

भारत सरकार GOVERNMENT OF INDIA
रेल मंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

No.TC-I/2022/201/efile/2(3394909)

New Delhi, dt.16.08.2023

Pr. Chief Commercial Manager
Pr. Chief Operations Manager
All Zonal Railways

Sub: Penal Demurrage Charge

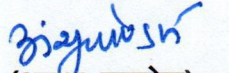
Ref: Corrigendum No.32 of Rates Master Circular/Demurrage-Wharfage-Waiver/2016/0

In order to check excessive congestion at a terminal, PCCM/PCOM/DRM are empowered to implement penal Demurrage by increasing the Demurrage rate up to six times of normal rate (i.e. base rate), say by two times, three times or so on, and not necessarily six times at one go. Further, graded Demurrage rates have been prescribed with effect from 01.10.2022 as per Para 3.1 of the circular under reference.

The matter regarding doing away with the provision of Penal Demurrage is under consideration of Board. Zonal Railways are requested to offer their remarks and suggestions in this regard.

It may be mentioned that graded demurrage rates have been laid down to ensure that only the customer who is causing congestion at any terminal by detaining rake(s) for excessively long duration is penalized, by levying Demurrage at progressively increasing rates depending on the time taken in handling rakes. Whereas penal demurrage, as a means to discourage extra detention of rolling stock, is to be resorted only in extreme situations. Under normal circumstances, the imposition of penal demurrage is not very effective, as the customer who takes excessively long time in loading/unloading, and thereby causes congestion at any terminal, pays only normal demurrage charges, and subsequent customers are penalized with penal demurrage, even if they detain the rolling stock for very little excess time.

The aforementioned philosophy should be considered while approving implementation of Penal Demurrage.


(अन्शू पाण्डेय)

निदेशक यातायात वाणिज्य (दर)
रेलवे बोर्ड