

65

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

No.TC-I/2004/201/9 Pt.B

New Delhi, dt. 8.10.2013

SDGM and CVO,  
South Western Railway,  
Hubli.

Sub: Waiver<sup>iv</sup> of Demurrage/Wharfage Charge

Please refer to SWR's letter No.G.265/5/PC-07/Penal DC/Sys. Imp./Aug-13/843 dated 04.09.2013 seeking clarification whether any exclusive guidelines have been issued for dealing with waiver of penal Demurrage cases.

The matter has been examined and it is to state that rules regarding waiver of Demurrage/Wharfage Charges are stipulated vide Rates Circular No.39 of 2004 and corrigenda thereto. These guidelines are applicable generally. A copy of compiled guidelines on the subject matter is enclosed herewith.

D.A. as above



(Aashima Mehrotra)  
Director, Traffic Comml.(Rates)  
Railway Board

Copy to: Chief Commercial Manager, South Western Railway, Hubli.

रेल मंत्रालय  
Ministry of Railways  
रेलवे बोर्ड Railway Board  
आगत पत्र संविद्य जारी  
सहित संविद्य प्रेषित  
11/10/13  
Signature.....  
पत्र. सं. संविद्य  
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**Rules regarding waiver of Demurrage/Wharfage Charges**  
(reference RC 39 of 2004)

**1.0 Power of officers to waive Demurrage or wharfage charges**

	Designation of officer	Maximum amount of demurrage per wagons which can be considered by an officer	Maximum amount of wharfage per consignment which can be considered by an officer
1	GM	Full powers	Full powers
2	CCM (Co-ordinating HOD in Commercial Department)	Rs.1,00,000/-	Rs.1,00,000/-
3	DRM	Rs.25,000/-	Rs.25,000/-
4	CTM/Sr. DCM/ DCM working as Branch Officer	Rs.6,000/-	Rs.6,000/-
5	DCM/DTM/Area Officer in senior scale	Rs.600/-	Rs.1,200/-
6	ACM/ATM/Area Officer in junior scale	Rs.300/-	Rs.300/-

The powers of waiver of Wharfage Charges indicated in the table above will be on consignment basis except in the case of trainload consignment where it will be applicable on per wagon basis. In the case of trainload consignment, the application for waiver of Wharfage for a particular rake will be considered by the authority who is competent to deal with the highest amount of Wharfage accrued per wagon of that rake. (reference RC 47 of 2009)

- 1.2 Where Demurrage cases are being handled by Officers of Operating Department, CCM/Sr.DCM etc. will mean COM/Sr.DOM etc.
- 1.3 The cases for waiver should not be dealt by an officer below the level of officer competent to deal with the case as per the schedule of powers given in the above table.
- 1.4 Prior Finance concurrence will be required for waiver of Demurrage/Wharfage charges above Rs.25,000/- per wagon/per consignment respectively. Cases submitted to General Manager should be routed through the Co-ordinating HOD of the Commercial Department and FA&CAO of the Zonal Railways.
- 2.0 Waiver**
- 2.1 Due care should be taken in preparation of the demurrage/wharfage bills at the first instance to obviate recasting of bills subsequently on representation by the customer or otherwise.
- 2.2 In case the consignor/consignee feels that demurrage/wharfage was due to reasons beyond his control he could apply for waiver giving all relevant details with documentary evidence wherever necessary.
- 2.3 First application for waiver of demurrage or wharfage should be submitted to the Station Manager/Goods Supervisor within 10(ten) days from the date upto which these charges had accrued.
- 2.4 In case of wharfage, the consignor/consignee should first remove the consignment from the railway premises, deposit the amount of wharfage charges and submit the original

proof of such payment along with his application while preferring for waiver at the first instance itself. However, in case of regular rail users, instead of prepayment of wharfage, FDR of appropriate value may be collected either on a case to case basis or in lumpsum (to be decided by DRMs in consultation with Sr. DFMs) depending on the value of wharfage that accrues on the consignment of such users.

In exceptional circumstances involving force majeure conditions, GMs may condone the provision for prepayment/collection of FDR. This power of GM will not be further delegated. (*reference RC51 of 2007*)

- 2.5 The concerned Station Manager/Chief Goods Supervisor will forward the application of waiver of demurrage or wharfage to the Divisional Officer together with the factual position and remarks within 3(three) days of the receipt of the application.
- 2.6 In case of large sidings, like those of power houses, steel plants etc., the time limit for preferring the first application for waiver of demurrage charge will be the next month implying that application for waiver of demurrage charges accrued in one month should be submitted latest within the next month.
- 2.7 The delay beyond 10 days/next month period as mentioned above can be condoned only with the personal approval of the Divisional Railway Manager/Chief Commercial Manager (coordinating HOD) depending upon whether the powers to deal with the case lies at Divisional or Zonal level and after having ascertained that the reasons for the delay given in the application are satisfactory. Application for condonation of delay in preferring an appeal for waiver of demurrage, however, shall be entertained only after the demurrage charges have been paid in full and the application is supported with proof of such payment.
- 2.8 The circumstances, which lead to accrual of demurrage/wharfage charges, can be broadly grouped in three categories as under:
  - (i) Reasons within the control of the consignor/consignee.
  - (ii) Reasons beyond the control of consignor/consignee like labour strike, transportation strike, general bandhs, agitations, riots, curfew, fire, explosion, heavy rains or other abnormal/unforeseen circumstances.
  - (iii) Act of God, act of War and act of public enemies.
- 2.9 In case of Category (i), waiver should normally be not done. However, if at all waiver is to be granted on justified and meritorious facts, speaking orders should be recorded in all such cases.  
As regards case pertaining to Category (ii) or Category (iii), waiver can be considered on merits of individual case.
- 2.10 The powers for waiver as mentioned above should be exercised judiciously keeping in view the merits of each case as per instructions contained in this letter. The waiver should not be granted in a routine manner.
- 2.11 Whenever the waiver exceeds 50% of the powers conferred on an officer, reasons for such waiver should be recorded in writing.
- 2.12 In the case of large sidings, like those of power-houses, where demurrage is not waived on wagon to wagon or daily basis, speaking orders need not be recorded for each consignment/wagon. It would be sufficient if broad reasons are given in support of such periodical waiver after analyzing the broad causes of such detentions.
- 2.13 The causes for accrual of frequent demurrage/wharfage charges from a particular Goods Shed or a siding or a consignor/consignee should be analysed periodically. Remedial steps

