General Manager
Central Railway
Mumbai

Sub: Joint Procedure Order (JPO) Wagon damages
Ref: 1) Board’s letter of even number dt.18-09-15 & 19-06-19

Vide Board’s letter under reference (1), the modality for charging of wagon damages bills as well as preventive measures to be taken to avoid such wagon damages during handling in sidings by private operators/handling agents of customers were advised. An issue has been raised whether the advice that consequential losses on account of loss of loading capacity is to be charged or not. This issue was clarified by Board’s letter dated 19.06.19.

In view of some Railways seeking classification, the matter has been reviewed in consultation with Finance & Legal Directorates. It is advised that recovery of consequential losses like loss of earning capacity is in violation of Para 2 of Section 73 of Indian Contracts Act and should not be charged.

In light of above, Zonal Railways are advised to review their JPOs for unloadable wagons and ensure that the clauses pertaining to recovery of consequential losses are not part of such JPO.

The above issues with the concurrence of Finance & Traffic Transportation Directorates of Ministry of Railways.

(Ajay Nandan)
Exec. Director Mech. Engg. (Fr)
Railway Board

Copy to:
1. All GMs (Open Line) other than CR
2. ETT(S), EDFM, EDFC/Rly Board – for kind information please.