

Government of India
Ministry of Railways
Railway Board

No.TC-I/2005/201/2

New Delhi, Dt.22.10.2008

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

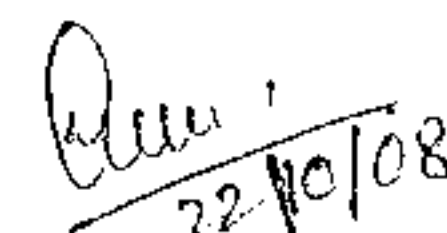
Sub: Levy of penal demurrage charges and higher wharfage charges.

Ref: 1. No.TC-I/2005/201/2 dt. 19.12.2005 (Rates Circular No.74 of 2005)
2. No.TC-I/2005/201/2Pt.B dt. 08.03.07 (Rates Circular No.21 of 2007)

Vide Rates circulars referred to above, Railway can increase the demurrage and wharfage rates, even at progressively increasing rate, subject to a **maximum of six times** of the prevalent rate. These penal/higher rates are to be implemented in case of excessive congestion at any terminal and only after giving wide publicity and due notice of 48 hours.

It has come to the notice of Board that Zonal Railways are levying penal demurrage and wharfage charges at a rate of six times of the prevalent rate in a routine manner. It is to clarify that in terms of extant instructions, penal/higher rates can be increased upto maximum of 6 times of the prevalent rate, implying thereby that these rates can be increased by say, 2 times or 3 times or so on, and not necessarily 6 times at one go in all cases. In fact, Railway may decide to levy variable rates like 2 times for first 3 hours detention, 3 times for next 12 hours detention and so on and so forth.

Railway must judiciously evaluate the situation and the rates should be increased on merit to the extent considered justified. Levy of six times rates should be resorted only when the situation becomes very alarming.



(N.K. Parsuramka)

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Railway Board