

EAST COAST RAILWAY

Office of the
Principal Chief Commercial Manager
1st Floor, Rail Sadan
C.S.Pur, Bhubaneswar-17

Commercial Circular No.229(GC)/2023

Date:17.08.2023

Sub: Penal Demurrage Charge.

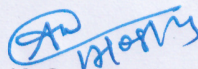
Ref: (i) Railway Board's letter No.TC-I/2022/201/efile/2(3394909) dtd.16.08.2023.
(ii) Corrigendum No.32 of Rates Master Circular /Demurrage-Wharfage-Waiver/
2016/0 (Circulated vide this office Commercial Circular No.289(GC)/2022
dtd.13.09.2022)

A copy of Railway Board's letter No. TC-I/2022/201/efile/2(3394909) dtd.16.08.2023 regarding "**Penal Demurrage Charge**" is enclosed herewith for information and necessary action.

All concerned to note and act accordingly.

Authority: Railway Board's letter No.TC-I/2022/201/efile/2(3394909) dtd.16.08.2023

Encl: As above.


(A.K. Senapati)

Dy.Chief Commercial Manager(FS)

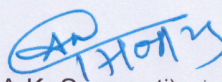
No. PCCM/95/DC/Pt.VII

Dated 17.08.2023

All Station Managers/ Goods Supervisors/Commercial Supervisors /Siding Clerks / Booking Clerk in Charges / Weigh Bridge Clerks / Clerk in Charges / City Booking Agencies / Out Agencies.

Copy for information and necessary action to the:-

COM: ECoR/SER/SECR/NR/NFR/ER/SR/SCR/WR/NER/CR/SWR/NCR/NWR/WCR/ECR/KRly.. **SDGM/**
ECoR/BBS, **Chairman/RCT/BBS, Dy.CVO/ECoR/BBS, Dy.COM(FOIS)/ECoR/BBS, PO/RCT/BBS,**
CAO(FOIS)/NDLS, Audit officer/BBS. Rates Section /CCM/ECoR/BBS -10 sets
DRM: KUR,WAT,SBP/ECoR, **Sr.DOM-** KUR,WAT,SBP/ECoR, **CAO(FOIS), CRIS/NDLSSr.DCM**
:KUR,WAT/SPB/ECoR. **Dy.CCM(Claims)/E.Co.Rly, PFA :E.Co.Rly, FA & CAO(T)/ECoR/BBS Traffic**
Manager: VZP, Paradeep Port Trust / Paradeep.


(A.K. Senapati)

Dy.Chief Commercial Manager(FS)

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

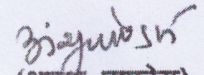
Ref: Corrigendum No.32 of Rates Master Circular/Demurrage-Wharfage-Waiver/2016/0

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