

Government of India
Ministry of Railways
(Railway Board)

SMS
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No.TC-I/2005/201/2(Clarf)

New Delhi, dt.03.12.2013

Chief Commercial Manager
All Zonal Railways

Sub: Demurrage rules

Ref: Section 2(11) of Railways Act 1989, Rates Circular No.74 of 2005 (and its corrigenda) and Rates Circular No.5 of 2013

A clarification has been sought regarding applicability of Demurrage rate(whether normal Demurrage rate or penal Demurrage rate) in the case where 'normal Demurrage rate' was prevailing at the time of placement of a rake whereas 'penal Demurrage rate' was prevailing at the time of its release.

As per Section 2(11) of Railways Act 1989, Demurrage means the charge levied for the detention of any rolling stock after the expiry of free time, if any, allowed for such detention. Further, extant guidelines regarding levy of Demurrage are stipulated vide Rates Circular No.74 of 2005 and corrigenda thereto. Para 3.3 of the circular prescribes the guidelines for progressively increasing the Demurrages rate in case of excessive congestion at any terminal.

In terms of extant instructions, Demurrage Charge is levied for excess detention of a rake (i.e.detention beyond permissible free time), which implies that Demurrage rate (whether normal or penal), prevailing during the period of its excess detention, is leviable/applicable.

Illustration:

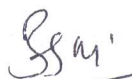
Time of placement of a rake 'A' (say) consisting of 40BCN wagons	0600 Hours on 01.12.2013
Permissible free time for loading	9hrs.
Time of release of the rake 'A'	1500 Hours on 03.12.2013
Free time expires at	0600 Hours + 9hrs. = 1500Hours on 01.12.2013
Period of excess detention of rake 'A'	From 1500Hours of 01.12.2013 to 1500Hours of 03.12.2013
The rate of Demurrage (normal or penal as the case may be) prevailing during 1500Hours of 01.12.2013 to 1500Hours of 03.12.2013 is leviable.	

This issues with the concurrence of Finance Dte. of Ministry of Railways.

(This disposes off SER's letter No.MG.58/278/RRPt.4 dt.10.08.2011 and dt.23.10.2013)

Pl Issue for
3/12/13

रेल मंत्रालय
Ministry of Railways
रैलवे ट्रेडिंग बोर्ड
Railway Board
हस्ताक्षर
Signature
नियुक्ति तिथि
Date of Issue


(Atul Kumar)
Dy. Director, Traffic Commercial-I
Railway Board