Government of India
Ministry of Railways
(Railway Board)

No.2006/AC-II/45/13 New Delhi, Dated .07.2012

FA & CAO,
Northern Railway,
New Delhi.

Sub: System of Accountal of Maintenance Charges of Container (BLC) Wagons

Ref:(i) Railway Board's letter No.97/M(N)/204/2 Vol.I Pt. dated 10.11.2006 addressed to GM s.
(ii) Railway Board's letter no. 2008/M(N)/204/2 Vol.1 dated 17.06.2011 addressed to CMEs

Please connect Board's letter of even no. dated 09.03.2011 on the above subject, wherein the procedure to streamline the system of receipt, expenditure and accountal of funds being received from the various operators for the maintenance of BLC wagons was prescribed in order to mitigate the complaints of Zonal Railways about shortage of funds for maintenance of BLC wagons.

However, complaints are being received in this office from Railways regarding non transfer of credit in 'Wagon Maintenance Deposit Account' from 'Centralised Deposit Accounts' being maintained by your Railway. In this regard, complaints received from NCR, SER, SWR,NFR and ECoR are enclosed.

It is observed from CDA statement upto February' 2012, that out of Rs. 90.2 crore credited to CDA, NR has disbursed only Rs.3.1 crore to the Railways leaving back a balance of Rs.87.1 crore still to be transferred to Zonal Railways. Since non receipt of maintenance charges is adversely affecting maintenance of wagons by Zonal Railways, it may please be ensured that BLC maintenance charges as per percentage fixed vide Board's letters under reference are immediately distributed to the complaining Railways. Kindly also ensure that the instructions notified by Board are scrupulously followed for timely crediting of 'Wagon Maintenance Deposit Account' being maintained by Railways and send compliance report for Board(FC)'s appraisal immediately.

DA: As above.

(P.V.Vaidialingam)
Executive Director Accounts
Railway Board

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...v Delhi, 10.11.2006

...I(N)/204/2 Vol.I Pt.

The General Managers
All Indian Railways

Sub.: Maintenance of privately owned container flats.

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Kindly recall that prior to 1.4.06, 5% of the capital cost of the wagons was being deposited by operator (CONCOR so far) on annual basis with NR, and the entire cost including the cost of maintenance organization, ... etc was being charged to work charged estimates, sanctioned for this activity.

2. However in terms of Board's letter No.2006/TT-III/73/2 dtd-21.3.2006, recovery of maintenance charges of wagons from operators for movement of container flats has been stopped w.e.f. 1.4.2006.

3. It has now been decided that w.e.f. 1.4.06 in lieu of separate recovery of maintenance charges, 4.76% of haulage charge (5 over 100 i.e. 4.76% of 105) recovered from operators (including CONCOR) of container flats, shall be set apart towards the cost of maintenance of stock. The amount ibid shall be apportioned from the haulage charges and deposited separately in the "Deposit Accounts" to facilitate the work of maintenance of operator's stocks in open line depots and workshops.

4. The following procedure shall be adopted for managing the work of maintenance of wagons owned by operators of container flats, including CONCOR:-

i. The work of maintenance of container flats in open line depots and work shops shall be managed as "Deposit Work" and the entire expenditure on maintenance of operator's stock including the cost of labour, spares, materials, overheads etc. shall be booked against the "Deposit Work Estimate" sanctioned against the "Deposit Account" of the respective operator. Any maintenance organization already existing or to be created in future should be charged against these estimates.

ii. All Zonal Railways shall apportion 4.76% of haulage charges realized from each operator of container flat and pass on this amount to Northern Railway for crediting it to centralized "Deposit Accounts" of each operator to be maintained for this purpose.

iii. Since these instructions are applicable w.e.f. 1.4.06, the adjustment on account of apportionment of maintenance charges since 1.4.2006 till implementation of instructions contained in this letter, shall also be carried out by all railways immediately as per procedure detailed in para (ii) above.

...2/-

iv. Northern Railway shall transfer the amount of the maintenance charges credited in the operator's centralized "Deposit Account" every month to all concerned Railways to further transfer the same to the divisions/workshops (including divisions/workshops of Northern Railway), as per percentage advised by Mechanical Directorate/ Railway Board for crediting the same in the respective Deposit Work Account of the operator.

v. In cases like induction of operations by a new operator, excessive growth of operator's traffic/rolling stock population etc., sufficient amount may not be available in the "Deposit Account" of the operator to plan/start/match maintenance requirements of operator's stock. Therefore, in such cases "Work Estimates" shall be prepared based on maintenance charges likely to accrue in next one year and these estimates shall be temporarily sanctioned and charged against Deposit Work Account of the operator pending transfer of maintenance charges in the "Deposit Account" from centralized Account referred to above.

vi. The maintenance charges apportioned from the haulage charges recovered from the operators and amount deposited to the centralized "Deposit Accounts" maintained by NR (party-wise) shall be reconciled by Northern Railway on quarterly basis.

vii. A close watch should be kept on the expenditure incurred on the maintenance of operator's stock to ensure that the same is within the deposited amount of the respective party/parties. The excess over deposit, if any, should be brought to the notice of Railway Board for review of the apportioned percentage.

5. This issues with the concurrence of Finance Dte. of Railway Board.

Kindly acknowledge receipt and ensure compliance.

(A. K. PUTHIA
Executive Director Mechanical Engineering (Frt.

New Delhi, 10. 11. 2006

No.97/M(N)/204/2 Vol.I Pt.