including provision of infrastructural facilities should be taken to reduce the detention to rolling stock and prompt removal of goods from the Railway premises.

**3.0 Appeal against orders of waiver**

- 3.1 A consignor/consignee can prefer an appeal to a higher authority in case he is not satisfied with the decision of the lower authority. The Station Manager/Chief Goods Superintendent should forward the appeal to the Divisional authorities within 3 (three) days of the receipt of the appeal.
- 3.2 However, before preferring an appeal for waiver of demurrage charges, he is required to deposit the amount of demurrage charges not waived. The original proof of such should be submitted alongwith the appeal.
- 3.3 An appeal against the order of lower authority should be preferred within 30(thirty) days of the date when the decision of the lower authority is communicated.
- 3.4 A maximum of only two appeals can be made against the decision of the lower authorities.
- 3.5 In all cases where a change is made by the appellate authority against the decision taken earlier, speaking orders should be recorded by the appellate authority.
- 4.0 The waiver of demurrage/wharfage charge should be dealt as per the instructions contained in this letter. No direct refund of demurrage/wharfage charge should be made unless proper procedure for waiver as laid in this letter has been followed.
- 5.0 Refund of waived amount of demurrage/wharfage charges should be made expeditiously through pay orders by Commercial Department of the Division.
- 6.0 If it is felt that the rules for accrual/waiver of demurrage/wharfage charges need review, the same should be recommended by the GM to this office with the observations of the Associate Finance.

	<b>Clarification</b>	
No.TC-I/2004/201/9 dt.17.5.2008	It is clarified that an application for condonation of delay once regretted either by DRM or by CCM will not be reconsidered at any level.	
	<b>Query</b>	<b>Clarification</b>
No.TC-I/2004/201/9 dt.22.9.2009	There are cases in which amount waived by CCM is less than Rs. 25,000/- per wagon/consignment for which Finance concurrence is not required. When appeal against such cases is to be put up to GM, should it be routed through FA&CAO for concurrence?	In terms of Para 1102(d), cases submitted to GM should be routed through the Co-ordinating HOD of the Commercial Department and FA&CAO, irrespective of the amount involved.
	At times, amount accrued is beyond the power of CCM and the case is to be put up to GM, through FA&CAO, for waiver. CCM recommends waiver in general in view of the merit of the case. Finance wants CCM to indicate percentage of waiver recommended as the case is beyond the power of CCM and GM has to take a decision on the percentage of waiver. Should CCM recommend percentage of waiver?	In terms of Para 1102(c), the cases for waiver should not be dealt by an officer below the level of officer competent to deal with the case as per the schedule of powers. Hence, CCM will not deal with such case where GM is the competent authority. Since waiver of Demurrage/Wharfage is discretionary power, CCM cannot recommend percentage of waiver. He should only put up facts of the case and give his remarks on the customer's appeal.
No.TC-I/2004/201/9 dt.15.10.2009	Whether Para 1106(b) as revised vide ACS No.17 has any effect on Para 1102(d) of ACS No.12 which states that prior Finance concurrence will be required for waiver of Demurrage/Wharfage above Rs. 25,000/- per wagon/per consignment ?	Para 1102(d) is relevant at the stage of consideration of waiver. It stipulates that prior Finance concurrence is required for waiver of Demurrage/Wharfage charges above Rs.25,000/- per wagon/per consignment respectively (ACS No.12).  Para 1106(b) is relevant at the stage of refund. It stipulates that prior account verification is required to be done for any refund of Wharfage/Demurrage to establish that the amount to be refunded as actually been received by the Railway and no prior Finance concurrence is

*Extant Guidelines(compiled)*

		required at the stage of refund (ACS No.17).
	Whether refund in terms of Para 1106(b) as revised vide ACS No.17 would be allowed in such cases where the amount of Demurrage(beyond Rs. 25,000/-per wagon) have been collected at first instance without insisting for Finance concurrence?	This query is not clear. Railway may elucidate the query by means of an illustration bring out the point clearly.
	Whether Railway Administration can ask a customer to deposit the accrued Demurrage at first instance and to make the appeal for its waiver thereafter as is prescribed in the case of Wharfage?	In terms of Para 2.7 of Rates Circular No.39 of 2004, pre-payment of Demurrage is not compulsory if party prefers first application for waiver within the stipulated time period. However, if party applies after the expiry of stipulated time period and requests for condonation of delay, its application will be considered only if the party deposits the amount of Demurrage in full and furnish its proof.