

GOVERNMENT OF INDIA/BHARAT SARKAR
MINISTRY OF RAILWAYS/RAIL MANTRALAYA
(RAILWAY BOARD)

No.99/TC-I/107/6.

New Delhi, dated 20-9-1999

The General Manager(C),
South Eastern Railway,
Calcutta.

Sub: Non-levy of interest on delayed payment
in the event of payment of freight etc.

Ref: CCM(FS/FM)'s letter No.GDP/98/1 dated 23.7.99

The issue in regard to levy of interest charges on delayed payment by rail users has been examined. Since railways do not pay interest in respect of various refunds/claims etc. (unless there is a decree from a Court or Tribunal), Railways should not demand interest in case of failure of the party to pay the freight charges.

In terms of Board's Rate Instruction No.71/1998 circulated vide No. TC-I/95/107/4 dated 28.10.98, it has also been stipulated that in cases when the freight charges are not paid by the consignor or his representative in time, railway staff will issue 'To Pay' Railway Receipt levying the surcharge applicable on 'To Pay' traffic. As such, railways are already levying surcharge, which is more than the interest charges.

It is not considered necessary to draw analogy to the various siding charges on which interest is recoverable in view of provision made in the Standard Siding Agreement. The payment of freight charges is not governed by the Standard Siding Agreement and, therefore, Railway cannot adopt the proposal for imposition of interest on delayed payment.

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18/9/99
(K.K.Sharma)

Jt. Director, Traffic Comml. (Rates)
Railway Board

Release issue
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25/9/99