Copy for information and necessary action to:

1. Pr. Director of Audit, Northern Railway, Baroda House, New Delhi
2. FA&CAOs/ CCMs/CMEs, All Indian Railways.

For Financial Commissioner/Railway Boar

Copy for information and necessary action to:

M(E),TC, F(B), F(C), AC-I,AC-II,AC-III,AC-IV, CR

(A.K. Put
Executive Director Mechanical Engineering

Government of India
Ministry of Railways
Railway Board

March 09, 2011

No 2006/AC-II/45/13

FA&CAO/Traffic
Central Railway
Mumbai

SUB: Revised Basis for Credit of Maintenance Charges of Container (BLC) Wagons to the CDA

Ref: Railway Board's letter no. 98/M(N)/204/2 Vol.I Pt. dated November 10, 2010

Zonal Railways have been facing shortage of funds for maintenance of BLC wagons. During discussions, it has emerged that while the haulage charges are being recovered by the Railways from the CTOs, 4.76% of these charges are not getting transferred to the CDA, which is a Centralised Deposit Account being maintained by Sr. DFM/Delhi for maintenance of BLC wagons.

For instance, during 2008-09, according to Railway Board's Statistics, 112.54 crores should have been credited to the CDA. However, only 87.11 crores was transferred according to RITES formula to the CDA account. Again, in 2009-10, while the Railway Board's statistics give a figure of 131.97 crores, only 107.76 crores was actually transferred by RITES to the CDA account. Thus the maintenance funds have fallen short by around 23% in 2008-09 and around 18% in 2009-10. This problem is likely to acquire a serious dimension as the BLC stock gets older and maintenance becomes crucial to ensure safe operation of this stock.

The problem of shortfall in credit to CDA was further analysed with AGM/IT/RITES and it was discovered that at present, the money transferred to CDA is 4.76% of that container traffic for which IRIT code (operator code) is menti d. In case IRIT code is not mentioned or is incorrect, no recovery of maintenance charges is mad from haulage charges. Since IRIT codes at several places are not mentioned/incorrect, the shortfall in maintenance funds becomes significant.

Since the policy of recovery of 4.76% of haulage charges as maintenance charges is universal, without any bias to the nature of the operator (private or public), the logic of basing the recovery on IRIT code does not appear enough. The recovery also needs to be based on commodity-code, which is different for general movement and container movement and is likely to be less erroneous.

In order to correct the situation, the following action may please be taken immediately:

1. RITES may be advised to modify their program suitably so as to apportion 4.76% of the haulage charges of container traffic to CDA account on the basis of commodity-code as well as IRIT code using an OR function between them (commodity code OR IRIT code logic) and not on the basis of IRIT code alone, which they have been using so far.

RITES may prepare a list of RRs, zone-wise, not having IRIT code and send this list to respective zonal railways to supply the missing information of IRIT code. Zonal railways are expected to provide the missing IRIT codes so that the total money deducted could be segregated, operator-wise, correctly.

3. As a system check, the RRs being processed through FOIS, should be generated only when IRIT code is provided in case of contained traffic.
4. Prepare a statement of apportionment of maintenance funds to the CDA for the year 2010-11 and advise all Zonal Railways to transfer funds to CDA as per Revised Apportionment Statement.

(Ravi Prabhat)
ED/Accounts

Copy to/-

1. EDME/Frt/Railway Board
2. AGM/IT/RITES
3. ED/C&IS for item no.3 of the letter
4. MD/CRIS for information and necessary action with regard to item 3.
5. FA&CAOs, All zonal railways.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD

No. 2008/M(N)/204/1 Vol.I

New Delhi, dated June 17, 2011

The Chief Mechanical Engineers
All Indian Railways

Sub:- **Distribution of BLC Maintenance Charges amongst Zonal Railways for 2011-12**

Ref:- 1. Railway Board's letter no. 2006/AC-II/45/13 dated 09-03-2011
2. Railway Board's letter no. 2008/M(N)/204/1 Vol. I dated 03-05-2011.

Vide letter referred at (2) above, it was advised that the distribution ratio of BLC maintenance charges amongst the Zonal Railways shall be decided on the basis of actual maintenance schedules carried out by the Zonal Railways in the previous six months. The maintenance schedules to be considered included POH, ROH, CC examination and BPC revalidation. The weightage to be given to these schedules was on the basis of actual cost data furnished by Northern Railway.

Based on the above policy, the distribution of BLC maintenance charges for the year 2011-12 from the Centralized Deposit Account maintained by Sr. DFM/DLI/NR shall be as follows:

CR	ER	ECR	ECoR	NR	NCR	NER	NFR
3.51%	4.64%	0.00%	0.08%	54.18%	14.07%	0.00%	0.07%

NWR	SR	SCR	SER	SECR	SWR	WR	WCR
0.31%	11.53%	0.77%	0.15%	0.02%	0.51%	5.88%	4.28%

As already instructed vide above referred letters, Zonal Railways should open "Wagon Maintenance Deposit Account (WMDA)" at the Zonal level. The expenditure incurred at Divisional Depots and Workshops should also be debited to this account. Zonal Railways shall also distribute the total expenditure debited to WMDA to different operators' accounts on the basis of actual schedules done in conjunction with the respective schedule weights as stipulated vide Board's letter referred to at (2) above.

The maintenance charges collected from BLC operators centrally through CDA maintained by Sr. DFM/DLI/NR will be credited to WMDA on the basis of distribution % mentioned in the above tables. Please note that the above transfer of fund will not be effective unless a WMDA is opened on every recipient Railway and its accounting head communicated to the Railway Board and Sr. DFM/DLI/NR.

(Archana Mittal)
Director, ME (Freight)

Copy to/-

1. ED(Accounts)/Railway Board
2. FA&CAOs/Zonal Railways
3. Sr. DFM/DLI/NR