



D. R. Sharma  
Addl. Member (Comml.)



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भारत सरकार  
रेल मंत्रालय, दिल्ली-110001  
नई दिल्ली-110001  
GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
(RAILWAY BOARD)  
NEW DELHI-110001

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 waiver 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.**