

# EAST CENTRAL RAILWAY



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No: ECR/MEC/WAG/450/JPO

Dated 3<sup>rd</sup> March 2023

**DRM**

**East Central Railway**

**DDU, DHN, SEE, DNR & SPJ**

Sub: Revised Joint Procedure Order for detection of damaged/defective wagons and assessment of cost thereof during the process of loading/unloading in private sidings and its realization by E.C.Railway.

Please find JPO on the above subject.

Please advise all concerned for implementation.

DA: 6 pages

Copy to:

- i.) PFA/ECR/HJP, PCOM/ECR/HJP, & PCCM/ECR/HJP- for kind information please.
- ii.) CFTM/ECR/HJP-for information please.
- iii.) Sr.DME/DHN, DDU, SEE, SPJ & DNR-for their information and necessary action.

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03/03/2023  
(Ravish Kumar)  
CRSE/ Freight

**Revised Joint Procedure Order for detection of damaged/defective wagons and assessment of cost thereof during the process of loading/unloading in private sidings and its realization by E.C. Railway.**

1. Improper handling of wagons during loading/unloading operation in private sidings through use of mechanized equipment such as JCB, pay loaders, tippers etc is causing damage to wagon bodies leading to ;
  - a. Running of embedded empties in loaded rakes resulting in loss of revenue to Railways.
  - b. Arising of 'C' Category unloadable wagons requiring additional movement for repairs, thereby raising additional cost of transportation to Workshop.
  - c. Additional cost of 'C' category repairs in open line and workshops.
2. Railway Board vide letter no. 2010/TT-IV/9/1 dated 18.09.2015 had expressed serious concern over damages caused to wagons in the sidings during the process of loading & unloading and advised for issuing detailed procedure order jointly by Operating, Commercial & Mechanical Department for recovery of cost of damage and deficiency on the siding owner. This JPO has been formulated on the basis of the above Railway Board's letter and other relevant letters issued by Railway Board from time to time as under-
  - i. 2010/TT-IV/9/1 dated 8.10.12
  - ii. 2002/CE.I/SP/1 dated 12.07.2005
  - iii. 2013/M(N)/951/17 dated 11.04.2014
  - iv. 2015/M(N)/951/63 dated 28.02.2020
- 3.1 **Identification of loading/unloading sidings & Goods sheds in the division:**
  - i. Commercial Department of the division will identify the sidings where loading/unloading is being done.
  - ii. Mechanical Department of the division will develop a comprehensive database on terminal wise pattern of loading & unloading operations and type of handling equipment used.
  - iii. The database will have photographs of wagon handling infrastructure available at the terminals along with past history of shortcomings in handling infrastructure.
  - iv. A committee comprising Sr.DOM, Sr.DME(C&W) & Sr.DCM (or the concerned Branch Officer) of the division will jointly identify the locations/sidings, located in their jurisdiction, where the extant wagon

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handling procedures are causing or are likely to cause damage to wagons. In this regard, instructions issued vide Board's letter no. 2010/TT-IV/9/1 dated 08.10.2012 should also be taken into account while identifying such terminals.

- v. The identification will be personally done by the team of the concerned Branch Officers every 6 months or earlier, if required and the terminal wise database will be updated accordingly. The concerned terminal will be advised jointly to take remedial steps.
- vi. The record/list of such sidings will be maintained by Sr.DME(C&W).

### **3.2 Joint check of sidings/terminals causing damage & action to be taken**

- i. Regular joint check (at least once in three months) will be conducted at such locations by a team of operating, commercial and mechanical officers/inspectors as per Annexure A.
- ii. Concerned loading/unloading parties will be informed regarding improper handling practices deployed and advised to put in place alternate handling procedures in a time bound manner.
- iii. In the event of continued use of improper practices by the private parties, restriction on the terminals for the particular traffic stream responsible for damages to the wagons will be proposed by Operating Department (HQ) to Traffic Transportation Directorate of Railway Board based on the report of divisional committee.
- iv. The restrictions would be relaxed only after the team of divisional officers (Sr.DOM, Sr.DCM & Sr.DME/C&W) is satisfied that the required changes in the handling practices have been made in the terminal.
- v. A message confirming the same will be conveyed by Operating Department (HQ) to Traffic Transportation Directorate of Railway Board for lifting the restriction.
- vi. Operating Department will advise the concerned loading/unloading siding regarding imposition/removal of restriction for loading/unloading.

### **3.3 (A) Identification of defaulting sidings/terminals**

- i. The terminal responsible for the wagon damage should be correctly identified.
- ii. Normally, the wagon damages are detected during C&W examination or at loading/unloading points. Report received from Railway (C&W, Operating & Commercial) or from loading/unloading party (wagons in damaged condition received by the siding), message will be given to divisional control (Operating and C&W) to identify the last loading/unloading points through FOIS.

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- iii. After identification of defaulting terminal, message will be given to the Divisional control of defaulting terminal.
- iv. If the wagon had already been marked damaged at the last loading/unloading point, effort would be made to identify the siding responsible for damages by tracing the rake movement history through FOIS by Operating & Mechanical divisional control. In case damages are found occurring but have not been reported, disciplinary action will be taken against the errant Railway staff.

