

This issues with the concurrence of Freight Marketing and Finance Directorates of Ministry of Railways.

12/9/14

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C/-

Advisor(FM), EDFC

CMEs, CCMs, COMs, FA&CAOs / All zonal railways

MDs/ Konkan Rly. Corpn. Ltd, DFCCIL, CRIS

DGs/ RDSO, Railway Staff College

Directors/ IRIMEE, IRITM