

No. RM-21 (3)/75

Dated the 1st October 1977

To

The Secretaries (dealing with the Roads) Andhra Pradesh/Assam/Bihar/Gujarat/Haryana/Himachal Pradesh/Jammu & Kashmir/Kerala/Karnataka/Madhya Pradesh/Maharashtra/Manipur/Meghalaya/Nagaland/Orissa/Punjab/Rajasthan/Tamil Nadu/Tripura/Uttar Pradesh/West Bengal and Sikkim

Subject : Calculation of hire charges for Central machinery allotted to the States and procedure of accounting for the same

In modification of this Ministry's letter of even number dated 4th June, 1976, on the above subject, wherein necessary instructions regarding calculation of hire charges and accounting of ownership and operational component of hire charges have been issued, I am directed to clarify the following points :

2. *A-Running charges* : The present practice of debiting running charges component of hire charges directly to the works, on which the machinery is actually used, may be continued.

B-Overhead charges : The overhead charge component of hire charges may be credited to the Major Head *137-Roads/Bridges-other receipts". adjustable by the Pay and Accounts Officer, National Highways, Ministry of Shipping and Transport, Jamnagar House, New Delhi. The past credits, if kept in suspense or deposit account, may also kindly be credited to this head of account. The detailed account of overhead charges earned by each machine from the time of its receipt may also kindly be sent to the Ministry.

3. In short, the four components of hire charges will be accountable as under :

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- (a) Ownership charges to be credited to the Major head "537-AA. Capital Outlay on road and bridges-AA.1-National Highways-AA. 1 (2)-Tools and Plants"
- (b) Operational charges to be credited to the Major head "137-Roads/Bridges-Other Receipts".
- (c) Running charges to be debited to the works on which the machinery is actually used.
- (d) Overhead charges to be credited to the Major head of "137-Roads/Bridges other receipts".
- (e) Whenever the machine is given to the contractor the recovery of hire charges from him will be credited as under :
 - (i) Ownership charges to be credited to the Major head "537-AA. Capital Outlay on Roads and Bridges-AA. 1-National Highways-AA. 1 (2)-Tools and Plants".
 - (ii) All other charges i.e. operational, overhead and running are to be credited to the Major head "137-Roads/Bridges other receipts".

This issues with the concurrence of the Ministry of Finance (DEA) vide their U.O. No. 1366/D/AC/77 dated 9th September, 77 and Finance Division vide their U.O. No. 3608-TF. II/77 dated 23rd September, 1977.