

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:4263
ANSWERED ON:18.05.2006
WAIVER OF DEMURRAGE CHARGES
Singh Shri Prabhunath

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railway Fare and Freight Committee had recommended in 1993 that waiving of demurrage should be an exception and in March 1995, the Railway Board stipulated that normally more than 25 per cent of accrued amount should not be waived and the reasons for waiver of demurrage about 10 per cent should be recorded;
- (b) if so, whether there have been cases of waiver up to 95 per cent;
- (c) if so, the reasons therefor and the details of such cases which came to the notice of the Railways during the last three years;
- (d) the action taken by the Railways thereon; and
- (e) the steps taken to strictly enforce the recommendations of the Railway Fare and Freight Committee and the instructions issued by the Railway Board in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) to (e) A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION No.4263 BY SHRI PRABHUNATH SINGH TO BE ANSWERED IN LOK SABHA ON 18.5.2006 REGARDING WAIVER OF DEMURRAGE CHARGES

(a) Yes, Sir. Railway Fare and Freight Committee had recommended in 1993 that waiver of demurrage should be an exception. The letter issued in March 1995 was not a rule. The clarification issued subsequently enunciated the correct principles for waiver of demurrage charges, which did not put 25% restriction on waiver of demurrage.

(b) Yes, Sir.

(c) & (d) The request for waiver of demurrage charge have been decided keeping in view the merit of the case by the concerned officer of Zonal Railways in accordance with the policy instructions issued by Railway Board from time to time.

Ministry of Railways do not maintain percentage wise details of the cases of waiver of demurrage charge.

(e) The rules of waiver of demurrage have been reviewed comprehensively in October 2004 wherein it has been prescribed that powers of waiver should be exercised judiciously keeping in view the merits of each case and reasons for waiver should be recorded whenever the waiver exceeds 50% of the powers conferred on an officer.