**(B) Action Taken against defaulting sidings/terminals:**

- i. Action as per para 3.2 above will be taken by the concerned Branch Officers of the division against the defaulting terminal.
- ii. Immediate restriction on the terminal will be asked by Operating Department (HQ) from Traffic Transportation Directorate of Railway Board when more than 03 cases of serious wagon damages are reported from a terminal.
- iii. The restriction would be relaxed only after the divisional officers (Sr.DOM, Sr.DCM & Sr.DME/C&W) is satisfied with the required changes in the handling practices made in the terminal. A message confirming the same would be conveyed by Operating Department (HQ) to Traffic Transportation Directorate of Railway Board for lifting the restriction.

**4. Coordination with the sidings/terminals by the division**

- i. Commercial, Operating & Mechanical Department of the divisions will hold meeting with the freight customers (along with their handling agents) for total elimination of wagon damages during handling.
- ii. They will be advised to ensure immediate reporting regarding receipt of damaged wagons for pinpointing defaulting terminals.
- iii. Siding authority should be counseled for reporting the damaged wagons in the incoming rakes, otherwise the wagons detected damaged in subsequent siding, loading point or during (C&W) examination, will be attributed to them and subsequent necessary action will be taken against them.
- iv. The concerned siding authority & their handling agents will be informed regarding immediate imposition of restriction/removal for damaging of wagons by Operating Department of the division.

- 5.** In terms of Para 18 of Standard Form of Agreement of private sidings issued by Railway Board vide their letter no. 2002/CE.I/SP/1 dated 12-7-2005

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**"The siding owner is entirely responsible for damage to the engines, damage & deficiencies of rolling stock (Railway wagons) or other property of Railway Administration from any cause and shall make good on demand for all such losses."**

**6. Assessment & realization of cost of damage/deficiency**

Keeping the above in view, Mechanical Department will assess the cost of damage/deficiency during loading /unloading in the sidings over E.C. Railway, its billing on the siding owner and recovery of the cost so assessed will be as under -

- i. The calculation of cost of damage/deficiency per wagons will be as per IR Mechanical Code chapter 14 para 1424 and 1425 as given below.

$$\text{Cost of damage in Rs.} = (a+b+c+d) \\ = 1.7072 \times \text{material cost}$$

Where;

'a' is Prime cost = Material cost + Labour cost (22% of material cost)

'b' is Shop on cost = Labour on cost (80% of labour cost) + store on cost (50% of labour cost).

'c' is General on cost = Labour on cost (40% of labour cost) + store on cost (25% of labour cost).

'd' Freight charges on Stores = 5% of {Material cost + store on cost in (b) + store on cost in (c)}

**Calculation for damages of wagons at the sidings:**

A. **Prime cost** = Material Cost + Labour Cost (22% of material cost)  
 $= Y + 0.22Y = 1.22Y$

B. **Shop on cost** = Labour on cost (50% of labour cost) + Store on cost (80% of labour cost)  
 $= 0.50 \times 0.22Y + 0.80 \times 0.22Y$   
 $= 0.11Y + 0.176Y$   
 $= 0.286Y$

C. **General on cost** = Labour on cost (40% of labour cost) + Store on cost (25% of labour cost)  
 $= 0.40 \times 0.22Y + 0.25 \times 0.22Y$   
 $= 0.088Y + 0.055Y$   
 $= 0.143Y$

D. **Freight charges on store on cost** = 0.05 {Material cost (A) + Store on cost in (B) + store on cost (C)}

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$$= 0.05 (Y + 0.11Y + 0.055Y)$$

$$= 0.05 \times 1.165Y = 0.0582Y$$

F. **Total**

$$= 1.22Y + 0.286Y + 0.143Y + 0.0582Y$$

$$= 1.7072Y$$

Y is material cost (As per last purchase rate Available)

i. Copies of the bill will be sent to Divisional finance, Commercial and Operating departments for their record every month.

ii. Sr.DFM of the division will include the recoverable amount in 'Bills Recoverable' Register.

iii. Quarterly statement of the amount claimed, payment received and the outstanding dues will be generated by the Divisional finance for review with the DRM. A copy of the same should also be sent to PCME, PCCM, PFA and PCOM at the HQ.

iv. DRM will monitor the recovery of bills so raised and hold periodic meeting with the siding authorities regarding outstanding damage & deficiency dues and also advise them to curb loading/unloading practices that result in damage/deficiencies in the wagons.

v. Further punitive action, including stoppage of supply of wagons will be taken against the siding owners or loading/unloading parties who fail to clear the dues within 03 months as per Para 3.3 (B) above.

## 7. Goods Shed & other Railway Sidings

i. Wagons damaged during handling in Railway Goods shed, cost of damages will be recovered from the concerned customer/handling agent as above.

ii. In case the siding in default is located in a foreign Railway, the statement of amount to be realized will be prepared by the Divisional C&W and will be sent to Sr.DFM of the division who in turn, after verifying the correctness of the amounts, will send the debits to PFA of the concerned Zonal Railway with a copy to Sr.DME, Sr.DOM/Sr.DCM of the concerned division where the damage occurred. Also, a copy of the same should be sent to PCME, PCOM & PCCM of the Zone in which the Division is located.

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Annexure - A

S. no	Siding/ Goods shed	Commodity handled	Infrastructure available with the siding/goods shed and observations hereon	Loading/ Unloading procedure deployed	Wagon damages reported since	Details of the last joint check with	Remarks

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