

[No 23]

**Government of India(Bharat Sarkar)**  
**Ministry of Railways(Rail Mantralaya)**  
**(Railway Board)**

No.TC-IV/2007/RP/1

New Delhi, dated: 22-02-2010.

The General Managers(Claims),  
All Indian Railways.

Sub: Settlement of time barred claims for refund of excess freight and goods compensation claims.

Ref: Board's letter Nos.

- i) 77/TC-III/4 dated 20.6.1977.
- ii) 94/TC-III/3/1 dated 12.10.1994.
- iii) TC-IV/94/4950/Policy Matters dated 11.01.1995.

A doubt has been raised by some Railways regarding settlement of time barred claims for refund of over charge and goods compensation claims.

2. In case of refund of overcharge, which is covered under Section 106(3) of Railways Act 1989, a clear notice identifying the goods (RR No; Originating & destination station and date of booking) should be received by the Railway Administration (GM/CCM/CCO) within six months from the date of such payment or the date of delivery of such goods at the destination station, whichever is later. A mere complaint that a particular party was being over charged can not be taken as a notice under section 106 (3). In case of claim for compensation for the loss, destruction, damage, deterioration or non-delivery of goods, a notice should be received within a period of six month from the date of entrustment of goods.
3. It is further clarified that GMs have been delegated powers by Railway Board vide above referred letters for settlement of only time barred Goods compensation claims, and refund of over charge, which are barred by limitation as per section 17(1) (a) of the Railway Claims Tribunal Act 1987. These powers are subject to compliance of provisions contained in Section 106 of the Railways Act, 1989.
4. The limitation period for filing of a claim for damage/deficiency/non delivery or refund of overcharge is three years from the date of entrustment of goods to Railway for carriage, or payment of such overcharge, as per the Section 17 (1) (a) of the Railway Claims Tribunal Act 1987. However, this is subject to compliance of the provisions of Section 106 of the Railway Act, 1989.
5. In case a customer has given a valid notice as per the provisions of Section 106 of Railways Act 1989, but could not approach Railway Claims Tribunal within three years, the General Manager of the concerned Railway zone can settle such claims on merits of the case. However, these powers delegated to General Managers for settling suit barred claims/claims for refund of over charge are subject to receipt of a valid notice, as per the provisions of section 106 of the Railways Act 1989.

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6. In case a customer has failed to give a valid notice to Railway administration, as per the provisions of Section 106 of the Railways Act 1989, he can not claim a relief from the General Manager and also will not get any relief from Railway Claims Tribunal/any other court, as compliance of section 106 is mandatory in nature.

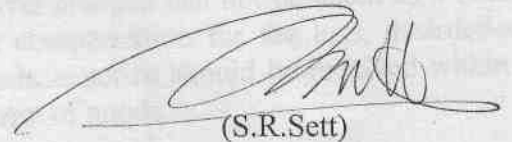
7. However, in case of compensation claims for damage, deficiency or non delivery of goods, the interpretation of 'notice' is liberal in the Act. As per Section 106 (2) of the Railway Act 1989, any information demanded or enquiry made in writing or any complaint made in writing to any of the Railway Administrations within the stipulated time period with particulars sufficient to identify the goods, shall for the purpose of this section, be deemed to be a notice of claim for compensation.

8. In view of the above, notwithstanding anything contained in Board's circular letters referred to above, **any claim for compensation or refund of overcharge beyond six months becomes barred by limitation by operation of the provision contained in Section 106 of the Railways Act, 1989 and the Railway administration has no power to entertain any time-barred claim in absence of any provision in this regard in the Railways Act itself.**

9. As such, Board's letters referred to above are hereby withdrawn with immediate effect.

10. This issues with the concurrence of the Finance of Ministry of Railways.

11. Please acknowledge receipt of this letter.



(S.R.Sett)

Director Traffic Commercial (Claims),  
Railway Board.

No.TC-IV/2007/RP/1

New Delhi, dated 22-02-2010.

Copy to FA&CAOs, All Indian Railways.



for Financial Commissioner(Railways)

