No. TC-I/2004/201/9

New Delhi, Dt. 20.7.2004

General Managers (Commercial)
General Managers (Operating)
All Indian Railways

Sub: Advance intimation regarding arrival/placement of rakes-
    Accrual and waiver of demurrage charges.

Hon'ble Minister for Railways has emphasized the need for toning
up the system of charging demurrage and the waiver thereof. It has been
brought out by the trade & industry that demurrage accrues in many
cases as they are not ready for loading or unloading the rakes, which are
placed at the terminals without any intimation being given by the railway
to the consignors/consignees regarding the same. Board desire that the
system of advance intimation to the freight customers must be properly
put in place so that they are in a position to arrange trucks and labour
well in time before the placement of the rake. Such a system is essential to
ensure that the loading or unloading is completed within the prescribed
free time without any detention to the rakes.

Board desire that the Divisional control offices would give advance
intimation of the allotment of the empty rakes as well as the forecast of
the loaded rakes at various terminals. The goods sheds’ staff shall, in
turn, ensure advance intimation to the consignors/consignees. The details
of various freight customers using the terminals must be maintained for
this purpose. A record of having given such intimation to them should
also be maintained in Divisional control offices and goods sheds.

Demurrage charges are levied and recovered from rail users in order
to discourage detention to wagons beyond prescribed free time. While it is
an accepted principle that these charges are more in the nature of
penalties than as a source of revenue, in the prevailing situation of
shortage of wagons vis a vis a large number of pending indents, it is
essential that the wagons are released in time and the unloaded
consignments cleared without any delay.
In this backdrop, there is also an urgent need for officers in the field exercising circumspection and care while deciding waiver of demurrage. It is essential that waival of demurrage/wharfage is not done in a routine manner as the purpose of levy of these charges is to reduce undue detention to the railway wagons.

In the mean time the provisions contained in Board's earlier letter no.TC-I/201/72/27 dated 23.4.86 are also under review and the same will be advised in due course.

This issues with the approval of the Traffic Transportation Directorate of Railway Board.

The receipt of this letter may please be acknowledged.

(D. R. Sharma)

Copy to: AM(T), EDTT(M), EDTC(R), EDPG, DTC(R), JD(FM) and TCR, TCCR, & TCFM branches, Railway Board.